



Crowe Horwath.

# Crowe Horwath International

Helping China Enterprises  
Succeed Globally

Audit / Tax / Advisory


Smart decisions. Lasting value.



Helping our  
clients make  
smart decisions  
today, that  
create lasting  
value tomorrow.





A vertical wooden plank is positioned on the left side of the page. A white, curved object, possibly a piece of paper or a small container, is placed against the plank. A shadow of the plank is cast onto the wooden floor to its right.

At Crowe Horwath International, we take pride in living and adopting our core values of caring, sharing, investing and growing. As a leading mid-tier network of accountants and consultants offering professional services, we have partnered with our largest member firm in Asia Pacific, Ruihua Certified Public Accountants, to help Chinese enterprises expand overseas and at the same time, assist global companies invest into China.

To make this entire process seamless, our network offers over 30 China Desks in our member firms located in more than 22 countries globally. In addition, the network has developed 4 specialty services that support investing enterprises in the areas of audit, international tax, corporate advisory and risk consulting.

Our strength is our clear understanding of our clients' needs, and building upon the familiarity of our entrepreneurial clients that have a regional and global footprint. You will have a centralized client liaison partner as your main contact point. Just call it a relationship that you can always count on.



## Message from Crowe Horwath International Co-Chairman

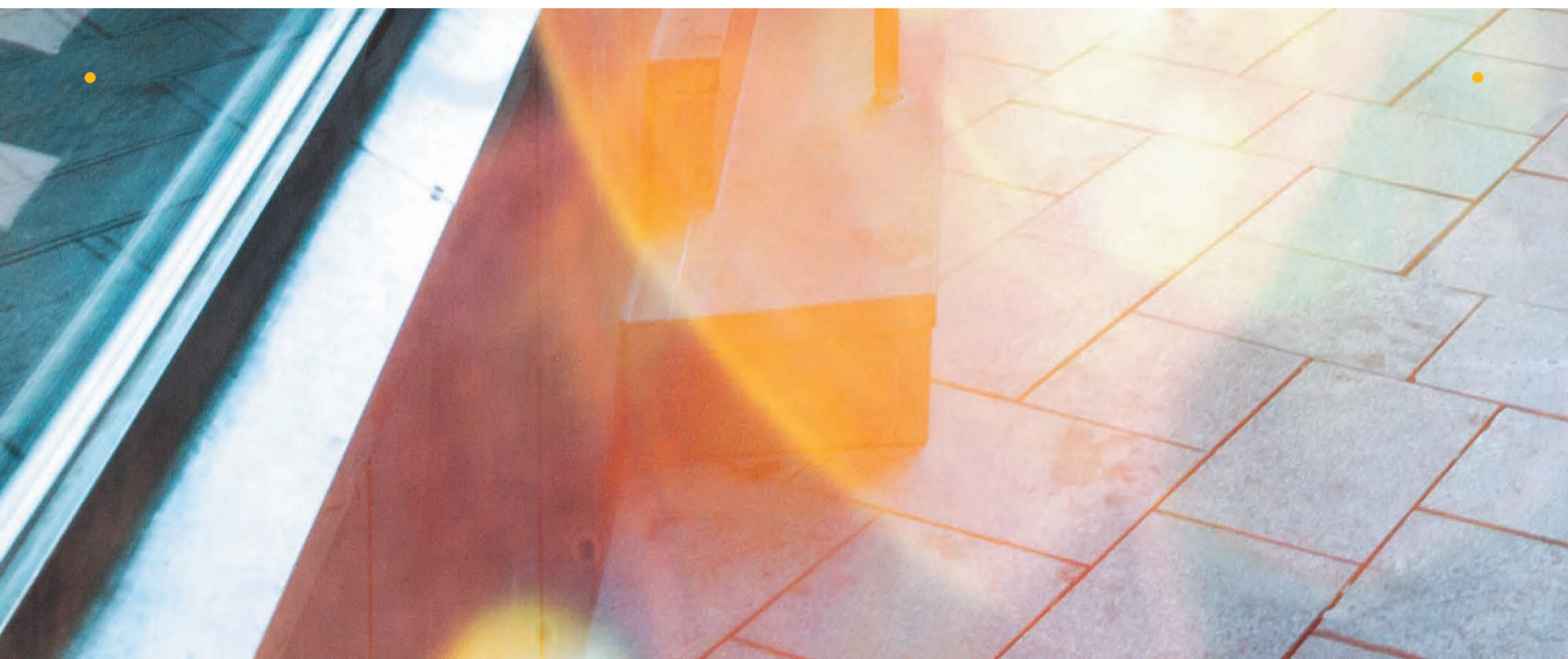
With the carry forward to the “Belt and Road” Initiative and the trend of international industrial capacity cooperation, China’s outward foreign investment (OFDI) will remain robust. To meet the needs of the Chinese market, Crowe Horwath International member firms in key countries has established China Desks, aiming to support China enterprises’ overseas investments. A key feature of these China Desks is the availability of professionals with Chinese language capabilities and sufficient experience in doing business with China/Asian countries. They will also be the main contact facing the Chinese market, thus ensuring responsiveness and reducing the cultural divide when serving Chinese clients.

Crowe Horwath International China member firm is Ruihua Certified Public Accountants, the second largest CPA firm in the country. Among all CPA firms in China, Ruihua serves the largest number of Central SOE clients.

Together with its China member Ruihua, Crowe Horwath International is committed to provide high-quality personalized audit, tax, advisory and risk services to Chinese clients on a global basis.

A stylized handwritten signature in black ink, likely reading '杨建涛' (Yang Jiantao).

Jiantao Yang  
Co-Chairman





# Message from Crowe Horwath International Chief Executive Officer

Crowe Horwath International is dedicated to providing its member firms with the cross-border tools and resources needed to serve global clients seamlessly throughout the network. To respond to the increasing number of Chinese enterprises going global, many of our member firms have established China Business Desks in countries where Chinese businesses need services and solutions to meet their growing accounting, tax and advisory needs. These swathes of interests include traditional large investment markets, as well as the new economic corridors that bring world trade routes together.

We are proud that we have established China Business Desks across 32 cities and more than 20 countries with a total of 38 experts all ready to assist expanding Chinese enterprises with Mandarin capabilities and investment structuring skills. This achievement, working in tandem with our Chinese member firm, is no small feat and together, we hope to bring the ease of doing business worldwide to Chinese enterprises seeking to grow internationally.

I believe this is an important step forward in helping our clients make smarter decisions today that create lasting value tomorrow.



A handwritten signature in black ink that reads "J. Kevin McGrath". The signature is fluid and cursive.

J. Kevin McGrath  
Chief Executive Officer

*In 2016, China's OFDI in non-financial sector covered 7,961 overseas enterprises, which amounted to USD170b, an increase of 44% from previous year.*

“We believe that the partnership between Crowe Horwath International and Ruihua is strongly positioned to deliver value to all our global clients wanting to do business with China.”



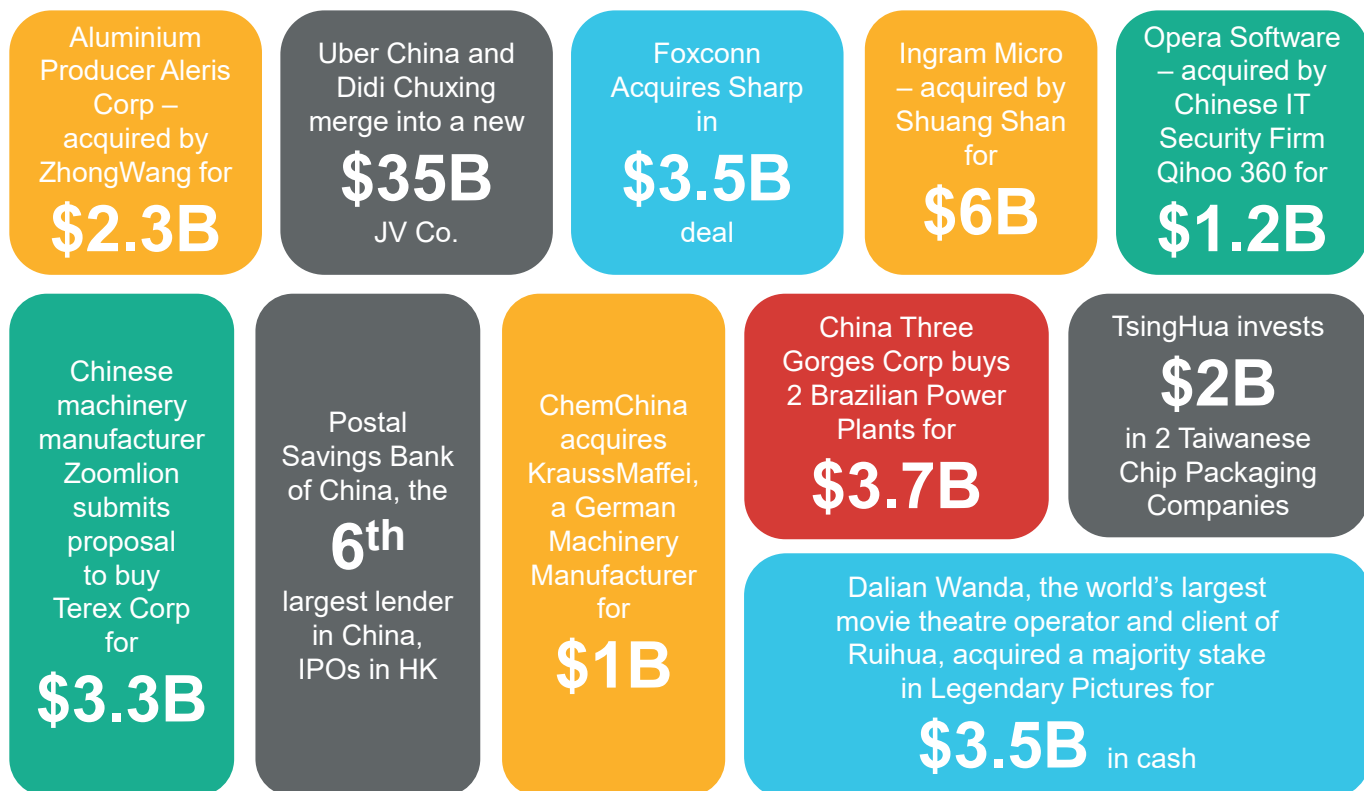
*Yuen Lok, Mok  
Regional Executive Director  
Asia Pacific  
Crowe Horwath International*

# China's Recent Investments Overseas: *"The New Normal"...*

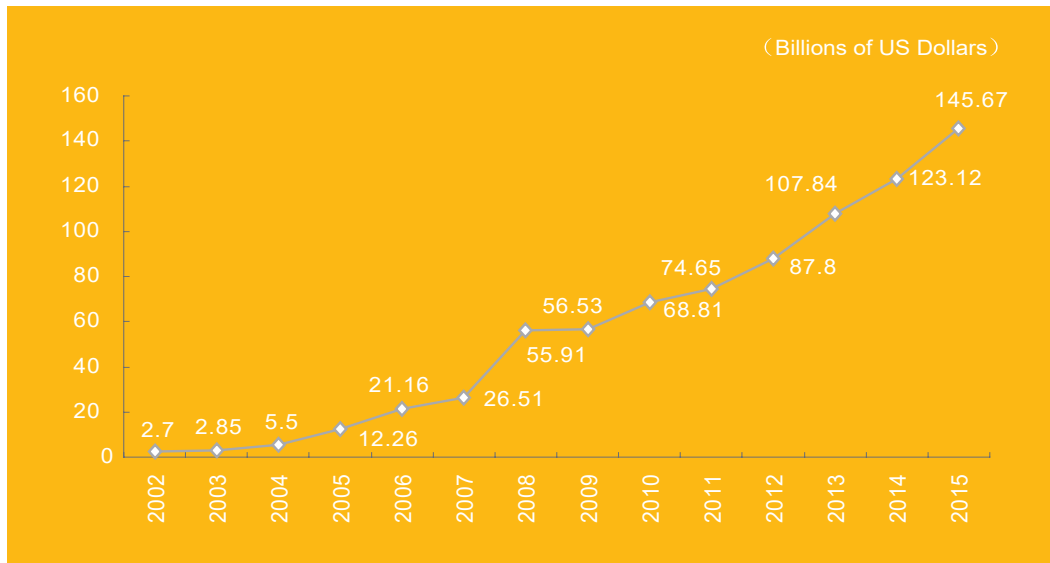
In 3 decades, China has changed from a poor inward-looking agricultural country into a global manufacturing powerhouse. This has made it the 2nd largest economy in the world after the USA.

For its next phase of growth, it is shifting into hyper-gear to build new channels of economic growth, while at the same time, ensuring ample economic opportunities with all its neighbours to create prosperity, peace and harmony.

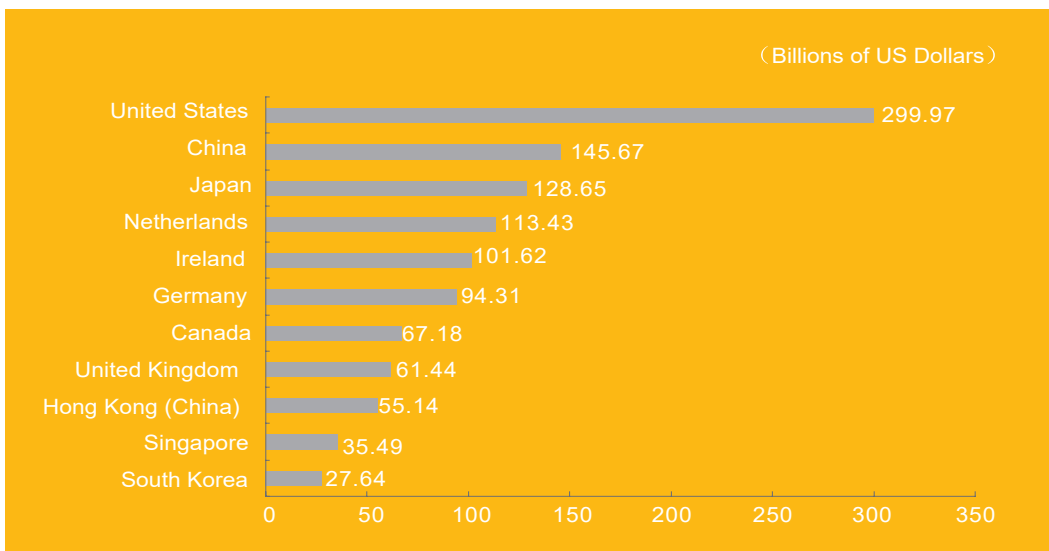
## Some of the major M&A deals coming out from China in 2016



### China's Trend in Outbound Investments, 2002-2015\*



### Outbound investments by countries, 2015\*



In 2015, China's OFDI has reached a record high of US\$146b, increased by 18% compared with the previous year of US\$123b, and for the first time become the second highest country in the world, directly after the US.

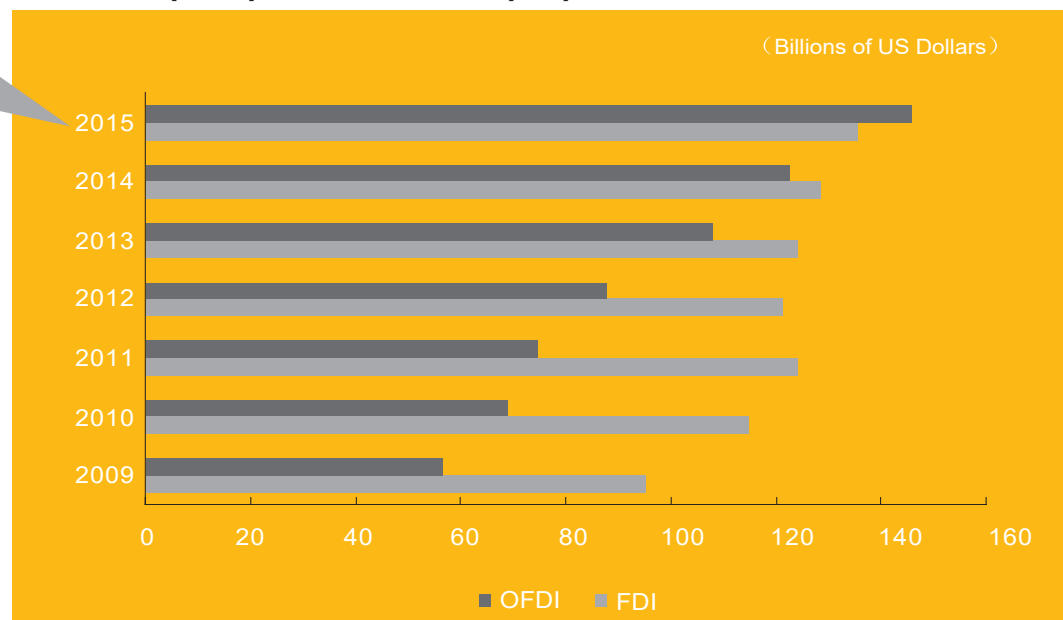
Since 2002, China's OFDI averaged an annual growth rate of 36%.

\*Sourced from 2015 Statistical Bulletin of China's Outward Foreign Direct Investment, published in the official website of Ministry of Commerce of PRC.



## Outbound (OFDI) versus Inbound (FDI) Investments of China 2009-2015\*

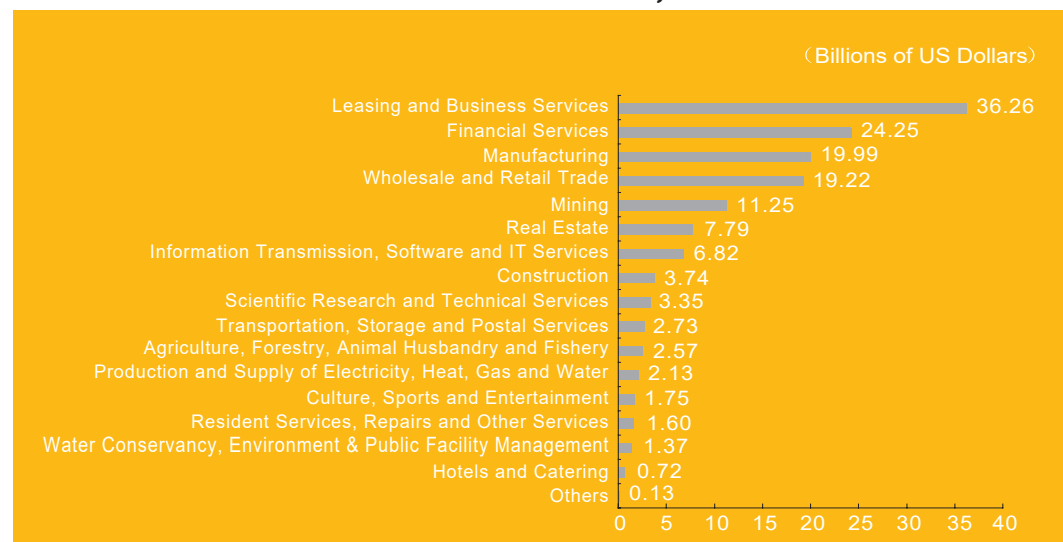
Trend changed in 2015: China is now a net outbound generator of FDI.



China's actual use of foreign capital was US\$136b, growing by 6% from a year earlier, and ranked as No. 3 in the world. China's FDI reached US\$146b in 2015, which was US\$10b higher than inward FDI in China. For the first time in its history, China has become a net exporter of capital.

In 2016 alone, China's OFDI in non-financial sectors amongst 53 countries in the "Belt and Road" area touched US\$15b.

## Sectoral Distribution of China's OFDI Flows, 2015\*



Sectoral distributions of China's OFDI flows show that the top 6 industries collectively constituted 81% of total investments, including leasing and business services, financial services, manufacturing, wholesale and retail trade, mining and real estate.

\*Sourced from 2015 Statistical Bulletin of China's Outward Foreign Direct Investment, published in the official website of Ministry of Commerce of PRC.

# The Belt and Road Initiative

This is an initiative presented by President Xi Jinping in 2013 which enhances trade and political relationships between Europe, Asia and China. This transcends continents and revitalizes old trade routes, international canals and major ports, with the aim to build 6 economic corridors that connect the following:

- New Eurasian Land Bridge
- China - Mongolia - Russia
- China - Indo-China Peninsula
- China - Pakistan
- China - Central Asia - West Asia
- Bangladesh - China - India - Myanmar

## The Belt and Road Initiative: 6 Economic Corridors Spanning Asia, Europe and China:



“At one level, The Belt and Road Initiative has the potential to be perhaps the world’s largest platform for regional collaboration...”

It’s very ambitious—potentially ambitious—covering about 65% of the world’s population, about 1/3 of the world’s GDP, and about 1/4 of all the goods and services the world moves.”

Sourced from McKinsey Podcast: An interview with Kevin Sneader, chairman, McKinsey Asia and Joe Ngai, managing partner, McKinsey Hong Kong, July 2016



At the heart of the The Belt and Road Initiative sit 2 main Economic Corridors as follows:



### **Silk Road Economic Belt**

This land-based economic corridor includes countries situated on the original Silk Road through Central Asia, West Asia, the Middle East, and Europe. The initiative calls for the integration of the region into a cohesive economic area through building infrastructure, increasing cultural exchanges, and broadening trade. Apart from this zone, which is largely analogous to the historical Silk Road, another area that is said to be included in the extension of this 'belt' is South Asia and Southeast Asia.



### **21st Century Maritime Corridor**

The Maritime Silk Road, also known as the "21st Century Maritime Silk Road" is a complementary initiative aimed at investing and fostering collaboration in Southeast Asia, Oceania, and North Africa, through several contiguous bodies of water – the South China Sea, the South Pacific Ocean, and the wider Indian Ocean area. The initiative calls for the development of infrastructure namely ports, canals, harbors and waterways to facilitate trade within Europe, the Middle East, Africa and Greater Asia.



*Ruihua is the  
largest domestic  
firm in China  
that is well  
positioned to  
serve outbound  
Chinese  
investments.*





# Our Strengths

As an acclaimed major professional services firm, we offer the following advantages to our valued clients:

## Brand Recognition

We have been ranked No. 1 among China's local accountancy firms for four consecutive years. Our total revenue has exceeded those of 3 of the Big 4 international firms in China.

## Professional Workforce

We have more than 10,000 members of staff, including 2,500 Certified Public Accountants and 366 Partners. Many of our professionals have overseas working and education experience. We also have a wide range of subject matter experts. Many serve as experts and committee members of national institutions.

## Integrated Services

We service around 50 central state-owned enterprises, 400 publicly listed companies, 300 financial services institutions, which covers numerous industries. We have therefore extensive experience in serving clients across a wide range of industries.

## Technical Strength

We have built and been operating an effective technical research and support framework, a comprehensive quality control system, and an advanced information management system.

## Extensive Network

Operating out of 40 offices across China, Ruihua is a member of Crowe Horwath International which has member firms around the world. Ruihua's Principal Partner, Mr. Jiantao Yang, is the Co-Chairman of Crowe Horwath International and has further enhanced the firm's contribution to and influence in the Crowe Horwath International network.

## Government Support

Ruihua's accomplishments have been acknowledged and encouraged by President Xi Jinping and other Party and State leaders as well as other prominent leaders on many occasions.

- Among all accountancy firms, Ruihua serves the largest number of SOE clients, and publicly-listed company clients.
- As of October 31, 2016, Ruihua serves 383 A-share listed companies, which counts for 12.96% of the total 2955 A-share listed companies;
- We provide annual audit service to nearly 1,000 New Third Board listed companies, and multiple H-share and S-share clients;
- Our firm provides audit and advisory services for around 50 central state-owned enterprises.
- According to the data published by Wind Information Co., Ltd (Wind Info), M&A transactions completed in 2014 and assisted by Ruihua amounted to RMB 172.7b (12.53% of total market share), putting Ruihua at the No. 1 spot among all Chinese accountancy firms.

## Select Clients



#2 Energy



#3 Oil & Gas



#4 Energy & Chemical



#45 Telecommunications



#3 Construction



#121 Food



#110 Infrastructure



#130 Automobile



#270 Coal & Mining



#119 Insurance



#134 Arms Industry



#143 Aerospace



#200 Infrastructure



#266 Automobile



#275 Manufacturing



#281 Manufacturing



#323 Mining Industry



#342 Infrastructure



#344 Aerospace



#401 Multi-industry



# Where Crowe Horwath International comes in

To support the Belt and Road Initiative, Crowe Horwath International together with its China Member Firm Ruihua, has established “China Desks” amongst our major member firms in key countries.

These China Desks engage professionals with ample Chinese language capability and sufficient experience on doing business with China/Asian countries. These China Desks will serve as the key contact facing the China market, which can ensure the responsiveness and cultural integration while serving Chinese clients. Crowe Horwath International member firms aim to provide the best-quality customized services to China enterprises.

## Our global specialty practices

Crowe Horwath International has a worldwide reputation in the areas of audit, tax and advisory services. We adhere to impeccable quality and service standards and combine our global reach with local delivery.

### AUDIT

- Audits, Reviews and Compilations
- Agreed-upon Procedures
- Forecasts and Projections
- Securities Exchange Reporting
- Benefit Plan Audit Services

### TAX

- Transfer Pricing
- Value-Added Tax
- Wealth Management
- Real Estate
- Expat Taxes
- Corporate Tax Compliance
- International Tax Restructuring

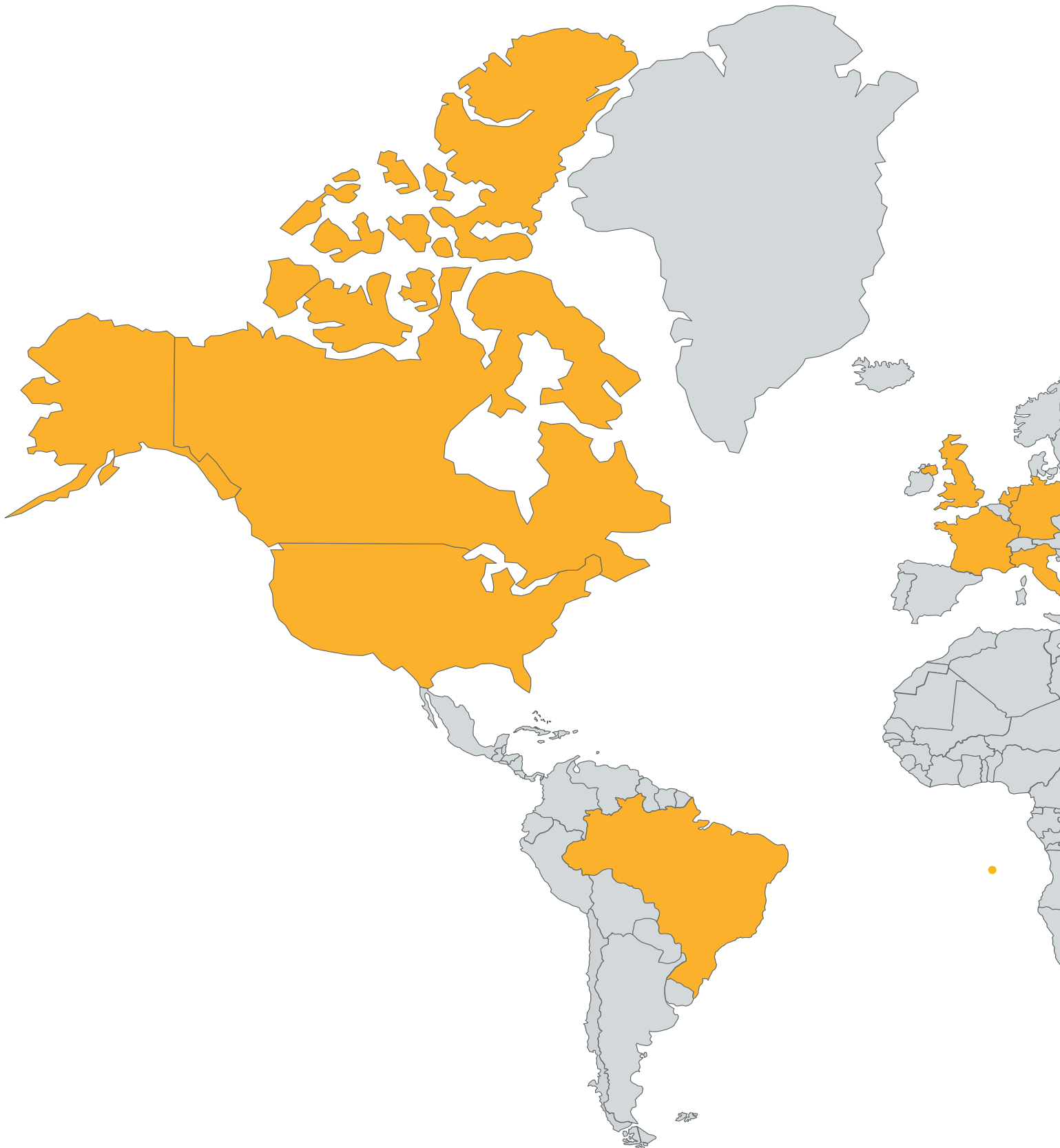
### ADVISORY

- Transaction Support
- Deal Structuring
- Foreign GAAP Conversions

### RISK

- Enterprise Risk
- Regulatory Risk
- Technology Risk
- Fraud Risk
- Operational Risk
- Financial Risk

Our China Desks around the World





### **The Americas**

- Brazil
- Canada
- United States

### **Europe, Middle East and Africa**

- Cyprus
- France
- Germany
- Italy
- Kazakhstan
- Netherlands
- United Kingdom

### **Asia Pacific**

- Australia
- Hong Kong
- India
- Indonesia
- Japan
- Malaysia
- New Zealand
- Pakistan
- Singapore
- South Korea
- Taiwan
- Thailand



For most up-to-date country list please email [chinadesk@crowehorwath.net](mailto:chinadesk@crowehorwath.net)





# Achieving New Heights

Crowe Horwath International is the 8th largest professional services networks. With operations in close to 130 countries across 760 offices, we have a vast global footprint able to serve our clients' needs wherever they choose to do business.



Crowe Horwath International now ranked sixth largest global professional services network in Asia Pacific, as reported by the International Accounting Bulletin's (IAB) 2016 World Survey results.







## Contact Information

For more information,  
please contact us at:

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## About Us

Crowe Horwath International is ranked eighth largest global accounting network with over 200 independent accounting and advisory services firms in close to 130 countries around the world. Crowe Horwath International's member firms are committed to impeccable quality service, highly integrated service delivery processes and a common set of core values that guide decisions daily. Each firm is well established as a leader in its national business community and is staffed by nationals, thereby providing a knowledge of local laws and customs which is important to clients undertaking new ventures or expanding into other countries. Crowe Horwath International member firms are known for their personal service to privately and publicly held businesses in all sectors and have built an international reputation in the areas of audit, tax and advisory services.

[www.crowehorwath.net](http://www.crowehorwath.net)