

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.

China electronics retailer Gome sees 2014 profit up 44%

China's leading home appliance retailer Gome posted a 43.5 percent increase net profit last year as it stepped up its e-commerce strategy to compete with rivals. Gome's net income rose to 1.28 billion yuan (206 million U.S. dollars) in 2014, said its annual report released Monday. Sales rose 7 percent year on year to 60.4 billion yuan. With more and more people buying online in China, traditional home appliance retailers like Gome and Suning face tremendous pressure, which has prompted them to develop an e-commerce strategy. Gome's strategy has yielded results. Online sales for the whole of 2014 rose 84.4 percent, while sales in the fourth quarter were up 117 percent. Gome also opened 154 new stores in shopping malls last year in a new strategy to boost sales and reduce costs.

国美电器2014年净利增43.5%

国美电器(493.HK)公布了2014年全年业绩,销售收入达到603.6亿元,同比增长7.02%;母公司拥有者应占利润为12.8亿,2013年净利润为8.92亿元,大幅增长43.5%。国美总裁王俊洲表示,以此节奏,将力争在2017年实现“再造一个国美”的目标。据介绍,2014年,在实体店方面,国美上市公司完成智能化门店改造达100家,新开门店145家,其中78家位于二级市场;此外,由于与百货超市进行合作,新增154家联营门店,销售收入于第四季度实现环比增长67%。目前,国美电器在全国的门店数达到1688家。在线上,2014年,国美上市公司交易额同比增长84.4%,其中四季度单季同比增长117.3%。移动端新增用户数同比提升97.2%,移动端交易额已占线上交易额19.4%。

China eyes innovation in face of economic "new normal"

A document, co-published by the Communist Party of China (CPC) Central Committee and the State Council, China's cabinet, on Monday underscored the role of innovation-driven development amid the economic "new normal" of slower growth. A government work report, delivered by Chinese Premier Li Keqiang on March 5, highlighted the "twin engines" that would drive development, namely popular entrepreneurship and mass innovation paired with increased supplies of public goods and services. The growth target for 2015 was set at approximately 7 percent, down from 7.5 percent in 2014, when the economy grew 7.4 percent, the slowest pace since 1990. Monday's document said that all psychological and institutional obstacles must be broken to accelerate innovation-driven development to ensure mass innovation is brought into full play.

中国经济新常态

从今年5月习近平首次提出“新常态”,到11月在北京召开的APEC会议对“新常态”做出具体阐述,直至不久前的政治局强调“我国进入经济发展新常态”,新常态一词正在成为中国决策层宏观调控乃至治国理政的重要理念。新常态之“新”,意味着不同以往;新常态之“常”,意味着相对确定,主要表现为经济增长速度适宜、结构优化、社会和谐;转入新常态,意味着我国经济发展的条件和环境已经或即将发生诸多重大转变,经济增长将与过去30多年10%左右的高速度基本告别,与传统的平衡、不协调、不可持续的粗放增长模式基本告别。

Chinese yuan strengthens to 6.1398 against USD Tuesday

The central parity rate of the Chinese currency Renminbi, or the yuan, strengthened by 50 basis points to 6.1398 against the U.S. dollar on Tuesday, according to the China Foreign Exchange Trading System.

In China's spot foreign exchange market, the yuan is allowed to rise or fall by 2 percent from the central parity rate each trading day. The central parity rate of the yuan against the U.S. dollar is based on a weighted average of prices offered by market makers before the opening of the interbank market each business day. 22日人民币汇率中间价:1美元对人民币6.1395元

据央行网站消息,中国人民银行授权中国外汇交易中心公布,2013年10月22日银行间外汇市场人民币中间价:1美元对人民币6.1395元,1欧元对人民币8.3948元,100日元对人民币6.2404元,1港元对人民币0.79190元,1英镑对人民币9.9036元,1澳大利亚元对人民币5.9148

元,1加拿大元对人民币5.9563元,人民币1元对0.52133林吉特,人民币1元对5.2364俄罗斯卢布。

5.7-magnitude quake jolts Taiwan: CENC

A 5.7-magnitude earthquake jolted the sea off the east coast of Hualien, Taiwan at 6:13 p.m. Monday (Beijing Time), according to the China Earthquake Networks Center. The epicenter was monitored at 23.8 degrees north latitude and 121.7 degrees east longitude, and the focus of the quake was 20 kilometers deep, the center said in a statement.

台湾花莲县附近海域发生5.7级地震

据中国地震台网最终正式测定,3月23日18时13分在中国台湾花莲县附近海域(北纬23.8度,东经121.7度)发生5.7级左右地震,震源深度20千米。随后,海都记者从花莲一家餐厅监控画面上看到,地震时,餐厅天花板上的吊灯摇晃得十分厉害,并全部掉到地上。台湾气象部门负责人辛在勤介绍,这次地震发生在地震频繁带,是菲律宾海板块与欧亚大陆板块挤压造成,“有助于能量释放”。

Internet to cover all Chinese middle, primary schools

All primary and middle schools in China will soon be connected to the Internet, the Ministry of Education said on Monday. Each school will have at least one state-of-the-art computer facility, according to a 2015 plan on digitalized education issued by the ministry in February. The ministry expects local governments and enterprises to cooperate to help primary and middle schools in remote and poor rural areas get access to the Internet. It also suggested more fiscal support in setting up multi-media classrooms. In 2015, 2.6 million teachers will be trained and assessed on information technology in kindergartens, primary and middle schools and along with 50,000 primary and middle school principals.

全国中小学校今年目标基本实现互联网全覆盖

教育部昨天印发《2015年教育信息化工作要点》,提出今年教育信息化工作核心目标之一就是基本完成全国中小学互联网接入。2015年教育信息化工作核心目标包括基本实现各级各类学校互联网全覆盖,宽带接入50%以上。师生网络学习空间开通数量达到4500万,使50%教师和30%初中以上学生拥有实名网络学习空间。要点还明确,将推进农村中小学“宽带网络校校通”,列出未接通宽带网络学校清单,着力解决边远、贫困地区农村中小学宽带网络接入,并基本实现每所中小学拥有多媒体教室。

Israeli track of 1st "Global Innovation Award" announced in Tel Aviv

Business relations between Israeli and Chinese companies took another step forwards on Monday, as a Chinese company and an Israeli venture capital firm announced an innovation competition which would award the winning innovative startup with 1 million U.S. dollars. The Israeli track of the first "Global Innovation Award" was announced on Monday in Tel Aviv. The Chinese Shengjing360 group is conducting the competition in China, the U.S., Europe and Latin America and is conducting the Israeli part of the competition with the help of Israeli Venture Capital Firm, Jerusalem Venture Partners (JVP). The Shengjing Company is responsible for providing training and consulting for small and medium business in China and JVP is a top venture capital firm based in Jerusalem, financing technological startup companies. The competition is conducted internationally. The three finalists will head to Beijing in August, where one will be awarded million U.S. dollars. The remaining companies in the top ten slots would share half a million U.S. dollars.

盛景“全球创新大奖”以色列赛区启动

2月2日,盛景“全球创新大奖”以色列赛区在特拉维夫启动,来自中国盛景网联公司和以色列著名风投企业、初创企业的近百位代表出席启动仪式。本届创新大奖活动设中国、美国、以色列、欧洲和拉美四个赛区。以色列赛区由以色列耶路撒冷风投合伙企业JVP、以色列经济部首席科学家办公室及希伯来大学技术转移公司以松木联合承办,活动还吸引了在以色列非常活跃的德国电信、EMC、跨学科中心等风投机构和企业加盟。本届创新大奖活动将历时8个月,以“创新、资本、国际化”为主题,以支持创业企业成长和可持续发展为核心,以大赛为依托,致力于共建全球创新生态系统。各赛区将挑选出全球20名顶尖创业团队,在北京进行最后的总决赛。创新大赛专项基金承诺向大赛优胜创业企业至少投资1500万美金,并为最后入围决赛的创业团队,设立不要求任何股权回报的150万美元奖金。此次报名参赛的初创企业主要集中在以下领域:网络安全、大数据和数据科学、移动互联网、企业软件、存储、金融科技、物联网、可穿戴计算技术及数字医疗。

FINANCIALLY SPEAKING

Walk down memory lane with "Oracle of Omaha" (Part 1)



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This year marks the 50-year anniversary of Warren Buffett acquiring control of Berkshire Hathaway ("Berkshire"). The recently published annual shareholder letter chronicles how Buffett came to control and transform Berkshire (www.berkshirehathaway.com).

To understand the evolution of Buffett's investment process, it's important to know his history with Berkshire. I wasn't familiar with the background, so will recap and follow-up with investing lessons learned in the next column.

Buffett noted Berkshire Fine Spinning Associate's board minutes from 1954 stated the grim fact: "The textile industry in New England started going out of business forty years ago." A year later, Berkshire combined with Hathaway Manufacturing to create a company with fourteen plants and 10,000 employees. Buffett noted what started as a merger "soon morphed into a suicide pact," as the combined company lost money and closed nine plants over its first seven years.

Buffett's interest was piqued when he noticed Berkshire sometimes used the proceeds from liquidating plants to repurchase stock. In December 1962, Berkshire's stock was selling for \$7.50, a huge discount to working capital (think cash) of \$10.25 and book value (think assets minus liabilities) of \$20.20. Buffett Partnership Ltd. ("BPL"), an investing entity managed by Buffett and comprising virtually his entire net worth (like us, he's also a big believer in

eating his own cooking), started accumulating a stake that would grow to 7% of Berkshire's 1,583,680 shares outstanding by 1964.

Buffett said buying the stock at such a large discount was akin to picking up a discarded cigar butt that had one puff remaining. He said, "Though the stub might be ugly and soggy, the puff would be free."

As Buffett anticipated, Berkshire closed two additional plants and sought to repurchase shares with the proceeds. Berkshire's then CEO, Seabury Stanton, asked Buffett at what price he would sell his shares. They agreed to a price of \$11.50.

Thus, Buffett was surprised when Berkshire sent a letter to shareholders on May 6, 1964 offering to buy 225,000 shares at \$11.375. Irritated Stanton reneged on their deal; Buffett not only didn't sell his shares back to the company, he more than tripled BPL's stake to 392,633 shares, 39% of the 1,017,547 shares outstanding when he formally took control in April 1965.

If Buffett had tendered his shares at \$11.375, BPL's gain would have been 50%. However, for want of an eighth of a point and perhaps some maturity on both sides, Stanton lost his job and Buffett found himself with 25% of BPL's capital invested in a dying business. As the result of a "monumentally stupid decision," he became "the dog who caught the car."

Ben Graham was Buffett's mentor and taught him the technique of buying mediocre businesses trading at bargain prices. Though Buffett had done well investing in these "discarded cigar butts," Charlie Munger, Berkshire Vice Chairman and Buffett's business partner for 56 years, convinced him in order to succeed investing larger sums, he needed to "forget what you know about buying fair businesses at wonderful prices; instead buy wonderful businesses at fair prices."

This monumental paradigm shift would become Buffett's blueprint and lead to the value of a \$1,000 investment in Berkshire when Buffett took over in 1965 increasing to \$12.3 million at the end of February 2015.

Indy Business Bulletin



Housing Market Set For Rebound?

After a somewhat disappointing 2014, a Berkshire Hathaway Home Services broker is cautiously optimistic about this year's residential housing market in Indiana. Greg Cooper says pending home sales are trending higher so far in 2015 and the new construction market is also improving. He warns, however, that lower inventories lead to less choice for consumers and can "demotivate" them from buying a house.

Group Blasts Reservoir Proposal, Pitches Greenway

The Hoosier Environmental Council is pushing for the creation of a "linear park" to traverse 2,000 acres of land currently eyed for the proposed Mounds Reservoir in Madison and Delaware counties. The group says the Mounds Greenway would increase prosperity in the region, standing in "stark contrast" to the reservoir, which it says would cause "dramatic environmental damage."

Regulators Launch IPL Investigation

The Indiana Utility Regulatory Commission has opened an investigation into Indianapolis Power and Light Co.'s network facilities. The move comes after a series of underground explosions yesterday that sent multiple manhole covers into the air.

Rose-Hulman Hosting Design Challenge

Rose-Hulman Institute of Technology will host a design competition next week on the Terre Haute campus. The competition involves teams of high school and college students developing solutions for design challenges involving Rubie Goldberg machine concepts.

Ballard: Soccer Stadium is 'Absolutely Critical'

Indianapolis Mayor Greg Ballard says a downtown professional soccer stadium could help draw young families to the city. Ballard took part in a Statehouse rally today in support of a bill to help fund a proposed \$82 million stadium.

Lilly Details International Deal

Indianapolis-based Eli Lilly and Co. (NYSE: LLY) has reached a license and collaboration agreement with a Korean company. The deal with Hanmi Pharmaceutical Co. Ltd., valued at up to \$640 million, involves development and commercialization of potential treatment for multiple autoimmune diseases and other conditions.

IU Forges Ahead With Engineering School Plans

Indiana University is officially moving forward with plans to launch an engineering program on the Bloomington campus. It will be housed under the

School of Informatics and Computing and initially include bachelor's and doctoral tracks. A master's program would follow shortly afterward. Plans call for the department to include about 20 faculty members. The IU Board of Trustees will likely hear details of the program at its meeting next month. If approved, the proposal would then move onto the Indiana Commission for Higher Education.

Effort Marketing Seniors' 'Remarkable Skills'

WorkOne Northern Indiana is looking to grow a program designed to help residents 55 and older return to the work force. WorkOne's Senior Community Service Employment Program provides services ranging from employment counseling to paid-training opportunities. The organization says the 55 and older population often excels in "soft skills" that are important to companies, such as communication and reliability.

Daniels Calls For Higher Ed Changes

Purdue University President Mitch Daniels says the school is responding to public concern about the value of a college degree by "prioritizing affordability, accountability and quality." During testimony before a U.S. House of Representatives committee today, Daniels urged more flexibility in college accreditation and the "federal definition of student progress."

Kroger Details Education Grants

The Kroger Co.'s (NYSE: KR) Central Division has announced more than \$5 million in K-12 education grants. The three-year strategy will help fund several organizations including Indianapolis Public Schools Education Foundation and Conner Prairie's STEM Education programs.

State Details Small Business Impact

The Indiana Office of Small Business and Entrepreneurship says there were more than 200 new business starts last year in Indiana. The office also says the state's small business sector created nearly 1,400 jobs and generated more than \$11 billion in investments in 2014.

Thailand Company Bringing Jobs to Indiana

The Thailand-based parent company of Royal Interpack North America Inc. has announced plans to bring operations to Anderson and create up to 135 jobs by 2018. The company, which manufactures recycled plastic food packaging, says it will invest more than \$11 million in the project.

Bill Targets Nursing Home 'Oversupply'

A proposal that would put a three-year moratorium on the construction of new nursing homes in Indiana is moving through the General Assembly. State Representative Tim Brown (R-41) says a state-commissioned study shows an "oversupply" of such facilities is using up around \$24 million in annual funding that could go to other projects. The Legislative Services Agency suggests Indiana's more than 500 nursing homes have an occupancy rate of about 80 percent.

Delegation visits India



Raju Chinthala, Jane Gehlhausen, and Diego Morales meet with Dr. Palle Raghunatha Minister for Information Technology of the Andhra Pradesh State Government in Hyderabad, India

A small business and governmental delegation from Indianapolis recently visited Delhi and Hyderabad, India February 7 to 17, 2015. The delegation included Raju Chinthala President of the Indianapolis-Hyderabad Sister City Committee; Jane Gehlhausen, Director of International & Cultural Affairs, Office of Mayor Ballard; Diego Morales, Community Affairs Director, Office of the Governor,

and Bharat Gali, President and Founder, GDN INFO TECH.

In Delhi, the group attended the India SOFT conference. Attendees from more than 50 countries around the world participated in the conference.

The trip included visits with the Minister of Urban Development as well as the Minister of State in charge of Labor and Employment for the government of India. Additional meetings in Delhi included the Indiana University India Gateway Office, the U.S. Commercial Service Office, and Kiwanis International.

In Hyderabad, the delegation met with the Minister of Industries, Water Supply and Information Technology. Additional visits included the U.S. Commercial Service, Telugu Times and Sadhana Institute.

Connections with India and Indianapolis and the State of Indiana continue to increase annually. At a local level, new connections to India are being established across business, universities and education. In addition, each year our community celebrates many Indian cultural events including Holi, India Day, Diwali and many more.

Source: Indianapolis Mayor's Office

Looking for Summer Job?



Indy Parks and Recreation is now hiring over 400 seasonal positions including:

- Day Camp Counselor
- Therapeutic Camp Counselors
- Lifeguards
- Pool Managers
- Cashiers

Positions are currently posted at <http://indy.gov/parkjobs> and will remain open until filled.

To qualify for a Park position, applicants must be at least 16 years old and a Marion County resident. Lifeguard positions require completion of IndyParks' internationally recognized StarGuard training and also must pass a swimming test. Pre registration is required by calling 327-PARK. For more information visit (317)-327-7955.