

BUSINESS



Zhejiang free trade zone at Zhoushan to drive economy p15

Mini nuclear reactor now ready to be built

Smaller, safer source of energy set for construction on pilot basis in Hainan

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The first pilot project to use China National Nuclear Corporation's cutting-edge third-generation ACP100 nuclear reactor has completed its preliminary design stage and is qualified for construction in Hainan province.

The company said that the ACP100, China's first small reactor developed by CNNC for practical use, which the company calls the Linglong One, is expected to be built at the end of this year in the Changjiang Li autonomous county of Hainan.

All research, development and design procedures have been completed, and work

will proceed on the feasibility study, soil and water conservation research, environmental impact assessment, construction land geological disaster risk assessment and seismic safety assessment following the issuing of the relevant permits by the end of next month.

Qian Tianlin, general manager of China Nuclear New Energy Investment, said earlier that small-scale nuclear reactor technology has reached a stage at which it can be used on a pilot basis.

It can be used to generate heat for a residential district replacing coal-fired boilers, he said.

According to Qian, small modular reactors are defined

by the International Atomic Energy Agency as advanced reactors producing up to 300 megawatts of power that can largely be built in factories and shipped to utilities and end users.

They were widely promoted in the 1990s, thanks to their enhanced level of security and flexible use, including providing heat and sea desalination, he said.

China is highly supportive of small modular reactors, and the company's Linglong One is the first reactor of its kind in the world to have passed the safety review by the IAEA, a remarkable breakthrough in global small multipurpose modular reactor development.

Qian said he expects mass production of the small modular reactors after the pilot project in Hainan is up and

running, and for the technology to be exported globally.

Many countries, including Pakistan, Iran, the United Kingdom, Saudi Arabia, Indonesia, Mongolia, Brazil, Egypt and Canada, have shown a keen interest in potential use of the technology, it said.

Wan Gang, head of the China Institute of Atomic Energy, said small modular reactors are safe amid growing public concern over nuclear safety following the 2011 Fukushima nuclear disaster in Japan.

According to CNNC, compared with million-kilowatt reactor nuclear power plants, the Linglong One features low and controllable core temperatures and is economically superior to other power supply modes and is more environmentally friendly.

Major destinations for Chinese mainland realty investment



CC Land buys London's tallest skyscraper for \$1.46b

By WU YIYAO in Shanghai
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A Chinese realty firm said it has paid 1.135 billion pounds (\$1.462 billion) to buy the tallest skyscraper in City of London — the biggest Chinese investment in the United Kingdom's real estate market.

Analysts said that the move showed developers were diversifying their investments by location and business models, with more stepping out of the domestic market and getting yields from rental income instead of sales revenue.

Hong Kong-listed CC Land Holdings Ltd, controlled by property magnate Cheung Chung-kiu, one of the biggest real estate players in Hong Kong, said in an announcement on Monday that one of its subsidiaries bought 122 Leadenhall Street, known widely as the Cheesegrater for its distinctive wedge shape.

The deal includes debt of some 12.7 million pounds and on March 31, the building was valued at about 1.15 billion pounds, the announcement said.

The 225-meter-high building was owned jointly by British Land and Canada's Oxford Properties.

The combined space of the 46-floor Cheesegrater is about 56,600 square meters. The skyscraper's projected annual rental income, fully let, will be



A pedestrian walks past the Leadenhall Building in the City of London financial district, the United Kingdom.

BLOOMBERG VIA GETTY IMAGES

about 402 million pounds.

This is not the only CC Land acquisition in overseas markets in recent years. In 2016 the group acquired One Kingdom Street, a 12-floor, 50-meter-high building in London for 290 million pounds. It also bought a 34.55 percent share of an office building in Australia for HK\$122 million (\$15.68 million).

CC Land said in its annual 2016 results the company has been adjusting its business strategies to expand globally by investing in key cities around the world.

Analysts said Chinese mainland enterprises are increasingly diversifying their investments globally with a particular appetite for trophy properties in prime markets, eyeing stable and steady, long-

term yields from rental income.

According to research by property services provider JLL, in the past three years investments in land, office buildings and hotels accounted for 90 percent of the Chinese mainland's total outbound realty investment.

JLL said London was one of the top investment targets in the period, attracting about 16 percent of overall Chinese mainland outbound property investment, running second only to New York, which took 18 percent of the total spend.

"Acquiring quality property in a bid to generate a long-term income stream has become a mainstream model for Chinese outbound property investment," a CITIC Securities Co research note said.



Children enjoy playing with motorized vehicles as their parents shop at Toys "R" Us in Alexandria, Virginia. The toy retailer is expanding its presence in China. FOR CHINA DAILY

Toys "R" Us to open up to 40 stores

By WANG ZHUOQIONG
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International toy retailer Toys "R" Us Inc is expected to open at least 30 to 40 stores annually in China, mostly in major cities while reaching more customers with its online stores.

Roy Sammartino, managing director of Toys "R" Us China, said: "China is our fastest-growing market with more store openings than anywhere else in the world."

Toys "R" Us had two online stores and 134 physical stores in 55 cities in China by the end of April. The retailer has 883 stores in the United States, Puerto Rico and Guam, and 795 international

stores and 254 licensed stores in 37 countries and regions.

Sammartino said due to the special nature of its business, where consumers want to touch the products, there has to be a mix of online and offline business to provide customers with the easiest way to shop.

The managing director launched the limited toy Redeco Optimus Prime from the *Transformers 5: The Last Knight* movie in Beijing and Guangzhou last week, with live streaming on its store on Tmall, the leading online shopping platform in China.

"Internet retailing continues to gain a strong share, as the pricing of products in online stores helps it capture sales from other channels,"

\$31.6 billion

value of China's toy and game market in 2016

according to Euromonitor International Senior Associate Carol Lu.

"For toy and game firms, internet retailing is an important tool for marketing their products in regions where they have a limited presence," said Lu.

Sammartino said popular global and domestic movies drive the sales of toys and the impact lasts a long time.

Zhang Yuchen, general manager of Hasbro China,

agreed that toys and movies are complementary. Hasbro gained success with its well-known brands including Marvel, Transformers, Star Wars and Play-Doh.

In addition to toys related to movies and TV programs, experience toys and educational toys are becoming favorites among younger Chinese parents.

"How to learn a better character and values through playing with toys is what Chinese parents care about," said Zhang.

In China, the total toy and game market was worth 218 billion yuan (\$31.6 billion) in 2016. Traditional toys and games accounted for around 70 billion yuan, according to Euromonitor.

Truck Alliance raises \$156m

By FAN FEIFEI
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China's Uber-type service for trucks Guiyang Huochebang Technology Co Ltd, also known as the Truck Alliance, said on Tuesday that it had raised \$156 million in series B-2 funding, led by Baidu Capital, the investment arm of Baidu Inc, the country's largest search engine.

Chinese investment firm All-Stars Investment Ltd, which led the \$115 million series B-1 round of funding in December, and existing investors, also participated in the latest fundraising. Moreover, a B-3 round of financing is expected to be completed soon.

So far, Guizhou-based Huochebang has raised more than \$270 million in series B funding, with its valuation reaching more than \$1 billion, setting a new record in online logistics platform investment.

The deal marks the second investment that Baidu Capital has made since it was established in October. In March, it

jointly led a \$600 million round of financing in electric vehicle startup NextEV.

Huochebang said the funding will be used to expand its truck service business and number of users, increase the technological input and attract talent, as well as expand the use of electronic toll charge cards.

2.6 million

number of vehicles registered with the Truck Alliance, which offers help to truck drivers

Founded in 2011, Huochebang, backed by internet giant Tencent Holdings Ltd, uses big data technology to help truck drivers find commodities to transport, and facilitates truck sales and used truck auctions.

It currently has 2.6 million registered vehicles, 300,000 corporate members and 2.3 million drivers, with 1,000 service centers around China.

In 2015, it finished series A and A+ rounds from Tencent, Hillhouse Capital and DCM,

raising more than \$100 million.

Wu Wenjie, a managing partner at Baidu Capital, said: "Huochebang impressed us a lot with its business model, scale of platform, and operation. It has a deep understanding of China's logistics market and has established the largest and the only nationwide matching system between truckers and shippers, holding a dominant position in this sector."

Ji Weidong, the co-founder of All-Stars Investment Ltd, said the firm is bullish about the prospects for the integration of the logistics industry and mobile internet.

Yunmanman, Huochebang's biggest rival, has finished several rounds of fundraising from Sequoia Capital, Yunfeng Capital and Lightspeed China Partners in the past three years.

The country is still at an early stage in building a matching system between truckers and shippers in long-haul trucking sector, said Cai Lili, an analyst at Beijing-based internet consultancy Analysys.

Genomics group gets \$75m capital injection

By HE WEI in Shanghai
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WuXi NextCODE, a contract genomics company headquartered in Shanghai, announced on Tuesday that it received a \$75 million capital injection, as China targets precision medicine using gene sequencing as a new focus for improving health and medical standards.

The fresh financing is being

led by Yunfeng Capital, a fund backed by billionaire Jack Ma, chairman of Alibaba Group Holding Ltd, and Singaporean investment firm Temasek Holdings Pte, WuXi NextCODE said in a statement.

The company said it will use the proceeds from this round of financing to advance the commercialization of its consumer solutions for the China market, strengthen its global leadership position in

informatics, and expand its capabilities in artificial intelligence and deep learning.

"Genomics is at the crossroads where data and biology meet," said Li Ge, chairman of WuXi NextCODE and its parent WuXi AppTec Inc.

"Through its comprehensive capabilities for digitizing, managing and analyzing genome data, WuXi NextCODE is positioned to build an open access and capability

\$8.7 billion

estimated investment in precision medicine in China by 2030

platform that enables any organization or individual to benefit from genomic big data," he said.

WuXi NextCODE was

formed in 2015 after Shanghai-based contract research giant WuXi AppTec acquired genomic analysis firm Next-Code Health, a spinoff from Reykjavik, Iceland-based Decode Genetics.

With offices in Shanghai, Reykjavik and Cambridge in the United States, the company provides capabilities for generating, organizing, mining and applying genomic data.

Ideally, gene sequencing can enable doctors to use a person's genome and physiology to determine the best treatments for a disease.

To make better use of the pool of information, WuXi NextCODE announced a partnership last year with Huawei Technologies Co, China's largest telecommunications equipment maker, to enable different institutions and researchers to store their data.

Included in the 13th Five-Year Plan (2016-20), precision medicine is predicted to be the next big thing as China moves

to upgrade its healthcare landscape. By 2030, the industry expects investments to soar to approximately 60 billion yuan (\$8.7 billion), according to US-based market research firm BCC Research.

Gene research is not only an effective way to prevent birth defects and discover genetic diseases in their early stages. It can also provide drugs and treatment plans tailored to a person's unique genetic code and environmental exposure, said Xu Ruiqi, general manager of BGI's Shanghai branch, a world-leading genome sequencer.