

# CHINA'S HIGH TECH SURGE: Investing in America and Innovation

Report Launch and Conference  
San Francisco | April 1, 2014





# Asia Society®

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**Rhodium Group** combines policy experience, quantitative economic tools, and on-the-ground research to analyze disruptive global trends. Its work supports the investment management, strategic planning, and policy needs of the financial, corporate, government, and not-for-profit sectors. Rhodium Group has offices in New York and California and associates in Washington, Shanghai, and New Delhi. (<http://www.rhg.com>)

**The China Investment Monitor** is an interactive online tool developed by Rhodium Group that allows users to track Chinese direct investment transactions in the United States by state and by industry. It is updated on a quarterly basis, along with public notes discussing the most important deals and policy trends. (<http://rhg.com/interactive/china-investment-monitor>)

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# CONFERENCE OVERVIEW

As Chinese outbound investment shifts from natural resources into more advanced, innovation-intensive industries, a rapidly increasing share is going into U.S. IT, cleantech, biotech, advanced transportation, and more. What are the hottest sectors drawing the most Chinese investment? Which Chinese firms are leading the surge and what is driving them? What are the economic and political factors behind these investments, and what are the most serious challenges they face? What is the impact on the U.S. domestic economy, national security, and jobs?



A new Asia Society and Rhodium Group report, entitled *High Tech: The Next Wave of Chinese Investment in America*, surveys the state of play and provides common ground for the ongoing debate, often ideological and acrimonious, over U.S-China trade and investment in U.S. high-tech sectors. The new report builds on two previous Asia Society/Rhodium Group efforts, *An American Open Door? Maximizing the Benefits of Chinese Foreign Direct Investment* (April 2011), which looked at Chinese direct investment into the U.S.; and *Chinese Direct Investment in California* (October 2012), which focused on investments in California.

*High Tech: The Next Wave of Chinese Investment in America* will also be launched at events in Los Angeles (April 3) and New York (April 17). A Chinese language version of the report will be released in Shanghai (April 22) and Beijing (April 24).

For more information, please visit [AsiaSociety.org/ChinaHiTechInvestment](http://AsiaSociety.org/ChinaHiTechInvestment)

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**Silicon Dragon**

# CONFERENCE AGENDA

**3:30—3:40 pm WELCOME REMARKS**

**Jack Wadsworth**, Advisory Director, Morgan Stanley

**3:40—4:00 pm REPORT OVERVIEW**

**Daniel H. Rosen**, Co-Founder and China Practice Leader, Rhodium Group  
**Thilo Hanemann**, Research Director, Rhodium Group

**4:00—5:15 pm TRENDS IN CHINESE HIGH TECH INVESTMENT**

What are the hottest sectors drawing the most Chinese high tech investment? Which Chinese firms are leading the investment push and how much is going into Silicon Valley? What is the impact of the investment surge on the national economy and in the Bay Area? What do investment successes and failures to date teach us?

*Speakers:*

**Alan Chen**, CEO, Perfect World Entertainment  
**Thilo Hanemann**, Research Director, Rhodium Group  
**Mark Horn**, Senior Managing Director, Technology Banking, East West Bank  
**Ken Petrilla**, Executive Vice President, Head of China Desk, Wells Fargo  
**Vivien Wang**, Tax Partner, Chinese Services Group Tax Leader, Deloitte

*Moderator:*

**Sean Randolph**, President, Bay Area Council Economic Institute

**5:15—5:30 pm COFFEE BREAK**

**5:30—6:45 pm INVESTMENT DRIVERS AND BARRIERS**

What are the commercial, economic, and political factors driving Chinese to invest in U.S. high tech? What are some of the challenges Chinese companies face when investing in the U.S.? What can the U.S. government and individual states do better to attract Chinese investment while safeguarding domestic concerns, including competition policy, national security, and job creation?

*Speakers:*

**Daniel Rosen**, Co-Founder and China Practice Leader, Rhodium Group  
**Orville Schell**, Arthur Ross Director, Center for U.S.-China Relations, Asia Society  
**Jack Wadsworth**, Advisory Director, Morgan Stanley  
**Ken Wilcox**, Chairman, Silicon Valley Bank

*Moderator:*

**N. Bruce Pickering**, Vice President of Global Programs, Asia Society

**6:45—7:30 pm NETWORKING RECEPTION**

# SPEAKER BIOS



**Alan Chen** is CEO of Perfect World Entertainment Inc., a leading online games publisher in North America and Europe founded in 2008 that specializes in immersive, free-to-play MMORPGs. Perfect World Entertainment is headquartered in Silicon Valley and has published 10 popular titles, including Blacklight Retribution, Forsaken World, Perfect World International, and Star Trek Online. Previously, Chen held a number of executive positions in computer gaming, IT, and telecommunication, where he developed expertise in product marketing, business management, operations, and professional services.



**Thilo Hanemann** is Research Director at Rhodium Group. He leads the firm's cross-border investment work assessing new trends in global capital flows, related policy developments, and the political and commercial dynamics of specific transactions. One of his areas of expertise is the rise of emerging economies as global investors and the implications for host economies and the global economy. His most recent work focuses on the evolution of China's international investment position and the economic and policy implications of this new trend. He is a frequent speaker and commentator on China's outward investment.



**Mark L. Horn** is Senior Managing Director for Technology, Private Equity, and Life Sciences Practices at East West Bank. He has nearly 35 years of commercial banking experience working with clients ranging from start-up entrepreneurs and small- and medium-sized businesses to Fortune 1000 multi-national corporations. For the past 16 years, he has focused almost exclusively on technology-based companies and the private equity sponsors that fund these rapidly evolving businesses. Horn has also held positions at Comerica Bank and Silicon Valley Bank.



**Kenneth J. Petrilla** is Executive Vice President and Head of the China Desk at Wells Fargo Bank. He manages a country desk that facilitates China-related opportunities involving Chinese companies doing business in the U.S. and wholesale customers doing business in China. The China Desk acts as the central coordinator for China initiatives and inquiries within Wells Fargo and manages relations with Chinese government representatives in the U.S. and a variety of influential external organizations. Petrilla is a long-time Wells Fargo executive and has held many positions within Wells Fargo.



**N. Bruce Pickering** is Executive Director of Asia Society Northern California, and in 2012 was also appointed Vice President of Global Programs for the Asia Society. He previously worked at the U.C. Berkeley Institute of East Asian Studies and the World Affairs Council and has served as a Foreign Service Officer at the U.S. Department of State, specializing in Political and Arms Control issues (1981–1993), and was deputy political counsel on the U.S. delegation to the Conference on security and cooperation in Vienna during the collapse of the Soviet Union (1988–1982).



**Sean Randolph** is President of the Bay Area Council Economic Institute, a public-private partnership of business, labor, government and higher education that works to foster a competitive economy in California and the Bay Area. He previously served as President & CEO of the Bay Area Economic Forum, which merged with the Bay Area Council in January 2008, and as director of international trade for the State of California. He also has extensive experience in the U.S. Government, including the U.S. Congress staff and the White House staff.



**Daniel H. Rosen** is Co-founder and China Practice Leader at Rhodium Group. He is also a Visiting Fellow at the Peterson Institute for International Economics in Washington, D.C., and an Adjunct Associate Professor teaching graduate courses at Columbia University's School of International and Public Affairs. From 2000 to 2001, he was Senior Advisor for International Economic Policy to the White House National Economic Council and National Security Council, where he played a key role in completing China's accession to the World Trade Organization.



**Orville Schell** is the Arthur Ross Director of the Center on U.S.-China Relations at Asia Society in New York. He is a former Professor and Dean at the University of California, Berkeley's Graduate School of Journalism. Schell is the author of fourteen books, nine of them about China, and a contributor to numerous edited volumes. His most recent book (with John Delury) is *Wealth and Power: China's Long March to the Twenty-first Century*. He is a regular contributor to many national and international publications and newspapers.



**Jack Wadsworth** is Honorary Chairman of Morgan Stanley Asia and Advisory Director of Morgan Stanley globally. He is also Co-founder and Chairman of Manitou Ventures, an early-stage venture capital partnership based in Beijing focusing primarily on IT. Wadsworth spent nearly 40 years in investment banking, including 15 years with First Boston and 25 years with Morgan Stanley, where he was responsible for creating Morgan Stanley's business in Asia. He is Co-Chairman of Asia Society Northern California's Advisory Board and a former Vice Chairman of the Asia Society.



**Vivien Wang** is Tax Partner, Chinese Services Group Tax Leader, at Deloitte Tax LLP. She has over 15 years of public accounting and international tax experience, providing tax consulting, compliance, and tax accounting assurance services to high-tech and venture capital clients. Her experience includes structuring and globally managing both U.S. inbound and outbound investments, planning and implementing worldwide restructurings, IPO structuring, mergers, acquisitions, dispositions, and IP migrations for medium- and large-sized multinationals. Wang is also the National Tax Leader of Deloitte's US Chinese Services Group.



**Ken Wilcox** is President of SPD Silicon Valley Bank and Chairman of Silicon Valley Bank. Previously, Wilcox served as CEO of SVB Financial Group, where he successfully pursued a strategy of expansion and diversification, while remaining focused on the group's core niches of technology, life sciences, venture capital, and premium wineries. He is an Advisory Board member of Asia Society Northern California, and from 2006 to 2012, he was a member of the board of directors of the Federal Reserve Bank of San Francisco.



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**Jack Wadsworth**

## Contributors



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