

Alleged insider trading casts doubts on oil deal

But analysts still suggest chances are good that offer will be approved

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China's potentially largest overseas acquisition to date was clouded by an insider-trading investigation that the US launched last week, but analysts said the charges shouldn't affect US regulators' decision on whether to approve the deal.

Instead, analysts said, overseas politics that pose a potential threat to the deal should be a greater concern to CNOOC Ltd more.

On Friday, the US Securities and Exchange Commission obtained a federal court order to freeze the assets of traders who were alleged to have reaped more than \$13 million from illegal trades ahead of CNOOC's announcement that it would buy Nexen Inc, a Canadian oil group.

If the deal passes the review process, CNOOC could boost its proved reserves by 30 percent and increase its production by 20 percent.

Before the announcement, Hong Kong-based Well Advantage Ltd, controlled by Zhang Zhirong, and other unidentified traders stockpiled shares of Nexen after knowing confidential information about the deal, the SEC said in a statement announcing a complaint filed in US court.

Zhang, 43, is the chairman and founder of China Rongsheng Heavy Industries, a Chinese shipbuilder.

The SEC said businesses owned by Zhang, including China Rongsheng Heavy Industries, have a close relationship with CNOOC.

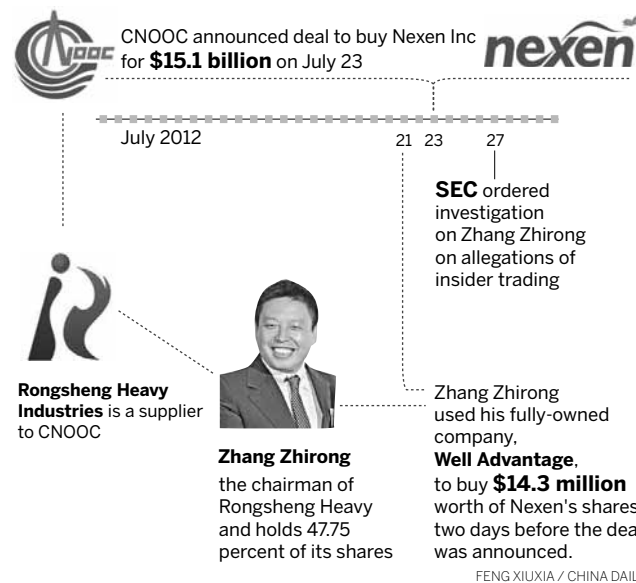
Rongsheng Heavy, which is China's largest private shipbuilder by order book and was co-founded by Zhang in 2005, signed its first offshore engineering contract with CNOOC to build a 3,000-meter deepwater-pipe-laying crane vessel for the offshore oil producer. Former financial reports released by Rongsheng Heavy, a Hong Kong-traded company, said the company signed a strategic agreement with CNOOC in 2010.

By pinpointing Zhang's close relationship with CNOOC, the SEC laid the groundwork for its allegation that Zhang's company was involved in insider trading. Before the purchase of the Nexen shares, which took place just two days before the deal was made its public, Well Advantage had not traded Nexen shares since January. And immediately after Nexen's stock rose 52 percent, Well Advantage sold the shares.

CNOOC so far has not yet officially responded to the case and whether the development will affect its purchase of Nexen. But the 21st Century Business Herald, citing an anonymous source in CNOOC, reported that the company has initiated an internal investigation to determine how information about the deal was leaked.

"There were not many peo-

CONNECTIONS BEING INVESTIGATED



15.1
billion dollars
the amount CNOOC has agreed to pay for Nexen

13
million dollars
the amount of gains by suspected insider traders taking advantage of the CNOOC deal

ple who knew the details of the acquisition," the source said.

Nexen announced the \$15.1 billion, all-cash equity offer from CNOOC on July 23.

Industry experts said the chance of the deal's approval by Canadian regulators is very high. Uncertainty about the case comes mainly from US regulators.

In 2005, CNOOC withdrew its bid for the US oil company Unocal Corp after the offer drew stiff opposition in Washington. Nexen has about 10 percent of its assets in the US Gulf.

However, experts interviewed by China Daily said the SEC case itself will not exert a

significant effect on CNOOC's acquisition. Politics could be a greater threat.

"Insider trades happen. And anybody in this process can do it. Lawyers, underwriters, you name it," said Tao Jingzhou, managing partner of Dechert LLP Asian Practice.

"Insider trades could not have impeded the acquisition unless they evidently affected the bid price. So I don't think they will have significant effect on CNOOC's acquisition."

Ge Shunqi, a professor with Center for Transnationals' Studies of Naikai University, said that "the SEC's probe is irrelevant to the acquisition case."

Future is Crystal-clear after London spectacular

By **GAO YUAN**
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At the Olympic Games opening ceremony on Friday, more than 70,000 paddle-shaped LED tablets installed on each spectators' seat, lit the stadium, making London Bowl the largest digital display on Earth.

But while all eyes were on the London landmark displaying the spectacular digital animation, it was a Chinese company, Crystal CG, which made the magic happen.

Crystal specializes in large-scale computer graphics, providing visuals for events such as stadium extravaganzas and graphics for TV networks.

But with London behind it, the Beijing-based company is now gearing up to win its next big customer amid growing competition and weak demand.

"Digitalized visual content packaging is a very young industry globally, and we need international events such as the London Olympics to showcase what we are capable of," said Lu Zhenggang, founder and chairman of Crystal.

With about 3,000 employees worldwide, the company said it will continue to invest in innovation and talent recruitment.

Its deal with London was struck in 2009 when the company won a bid to supply digitalized animation content to the organizing committee.

Prior to that, the company demonstrated what it could do at the 2008 Beijing Olympics, animating a traditional Chinese wash painting on a 145-meter-long LED scroll lying at the center of the National Stadium



There is no doubt that leading Chinese companies will become leading brands across the world."

MICHAEL PAYNE
FORMER HEAD OF THE MARKETING DIVISION OF THE INTERNATIONAL OLYMPIC COMMITTEE.

in Beijing, better known as the Bird's Nest.

"Crystal took all its experience in the three-dimensional digital area from the Beijing Olympics to the opening ceremony in London," said Michael Payne, former head of the marketing division of the International Olympic Committee.

Payne said the growing innovation, design and quality of Chinese companies indicate that they will increasingly be manufacturing for their own clients, as opposed to doing outsourced work for others.

"There is no doubt that leading Chinese companies will become leading brands across the world," Payne said.

However, industry insiders are worried that small market scale and weak demand may pose a threat to the survival of computer graphics content providers.

"It will take at least two years before the demand for digital visual package services starts to grow, and we should probably wait longer for the boost in demand," Lu said.

His comments were echoed by others.

"China's computer graph-

ics industry is in the primary stage, and the industry will only grow when a fully functioning industrial chain is formed," said Deng Bohong, managing director of Shenzhen Dans Digital Technology Co Ltd.

"But we are not seeing the formation of this chain anytime soon."

Deng and his 40-man company are famous for winning numerous international awards over the past decade. The company mainly produces computer graphics content for real estate developers and filmmakers.

But even the top end of the industry is struggling, with increasing numbers of local computer graphics workshops luring small clients away with cheaper rates and eating up bigger players' profit margins.

But the government, which says cultural and creative industries is important to help boost the nation's slowing GDP, is also keen to give the industry a hand.

The central government has approved a series of policies supporting the development of the culture industry since 2011.

The nation's culture industry is expected to see an annual growth rate of more than 20 percent during the 12th Five-year Plan (2011-15) period, increasing the gross added value of the industry to between 800 billion yuan and 900 billion yuan (\$125 billion to \$141 billion), said Li Xiaojie, vice-minister of culture, said earlier this year.

"We welcome the policies that have been set with a long-term perspective, the industry will benefit from them," said Deng from Dans.

Qingdao West Coast Investment Promotion Co Ltd Global recruitment of internationally oriented high-caliber professionals

Qingdao West Coast Investment Promotion Co Ltd is a State-owned enterprise directly under the Qingdao West Coast New Economic Zone. Its registered capital totals 50 million yuan, and its focus is on building an investment platform to serve Qingdao's western coastal area. In addition to attracting investment for the new zone, it is also charged with the zone's overseas publicity, promotion and liaison.

The new economic zone is an essential part of the Shandong Peninsula Blue Economic Zone Development Plan approved by the State Council, and government leaders at all levels are paying close attention to it.

The zone is situated between Beijing, Tianjin, Hebei and the Yangtze River Delta, with the Yellow River running through it and into the sea. On the western side of the Pacific, it faces Japan and South Korea across the sea, and its effects radiate out to big cities and economic

areas of the country. With Jiaozhou Bay Bridge and Jiaozhou Bay Tunnel opened to traffic in the middle of 2011, the new zone has become more closely integrated into the old part of the Qingdao city. Covering a planned land area of more than 2,000 square kilometers and a sea area of 5,000 square kilometers as well as a coastline of 282 kilometers, the new zone boasts five national 4A-level scenic spots, abundant resources and ample space for development. Its Qianwan Port is one of the world's top ten ports, with an annual throughput of 380 million tons of cargo and 13 million standard containers in 2011.

The Dongjiakou Port, which is currently under construction, will have a berth for handling ore with a 400,000-ton capacity. When its 112 berths are completed, it will be able to handle 370 million tons of cargo annually.

The new economic zone has five national industrial parks, including an economic and technological development zone, a bonded port area, an export-processing zone, an experimental new-technology industrial development zone, and a Sino-German Ecological Park, and it will also have three industrial parks and two tourist resorts at provincial level and an experimental regional economic cooperation zone to promote cooperation among China, Japan and South Korea.

As the most dynamic economic zone in the Shandong Peninsula Blue Economic Zone, the total output value of the zone is expected to reach 500 billion yuan by 2015, with local financial general budget income expected to hit 30 billion yuan. The area will include an international high-end marine industry cluster, an international shipping hub, a marine economic international-cooperation model area, a national integrated sea and land development pilot zone and a Shandong pen-

insula blue economy pilot zone.

Pioneering professionals are welcome to participate in the development of the zone.

Registration and examination

- Registration Time: Now until August 20, 2012
- Registration procedure: Email your C. V. to qdwena@126.com (Please indicate your name and the position for which you are applying in the subject line of your email).
- Written test and interview after qualification examination.

Contact:
Email: qdwena@126.com; Tel: 86 532-67791622

For more details, please visit: www.chinahhr.com or www.xihaian.gov.cn

Position	Responsibilities	Requirements	Number	Annual salary before tax
Deputy general manager	1) Assisting the general manager to complete work according to plans; 2) Guiding affiliated divisions to finish their work.	1) Must hold a Master's degree or higher and be younger than 40 years old; 2) Proficiency in English and at least five years' working experience with investment or senior administration; 3) Familiarity with international practices, economic and trade policies in China and abroad, and financial knowledge; understanding of industrial development status and changing trends in China and abroad; must possess a forward-looking mentality as well as the ability to coordinate and make decisions.	1	RMB400,000
Director of general management department	1) Managing daily routine affairs, including salary and financial management, secretarial work, human resource management, office administration and logistical affairs; 2) Managing corporate investment and internal operation; 3) Coordinating work related to park planning and design; 4) Organizing investment promotion events, making image planning and being responsible for the construction, management and maintenance of websites related to the promotion of investment and other events.	1) Must hold a Bachelor's degree or higher and be under 35; 2) Mastery of Web applications and the English language, good written communication skills and familiarity with financial operations; 3) At least three years of administrative experience in a large-scale enterprise; 4) Good understanding of the economic situation, industrial development and industrial transformation trends in China and abroad; 5) Strong ability to deal with public relations, strong coordinating ability, good interpersonal communication skills and the ability to lead the team to complete tasks designated by the department.	1	Annual salary before tax: RMB250,000
Comprehensive analyst	1) Conducting research on the economic situation and industrial development trends in China and abroad; 2) Coordinating work related to planning and design within the park.	1) Master's degree or higher in a field related to economics, law or finance and must be under the age of 35; 2) Must be fluent in English and have good written communication skills; 3) Must have at least three years of working experience with policy research or analysis of the economic and financial situations and in a transnational company, a civil institution or a large-scale enterprise; 4) Familiarity with economic and trade policies and financial knowledge and having knowledge of industrial development status and transformation trends in China and abroad.	1	RMB100,000-200,000
HR clerk/cashier secretary	1) HR clerk is responsible for the company's financial accounting, salary management, human resources management and logistic guarantee; 2) Cashier secretary is responsible for receiving and paying out money or bills, paperwork and archive management.	1) Must hold a Bachelor's degree or higher in human resources, financial management or economic management, and must be under the age of 32; 2) Fluency in English. HR clerk should possess a professional rank at the medium level or higher, and cashier secretary should possess a professional rank of primary level. 3) At least three years of working experience with human resources management or financial accounting in a transnational company or a large-scale enterprise; 4) Familiarity with human resource management, financial accounting or secretarial work; strong sense of responsibility, high professional capability in financial accounting, strong computer skills, and fine communication ability.	1 for each position	RMB100,000-150,000 for HR clerk; RMB100,000 for cashier secretary
Organization promotion clerk	1) Organizing investment promotion, image planning and other promotion events; 2) Conducting the establishment, management and maintenance of a website for investment promotion.	1) Must hold a Bachelor's degree or higher in planning, news and international communication or advertising and be under the age of 32; 2) Mastery of English, strong computer skills and proficient in using the Internet; 3) Strong capability in terms of planning, promotion and coordinating; 4) At least two years' working experience with planning and international communication in a transnational company or a news agency; familiarity with domestic and international communication channels and good knowledge of domestic and international economic and financial status.	1	RMB100,000-200,000
Director of the department of Europe and the US/ Japan and South Korea/China	1) Completely in charge of the day-to-day work of each department; 2) Holding the responsibility for image promotion and attracting investment, providing counseling services on related policies, laws and trading; 3) Attracting enterprises and institutions from Europe, the US, Japan, South Korea, Hong Kong SAR, Macao SAR, Taiwan province and other parts of the Chinese mainland to make investments in the zone related to its key development fields, providing services and coordinating affairs related to approval procedures for projects that will be settled in the park.	1) Male, under the age of 35, must be fluent in English or Japanese and have a bachelor's degree or higher; 2) At least three years' elementary administrative experience in a transnational company, a large enterprise or an investment attracting institute; 3) Familiarity with economic and trade policies in China and abroad and financial knowledge, good understanding of industrial development status and transformation trends at home and abroad, and familiarity with economic status and related policies in the region or area of Europe and the US/Japan and South Korea/Hong Kong SAR, Macao SAR, Taiwan province and other parts of the Chinese mainland; 4) Strong ability to deal with public relations and extensive social networks, rich experience in attracting investment, and excellent working capabilities in related areas. Must be capable of leading the team to complete designated investment attraction tasks.	1 for each region or area	RMB250,000
Investment attraction clerk (speaking English/Russian/French/Japanese/Korean/Cantonese/standard Chinese)	1) Promoting and attracting investment, providing counseling services on related policies, laws and trading in designated region or area; 2) Attracting enterprises and institutions from Europe, the US, Japan, South Korea, Hong Kong SAR, Macao SAR, Taiwan province and other parts of the Chinese mainland to invest in the zone's key development fields, providing services and coordinating affairs related to approval procedures for the projects that will be settled in the park.	1) Must hold a Bachelor's degree or higher in science, engineering, law, economic management, English, Russian, French, Japanese or Korean, and must be under 32; 2) Proficiency in English, Russian, French, Japanese or Korean with fluent oral and written skills. Fluent English is required for candidates to be recruited for the areas of Hong Kong SAR, Macao SAR, Taiwan province or the Chinese mainland; 3) Working experience or background in attracting investment, familiarity with economic and trade policies and financial knowledge in China and abroad, good understanding of industrial development and transformation trends in China and abroad, and familiarity with economic status and related policies in Europe and the US/Japan and South Korea/Hong Kong SAR, Macao SAR, Taiwan province and other parts of the Chinese mainland; 4) Optimistic and energetic, strong communication skills and ability to deal with public relations, having the resources and a social network that are favorable for attracting investment.	2 successful candidates for each position requiring English, Japanese or Korean respectively, 2 for the division in charge of Hong Kong SAR, Macao SAR and Taiwan province, 1 successful candidate for each position requiring Russian and French, respectively.	RMB100,000-200,000