

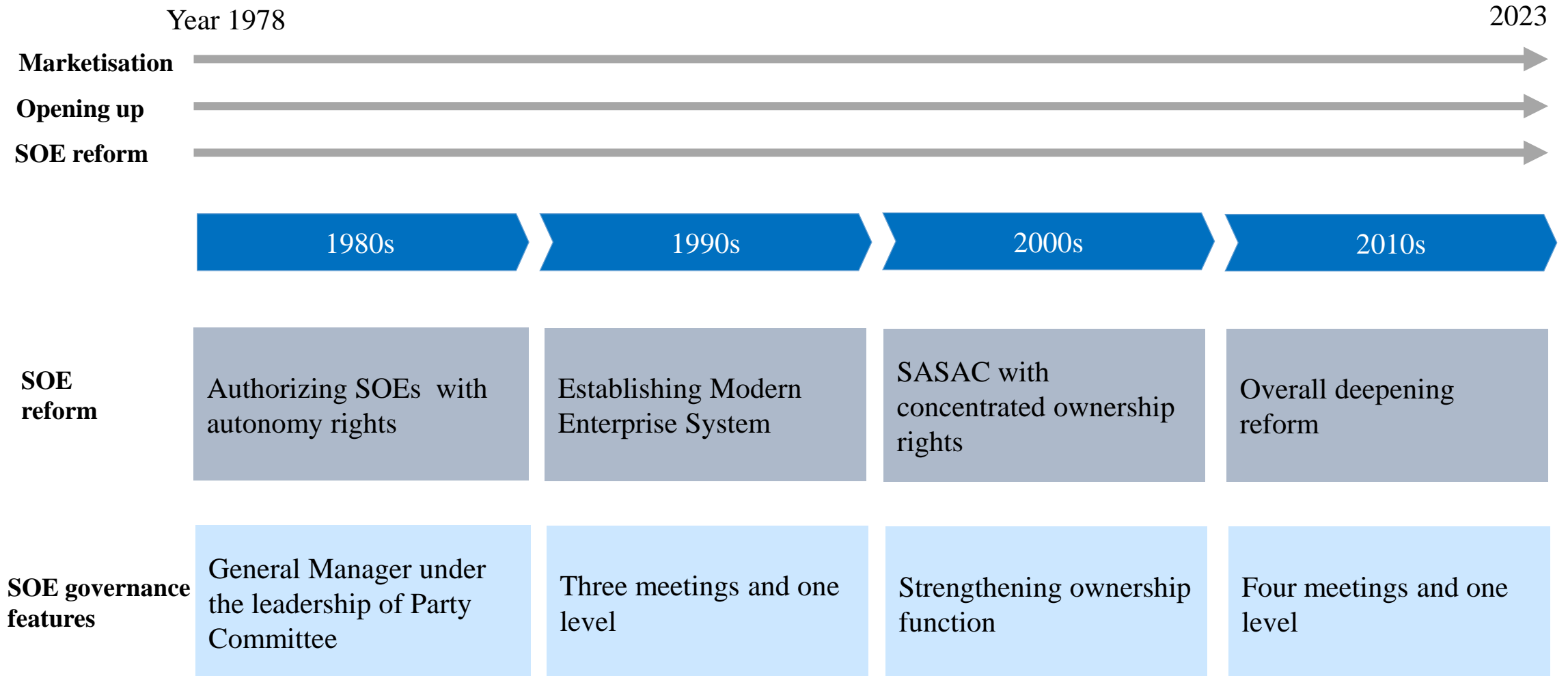
State-owned Enterprises Governance in China

King Parallel Consulting

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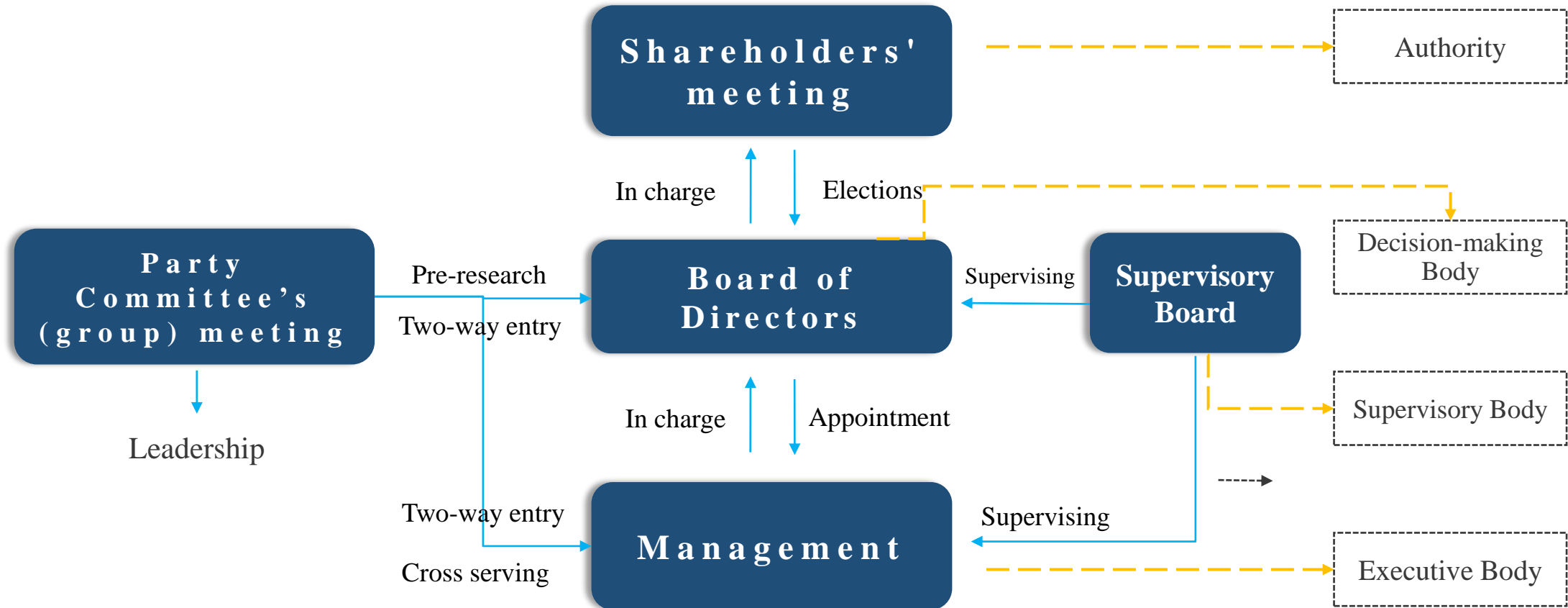
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Historical Review on SOEs Reform and Governance



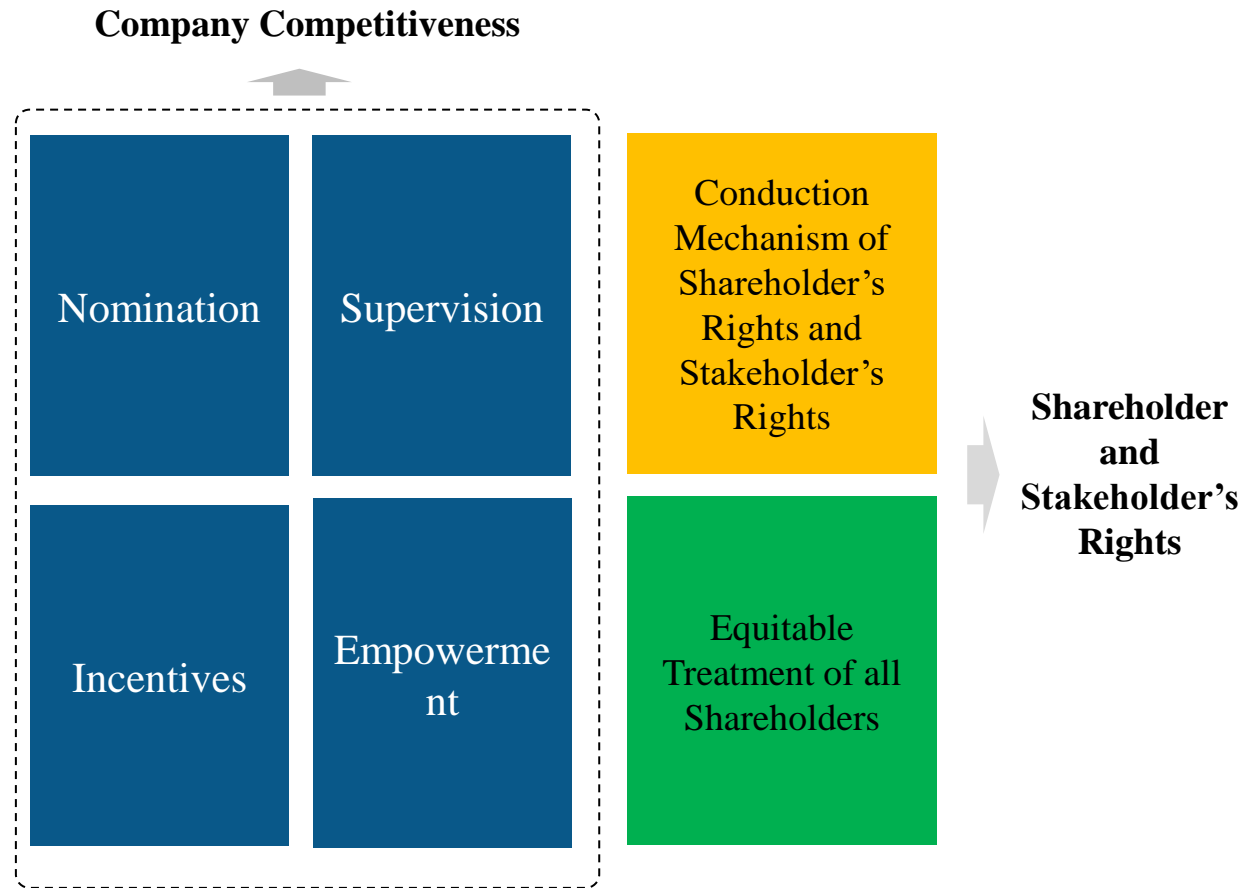
Features of SOE Governance Now Days

"Four meetings and one level" corporate governance structure



Implies of SOE Governance Changes in China

Elements of a Good Corporate Governance



SOE governance assessment

Improvements	<ul style="list-style-type: none"> • Supervision: Improved by inspection, auditing, risk management, internal control, compliance management. • Nomination: Improved by accountability of Government, optimization of BoD composition. • Empowerment: Same as above. • Incentives: Limited improvement. • Shareholder and stakeholder's rights: Improved.
Problems	<ul style="list-style-type: none"> • Supervision and punishment enforced while keeping weak incentives. • Large scale demands for directors (out-side directors), while there are only limited sources.



King Parallel Consulting Co., Ltd. is a leading strategic management consultancy in China, providing clients with end-to-end strategic management consultation from strategy identification and formulation to strategy execution and support. Relying on innovative research capabilities, as well as a deep understanding of corporate change, industrial evolution and social development, King Parallel works closely with clients to take on their most important challenges and tap into their greatest opportunities with first-class consulting services.

Inheriting the professional and innovative spirit of a national think tank, King Parallel upholds the understanding that consultation is to help clients solve problems and cope with new challenges. King Parallel pays attention to the strategic, overall, collaborative and practical nature of consultation, and emphasizes the organic coordination of methodology, technical route and node management in project promotion.

With the experience of providing full support to the State Assets Commission of The State Council (SASAC) and the local SASAC, King Parallel has been deeply involved in the top-level policy research of stated-owned enterprises (SOE) reform since the Third Plenary Session of the 18th CPC Central Committee. King Parallel participated deeply in the ice broken of the classification reform of SOE. As the first one to provide the policy consultation of state-owned capital investment and operation company and design the establishment scheme of the first state-owned capital operation company in the country, Kingparallel also systematically conducted research concerning the loss of state-owned assets. Through the research on the homogenization competition of central enterprises, King Parallel proposed the idea of professional restructuring and integration of central enterprises, carried out cooperative research and professional exchanges with the OECD, and won the United Nations Award for cooperative research results with the Asian Corporate Governance Association. A number of achievements of King Parallel won the high praise of the government.

King Parallel has provided integrated management consulting services based on top-level strategy for hundreds of SOE, and has long-term cooperation with clients. King Parallel works closely with corporates that spans nearly every significant industry and function: equipment manufacturing, building materials, chemical industry, energy, electricity, mineral resources, engineering, transportation logistics, information technology, scientific and technological research and development, tourism, commerce, consumer goods, finance and investment, etc. The consulting services provided by King Parallel have effectively assisted the reform and development of lots of enterprises.

In view of the various challenges faced by enterprises in today's era, King Parallel is providing high-quality consulting services to the most representative enterprises with consulting toolbox development capabilities, in-depth research capabilities, social insights, database resources (expert pool, case database, information system) and lean consulting system. King Parallel is dedicated to helping clients achieve effective growth and unlock potentials through strategic restructuring, business format innovation, technology application, organizational change and competitiveness enhancement.

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