



UNCOVERING CLEANTECH OPPORTUNITIES

**TAKE ON
THE WORLD**

**EXPORT DEVELOPMENT CANADA
YOUR TRUSTED PARTNER IN INTERNATIONAL TRADE**



WHO WE ARE AND WHAT WE DO

ABOUT EXPORT DEVELOPMENT CANADA (EDC)

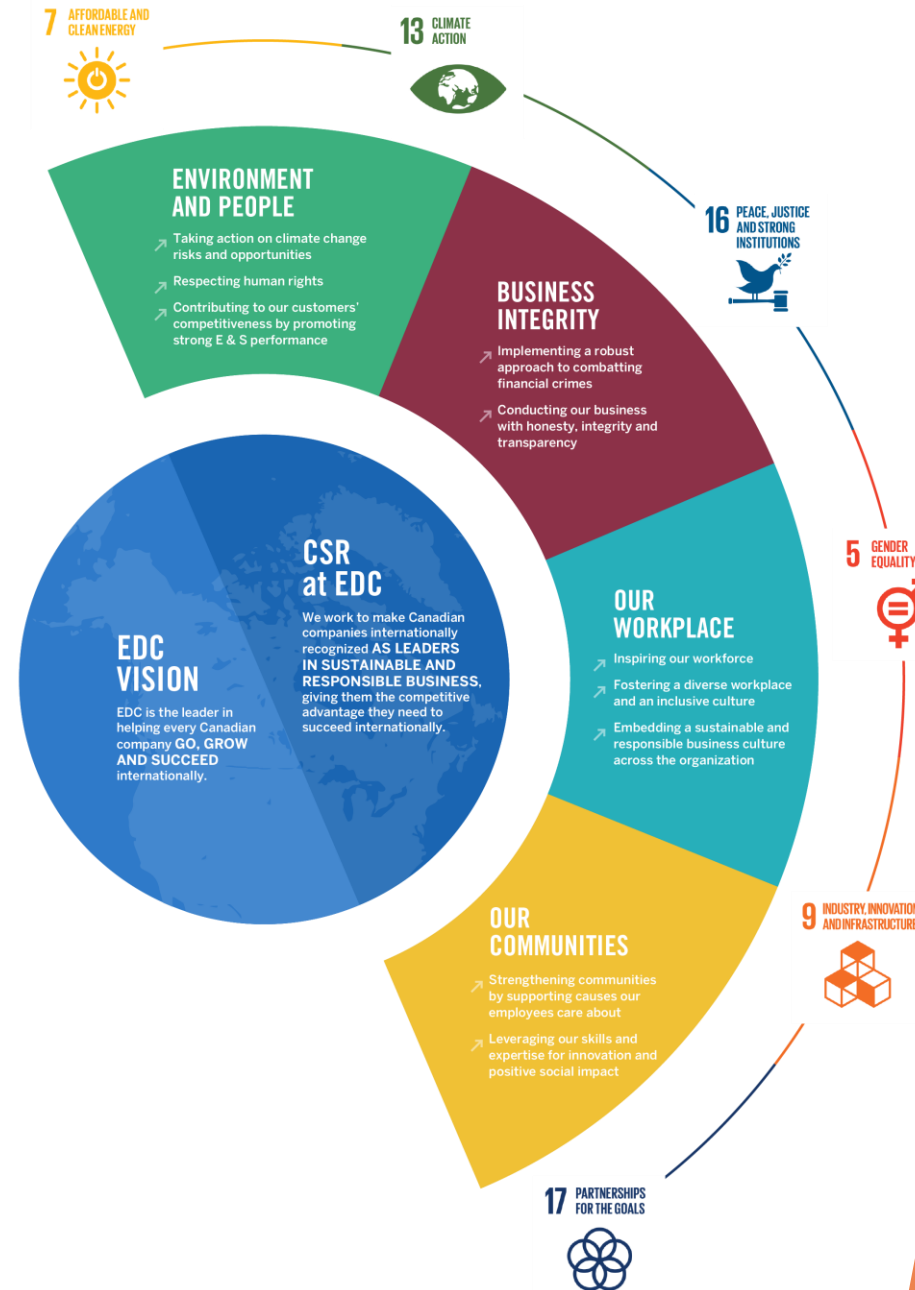
EDC's MANDATE

- ▶ EDC is Canada's official Export Credit Agency. It is a Crown Corporation wholly owned by the Government of Canada
- ▶ The corporation is financially self-sustaining and enjoys a solid AAA credit rating
- ▶ Operates on commercial principles
- ▶ EDC offers working capital and risk mitigation solutions to help Canadian exporters expand their international business
- ▶ It also provides financing to major foreign corporates that procure products and services from and invest in Canada

To support and develop, directly or indirectly, Canada's export trade and Canadian capacity to engage in that trade as well as to respond to international business opportunities

SUSTAINABLE AND RESPONSIBLE PRACTICES OF GOING GLOBAL

We work to make Canadian companies internationally recognized as leaders in sustainable and responsible business. We give them the competitive advantage they need to succeed beyond our borders.



EDC IN GREATER CHINA



- EDC has been doing business in Greater China since 1979
- It is the first foreign export credit agency to establish business ties in Greater China
- The corporation's first representation outside Canada was established in the city of Beijing in 1997; added a second representation by opening an office in Shanghai in 2006 and the latest addition, Hong Kong SAR

Greater China is a strategic priority for the Government of Canada and EDC

WHAT MAKES GREATER CHINA SUCH AN EXCITING MARKET



- ✓ Huge population base
- ✓ Fastest growing middle class in the world
- ✓ Enormous urban growth and urbanization
- ✓ Switching to quality and sustainable growth
- ✓ Emphasizes safeguard for the environment
- ✓ Government plan to boost services, R&D and focus on innovation



... AND HONG KONG IS AN EXCELLENT GATEWAY

- ✓ **Business-friendly environment**
- ✓ **Well-developed financial market**
- ✓ **Low, simple and competitive tax regime**
- ✓ **World-class infrastructure**
- ✓ **Rule of law**

THE GREATER BAY AREA (“GBA”)



GBA development blueprint is centered around innovation that also preserves its ecology

- **Gigantic city cluster of 9+2**
 - ✓ World-class urban cluster
 - ✓ 68 mil people, \$1.7 trillion in GDP occupying 56,000 sq km
- **First class infrastructure build**
 - ✓ Home to 3 of world's top 10 container ports
 - ✓ Air freight volume is greater than San Francisco, New York and Tokyo combined
- **Hi-tech Hub of Southern China**
 - ✓ Capital of innovation and creativity
 - ✓ Home to tech giants such as Tencent, DJI and Huawei
- **Green bond hub**
 - ✓ Hong Kong is home to one of the world's biggest green bond markets

IGNORE TIER 2 AND TIER 3 CITIES AT YOUR OWN PERIL

- Municipalities
- Provincial capitals
- 20 fastest-growing cities



Source: China National Bureau of Statistics; The Economist Intelligence Unit. Does not include Hong Kong, Macao as well as cities in Taiwan. Data for city growth is GDP growth from Q3 2010.



City	GDP		Country
Chongqing	US\$306b		Denmark
Tianjin	US\$292b		South Africa
Suzhou	US\$272b		Colombia
Chengdu	US\$218b		Portugal
Wuhan	US\$210b		Peru

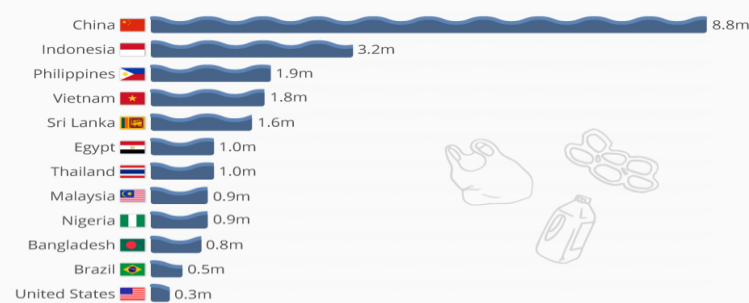
Table 1. Best-Performing Cities China 2015

Rank	First- and second-tier cities	Rank	Third-tier cities
1	Chengdu, Sichuan (四川省, 成都市)	1	Suzhou, Jiangsu (江苏省, 苏州市)
2	Shanghai (上海市)	2	Nantong, Jiangsu (江苏省, 南通市)
3	Tianjin (天津市)	3	Yangzhou, Jiangsu (江苏省, 扬州市)
4	Dalian, Liaoning (辽宁省, 大连市)	4	Suqian, Jiangsu (江苏省, 宿迁市)
5	Nanjing, Jiangsu (江苏省, 南京市)	5	Taizhou, Jiangsu (江苏省, 泰州市)
6	Hefei, Anhui (安徽省, 合肥市)	6	Qingyang, Gansu (甘肃省, 庆阳市)
7	Xiamen, Fujian (福建省, 厦门市)	7	Changzhou, Jiangsu (江苏省, 常州市)
8	Changchun, Jilin (吉林省, 长春市)	8	Wuxi, Jiangsu (江苏省, 无锡市)
9	Chongqing (重庆市)	9	Ji'an, Jiangxi (江西省, 吉安市)
10	Shenzhen, Guangdong (广东省, 深圳市)	10	Yichang, Hubei (湖北省, 宜昌市)

ENVIRONMENTAL ISSUES IN CHINA



The Countries Polluting The Oceans The Most
Annual metric tons of mismanaged plastic waste in global waters*



* Generated in 2010 (selected countries)
Source: The Wall Street Journal

China's environmental problems are well publicized

- Decades of high growth & industrialization achieved at the expense of the environment
- One fifth of China's farmland are polluted
- Discharges more than 8.8m metric tons of plastic waste into ocean
- Toxic smog created by air pollution and sandstorms
- Emits more carbon from burning fossil fuels than US and Europe combined

What is China Doing About It

President Xi Jinping : “The damage that humanity does to nature will ultimately harm humanity itself – this is an unavoidable rule,”

- **Intensify emission control**
 - Cracking down on air pollution from shipping
 - Introduced electric cars quota for OEMs. Credits for new-energy vehicles, both plug-in hybrids and battery-electric cars, must make up 10 percent of sales by 2019

- **Introduce stringent environmental regulations : air, water, soil**
 - 3 new regulations on air, water and soil protection and push for green energy
 - Major campaign against environmental violations has so far penalized more than 30,000 companies and over 5,700 officials.
 - The next target will be air pollution in the Hebei-Beijing-Tianjin triangle.
 - Shuts down polluting operations and repeated offenders.
 - Banned imports of plastics for recycling.

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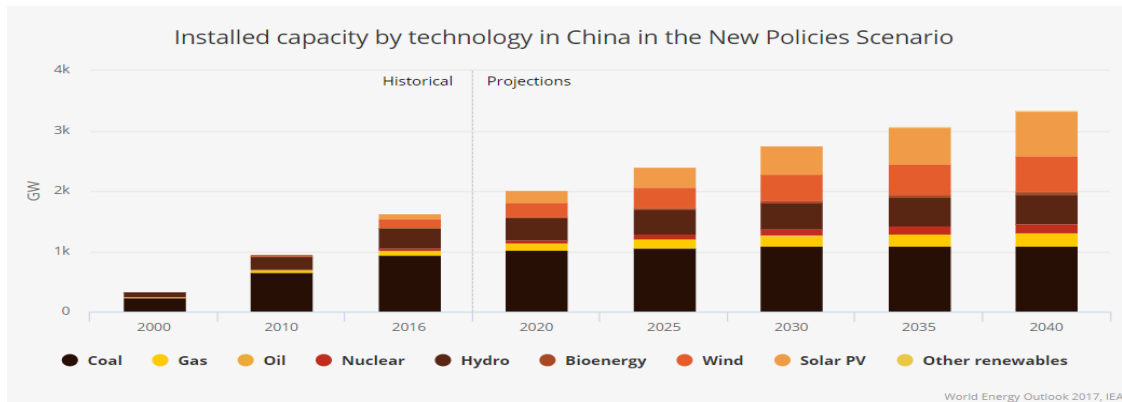
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- Accelerate renewable energy share of energy mix – 11% presently to 20% by 2030.



- Invest \$361 billion in renewable power by 2020, and by 2022 could produce 320 gigawatts of wind and solar power and 340 gigawatts of hydropower.



- World's largest floating solar power farm in Huaian
Built over a former coal mine covering 86 hectares
Generating sufficient electricity to power 160,000 homes
- World's largest wind farm in Gansu, edge of Gobi Desert
7,000 turbines

THIS IS HOW WE HELP YOU

Financing

- › Foreign Buyer Financing
- › Structured and Project Financing
- › Corporate and Asset Backed Lending
- › Equity and Investments

Insurance & Guarantees

- › Accounts Receivable Insurance
- › Bonding (Bid, Advance, Performance & Warranty)
- › International Financing Guarantees

Key Criteria for EDC Support:

Canadian Benefits, Corporate Social Responsibility, Credit Worthiness of Borrower/Risk Counterparty, Exporter Financial/Technical Capabilities and Procurement from Canada

RISKS MITIGATION - ACCOUNTS RECEIVABLE INSURANCE



- › Protect Canadian exporters against unexpected losses due to a variety of credit and political risks
- › Does not cover commercial disputes
- › Allows exporters to compete by offering extended payment terms
- › Enable Canadian companies explore new markets with 90% of losses covered
- › Helps exporters to access financing at commercial banks

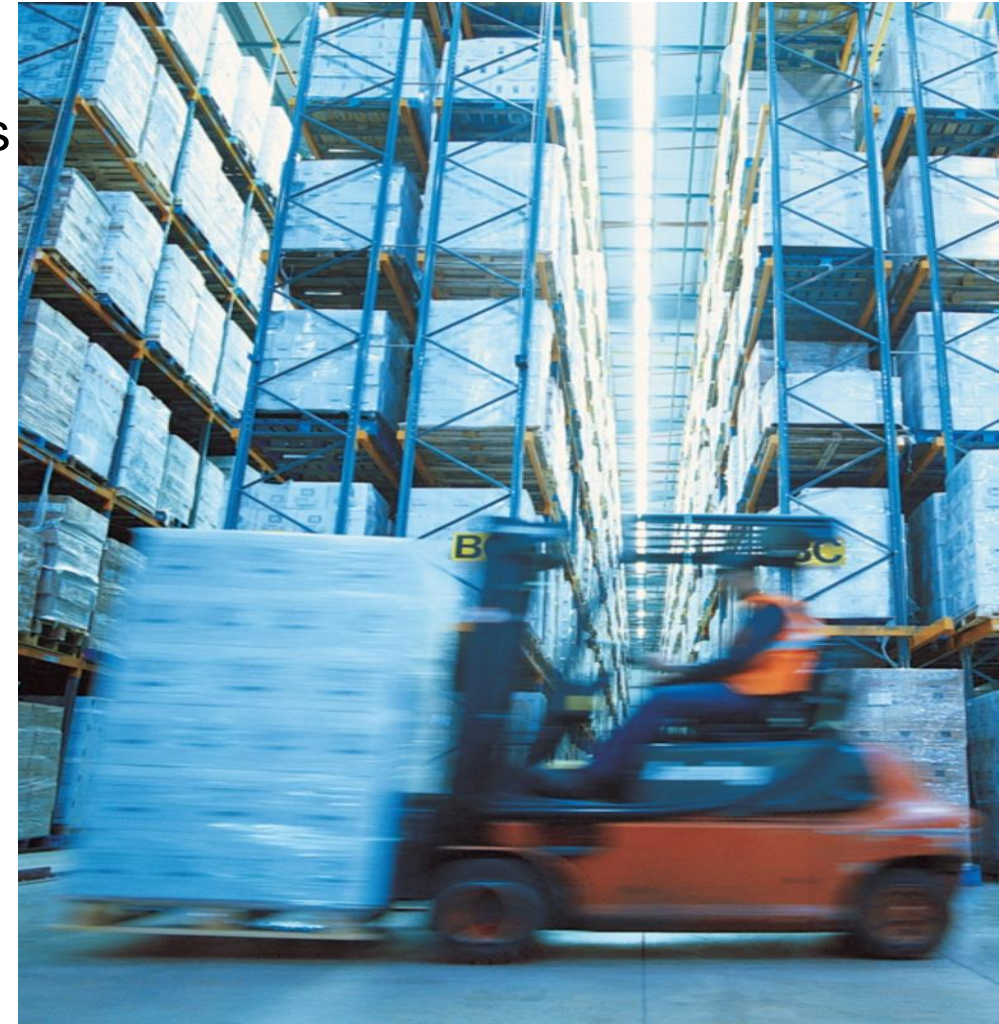
WORKING CAPITAL - EXPORT GUARANTEE PROGRAM



- ▶ EDC provides your bank with loan guarantees to finance your export contracts
- ▶ Get capital you need from your bank
- ▶ Free up your line of credit
- ▶ Meet up-front costs of export contracts

WORKING CAPITAL - EXPORT GUARANTEE PROGRAM

- ▶ EGP can help with your export-related activities by providing guarantees on loans to finance:
 - ▶ Work in progress and inventory
 - ▶ Ongoing working capital needs
 - ▶ Federal and provincial Scientific Research & Development Tax Credits
 - ▶ Foreign domiciled inventory



BONDING SERVICES – PERFORMANCE SECURITY GUARANTEE



- ▶ EDC provides a guarantee to Canadian bank so it can issue bonds/guarantees to exporter's customers & suppliers
- ▶ 100% Guarantee to the Canadian bank to meet exporter's cash collateral requirement for issuing bonds.
- ▶ Protect yourself from wrongful calls
- ▶ Get bonds without tying up cash

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