

CHINA IN THE NEWS



Joanna Zhou (周娜), now residing in Knoxville TN, immigrated to Indianapolis with her husband from Beijing in 2013, where she worked in Human Resources for a U.S. Fortune 500 company. She enjoys her new life with her husband and kept in touch with her IAAT friends and readers by contributing to this column.

P&G fined \$1m in China over toothpaste advertisement

Consumer goods giant Procter & Gamble has been fined close to \$1m in China for what Shanghai regulators said was false advertising of its Crest toothpaste brand. They said P&G overstated the effects of its toothpaste in a TV ad featuring a popular Taiwanese talk show host. Images in the ad were said to be digitally enhanced to show whiter teeth. Chinese media are reporting the fine as the biggest of its kind on record. Apologies with regards to consumer services have come from McDonald's, Apple and French retailer Carrefour in the past.

特技大白被罚600万：佳洁士广告已停播
“使用佳洁士双效炫白牙膏，只需一天，牙齿真的白了”，这是台湾艺人小S(徐熙娣)作为佳洁士双效炫白牙膏代言人，在公众面前的话语和表现。是否有不少小伙伴看了心动了呢？3月9日，上海市工商局披露，根据上海市工商局的调查，画面中突出显示的美白效果是后期通过电脑修图软件过度处理生成的，并非牙膏的实际使用效果。这一广告构成虚假广告，已被工商部门依法处罚款603万元。对此，佳洁士方面3月9日晚间在回应记者采访时表示，上述广告公司已经在去年全面停播。并且公司解释道，“1天美白”意指结合正确刷牙方式，配套含佳洁士炫白+双效牙膏及牙贴的美白套装使用，能有效去除外源性着色，实现牙齿美白。据了解，这也是国内虚假违法广告处罚案件中金额最大的一起。

China's core inflation rises by 1.4% in February

China's core inflation rate rose by 1.4% in February from a year earlier, recovering from a more than five-year low and exceeding most expectations. The consumer price inflation (CPI) data compares with a rise of 0.8% in January, which was the weakest reading since November 2009. China's new consumer inflation target is about 3%, down from 3.5% in 2014. The rise in inflation for the period was attributed by officials to China's Lunar New Year celebrations. The official number could ease some deflation worries for the world's second-largest economy, although analysts were unconvinced the holiday period was a factor for the year-on-year rise.

2月CPI同比涨幅扩大至1.4%
国家统计局10日公布，2月全国居民消费价格指数(CPI)同比上涨1.4%，较1月大幅反弹。2月工业生产者出厂价格指数(PPI)同比下降4.8%，较1月扩大0.5个百分点；环比下降0.7%，较1月收窄0.4个百分点。业内人士表示，2月CPI反弹并不具有趋势性，物价仍有下行压力，货币宽松还将持续。

China's mega international payment system is ready, will launch this year

The China International Payment System (CIPS) is due to kick off this year, bringing the yuan a step closer to becoming a global trading currency, as the new system will make payment transfers just as easy as in dollars and euro. The launch is expected in September or October, depending on how tests go, a source told Reuters. Another person with direct knowledge of the matter said the goal is to start the first phase before December. Reuters reported. "The CIPS is ready now and China has selected 20 banks to do the testing, among which 13 banks are Chinese banks and the rest are subsidiaries of foreign banks," one of the sources told the agency.

消息称人民币跨境支付系统准备就绪
北京时间3月9日下午消息，熟悉事件进程的知情人士称，备受外界期待的中国人民银行跨境支付系统(CIPS)已经准备就绪，最早可能在今年9月份或10月份推出。根据中国政府的设想，该系统旨在促进人民币在国际支付中的应用，未来有望成为人民币在全球支付的快速通道，并将取代现有的由各种网络平台拼接起来的系统，且将支持无障碍的人民币交易，将极大的促进人民币国际化。一位直接参与此事的银行业高管透露，“CIPS现已就绪，中国已经选定20家银行参与测试，其中13家为中资银行，其余为外资银行分支。”“人民币跨境支付系统将在9月或10月正式推出，具体时间取决于测试结果和准备情况。”这位消息人士对记者表示。

Nokia exit: Is China's 'golden age' of foreign investment over?

Beijing — In the Yizhuang hi-tech industrial park in southeast Beijing, a gleaming seven-story glass and steel building that houses Nokia's mobile phone factory will close by the end of the month. Its sister plant in southern China is to suffer the same fate as Nokia's new owner, Microsoft, shifts jobs and investment to Vietnam. Nokia's high-profile move is the latest sign that for international companies, China is losing some of its luster after years of shining as the brightest

star in global capital's firmament. "The 'golden age' for business in China is drawing to a close," a recent report by the European Union Chamber of Commerce in Beijing concluded.

诺基亚退出中国外资在华黄金时代被指已结束
3月9日报道，诺基亚在北京亦庄经济技术开发区工厂将于本月底关闭。而随着诺基亚的新东家微软公司将人力和投资转向越南，诺基亚在东莞的另一间工厂也将面临同样的命运。报道指出，诺基亚此举表明，多年来中国一直是全球投资界一颗璀璨的星星，而现在中国的光芒正在减退。最近一个由北京的欧盟商会发布的报道总结道：“对中国商业投资的黄金时段已接近尾声。”尽管中国已经成长为世界第二大经济体，但空气质量、政策限制、成本增高、市场准入障碍等一系列因素，将许多外国公司拒之门外。中国经济增速已远不如从前仍是企业最大的顾虑7%的经济增速不低，但是相比30年前中国令人震惊的2位数的经济增长率，目前的经济增长率下降颇多。

Twitter opens Hong Kong office for closer ties with Chinese businesses

Twitter, whose real-time micro-blogging service has been blocked in mainland China since 2009, is officially opening its office in Hong Kong today. The move is a clear sign that the US social media giant has kept alive its ambitions for doing business in the world's number one economy. Both Twitter and Facebook have been blocked in China for the past six years. Beijing is wary of Chinese denizens making use of Twitter and other social media tools to plan large-scale anti-government protests, such as the 2011 "Arab Spring" uprisings in the Middle East. Late last year, internet search giant Google had most of its products, including Gmail and Google Hangouts, finally blocked in China after years of intermittent and disrupted service. In announcing the launch of its Hong Kong branch, which will serve as the head office for the Greater China region, Twitter has emphasized its intention to help Chinese businesses connect with overseas users, rather than enter the Chinese market itself.

Twitter 在香港开设办公室，将广告业务带入中国

在中国大陆，Twitter 是“不存在的网站”，但在那里依然有着广大的商机。今天，Twitter 开设了他们的香港办公室，以帮助中国公司进行海外市场的营销。“开设香港办公室，让销售团队直接和大中华区的广告主进行对接，将有利于提升我们在亚太区的业绩。”Twitter 亚太区副总裁赛利什(Shailesh Rao)在接受《南华早报》的采访时说。Twitter 的中国战略和 Facebook 的非常相似，两者是中国最著名的被封锁网站，不过就算当局解禁，他们也将面临本土服务如微信和微博的强力阻击。去年十月访问清华大学的时候，Facebook 首席执行官扎克伯格就说过“Facebook 已经进入华了”，其实说的就是他们在中国开展的国际广告业务。换句话说，这些因为敏感原因无法获得广泛用户的社交网络仍然有利可图，只要有厂商愿意在平台上投放广告，或者经营自己的官方帐号即可。

China becomes second largest source of tourists to Sri Lanka

China outstripped Britain to become the second largest source of tourists to Sri Lanka, with tourist number growing by 85 percent in February when compared with the previous year, latest data released here on Tuesday showed. Chinese tourist arrivals expanded to 39,160 in 2015, compared to 21,098 in February 2014. Latest data released by the Sri Lanka Tourism Development Board (SLTDB) showed Chinese arrivals comfortably outstripping British tourists of 28,622 in the same month. Overall the month recorded 165,541 tourists arriving in the country compared to the 141,878 arrived in February 2014. "In the first two months of this year 321,787 tourists visited the island, an increase of 11.6 percent compared to the same period in 2014," the SLTDB said. Chinese tourist arrivals to Sri Lanka kicked off the New Year positively growing by 8.9 percent in January. In the first month of 2015 Chinese arrivals grew to 11,735 from 10,779 in January 2014. Chinese tourists to the tiny island in the Indian Ocean have risen rapidly over the last two years with 2014 ending at an all-time high. In 2013 only 54,288 Chinese tourists visited Sri Lanka but the numbers ballooned to 128,166 by the end of last year growing an impressive 136.1 percent, according SLTDB.

中国成为斯里兰卡北亚地区第二大游客客源市场

斯里兰卡大使尼哈尔·罗德里格8日在此间说，中国目前已成为斯里兰卡在北亚第二大客源市场，斯里兰卡希望在2010年前吸引逾25万中国游客。据悉，今年1至10月，斯里兰卡共接待了6600多名中国游客，比去年同期增长了6%，仅次于位居榜首的日本。斯里兰卡是著名的佛教国家，文化旅游一直是吸引中国游客最大卖点。此外优美的自然风光也给中国游客留下了深刻印象。斯里兰卡是动植物的天堂，拥有世界上最密集、最多样的动植物的斯里兰卡之旅成为众多中国旅行社推出的主打产品。

FINANCIALLY SPEAKING

"Mini-tenders" not part of investor's "Happy Meal"



Mr. Kim is the Chief Operation Officer and Chief Compliance Officer for KIRR Marbach & Co. LLC, an investment adviser based in Columbus IN. Please visit www.kirmar.com.

In a traditional tender-offer, a purchaser offers to buy a certain number of shares, typically at a significant premium to the current market price. Many investors view this windfall as an unexpected gift and can't wait to tender their shares to the purchaser.

This is exactly the reaction some practitioners of the ethically-challenged practice of "mini-tenders" count on. Mini-tenders are often used to catch small investors off guard and take advantage of their lack of knowledge. In fact, the Securities and Exchange Commission (SEC) warns of the possible abuses of and pitfalls for investors in its online brochure entitled "Mini-Tender Offers: Tips for Investors" (www.sec.gov).

Mini-tenders are offers that, when completed, will result in the purchaser owning less than 5% of the target company's stock. Purchasers in mini-tenders limit the offer to 5% or less so they do not have to comply with many of the disclosure and procedural protections in place for larger, traditional tender offers.

For example, when a purchaser makes an offer to buy more than 5% of a target company's stock, all of the SEC's tender offer rules apply. These rules require purchasers to disclose important information about themselves and terms of the offer, file their offering documents with the SEC and provide the target company information about the tender offer.

Important investor protections include the right to change their mind and withdraw tendered shares while the offer remains open and have their shares accepted on a "pro rata" basis if the total number of shares tendered exceeds the number subject to the offer.

None of these rules apply to mini-tenders, which must only not engage in fraud or deceptive practices, hold the offer open for a minimum amount of time and make prompt payment after the offer closes.

If you receive an "Offer/Solicitation to Purchase Shares of XYZ," first determine if you are dealing with a mini-tender. This is important because these offers are never labeled as such and once you tender your shares, you generally can't withdraw them. It is likely you will initially receive only a single-page, bare bones summary, but make the effort to get the complete offering document. Finally, compare the current market price with the offer price (the mini-tender offer price is typically lower).

Toronto-based TRC Capital Corporation is probably the most active practitioner of mini-tenders (10 in past six months). On January 21, 2015, TRC announced a tender offer for up to 1.5 million shares of McDonald's Corporation (0.15% of the shares) at a price of \$86.80, a \$4/share or 4.41% discount to McDonald's closing price of \$90.80 the day before.

The offering document is a densely-packed 40 pages, with "Certain Conditions of the Offer" (i.e. the 13 reasons TRC could cite to cancel the offer) taking four pages. Basically, TRC said it could cancel the offer for any reason, including if the price of MCD fell below \$86.80 (of course).

Mini-tenders are the ultimate "heads I win, tails you lose" proposition for purchasers. I'll never know, but am confident TRC confused enough investors that at least 1.5 million shares were tendered. McDonald's closed at \$94.58 on February 18, the day before the offer closed. This travesty means shareholders who tendered were legally taken for \$7.78/share or a total of \$11.7 million.

Indy Business Bulletin



INDOT to End Hoosier State Rail Service

The Indiana Department of Transportation says the Hoosier State passenger rail line between Indianapolis and Chicago will end service April 1. The department says the move is a result of new Federal Railroad Administration regulations that INDOT says would increase cost and liability.

Hicks: Jobs Report 'Confident Evidence' of Recovery

A Ball State University economist says the U.S. economy is pointing in the right direction on the heels of one of the best job growth streaks since the 1990s. Mike Hicks says the February jobs report showed growth in almost every sector. The U.S. Department of Labor says the economy added 295,000 jobs last month, dropping the jobless rate to 5.5 percent.

Toyota Indiana Hits Production Milestone

Princeton-based Toyota Motor Manufacturing Indiana Inc. is celebrating a major accomplishment. The company says it has produced four million vehicles. The milestone vehicle is a Blizzard Pearl Highlander Hybrid.

Colts: Team Will Not Re-Sign Reggie Wayne

One of the greatest players in Indianapolis Colts history will not be returning to the team. The Colts have decided not to re-sign wide receiver Reggie Wayne. He is the franchise leader in regular season games played, and ranks seventh in National Football League history in career receptions.

Lilly, IU to Bring 'Best Minds Together'

Indianapolis-based Eli Lilly and Co. (NYSE: LLY) is partnering with the Indiana University School of Medicine on a program designed to give students experience in the development of new medicines. Yolanda Johnson-Moton with Lilly says it will offer a glimpse of the business "from molecule to patient." The Medical Student Rotation Program pairs third and fourth-year students with Lilly mentors and IU officials say it builds on a long history of collaboration in research.

500 Festival Events Tickets For Sale

The 500 Festival says tickets are now available for this year's events. The organization says programs including the 500 Festival Parade and Breakfast at the Brickyard help showcase Indianapolis' "cultural, educational and social attributes."

Rolls-Royce Opens Plainfield Facility

Rolls-Royce has opened a \$10 million repair facility in Plainfield. LiftWorks will produce and repair components for the F-35 Lightning II fighter jet, which is flown by the U.S. Marine Corps.

Indiana Billionaires on Forbes List

A business publication's annual ranking of global billionaires includes five Hoosiers. The top spot in Indiana on the Forbes list once again stays in the Bloomington-based Cook Medical Group family.

The Itinerant Songstress - Yoshiko Yamaguchi - 天涯歌女 - 李香蘭



Dr. Benny Ko is a native of Hong Kong. He is a retired radiologist and a long time resident of Indianapolis since the 1960's. Dr. Ko is a frequent traveler and a very passionate hiker. He also serves as the lead organizer of the IACA hiking club. Dr. Ko enjoys sharing his adventures to others!

(Part V continuation from Feb 27, 2015 edition)

True love, at long last.

Following the divorce from Isamu Noguchi in 1956, Yoshiko's acting career ascended to a new height. By now, not only was she in high demand as an actor and recording artist in Japan, her second American film, "House of Bamboo," was well received. Shortly after, Broadway knocked again on her door and she was offered the female leading role in "Shangri-la," a musical adapted from James Hilton's wildly popular adventure novel, "Lost Horizon." What seemed even more improbable was the resurrection of the name Li Xiang Lan to a new generation of Chinese fans when she was invited to Hong Kong by the Shaw Brothers Studios to star in several Mandarin language films. Unfortunately, most of the films from this period were lost in a subsequent studio fire, the exception being "Madam White Snake (白蛇傳)," a joint-venture

color epic between Toho and the Shaw Brothers studios. Along with films, some of her Mandarin hit songs from this period, like "Plum Blossom" (梅花), "Only You" (只有你), and "Eternally" (永恒) are still popular and frequently revived by successive younger generations of singers.

However, when one is standing on a summit, a step in any direction could only be a descent. At 36, Yoshiko harbored no disillusion about the longevity of an entertainer's career; rather, she would just wonder where her turbulent life is to take her next and whether she is destined to spend it all alone. Fortunately, the extremely hectic and demanding schedule of "Shangri-la" distracted her from sinking deeper into such negative thoughts.

On the opening night of "Shangri-la," amidst all the congratulatory floral arrangements that she received was a large beautiful bouquet from the Japanese consulate of New York. The bouquet was waiting for her after the curtain call and standing outside her dressing room with the flowers was its deliverer, a tall and earnest young Japanese man. He introduced himself as Hiroshi Otaka, an unranked junior diplomatic officer from the consulate. He would return regularly during the month long engagement of the show and accompany her to late dinners and escort her to social functions. Before long, they found they were irrevocably in love, despite an age difference of eight years and unrelated respective careers. To Yoshiko, Hiroshi Otaka perhaps embodied the best of her two past lovers; Kodama, the strong and silent bodyguard that never returned

from the war and the urbane Matsuoka, son of the former Foreign Minister that never had the courage to break the class barrier and to ask for her hand. When words of this burgeoning romance got out, Hiroshi was admonished by his superiors that deemed the affair between a junior bureaucrat and a world famous entertainer to be inappropriate. Separately, a veiled warning was hinted to Yoshiko that continuation would spell the end of her young lover's career. Hiroshi was willing to resign comes what might, but Yoshiko, the more mature of the two, knew it was her that had to make the sacrifice. The announcement of her retirement from the entertainment world to become an unknown diplomat's wife was explosive on both shores of the Pacific. Few would believe the motive to be genuine or predict the marriage to last. It did, they remained a loving couple until Hiroshi's death in 2001. As a diplomatic officer, Hiroshi and Yoshiko had spent a lot of duty in Burma and by all account, both represented and served their country well.

In 1969, after he was posted back to Japan, Yoshiko was invited to co-host a popular afternoon TV show known as "The Three O'Clock You (Sanji No Anata)." When she was not hosting, she would alternatively serve as a foreign correspondent for the same show. As another first, she brought interviews with international notables to the Japanese audience, among whom included Yassir Arafat. She also filed in-depth field reports from the war-torn Indochina.

Her outstanding work won her the Best TV Correspondent award of 1971. In 1972, Prime Minister Kakuei Tanaka visited Beijing to formalize the recognition of the People's Republic of China by Japan. The live broadcast of the event on her show brought a sense of closure that the country of her ancestry and citizenship finally reconciles with the

country she was born in and loved. When Tanaka and Chou En Lai, the Chinese Premier, embraced and toasted each other on the screen, the television camera panned to the show's hostess and revealed tears of joy were streaming down her face.

Her talent and popularity did not escape the observing eyes of Prime Minister Tanaka (term: 1972-1974) and he encouraged her to run for a seat in the House of Councillors (Upper House) of the Japanese parliament. She won that first election as well as all subsequent ones and served for 18 years. And served she did with distinction. During her terms, Sino-Japanese relationship was amiable and she worked tirelessly to promote better relationship between the two nations. She also spoke out against Japanese war crimes, in particular on the subject of Asian women that had been forced into prostitution by the Japanese military or its lackeys. When she retired from politics, she was awarded with her nation's Gold and Silver Star of the Order of the Sacred Treasure, Second Class, for her distinguished service.

She died in September of 2014 of heart failure, at age 94. During my last visit to Japan, I was not able to locate her residence in Chiyoda, so a single rose was left in the nearby park in her memory.

Itinerant Songstress, you can now finally rest in peace.

(Next. Afterword: Why have I written on Yoshiko Yamaguchi, known also as Li Xiang Lan? How does her life still bear relevance to current Sino-Japanese relationship? For those of us who were born in one country and became citizens of another, what insight and lesson could we draw from Ms. Yamaguchi's experience?)