



Good afternoon ladies and gentlemen.

I am very pleased to be invited here and I am honored to speak to you today.

Thomas Friedman once said, “The world is flat” and today, more than ever we are experiencing firsthand how true that phrase is. People, businesses and governments are more connected and intertwined today than they have ever been. What that means to us as business leaders is that we need to look beyond our own borders; we must act not as a citizen of one’s nation but as a citizen of the world. The world is now our marketplace and we must act accordingly.

Now, it is easy to say that we must go down a new path, we must go out and do business abroad and seek new opportunities, but in reality that



road is filled with obstacles and difficulties. Doing business outside the comforts of one's home is not a simple task and there is no one solution that will work for everyone but there are steps you can take to make it easier for yourselves. I sincerely hope that this forum will give you enough information and guidance to help you formulate your own strategies to go abroad.

Chinese outbound direct investment has increased significantly since the Chinese government introduced the "go abroad" policy earlier this decade and although China is becoming more cautious in overseas investment after the global financial crisis left some companies with losses in overseas acquisitions, outbound mergers and acquisitions by Chinese companies still jumped 64 percent last year to \$47.8 billion. This number will continue to increase as China looks for places to invest its \$2 trillion foreign exchange reserve. Also, stimulus policy and high domestic investment rates have created production surpluses, making



overseas M&A an important strategy for Chinese enterprises to maintain a continued rapid development as well as gain technology, market, and other resources.

At this time, I would like to share with you some of my experiences and lessons I've learned from doing international business that may help you with your march outward.

My name is Michael Lin and I am co-founder and CEO of Thornton Group. While doing business in the United States and China over the past 15 years I began to notice the growing trend of the two largest economies coming together in both politics and business. The lack of transparency, knowledge of legal structure and monetary policy made it a difficult endeavor for U.S. companies investing in China and vice versa. However, with trade and investment increasing over the past years



and the two countries becoming more interdependent there was a need to bridge the gap between the two nations. Thornton was created to do just that. Now, after its foundation, Thornton Group has become a successful strategic investor as well as a cross-border capital intermediary whose purpose is to facilitate the strategic vision of its clients by providing advisory services, deal structuring expertise and capital raising abilities. Thornton grew quickly since its foundation and established a reputation as a successful firm with unique capabilities for its clients. Today Thornton maintains branch headquarters in Beijing and Boston and offices in New York and Hong Kong with operations all over the world.

At the moment, we focus on three areas: infrastructure, renewable energy and natural resources.



Natural resources have become strategically important to China and so we have presented and been discussing collaboration with Chinese partners on our own invested mines projects as well as use our global network to find suitable targets for Chinese companies. For example, we are working with one of the largest Chinese mine companies to invest in, manage, design and operate a world class kaolin mine in Brazil with identified potential reserves up to 100 million tons. We are also currently helping a Chinese company to invest in a large iron ore mine in Latin America which has more than 4 billion tons of reserves and which will be capable of producing millions of tons of iron ore for China. We have other nickel, manganese, gold and oil investments projects in South America and Africa which we welcome Chinese partners for collaboration.

Also on our radar are renewable energy projects. We are bringing new technology from the United States to China that will be used in small



wind turbines. We are currently looking for a Chinese company to collaborate with us to produce this technology in China and to sell it to overseas markets. Our technology significantly lowers cost to manufacture, with much smaller size and hence much lighter, and 30% more efficient than the current technology in the market. Thornton Group is also planning to initiate a renewable energy fund 1st half next year in collaboration with one of the largest and renowned Chinese fund houses to invest in the clean energy sector domestic and abroad.

Thornton Group also initiated and is a major shareholder of an infrastructure fund in China. This fund uses foreign capital to invest in infrastructure projects throughout China. Our next step after this is to create a fund that helps Chinese companies make investments in overseas infrastructure projects.



What these projects and others like them bring to Chinese companies is more than just an attractive return on their investment. It gives China and Chinese companies new resources, management experience, technology, access to new markets, and many more benefits.

We at Thornton have strategically positioned ourselves to take full advantage of the world's changing landscape by building new relationships and seeking new opportunities all over the world. We do not limit ourselves to one country or one region, or to one industry or one line of business. We seek opportunities wherever they may exist and we have the necessary tools and resources to navigate the treacherous political, cultural, and business waters to seize those opportunities. This has led us to numerous countries including Latin America, U.S., Europe and Australia. Becoming a borderless company has been greatly beneficial to us.



At Thornton we also believe in breaking down cultural barriers and opening up new lines of communication to facilitate the creation of new opportunities. For example, two weeks ago we played a crucial role in executing the first ever Sino-US Legislative Leaders Summit which was held here in Beijing. This was a historic program, bringing together US state legislative leaders and business leaders from across America with high-ranking Chinese business and political leaders to discuss issues of mutual interest and expand opportunities for trade and investment. It was one of the largest State Legislative Leaders Forums in the history of the State Legislative Leaders Foundation and it was the one of the largest delegation of U.S. political leaders to ever come to China. There were over 200 participants at the forum which included House Speakers, Senate Presidents, Majority Leaders, Minority Leaders and Pro Tempores from 31 US states and Vice Chairmen of the Standing Committee of Congress from 11 Chinese provinces and municipalities.



Also present were board members and senior management from 60 US and Chinese companies including Bank of America, Coca-Cola, China Life, Founder Group and Bank of Beijing. The forum was a great success and it helped U.S. and Chinese business and political leaders better understand one another. This event, along with other initiatives Thornton undertakes, lay the foundation on which friendships and partnerships are built upon. Open lines of communication and the exchange of ideas between people of two different countries are crucial in opening new opportunities and creating more business.

The last point I would like to share with you is that part of the success Thornton has experienced over the years can be contributed to the partnerships we have formed and the alliances we have built. Building relationships and business partnerships has been and always will be a priority for Thornton and so I welcome all of you to become our partner and co-work with us to seize the opportunities the world has to offer.



Thank you very much.