

# THE BEIJING AXIS

China Business Solutions  
投资贸易解决之道



Strategy  
战略

Sourcing  
采购

Investment  
投资



**THE BEIJING AXIS**

中外商通咨询服务

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# Thinking about Attracting Strategic Capital from China, Low Cost Country Sourcing from China, or Export Development to China?

THE BEIJING AXIS (TBA) is a cross-border business bridge to/from China in three principal areas: Strategy, Sourcing and Investment.

Since our establishment in 2002, we have successfully worked with many international and Chinese MNCs across various sectors and industries, with a core focus on the Chinese mining and natural resources sector and on China's burgeoning industrial and engineering sector. Our work is always cross-border – supporting international firms as they act in unfamiliar territory in China, or supporting Chinese firms as they venture out and 'go global'. We are committed to safety and sustainability, and our solutions emphasise 'actions and transactions'.

Our company is organised along 3 synergistic cross-border China businesses: TBA China Strategy Group, TBA China Sourcing Unit and TBA China Capital Advisors.

- In Strategy, we help clients enter new markets, expand existing markets, develop and implement new strategies, and better understand their customer base and competitive environment through analysis and intervention. We provide these services through TBA China Strategy Group (CSG).
- In Sourcing, we help clients build and manage supply chains in China and abroad - for projects, equipment, components, finished products, raw materials and commodities. We identify and select qualified suppliers, organise tenders, and request and analyse quotations. We also assist clients in negotiating favourable commercial terms, overseeing contract execution (including QA/QC and expediting) and coordinating communications and logistics across the supply chain. We support bulk commodity producers with their international marketing efforts, and assist bulk commodity users with their procurement efforts. We provide these services through Bateman Beijing Axis, a JV between TBA China Sourcing Unit (CSU) and Bateman Engineering N.V. Bateman Beijing Axis is a China-focused Global Procurement House.
- In Investment, we help clients raise capital from strategic investors and advise clients on cross-border acquisition, disposal and joint-venture transactions. We provide this service through TBA China Capital Advisors (CCA).

We work across industries but have exceptional experience in metals, mining, industrial machinery, chemicals, transport and automotive components.

## Vision and Mission

### Vision

- To be a leading provider of cross-border China business solutions

### Mission

- Facilitate, enhance and support an appropriate cultural, political and economic integration between China and the rest of the world
- To be a cross-border business bridge to/from China in three principal areas: Strategy, Sourcing and Investment, providing solutions to international MNCs in chosen markets with a China agenda, and to Chinese MNCs in their quest to 'go global'
- Learn and excel in our chosen fields in a manner that inspires others

## Guiding Principles and Values

### Guiding Principles

- Professionalism
- Solutions
- Relationships

### Values

- Integrity and ethics
- Cultural astuteness
- Safety and sustainability
- Client focus
- Flexibility
- Quality and client value

THE BEIJING AXIS aspires to provide comprehensive cross-border China business solutions in a manner that is consistent with the highest international corporate governance standards attainable, and that respects the environment so as to assure sustainability.

## Our Business

THE BEIJING AXIS China Strategy Group (CSG) is a cross-border, highly practical and multicultural team of business strategists supporting international firms as they act in unfamiliar territory in China, as well as Chinese firms as they venture out and 'go global'. We help our clients to enter new markets by formulating and implementing innovative and pragmatic business strategies in a manner that adds value and mitigates risks.

As a result of advanced education and accumulated experience in blue chip foreign and leading Chinese companies, our team of managers is equipped with the best analytical tools to dissect and develop practical solutions to complex challenges that are inherent to business operations (Strategy Formulation). By utilising THE BEIJING AXIS' (TBA) international presence and adhering to its service philosophy of professionalism, relationships and solutions, our project execution teams ensure that a client's strategic milestones are realised (Strategy Implementation).

CSG's strategy formulation and implementation services are often multi-faceted and our clients benefit from combinations of innovative solutions, always specifically tailored to their business needs.



## Our Services

### Strategy Formulation

#### ■ Market Intelligence and Research

We assist our clients to determine the potential of the market and to provide an understanding of its evolving opportunities and threats as they relate to the strengths and weaknesses of our clients.

#### ■ Market Entry and Partnering Strategy

There is no single strategy to fit all companies, products and markets. The viability of the entry strategy will rely on taking the right approach to a range of issues. We assist our clients in choosing the best approach to enter the market.

### Strategy Implementation

#### ■ Implementation Without Compromising Growth

Designing a detailed China-tailored business plan, dedicating sufficient resources to its implementation and constant reassessment and improvement are key for achieving your China goals. We partner with our clients to maximise their China presence, increase their sales, as well as attain other objectives.

#### ■ Relationship Management

We assist our clients in leveraging network-enabled processes and activities to optimise the relationship between the organisation and their China-related business networks, including customers, suppliers, partners and government bodies.

#### ■ Competitive Landscape and Industry Analysis

To support effective strategies, we analyse the competitive environment on behalf of our clients. We establish a comprehensive body of knowledge about Chinese and foreign competitors' products, prices, quality, channels, processes, people, systems and services etc., to identify areas of competitive advantage.

#### ■ Marketing, Networking and Partnerships Assistance

We provide assistance to locate the right channel-to-market i.e. the best distributor with the most appropriate channels for marketing and networking, or to establish the right strategic alliance in China (equity JV, contractual JV, etc.). We offer a systematic approach to identify the right partners and stakeholders.

#### ■ Business Development

We provide representation services for organisations that require official representation in China so as to be able to better engage local opportunities, source local products as well as enhance their global business profile.

#### ■ Operational Support

For comprehensive and complete on-the-ground service, we arrange meetings with partners and clients, key corporate players, industry associations and business schools; conduct hotel arrangements, transportation, interpretation and translation; and provide information on the do's and don't's of doing business in China.

## Selected Projects and Transactions

### To China

#### China Iron Ore and Steel Industry Analysis, Including Industry Cost Curve Analysis, for a Global Mining Company

Assisted a leading global mining company to understand two interdependent industries by presenting the major drivers behind the China iron ore and steel industries, with detailed analysis of key variables such as industry production costs. TBA interviewed industry experts, visited mines, and performed in-depth analysis to identify major industry determinants. TBA produced a comprehensive set of reports along with an interactive database of China's major iron and steel producers.



### From China

#### Strategic Consulting and Operational Support to a Chinese Mining and Infrastructure Engineering SOE in South Africa

Ensured the timely completion of a strategically important infrastructure project by the provision of high-level strategic consulting and operational support to a Chinese SOE operating in South Africa for the first time. TBA followed a 4-stage approach which resolved outstanding issues faced by Chinese and African stakeholders. Before TBA's involvement, the project faced possible cancellation, yet after consultation and on-site intervention the project was successfully completed.



## Our Business

THE BEIJING AXIS China Sourcing Unit (CSU) has a procurement JV, Bateman Beijing Axis, with Bateman Engineering N.V. Bateman Beijing Axis is a China-focused global procurement house and provides a comprehensive range of procurement services across the supply chain with a focus on cost savings, quality control and on-time delivery. We emphasise total cost of ownership and holistic risk management. THE BEIJING AXIS' (TBA) strong China positioning and the capabilities of Bateman Engineering N.V. (a global leader in the execution of feasibility work and the design, engineering, procurement and construction management of mineral processing plants), ensure that Bateman Beijing Axis can support international firms as they exploit China's status as a leading global supply base, while at the same time supporting Chinese firms that are looking at global sourcing.

The combination of Bateman Engineering N.V.'s core project management capability and leading process engineering technologies, together with THE BEIJING AXIS' analytical approach, China sourcing experience and knowledge, as well as both entities' established networks and supplier databases, ensure the right management of all aspects of a China sourcing initiative, while adding value and mitigating risks. By following a systematic project methodology, Bateman Beijing Axis is able to provide intelligent sourcing solutions that balance total cost, delivery time and quality in order to achieve sustainable sourcing advantages.

We have significant experience in sourcing raw materials, components, finished goods, specially designed/engineered equipment and services from mainland China. This also includes procurement for complete full-range large-scale multi-disciplinary projects with varied categories/packages.



## Our Services

### ■ Procurement for Bateman Global Projects

Bateman Beijing Axis provides comprehensive integrated procurement solutions and support to Bateman projects that are being executed globally. For Bateman clients, this ensures cost-effective project procurement solutions through the effective leveraging of China and additional low cost country sourcing in the supply chain.

### ■ Procurement for Independent External Clients Globally

Bateman Beijing Axis provides sourcing and supply chain services to external clients by leveraging our people, processes, knowledge, track record/experience and networks. Our solutions are comprehensive and encompass supplier identification, evaluation, pre-qualification, selection, negotiation, commercial/contracting, transaction monitoring, QA/QC, expediting and logistics. The emphasis is on solid project management, holistic risk management and strategic relationship management.

### ■ Bulk Commodity Procurement, Marketing and Trading

By leveraging the knowledge and networks of the two JV partners, Bateman Beijing Axis provides bulk commodity trading solutions. We support bulk commodity producers (i.e. metals, minerals, softs, etc.) with their international marketing efforts, and we assist bulk commodity users with their procurement efforts. In selected cases, we also do financing across the transaction chain.

## Selected Projects and Transactions

### EPCM Project Sourcing for Nonferrous Metal Processing Plant

Sourced a superheater from China for installation at a nickel processing plant in Africa. The team managed the entire process, including design, detailed engineering, fabrication and expediting. The superheater was constructed by a Chinese design institute and was made of stainless steel. The dimensions were 5,200mm x 6,200mm x 8,600mm with a weight of 88 tonnes.

Superheater



### Key Technology and Mining Equipment

Provided detailed engineering design and equipment drawings of a high-rate thickener, which was fabricated in Brazil under our supervision for two Brazilian companies. The technology provided high operating efficiency with smaller size, resulting in 50% cost savings compared to conventional thickeners, as well as maintenance cost reductions without moving parts.

High-rate Thickener



### Partner Identification for Strategic Sourcing

Identified suitable categories of products to source from China that can provide significant cost saving benefits. This led to the signing of an exclusivity agreement with China's largest grinding mill supplier on behalf of the client and the establishment of strategic relationships with other key suppliers. Several transactions involving grinding mills and other capital equipment were also successfully concluded.

Grinding Mill



### Successful Participation in Global Procurement Tender

Engaged a Chinese manufacturer in a bidding process to source caster equipment from China. The selected Chinese supplier competed with other European bidders and was eventually selected to be the EPC contractor for the project. Since then, our team has managed transactions, risks and the relationship between the parties. The casters were successfully installed in 2008. Involvement spanned 30 months.

Aluminium Caster



## Our Business

THE BEIJING AXIS China Capital Advisors (CCA) is an independent corporate finance advisory firm headquartered in Beijing, with offices in South Africa and the UK.

CCA's service offering is based upon providing differentiated and value-added advice and services to our clients. We take time to understand our clients' businesses and strategies in detail. We offer an integrated and China-specific advisory approach that draws upon the deep China knowledge of THE BEIJING AXIS (TBA), our strategic and technical expertise, industry knowledge, structuring and financing experience, and international reach. Our core philosophy is based upon the belief that our clients are best served by an independent, conflict-free advisor, with a deep understanding of China and superior transaction execution skills.

In 2009, CCA entered into a joint venture agreement, Cadiz Beijing Axis, with Cadiz Corporate Solutions, the corporate finance division of Cadiz FSG, a leading South African financial services group specialising in research and trading in the equity derivatives and fixed income markets, quantitative research, stock broking, asset management and structured solutions for the corporate, institutional and retail markets.

By leveraging Cadiz's multi-disciplinary approach to corporate finance advisory with CCA's China knowledge, expertise and presence, Cadiz Beijing Axis is a highly competent corporate advisor for companies in search of capital investment from China, and for Chinese companies in search of investment opportunities in Africa.



## Our Services

### Transaction Origination

#### ■ Strategic Assessment

By leveraging our strong analytical capabilities with comprehensive sector knowledge across several regions, we are well positioned to provide innovative and advantageous cross-border acquisition and divestment strategies.

#### ■ Strategic Marketing

We assist international companies to promote their investment opportunities to the most suitable Chinese investors, as well as assist Chinese companies to identify key strategic projects that will add value to their current investment strategies.

#### ■ Target Identification, Selection and Approach

We identify potential partners/targets and apply a customised filtering process in order to acquire and approach a shortlist of optimal potential purchasers or buyers to maximise the likelihood of a successful transaction.

#### ■ Transactional Solutions

By drawing on our thorough understanding of cross-cultural and cross-regional circumstances that affect deal structuring, we can advise our clients in designing appropriate deal structures and in recommending the best transactional solutions.

### Corporate Finance Advisory

#### ■ Analysis and Due Diligence

We provide services of financial due diligence on target companies in order to help clients achieve a comprehensive understanding of all aspects of their targets' financial conditions to identify any potential risks.

#### ■ Transaction Management

We provide assistance and advice in the coordination and management of transactions from commencement to completion.

#### ■ Valuation and Structuring

Where a thorough understanding of a business' value and sound financial modelling can be critical to a transaction's pricing and structuring, we assist with negotiations and with the identification of potential synergies.

#### ■ Negotiation, Documentation, Transaction Completion

We provide advice and operational assistance for the negotiation of price, terms and conditions. We also help with the documentation aspects of the transaction.

## Our Approach

### Trust

- Focus on developing long-term relationships
- Provide consistent services to our clients based upon senior level involvement at all stages of a transaction

### Specialisation

- We combine an in-depth understanding of China with corporate finance expertise to provide informed, specialist advice specifically tailored to our clients' individual needs

### Experience

- Our well established senior team provides first-class investment experience and an unrivalled knowledge base of the Chinese industrial landscape and strategic intent

### Partnership

- Being wholly owned by our partners and employees creates a strong partnership ethos, ensuring greater commitment, teamwork and focus

# THE BEIJING AXIS Advantage

## People

- Multinational team of Master's or MBA degree holders in the fields of Economics, Business or Engineering from leading Chinese and international institutions
- Exceptional skills, knowledge, capabilities and cultural astuteness
- Varied backgrounds and good team composition comprising generalists and specialists

## Processes

- Solid standardised processes and operating procedures
- Rigorous training systems for existing and new personnel
- Risk orientation
- Service quality control procedures at all levels

## Knowledge

- Dedicated knowledge management (KM) department and staff
- Best practice knowledge management processes and tools
- Post-project learning sharing and codification
- Benchmarking data for selected industries

## Track Record

- Extensive client lists – large international and Chinese blue chip MNCs and SMEs
- Exhaustive list of varied projects (divided by industry and function)
- References reflect high client satisfaction

## Networks

- Extensive networks in Chinese industry associations, trade associations, ministries, academic institutions and individual companies
- Long-established personal connections and track record



## Leadership



**Kobus van der Wath**  
Founder & Group Managing Director  
CEO, Bateman Beijing Axis

MSc (Curtin University of Technology, Australia)  
MBA (INSEAD, France)  
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