
U.S.-China Economic & Security Review Commission

The 88 Queensway Group

A Case Study in Chinese Investors' Operations in Angola and
Beyond

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EXECUTIVE SUMMARY

The 88 Queensway Group

An initial search for Chinese firms operating in Angola resulted in a list of several companies with their headquarters located at the same Hong Kong address. Further investigation revealed that a handful of Chinese individuals control over thirty companies located at this address – 10/F Two Pacific Place, 88 Queensway, Hong Kong. Thus, for simplicity, this paper refers to this group of investors as the “88 Queensway Group.” The research presented in this paper is not a comprehensive overview of China’s involvement in Africa or Angola; rather, it is an in-depth study of this group of investors.

The 88 Queensway Group’s origins are imprecise and its power structure and relationship to the Chinese state remain unclear. Its subsidiaries and their operations have not been linked publicly in media reports. Although the Group’s companies often are classified as “private” and based in Hong Kong, there is evidence that several of its key personnel have ties to Chinese state-owned enterprises and government agencies, including China International Trust and Investment Company (CITIC), and China National Petrochemical Corporation (Sinopec), and possibly China’s intelligence apparatus. The Group also has gained high-level access to the governments and national oil companies of the countries in which it invests. In the past five years, the 88 Queensway Group has established over thirty different holding companies and subsidiaries for the purpose of investing globally. In addition to Angola, the 88 Queensway Group has operations throughout sub-Saharan Africa, Latin America, Southeast Asia and the United States.

The 88 Queensway Group: One of Two Main Vehicles for Chinese Financing and Investment in Angola

The primary vehicle for official state-controlled lines of credit for the financing of construction and resource extraction projects in Angola is the Export-Import Bank of China (China Ex-Im Bank). China Ex-Im Bank has extended several oil-backed loans worth at least \$4.5 billion to Angola for reconstruction projects, which according to contract terms must be completed predominantly by Chinese construction companies. The funds for these projects are administered in a relatively transparent manner by the Angolan Ministry of Finance.

In addition to China’s official lines of credit, the 88 Queensway Group has provided a significant amount of financing and investment in Angola. These investments have been divided between two companies:

- China International Fund Limited (CIFL)
- China Sonangol International Holdings Limited (China Sonangol)

CIFL is responsible for financing and managing the 88 Queensway Group’s construction projects, and has provided at least \$2.9 billion to Angola for infrastructure reconstruction. These funds are administered by the Angolan government’s reconstruction office, Gabinete de Reconstrução Nacional, which is directly linked to the Presidency and has little transparency or accountability. China Sonangol is a joint venture between one of the 88 Queensway Group’s companies and Sonangol, Angola’s national oil company. China Sonangol is responsible for the management and operation of the Group’s energy sector projects, and has established a joint venture with Sinopec, one of China’s state-owned oil companies, for oil exploration in Angola.

The Global Scope of the 88 Queensway Group’s Operations

Although the majority of the 88 Queensway Group's activities are concentrated in Angola, it also was active in Argentina, Congo-Brazzaville, and Venezuela by 2005. The Group steadily has expanded its global operations since 2007 and is now active in Africa, Latin America, Southeast Asia, and the United States. Some of its recent operations include:

- the construction of an airport terminal in Tanzania and acquisition of 49 percent of Air Tanzania in 2008;
- the purchase of the JP Morgan Chase Building in Manhattan, 49 percent of the former New York Times Building, and 49 percent of the Clock Tower in Manhattan for \$710 million in August 2008;
- the procurement of a \$200 million stake in an oil and gas field in Indonesia in 2009; and
- the acquisition of 9.1 percent of a major construction and civil engineering firm in Singapore.

Evidence also suggests that the Group could be active in Cote d'Ivoire, Mozambique, Nigeria, North Korea, and Russia.

Key Findings:

- Although the 88 Queensway Group is portrayed to the public (and accepted publicly) as a private Hong Kong-based company with no government affiliation, some evidence suggests that several of the Group's personnel are connected to the Ministry of Public Security or the Ministry of State Security.
- The Chinese Ministry of Foreign Affairs' (MFA) support for the 88 Queensway Group has been inconsistent, and recently the MFA has taken steps in its public statements to distance itself from the activities and companies associated with the 88 Queensway Group.
- In the majority of the countries in which the Group is active, it has established and cultivated relationships with foreign entrepreneurs, businesspeople, or consultants who are already well-established in the target sector or market.
- The paucity of public information about the professional and personal backgrounds of the 88 Queensway Group's key personnel prior to 2003 prevents a solid conclusion about whether or not the Group is an operation controlled by the Chinese government.
- The case of the 88 Queensway Group demonstrates that there is a diverse set of actors involved in China's "going out" strategy. For example, in Angola, Chinese government agencies, state-owned enterprises, and private investors are active in Angola's energy and infrastructure sectors. Angola has received delegations from various Chinese government agencies; loans from three Chinese policy banks; and investments from numerous Chinese state-owned companies. On top of this, the 88 Queensway Group has created a financing structure for projects in Angola's construction sector which is comparable to, but separate from, the China Ex-Im Bank credit lines.
- Often, analysts view China as a monolithic actor, with one strategy applying to all facets of its international relationships. However, the case of the 88 Queensway Group demonstrates that Chinese investments and relationships are far more complex, involving different layers of ministries, state-owned enterprises, and individual actors.
- The lack of transparency and public accountability surrounding the 88 Queensway Group is a major concern for the United States. By posing as a private firm, the Group creates numerous companies within a complicated organizational structure to invest globally, thereby enabling the

Group to acquire assets unnoticed. The 88 Queensway Group's purchase of high-profile real estate assets in the United States underscores the importance of identifying the extent of the Group's connections to the Chinese intelligence community, the public security apparatus, and state-owned enterprises.

- If U.S. efforts to promote development and democratization in Africa and Latin America are to advance, it is essential that the United States understands the complete narrative of Chinese investments in Africa and who is controlling these investments.

I. INTRODUCTION

In May 2008, the Research Working Group of the U.S.-China Economic and Security Review Commission requested research on the political, economic, and security relationship between the People's Republic of China (PRC) and sub-Saharan Africa. Interest in this topic was sparked by the relatively wide media coverage and commentary on China's activities in Africa and speculation about China's "going out" strategy – a strategy articulated in 2002 by then-President Jiang Zemin that encouraged Chinese firms to "go out" of China and establish international operations. While a large amount of research has been conducted on Chinese investments in Africa, our research found a prevailing question that remained unanswered: Are investments in Africa by Chinese companies state directed and made for strategic purposes, or are they commercially oriented and profit driven? Consequently, what is the impact on the United States?

In order to answer this question, Commission staff focused this study on China's relations with Angola in part because of its recent emergence from three decades of civil war, putting it at a crucial point of development in its intricate bilateral relationship with China.

During this examination of Sino-Angolan relations, analysts discovered a consortium of Chinese investors nominally located in Hong Kong. The research presented in this paper is not a comprehensive overview of China's involvement in Africa or Angola; rather, it is an in-depth study of this group of investors. The group is a preponderant actor in Angola and wields tremendous influence over China's economic and business relations with Angola. In addition, our research has found that the group has major investments in other African, Latin American, and Southeast Asian countries as well as in the United States. This paper's detailed examination of the consortium attempts to place this group's activities within the context of China's overall "going out" strategy and to offer recommendations for areas of future research.

Introduction to the 88 Queensway Group

An initial search for Chinese firms operating in Angola resulted in a list of several companies with their headquarters located at the same Hong Kong address. Further investigation revealed that a handful of Chinese individuals control over thirty companies located at this address – 10/F Two Pacific Place, 88 Queensway, Hong Kong. Thus, for simplicity, this paper refers to this group of investors as the "88 Queensway Group."

The 88 Queensway Group's origins are imprecise, and its power structure and relationship to the Chinese state remain unclear. Its subsidiaries and their operations have not been linked publicly in media reports.

Although its companies often are classified as “private” and based in Hong Kong, there is evidence that several of its key personnel have ties to Chinese state-owned enterprises and government agencies. The Group also has gained high-level access to the governments and national oil companies of the countries in which it invests. Often, the 88 Queensway Group appears to circumvent normal investment protocols and negotiate business deals directly with the highest levels of governments and oil company executives. The 88 Queensway Group is active in numerous locations, to include financing infrastructure projects in Angola; energy exploration in Argentina; trading crude oil in the Republic of the Congo; construction projects in Mozambique; airport rehabilitation in Tanzania; a \$200 million share of an oil and gas field in Indonesia; and stakes in a large infrastructure and civil engineering firm in Singapore.

Research on the 88 Queensway Group

Existing Literature on the 88 Queensway Group and its Companies

To date, no publicly available research has identified that the companies run by the 88 Queensway Group are associated and coordinated in their operations, despite their being directed by a few Chinese investors with extensive contacts with Chinese state and state-owned corporations. Several reports on Sino-Angolan relations have discussed the activities of individual companies owned by the 88 Queensway Group, but none has identified that all these companies are connected or has examined their ownership structures, personnel, investment strategies, and global operations.¹ Most reports that discuss the 88 Queensway Group’s subsidiaries refer to a \$2.9 billion to \$9.8 billion oil-backed line of credit that it has supplied to Angola under the auspices of one firm, China International Fund Limited.

Additionally, in researching specific 88 Queensway Group companies, Africa specialists have relied predominately on English- and Portuguese-language sources, data provided by the Angolan government, and interviews and field research conducted in Angola; they have not cited Chinese-language print media. There also have been media reports on the activities of some 88 Queensway Group companies around the world, but most of these reports describe various investments or controversies surrounding the activities of an individual 88 Queensway Group subsidiary; rarely do these reports associate the Group’s global investments with its operations in Angola.

Research Methods

The following research methods were applied during this project:

- 1) Interviews with experts on China's foreign investment, China's national oil companies, and Angola's business and politics;
- 2) A review of academic literature and open-source media materials and statistics (including non-English language sources); and
- 3) An examination of official company ownership and financial filings.

When possible, this research attempts to corroborate reports on China's activities in Angola through Portuguese-language and Chinese-language reporting.

Research Objectives

In examining the 88 Queensway Group as a case study of China's "going out" strategy, several questions first must be answered in order to ascertain whether these investments are state directed or commercially driven, and their impact. After reviewing the literature on companies associated with the 88 Queensway Group, the following questions remain and have been the focus of the research:

- What is the extent of the relationship between the 88 Queensway Group and the Chinese government?
- Considering the fact that there is a paucity of information available about the personal and professional backgrounds of the 88 Queensway Group, how were its companies able to gain high-level access to foreign governments and entry into foreign markets?
- How was the 88 Queensway Group able to raise the billions of dollars in capital needed to undertake its energy, financing, infrastructure, and real estate projects around the world?
- The 88 Queensway Group's entry into Angola occurred almost simultaneously with Sinopec's expression of interest in lucrative concessions in that country. To what extent, if any, are the activities of the 88 Queensway Group and Sinopec coordinated?
- What is the global extent of the 88 Queensway Group's activities?
- What is the significance of the 88 Queensway Group's activities in the context of China's going out strategy?
- What are the implications of the 88 Queensway Group's activities for the United States?

Limitations to the Research

One of the primary conclusions of this research is that there is a paucity of reliable data on Chinese trade, investment, and financing globally. Public records and print media sources yield limited information about

the personal and professional backgrounds of executives from the Chinese companies involved in numerous African countries, including Angola.

However, the researchers on this project were able to utilize various Chinese-language message boards and blogs that discuss the activities of the 88 Queensway Group companies and the background of their personnel. Some information in this paper has been drawn from those sources and will be documented as such.

Additionally, this research has been limited by resources and the inability of the researchers to conduct field research in Angola or China. Further information could be gathered from surveying Chinese project sites in Angola and conducting interviews with key stakeholders in Angola and China, such as government officials; managers and employees of Chinese companies; and current and former laborers who worked on projects implemented by the 88 Queensway Group.

Structure of the Paper

The body of this paper is divided into four sections. The first section of this paper focuses on the 88 Queensway Group's organizational structure and examines the Group's origins, corporate power structure, and the personal and professional backgrounds of its personnel. The second section is a case study of the 88 Queensway Group's activities in Angola, the country in which most of the Group's operations are concentrated. The third section examines the global scope of the 88 Queensway Group's operations. The final segment of the report presents conclusions, including implications for the United States.

II. PEOPLE AND STRUCTURE OF THE 88 QUEENSWAY GROUP

Before examining the scope and nature of the 88 Queensway Group's activities in Angola, it is important first to understand the origins of this investment group; the key personnel involved in its leadership; and the Group's organizational structure. At the end of this section, there is a set of diagrams to assist in understanding the personnel and organizational structure of the 88 Queensway Group.

The Origins of the 88 Queensway Group

In the past five years, the individuals leading the 88 Queensway Group have established over thirty different holding companies and subsidiaries for investing globally.ⁱ While it remains unclear who manages the day-to-day operations of the 88 Queensway Group, Hong Kong Company Registry filings provide some insight into the ownership structure of the 88 Queensway Group companies. However, it remains possible that even the individuals who legally control the 88 Queensway Group's companies do not actually hold power over the Group's global activities.

New Bright International Development Limited (New Bright) was the first company known to be associated with the 88 Queensway Group and was incorporated in Hong Kong in 2003. According to the registry, New Bright is owned and directed by **Ms. Veronica Fung Yuen Kwan** (70 percent) and **Ms. Lo Fong Hung** (30 percent), two of the 88 Queensway Group's key individuals.

The 88 Queensway Group's Key Individuals

Lo Fong Hung appears to serve as the public face of the 88 Queensway Group, making several public appearances on behalf of companies associated with the consortium.² Although there is little information publicly available about Lo's personal or professional background prior to 2003 (when New Bright was incorporated), she is listed currently as the director of no fewer than thirty-four companies incorporated in Hong Kong, most of which are listed at the 88 Queensway address. Lo's husband, **Mr. Wang Xiangfei**, is a former director of China Everbright Group and currently is a nonexecutive director of China International Trust and Investment Company (CITIC), both state-owned companies in the PRC.³ China Everbright has been identified previously as a company affiliated with Chinese military intelligence, to include a role as a

ⁱ All information about companies registered in Hong Kong was received from Hong Kong Company Registry filings unless otherwise noted. For a complete list of the companies affiliated with the 88 Queensway Group, please see Appendix A.

nominal employer for overseas agents operating under cover.⁴ ⁱⁱ CITIC is a huge, Chinese state-owned conglomerate, incorporating forty-four subsidiaries involved with industries as varied as financial services, telecommunications, construction, manufacturing, mining, property development, and media.⁵ Wang Xiangfei and Lo Fong Hung both have connections to China Petroleum and Chemical Corporation, also known as Sinopec, and are listed as officers of Sinopec subsidiaries.⁶ While Wang Xiangfei holds official leadership positions in at least six of the companies owned by the 88 Queensway Group, it is unclear exactly how much control or leadership he exerts within the Group.

Veronica Fung is the director of at least twenty-four companies incorporated in Hong Kong and, like Lo, has little public background before becoming director of New Bright. The only experience found prior to 2003 was her involvement in **Acegain Investments Limited** in 1993. The purpose and history of this company is unclear, but Fung was listed as a director and owned 50 percent of the shares of Acegain until the company dissolved in 2000.

The remaining 50 percent of shares in Acegain were owned by Mr. Ghiu Ka Leung, who also is known by the alias “Sam King.” Another individual, named **Mr. Xu Jinghua**, holds a leadership position within the 88 Queensway Group and also has been referred to as “Sam King” by Chinese bloggers.⁷ It is unclear whether these two individuals are in fact the same person.

The Hong Kong Company Registry lists **Li & Partners**, a Hong Kong-based law firm, as the secretary for New Bright International Development Limited in 2003. One of the partners of this firm was **Mr. Kwan Man Fai**.⁸ Since 2003, Kwan has held leadership positions in at least five of the 88 Queensway Group’s companies, and his law firm has been listed in company filings as secretary for the majority of the 88 Queensway Group companies. However, Kwan left Li & Partners in early 2008, and after that date the law firm was no longer identified on company filings as secretary for the 88 Queensway Group companies.⁹ He reemerged at the end of 2008 as the representative of the 88 Queensway Group’s activities in the United States.

Mr. Wu Yang is the final key individual associated with the 88 Queensway Group companies. Wu Yang is the director of no fewer than fourteen companies headquartered in Hong Kong (most of which are located at the 88 Queensway address) and, like Lo and Fung, he has little known public background in international business. Wu’s association with the 88 Queensway Group is significant, because research indicates that he

ⁱⁱ Dr. Howard DeVore, in his 1999 book *China’s Intelligence and Internal Security Forces*, notes that both China Everbright and CITIC are believed to be subordinate corporations of the PRC Ministry of State Security’s Commission of Science, Technology and Industry for National Defense (COSTIND). COSTIND was restructured in 1998 along with broader military industry reforms.

may have ties of an indeterminate nature with the PRC Ministry of State Security, the PRC Ministry of Public Security, and/or Sinopec. On company filings, Wu lists his residential address as “No. 14 Dong Chang An Street, Beijing, China.” This address is the headquarters for the Ministry of Public Safety (MPS), a domestic security service of the Chinese government. Also located in this compound is a reception office for the Ministry of State Security (MSS), the primary state agency responsible for foreign intelligence activities.¹⁰ Due to limitations preventing field research, no additional documentation has been found linking Wu Yang to either ministry, and it is unknown why he would list this location as his residential address. In addition to his potential connection to the PRC intelligence or security apparatus, Wu Yang has also been named in Angolan government reports as a vice chairman of Sinopec. Wu is not listed in any of Sinopec’s annual reports from 2001 to 2005,¹¹ but he is listed as an independent executive director for Beijing Yanhua Up-Dated High-Tech Co., Ltd., a Sinopec subsidiary, in Yanhua’s annual reports. According to a Beijing Yanhua annual report, Wu was director from April 2005 to March 2006, when he resigned. The report also states that Wu was assistant general manager of Beijing Yin Kuo Investment Co., Ltd. (北京银扩投资有限公司) and executive director of Eastern Fortune Investments Co., Ltd. (东方财富投资有限公司).¹² The purpose and history of Beijing Yin Kuo Investment Co., Ltd. and Eastern Fortune Investments Co., Ltd. are unclear.

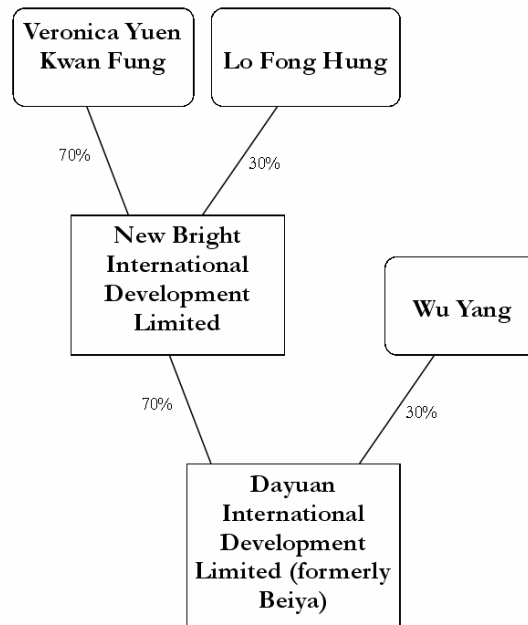
The 88 Queensway Group’s Initial Expansion and Use of Foreign Relationships

In August 2003, only one month after the incorporation of New Bright International Development Limited, Beiya International Development Limited (Beiya) was incorporated in Hong Kong. New Bright owns 70 percent of the company, and Wu Yang owns the remaining 30 percent. In addition, Lo Fong Hung, Veronica Fung, and Wu Yang are all listed as directors of Beiya. Beiya, which changed its name to **Dayuan International Development Limited** (Dayuan) in 2006, was the first known 88 Queensway Group company to invest outside China and Hong Kong.

Please see Figure 1 for a depiction of the 88 Queensway Group’s ownership structure at the end of 2003.

Figure 1:

88 Queensway Group Top Ownership in 2003



After incorporating Dayuan International Development Limited, the Group created its first joint venture with a foreign enterprise. In April 2004, Dayuan created a joint venture with Espirito Santo Commerce (Escom), a subsidiary of the Portuguese bank Espirito Santo Financial Group. The joint venture is called **China Beiya Escom International Limited**, with Dayuan owning 60 percent and Escom owning 40 percent. The company's directors include Lo Fong Hung, Wu Yang, and **Mr. Helder Bataglia**, Escom's president and chairman. Helder Bataglia is a Portuguese national who grew up in Angola. His company, Escom, has major interests in the airline, agriculture, banking, construction, and diamond sectors in Africa and Latin America, particularly in Angola and the Republic of the Congo.¹³ In addition, Bataglia is reputed to be a close friend of Congolese President Denis Sassou Nguesso, Venezuelan President Hugo Chavez, former Argentine President Nestor Kirchner, and Angolan President José Eduardo dos Santos.¹⁴ He also has business deals with high-level executives in the Russian diamond sector.¹⁵

The 88 Queensway Group has used China Beiya Escom International Limited as a vehicle for investing in Africa and Latin America. Research has found that Helder Bataglia's business and political connections have helped the 88 Queensway Group gain access to leaders in Venezuela, and he has claimed publicly to have convinced the Group to come to Angola as well. In an interview on September 1, 2008, Bataglia stated, "[I] found a group in China and convinced them to come to Angola and invest and cooperate on different projects, and [the construction projects in Angola are] part of that program."¹⁶ (Additional information about

China Beiya Escom International Limited's investments in these countries can be found in sections III and IV).

Please see Figure 2 for a depiction of the 88 Queensway Group ownership structure after the establishment of the joint venture with Escom, and the following Figure 3 that details leadership and ownership structure as of 2009.

Figure 2:

88 Queensway Group Top Ownership in 2004

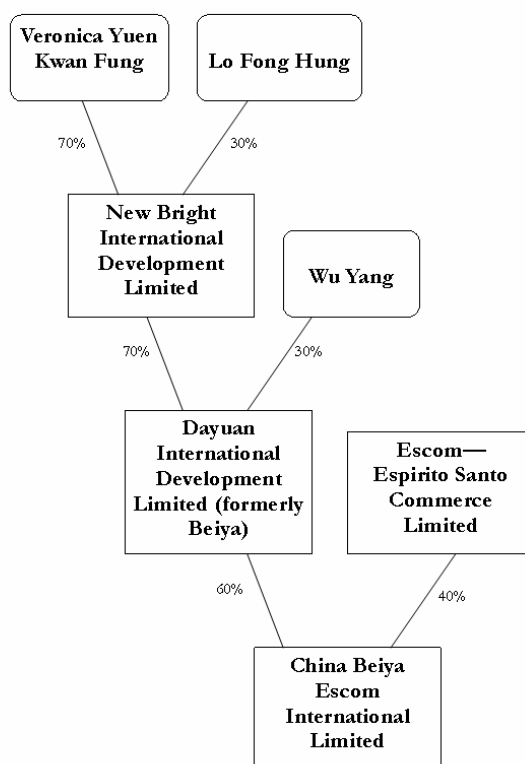


Figure 3:

88 Queensway Group Directors and Companies as of 2009

(*Companies not located at 88 Queensway address)

Lo Fong Hung	Veronica Fung	Wu Yang	Wang Xiangfei	Kwan Man Fai
AC Jet International Artfield Group Ltd. Beijing Tian Qiao Cultural Development Co., Ltd. Bright Fair Ltd. China Africa Development Holding Ltd. China Beiya Escom International Ltd. China Hong Kong Power & Water Engineering Ltd. China Hong Kong Hydropower Engineering Co. Ltd. China International Fund Airport Construction Co. Ltd. China International Fund Ltd. China Sonangol Asia Ltd. China Sonangol Asset Management Ltd. China Sonangol Engineering & Construction Co., Ltd. China Sonangol Exploration & Production Ltd. China Sonangol Finance International Ltd. China Sonangol Gas International Ltd. China Sonangol International Ltd. China Sonangol International Holding Ltd. China Sonangol Natural Resources International Ltd. China Urban Development Holding Co., Ltd. CSG Automobile Ltd. Dayuan International Development Ltd. Deltop Ltd.* Endiama China International Holding Ltd.* Global Investments Fund Ltd. Joyce Link Investments Ltd.* New Bright International Development Ltd. Progress Team Ltd. Right Year Investment Ltd. SNPC Asia Development Ltd. SNPC Asia Holding Ltd. SNPC Asia Trading Ltd. Sonangol Asia Ltd. Wide Action Investment Ltd. Worldpro Development Ltd.*	Acegain Investments Ltd.* China Beiya Escom International Ltd. China Hong Kong Hydropower Engineering Co., Ltd. China Hong Kong Power & Water Engineering Ltd. China International Fund Airport Construction Co., Ltd. China International Fund Ltd. China Sonangol Asia Ltd. China Sonangol Engineering & Construction Co., Ltd. China Sonangol Exploration & Production Ltd. China Sonangol Finance International China Sonangol Gas International Ltd. China Sonangol International Investment Ltd. China Sonangol International Holding Ltd. China Sonangol International Ltd. China Sonangol Natural Resources International Ltd. China Urban Development Holding Co., Ltd. Dayuan International Development Ltd. Global Investments Fund Ltd. New Bright International Development Ltd. SNPC Asia Development Co., Ltd. SNPC Asia Holding Ltd. SNPC Asia Trading Ltd.	China Hong Kong Power & Water Engineering Ltd. China International Fund Ltd. China Sonangol Asia Ltd. China Sonangol Engineering & Construction Co., Ltd. China Sonangol Exploration & Production Ltd. China Sonangol Finance International Ltd. China Sonangol Gas International Ltd. China Sonangol International Investment Ltd. China Sonangol International Holding Ltd. Dayuan International Development Ltd. Fast Sea Investments Ltd.* Beijing Yanhua High Tech Updated Holding Co., Ltd.* Beijing Yin Kuo Investment Co., Ltd.* Eastern Fortune Investments Co., Ltd.*	Artfield Group Ltd. China Beiya Escom International Ltd. China CITIC Bank* China Everbright International* China Everbright Ltd.* China Hong Kong Power & Water Engineering Ltd. Chongqing Iron & Steel Co., Ltd.* Deltop Ltd.* New Bright International Development Ltd. SEC Media Group Ltd.* Shenzhen Rural Commercial Bank* HKC (Holdings) Ltd. Co.* Tianjin Capital Environmental Protection* China Sonangol International Holding Ltd. (Deputy CFO) Plus Holdings Ltd.* Sonangol Sinopec International Ltd.(Vice CFO)	Artfield Group Ltd. Li & Partners* Progress Team Ltd. Right Year Investment Ltd. Wide Action Investment Ltd. CS Wall Street (Vice President)*

III. CASE STUDY: ANGOLA

Angola's Postwar Economic and Political Climate

Following the end of Angola's civil war in 2002, political authority in the country was centralized around President José Eduardo dos Santos, who had been in power since 1979 and remains in power to this day.¹⁷ President dos Santos's power virtually is uncontested, and other governmental institutions, the armed forces, and corporations (including Angola's state-owned oil enterprise) are subservient to the presidency. Angolan government ministries report directly to the presidency and have little contact with one another—a system that has resulted in factionalism and competition among ministries for access to the president.¹⁸ As a result of decades of civil war and poor economic management, commercial activity in Angola is dominated by the extractive sector.¹⁹ Angola is currently the second-largest oil producer in sub-Saharan Africa, and crude oil accounts for 80 percent of government revenues.²⁰

The principal Angolan institution in the petroleum sector is Sonangol, a state-owned oil enterprise currently led by Chairman Manuel Domingos Vicente. Sonangol remained “the only competent state institution” during the civil war, when attrition and mismanagement led to the implosion of most state-owned companies.²¹ Though subservient to the presidency, Sonangol is not micro-managed and has resisted successfully efforts by government institutions—such as the Ministry of Petroleum and the National Bank of Angola—to encroach upon its power.²² In recent years, Sonangol has made strategic business acquisitions in new sectors, such as banking and aviation, in Angola and internationally. This move has prompted some to liken Sonangol to a sovereign wealth fund.²³

The Angolan government's vision for economic development advocates a top-down, centrally planned approach with a heavy emphasis on attracting foreign investment, undertaking large-scale public works projects, and using external borrowing to build and reconstruct the country's shattered infrastructure.²⁴ Angola's strained relations with the International Monetary Fund (IMF) combined with its need for external financing and expertise for reconstruction have prompted the government to search for new lenders and development partners. Among the partners it found was China.

China's Entry into Angola

The conclusion of Angola's civil war in 2002 coincided with President Jiang Zemin's pronouncement of the “going out” strategy. Chinese private and state-owned firms began seeking access to new markets to expand

their international operations, including seeking access to resource-rich Angola. These enterprises, namely construction and petroleum firms, appeared especially attractive to Angolan political leaders, because they could partner in rebuilding Angola's weakened infrastructure and would provide financing with loans. Additionally, Chinese loans had fewer political conditions—such as transparency requirements and government reforms—than loans from international financial institutions.

Official Lines of Credit to Angola from the Chinese Government

The Chinese government has extended official lines of credit to Angola through several of its policy banks. The first official Chinese lines of credit to Angola were extended in 2002, when the China Construction Bank (CCB) and the Export-Import Bank of China (China Ex-Im Bank) financed \$150 million in construction projects in Angola. This amount was later dwarfed by several oil-backed lines of credit extended by China Ex-Im and a \$1 billion loan from China Development Bank (CDB).ⁱⁱⁱ

China Ex-Im Bank Financing in Angola

Since 2004, China Ex-Im Bank has extended at least \$4.5 billion in oil-backed loans to finance major construction projects in Angola. China Ex-Im Bank and the Angolan government have entered into three major financial deals: 1) a \$2 billion line of credit payable over twelve years at an interest rate of Libor^{iv} plus 1.5 percent approved on March 21, 2004; 2) an extension of \$500 million to finance “complementary actions” to projects tied to the first loan; and 3) an additional \$2 billion loan to be repaid over fifteen years with an interest rate of Libor plus 1.25 percent.²⁵ Further, China Ex-Im Bank and the Angolan Ministry of Finance currently are negotiating a new \$1 billion loan.²⁶

For the projects funded by these loans, the Chinese and Angolan governments share responsibility for selecting both the projects and firms to tender contracts. A joint committee composed of representatives

ⁱⁱⁱ Another state-owned Chinese company, Zhong Xing Telecommunication Equipment Company Limited (ZTE), agreed to invest \$400 million in Angola. About \$300 million of this investment was earmarked for the modernization and expansion of Angola Telecom's fixed line network. The Angolan government said that the final \$100 million would be invested in military communications, the development of a mobile telephone factory, and the creation of a telecommunications training institute for Angolan employees. Afrol News, “China, Angola sign 9 cooperation agreements,” March 7, 2005.

^{iv} The London Interbank Offered Rate (Libor) is an interest rate at which banks can borrow funds, in marketable size, from other banks in the London interbank market. Libor is fixed on a daily basis by the British Bankers' Association. Libor is derived from a filtered average of the world's most creditworthy banks' interbank deposit rates for larger loans with maturities between overnight and one full year.

from the Chinese Ministry of Commerce (MOFCOM) and the Angolan Ministry of Finance selects projects from proposals submitted by different Angolan ministries. To date, China Ex-Im Bank-financed projects in agriculture, education, energy, infrastructure, public works, telecommunications, and transportation are in progress or have been completed.²⁷

The loan agreement signed between the China Ex-Im Bank and the Angolan government stipulates that the contracts tied to the loan are allocated primarily to Chinese firms and that most of the building materials and machinery should be sourced from China. The Chinese government has compiled a list of thirty-five construction companies pre-approved to tender for contracts tied to the loan, although efforts to acquire this list have been unsuccessful.²⁸ These companies reportedly were selected due to their positive track records and ability to complete projects in an efficient, timely manner.²⁹ About 30 percent of contracts have been awarded to Angolan companies.³⁰ In interviews conducted for this research, Angolan experts regarded these loans as quite transparent and a positive contribution to Angola's reconstruction and development.

China Development Bank's Loan to Angola

In April 2008, negotiations for a financing agreement began between the Angolan Ministry of Finance and China Development Bank (CDB).³¹ It is unclear who initiated these negotiations. After meeting with President dos Santos in March 2009, Mr. Chen Yuan, chief executive officer of CDB, announced that it would extend a loan of at least \$1 billion to Angola for projects in the agricultural sector.³² Unlike the loans channeled through China Ex-Im Bank, this line of credit is not backed by crude oil sales. After the announcement was made, Yuan stated that "the amount could be insufficient and it may be increased to meet the needs of Angola."³³

The 88 Queensway Group's Entry into Angola

In June 2004, the 88 Queensway Group, through China Beiya Escom International Limited, created a joint venture with Angola's national oil company, Sonangol. The joint venture is called **Sonangol Asia Limited**^v and is located at the 88 Queensway address. China Beiya Escom owns 60 percent of Sonangol Asia Limited, and Sonangol owns the remaining 40 percent. The directors of the company are Lo Fong Hung, Wu Yang,

^v It is unclear what the purpose of Sonangol Asia Limited was when it was first established in June 2004. The company has not been reported as having any specific projects in Angola. However, a Sonangol subsidiary by the name of Sonangol Asia has an office in Singapore. In 2006, the Singaporean office's president, Hermenegilda Lopes, stated that Sonangol Asia is responsible for marketing, trading, operations, administration, and financial supervision of Sonangol's Asian petroleum market. It is unclear, however, if the Sonangol Asia in Singapore is the same Sonangol Asia Limited that is registered in Hong Kong and is affiliated with the 88 Queensway Group. "Eastern Approach," *Universo* (magazine published by Sonangol E.P.), Issue 9 (Spring 2006).

and **Manuel Domingos Vicente** (director and chief executive officer [CEO] of Sonangol). As a result of these contacts in 2004, the 88 Queensway Group was able to arrange for massive projects in Angola's energy and infrastructure sector. The two major vehicles for these investments in Angola were the following:

- **China International Fund Limited (CIFL):** Involved in management and financing of construction projects. CIFL has provided at least \$2.9 billion to Angola for infrastructure reconstruction.
- **China Sonangol International Holdings Limited:** Involved in management and operation of energy sector projects. China Sonangol has obtained concessions of three oil blocks and established a joint venture with Sinopec for oil exploration in Angola.

China International Fund Limited

China International Fund Limited originated as a subsidiary of Dayuan International Development Limited and was incorporated in Hong Kong in November 2003. Dayuan owns 99 percent of CIFL, and Lo Fong Hung owns the remaining 1 percent. The directors named on CIFL company filings are Wu Yang, Lo Fong Hung, and Veronica Fung. Like the other 88 Queensway Group companies, the secretary listed on filings for CIFL is Kwan Man Fai's law firm, Li & Partners.

CIFL's Activities in Angola

China International Fund Limited first attracted media attention in late 2004-early 2005, when it extended a \$2.9 billion to \$9.8 billion oil-backed line of credit (different authors have reported different figures) for major infrastructure projects to be carried out by Chinese construction companies in Angola.³⁴ The Angolan Finance Ministry referred only to an "initial financing facility" from CIFL worth \$2.9 billion, presumably with an additional \$6.9 billion reserved for future projects.³⁵ Financial documents from the Hong Kong Company Registry indicate that CIFL took out four loans over the course of three years in order to pay for its infrastructure projects, although financial documents do not contain exact figures for the amount of money for each loan. The banks providing these loans include the following: Bank of China (branch in Hong Kong) Limited; Calyon (a French bank); and Wing Hang Bank, Limited (based in Hong Kong).

China International Fund Limited “Partners and Allies”

On its Web site, China International Fund Limited lists a number of companies and institutions as “partners and allies.” The Web site does not list why these organizations are considered allies; however, media reports frequently document the signing of contracts between CIFL and many of the companies listed. Additionally, the banks on the Web site have financed past loans for the 88 Queensway Group. CIFL’s partners and allies include the following:

Financial sector: Bank of China (Hong Kong) Limited; Calyon Corporate and Investment Bank; Société Generale Corporate & Investment Banking

Engineering sector: New World Development Company Limited; Hangxiao Steel Structure; Jiangsu Construction Engineering Group Co. Limited; Beijing Construction Co., Limited (Group)

Automobile and machinery sectors: Dongfeng Motor Corporation; Guangxi Liugong Co., Limited; Chongqing Hongyan Co., Limited; Shantui Construction Import & Export Machinery Co., Limited; Volvo Construction Equipment (China) Co., Limited; Baotou Beifang Benchi Heavy Duty Track Co., Limited; China National Heavy Duty Truck Group Co., Limited (Sinotruk); Xuzhou Construction Machinery Group Co., Limited (XCMG); Zhengzhou Nissan Automobile Co., Limited; Changsha Zoomlion Heavy Industry Science & Technology Development; China South Locomotive and Rolling Stock Industry (Group) Corp.

The China Ex-Im Bank loans and CIFL loans to Angola have three similarities: 1) the amounts are comparable (\$4.5 billion from Ex-Im and \$2.9 billion or more from CIFL); 2) the loans supplied by the China Ex-Im Bank and CIFL to Angola are all oil backed, with an assured supply of oil written into the contract; and 3) each loan is tied to major reconstruction projects, most of which will be completed by Chinese companies. However, there are distinct differences in the level of transparency and the Angolan institutions that manage each line of credit.

While China Ex-Im Bank’s lines of credit to Angola are administered in a relatively transparent manner by the Angolan Ministry of Finance, CIFL loans are administered by Angola’s reconstruction office, **Gabinete de Reconstrução Nacional** (GRN), and governed with little transparency.³⁶ The GRN was established in 2004 by Angolan President José Eduardo dos Santos and is controlled by **General Helder Viera Dias**, also known as “**Kopelipa**,” dos Santos’s leading military and intelligence advisor. According to Angolan media reports, the establishment of the GRN was in direct response to political rivalries within the state and Angolan

businessmen and political officials seeking to benefit illegally from the Chinese money. Following the rumors of corruption, Angola's finance minister visited Beijing, and almost immediately upon his return, President dos Santos created the GRN.³⁷ According to Manuel Ennes Ferreira, an expert on Sino-Angolan relations, "rumors surfaced that it was the Chinese Secret Services...that warned the Angolan Presidency [about the corrupt practices], going as far as providing President dos Santos with a list of twenty businesses connected with the elite Angolans said to be illicitly benefiting from the newly available resources."³⁸

The 88 Queensway Group's opacity is supported by a lack of transparency within the GRN. According to *Africa Asia Confidential*, the GRN structure "muddles state finances," with the Angolan Ministry of Finance knowing few details about GRN activities or expenditures.³⁹ While the financial flows of the GRN are supposed to pass officially through the Ministry of Finance's accounts, management is reserved for the GRN and Kopelipa. One Angolan reporter stated in 2006, "Provincial governors and other senior regional politicians are in a constant state of waiting for a governmental Messiah to turn up that will enlighten them on the real intentions of the GRN, currently managing the billions of U.S. dollars from Chinese loans."⁴⁰

CIFL Personnel

One of the Chinese individuals reportedly in charge of CIFL operations (and potentially other 88 Queensway Group activities) in Angola is **Mr. Xu Jinghua**. In multiple media reports, Xu is said to be the chairman of the board of Dayuan and CIFL.⁴¹ However, he is not listed on official registry documents as being a director or shareholder of any of the 88 Queensway Group companies. According to business media and Chinese bloggers in mainland China, Xu controls both oil trading and infrastructure construction operations in Angola.

Bloggers and former CIFL personnel also note that Xu has gone by several aliases since working with CIFL; among these are Xu Songhua, Sa Muxu, Samo, and "Sam King."⁴² As mentioned in the section above, it remains unclear whether or not Xu Jinghua is the same "Sam King" who owned half of Acegain Investments Limited with Veronica Fung in 1993. According to a Chinese-language media source, Xu Jinghua may also refer to himself as "Sam Pa" or "Sampa,"^{vi} which is the same name as one of the individuals who participated in a 2004 delegation to Buenos Aires along with Lo Fong Hung and Helder Bataglia.⁴³ "Sampa" was described by Argentine media at the time as a "Cambodian who was affiliated with China Beiya Escom."⁴⁴

^{vi} In an article from *Guangxi Daily News* on July 14, 2007, one 88 Queensway Group company is described as signing agreements with several construction companies in Guangxi. Representing the 88 Queensway Group was a man named "Sampa." The article also refers to the same person as "Mr. Xu." While it is unclear if this Mr. Xu is referring to Xu Jinghua, because of the similarities between the name Sampa and his additional aliases, it is possible they are the same person.

Asia Times reported in March 2007 that Xu has “cozy relationships” with Angola’s political and military leadership.⁴⁵ These relationships may be the result of ties developed during Angola’s civil war. Several Chinese bloggers have noted that Xu is rumored to have been involved in arms sales to the Angolan military during the Angolan civil war.⁴⁶ These claims have yet to be substantiated.

Another individual documented as controlling CIFL projects in Angola is **Mr. Ju Lizhao**. Ju is reportedly the CIFL director stationed in Angola, although he is not listed on any official company documents.⁴⁷ Ju potentially represents an important personnel connection between the 88 Queensway Group and China’s People’s Liberation Army (PLA). He is a former senior colonel for the PLA General Staff Department Foreign Affairs Division, the military office responsible for military exchanges in China.⁴⁸ Four years after retiring from the PLA, Ju was reported to have begun associating himself with China International Fund Limited.⁴⁹

CIFL’s financing of infrastructure and construction projects in Angola has been its most publicized work. CIFL has financed the construction of housing projects, public utilities, railways, highways, airports, and stadiums. For a complete list of projects, please refer to the text box below and to Appendix B.⁵⁰ Contracts for projects financed by CIFL are reserved for companies selected by the 88 Queensway Group. These projects have been awarded to two types of companies: 1) Chinese construction companies with connections to individuals involved in the 88 Queensway Group, including China Railway 20th Bureau Group Corporation and Hangxiao Steel Structure; and 2) joint venture companies established by CIFL and selected Chinese companies with specific expertise, such as the 88 Queensway Group joint venture with Guangxi Guineng Engineering Consulting Company called China Hong Kong Power & Water Engineering Limited. Few of the names of the companies that have been awarded projects by CIFL in Angola have been publicized by media reports. Of the companies known to be funded by CIFL, most are not based in Hong Kong but instead are Chinese state-owned companies, companies listed on the Shanghai stock exchange, and unlisted private companies based out of the mainland.

According to Indira Campos and Alex Vines of Chatham House (also known as the Royal Institute of International Affairs), “disbursements from the [CIFL] credit line are paid on a project-by-project basis to Chinese contractors and suppliers.”⁵¹ Because of opaque and limited reporting of financial and construction information about the projects, it is unclear how much of the original loan has already been disbursed. However, when CIFL signed a 34.4 billion RMB (\$5 billion) housing construction contract with a Chinese steel company in 2007, Xu Jinghua told the *Asia Times* that the contract was “no more than a slice of his big Angola construction business pie, which could be worth as much as \$30 billion.”⁵²

CIFL has also made inroads into Angola's diamond industry. In April 2005, the Angolan Council of Ministers, including all government ministers and vice ministers, approved a joint venture agreement between Endiama EP (the Angolan state-owned diamond company) and CIFL. In this joint venture, the Council authorized Endiama EP to participate in the creation of a Hong Kong-based company called Endiama China International Holdings Limited. The agreement gave Endiama China "financial and technical capacity, as well as practical capability in developing diamond prospecting, assessment and exploitation programs."⁵³

Projects Financed by China International Fund Limited in Angola^{vii}

- **Housing:** 215,500 units of public housing in Luanda and in seventeen other provinces
- **Automobiles:** Industrial Park with total annual production capacity of thirty thousand sport utility vehicles (SUVs)
- **Public utilities:** Repair of drainage and water supply in Luanda, Senado da Câmara, Rio Seco, Surcoa, and Cazenga
- **Highways and roads:** Highway from Luanda to Lobito; road restoration projects throughout Angola
- **Railways:** Construction of Luanda Railway and Benguela Railway; imports of locomotives and rolling-stock
- **Airports:** Construction of the largest airport in Africa, New International Airport of Luanda
- **Office buildings:** twenty-four-story CIFL headquarters building; new National Administration Complex to house the Angolan Presidential Palace, Parliament House, Supreme Courts, offices for new ministries
- **Water/hydro-electric:** Dredging the Luanda seafront and upgrading drainage; irrigation and hydro-electricity on the Kwanza River
- **Logistics bases:** in Luanda, Benguela, and Namibe to support CIFL projects and corporations
- **Nova Luanda:** Financing for the \$3.5 billion entirely new urban center designed to be a satellite for the overcrowded capital, which is being constructed by CITIC^{viii}

China's Activity in Angola's Petroleum Sector: Sinopec and China Sonangol

Sinopec's Entry into Angola

^{vii} Information about projects was taken from CIFL Web site: www.chinainternationalfund.com

^{viii} It is unclear if the entire financing for Nova Luanda is coming from CIFL. Reports of CIFL financing for the project began in 2007. However, CITIC only began work on the project in September 2008.

In mid-2004, shortly after the announcement of China Ex-Im Bank's financing agreement with the Angolan government, Sinopec made a contentious move to establish a presence in Angola. Sinopec aggressively sought to acquire a stake in block 18, an oil block from which Royal Dutch/Shell decided to withdraw. This was controversial, because Shell had agreed in October 2003 to sell the block to ONGC-Videsh, the international branch of India's state-owned Oil and Natural Gas Corporation (ONGC).⁵⁴ Over the next several months, executives from Sinopec and Sonangol met multiple times in Angola and China, including three visits to China by Sonangol Chairman Manuel Domingos Vicente. During the same time period, President dos Santos declined India's invitation to visit New Delhi and refused to receive Indian Oil Minister Mani Shankar Aiyar in Angola's capital, Luanda. ONGC-Videsh eventually was sidelined by Sinopec's offer of an estimated \$725 million for a 50 percent stake in the concession. Some critics of the deal have claimed that China Ex-Im Bank's extension of loans to Angola in the months prior provided Sinopec with an unfair advantage over its Indian competitor.⁵⁵

China Sonangol

In addition to meeting with Sinopec representatives in his 2004 visits to China, Manuel Vicente dedicated a portion of these visits to meeting with 88 Queensway Group directors. Almost immediately following his August 2004 visit, when it was announced that Sinopec was pursuing block 18, Vicente (on behalf of Sonangol) formed a joint venture with the 88 Queensway Group called **China Sonangol International Holdings Limited**. The 88 Queensway Group (through Dayuan International Development Limited) owns 70 percent of China Sonangol, and Sonangol owns the remaining 30 percent. The four directors of the company are Lo Fong Hung, Veronica Fung Yuen Kwan, Wu Yang, and Manuel Vicente. The joint venture was incorporated officially in Hong Kong on September 8, 2004, and China Sonangol is the 88 Queensway Group's major actor in Angola's petroleum sector. In the weeks following China Sonangol's incorporation, Vicente and the 88 Queensway Group also incorporated nine subsidiaries of China Sonangol.

China Sonangol is the client of a prominent international consulting firm called **Pierson Asia**. Pierson Asia specializes in helping Chinese companies set up business in Angola. Other Chinese clients include CITIC and Zhen Hua Oil, the oil trading arm of Chinese state-owned armaments and engineering firm China North Industries Corporation (NORINCO).⁵⁶ The owner and director of Pierson Asia is **Mr. Pierre Falcone**. Falcone, born in French Algeria, was involved heavily in an international oil-for-arms scandal called Angolagate. In 1993, the son of former French President François Mitterand, a Russian diamond magnate, and Falcone all were involved in a deal to sell \$791 million of Russian arms to the Angolan government during its civil war.⁵⁷ In the years since Angolagate, Falcone's relationship with President José Eduardo dos Santos of Angola has remained strong. Their relationship is so pronounced that when Falcone was arrested

for his activity in Angolagate in 2003 by French authorities, dos Santos appointed him as the Angolan ambassador to the United Nations cultural organization UNESCO in order to procure diplomatic immunity for Falcone.⁵⁸ Also, Falcone reportedly is close to Angolan retired general and senior intelligence advisor General Kopelipa, as well as to the chairman of Angola's national oil company, Manuel Vicente.⁵⁹

In the energy sector, China Sonangol is involved in petroleum exploration and production and crude oil trading and formerly was slated to participate in the construction and management of a petroleum refinery. It has a 25 percent stake in the exploration of blocks 3/05 and 3/05A and reportedly is a partner in **Sonangol Sinopec International (SSI)**, a joint venture agreement with Sinopec. Through SSI, China Sonangol and Sinopec are involved in the exploration and production of four oil blocks in Angola: 15(06), 17(06), 18(06), and 18. In March 2006, Angola announced that Sonangol Sinopec International (SSI) had been chosen as its partner in the construction of a new refinery, called Sonaref, to be located at the port city of Lobito, 373 miles south of Angola's capital, Luanda. Construction of the Sonaref refinery was expected to cost an estimated \$3 billion. The refinery was to be Angola's largest, with a refining capacity of 240,000 barrels per day and would employ eight thousand when fully operational. As described below, negotiations about the refinery fell apart, and SSI is no longer involved in the project.⁶⁰

China Sonangol's Links with Sinopec

Reports conflict as to whether China Sonangol is involved with Sonangol Sinopec International or not. In 2005, *Energy Compass* reported that SSI is a joint venture between Sinopec and China Sonangol but also stated that each partner's share remains confidential.⁶¹ Campos and Vines of Chatham House claim that SSI is a joint venture between Sonangol and Sinopec, in which Sinopec Group holds a 55 percent stake, and the remaining 45 percent belongs to Sonangol. There is evidence that China Sonangol is involved in several aspects of SSI's operations in Angola, including participation in a crude oil off-take agreement^{ix} with a Sinopec subsidiary and involvement in several of Sinopec's financing arrangements for projects in Angola.

Several of the 88 Queensway Group's key personnel hold positions with SSI and other Sinopec subsidiaries. Wang Xiangfei is listed as the vice chief financial officer of the joint venture, and Lo Fong Hung is a director of the company. Additionally, a statement issued by the Angolan government in 2006 and an Angolan newspaper article mention Wu Yang by name, and each refer to him as the "vice director" of Sinopec.⁶² Between 2005 and 2006, Wu was also independent nonexecutive director of Beijing Yanhua Up-Dated High-Tech Co., Ltd., a subsidiary of Sinopec located in Beijing.

^{ix} An **off-take agreement** is an agreement to purchase all or a substantial part of the product produced by a project, which typically provides the revenue stream for a project financing.

China Sonangol also is involved in a major oil-financing agreement between Sonangol and a consortium of European banks led by France's Calyon Bank. A \$3 billion financing agreement concluded on September 7, 2005, is backed by oil revenues secured through a long-term off-take agreement between Sonangol and China Sonangol with the oil destined for the Chinese market. China Sonangol has a corollary off-take agreement with China International United Petroleum & Chemicals Co., Ltd. (Unipec), a subsidiary of Sinopec. Unipec is one of a select few companies with a license to import crude oil into China. Additionally, Sinopec serves as the guarantor^x for this loan agreement. China Sonangol is only an intermediary in this financing agreement, and thus it is unclear exactly why they are involved, because Unipec is ultimately the buyer of the oil.

China Sonangol's activity has been limited neither to Angola nor to the petroleum sector. The joint venture created between the 88 Queensway Group and Sonangol has provided the Group with access to the airline owned by the national oil company, Sonair. China Sonangol holds a 30 percent stake in Sonair and has acquired at least two Airbus A-319 aircraft in Angola.⁶³ Additionally, China Sonangol and China International Fund Limited sponsor an eighteen-year-old Angolan Formula One racecar driver, Luís Sá Silva, who competes throughout Asia and Europe.⁶⁴ The Sino-Angolan joint venture also has begun investing in real estate and manufacturing elsewhere in Africa, Latin America, and the United States. In this regard, China Sonangol's activities are similar to those of a private equity fund. See section V for more details on the global scope of the 88 Queensway Group's investments.

The 88 Queensway Group's Problems in Angola

After experiencing a relatively smooth entrance into the Angolan market, the 88 Queensway Group hit several major roadblocks in 2007. As detailed below, agreements began to unravel and Group-funded projects began to stall; it appears that the relationships the Group had with the Angolan government, and perhaps the Chinese government, began to deteriorate as well.

The Collapse of Sonaref Negotiations

In early March 2007, plans for Sinopec Sonangol International to construct the Sonaref refinery in Lobito, Angola, were called off when Sinopec pulled out of negotiations. One of the main reasons for cancelling the deal was a disagreement between Sinopec and Sonangol over which markets would be designated to receive

^x In this context, a *guarantor* is a party who agrees to guarantee repayment of a loan.

Sonaref's refined petroleum products. The Angolan government disapproved of the plan that Sinopec proposed, which stipulated that 80 percent of Sonaref's production would be exported to foreign markets, especially since Angola regularly experiences domestic shortages of oil by-products.⁶⁵ Manuel Vicente, chairman of Sonangol, offered public criticisms about this prospect, telling the Angolan media, "We cannot construct a refinery just to make products for China."⁶⁶ In contrast, Chang Hexi, the Chinese economic counselor in Luanda, claimed that Sinopec's negotiators backed out of negotiations because the company simply was not interested in the project.⁶⁷

In November 2008, it was announced that Sonangol would hire KBR, an American engineering firm that split away from Halliburton in April 2007, to design and oversee the construction of Sonaref. Construction began in January 2009 and is expected to be done in four years.⁶⁸

Cancellation of the 88 Queensway Group's Partnership with Endiama

In early March 2007, the Angolan Council of Ministers cancelled the partnership between Endiama, Angola's state diamond company, and China International Fund Limited. This partnership was established in 2005.⁶⁹ Despite the cancelled partnership, Endiama China International Holdings Limited, the Hong Kong company created as part of the agreement, still is listed as an active corporation, according to documents obtained from the Hong Kong Companies Registry.⁷⁰

Hangxiao Steel Structure's Insider Trading Case

In March 2007, Hangxiao Steel Structure, a Shanghai-listed company subcontracted by the 88 Queensway Group to undertake a 34.4 billion RMB housing construction project in Angola, became embroiled in a very public controversy after signing a \$4.4 billion contract with CIFL for a housing development project in Angola called "Residents' Heaven."⁷¹ The company came under scrutiny at the beginning of March, when its share prices surged 10 percent (the daily limit for price increases on the Shanghai stock exchange) for ten straight days. A subsequent investigation by the China Securities Regulatory Commission (CSRC) found that the company had released prematurely the details of the Angolan project to shareholders.⁷² In early 2008, a Chinese court found three former Hangxiao Steel executives guilty of insider trading and sentenced them to eighteen to thirty months in prison.⁷³ Hangxiao Steel's association with CIFL thrust the 88 Queensway Group into the spotlight as the media tried to uncover details of the contract. However, there are no public reports of any official investigation of CIFL with respect to the insider trading case.⁷⁴

In response to questions about its relationship with China International Fund Limited, the Chinese Ministry of Foreign Affairs attempted to distance itself from the controversy and did not try to deflect public criticisms of the 88 Queensway Group. In a March 2007 interview with the Chinese-language *First Finance Daily Newspaper*, a spokesperson from the Chinese embassy in Angola said, “We are not familiar with CIFL’s background, but all their projects that have been built in Angola are not good.”⁷⁵ In addition, a commercial counselor from the Chinese embassy in Angola said, “We are not the direct department in charge of Chinese Angolan economic cooperative efforts, but we never saw [CIFL] emerge in any of the public exercises and meetings between the Chinese government and the Angolan government.”⁷⁶

Sinopec Relinquishes Several Recently Acquired Oil Blocks

Finally, in November 2007, it was reported that SSI had relinquished its stake in three of the oil concessions it had acquired recently. According to Indira Campos and Alex Vines of Chatham House, the Portuguese firm Galp Energia SGPS would replace Sinopec permanently on the oil blocks, but China Sonangol was “taking on the blocks temporarily until a permanent equity partner” was confirmed. China Sonangol’s willingness to work on these oil blocks despite Sinopec’s departure suggests that business decisions for the two companies—SSI and China Sonangol—may be made by different executives or governing bodies.

Sea Success Maritime, Inc., Files Lawsuit against CIFL

On June 1, 2009, **Sea Success Maritime, Inc.**, a subsidiary of Hong Kong-based **Lihai International Shipping Company**, filed a lawsuit against CIFL in the New York Southern District Court demanding \$257,000 in fees and damages. In October 2008, Sea Success and CIFL had signed a maritime contract under which CIFL was to charter a vessel owned by Sea Success in order to “ship a cargo of around 20,000 [cubic meters] of lawful and harmless general cargo and four containers of fireworks from Taicang and Zhangjiagang, China, to Luanda, Angola. Sea Success claims that CIFL is delinquent on payments for these services.”⁷⁷

The Future of the 88 Queensway Group in Angola

The 88 Queensway Group has been able to continue operating in Angola and elsewhere around the world despite the major setbacks detailed above. Media sources in Angola and scholars knowledgeable about Sino-Angolan relationships continue to report on the progress that has been made on CIFL projects, and new reports about other 88 Queensway Group subsidiaries’ global investments continue to be released in news circuits.⁷⁸

Following months of steady decline in the price of oil, in December 2008 Angolan President dos Santos and Sonangol Chairman Manuel Vicente travelled to Beijing to meet with President Hu Jintao. While *Xinhua* notes that dos Santos's visit was to "further strengthen the political and economic relations between the two countries,"⁷⁹ Richard Segal of United Bank of Africa told *Reuters*, "It seems that Angola is returning to its initial strategy of asking China for loans, as the financial crisis makes it too expensive to borrow from the West."⁸⁰ During the Angolan delegation's visit to China, Li Ruogu, president of China Ex-Im Bank, announced, "We are planning to expand cooperation with the Angolan Ministry of Finance."⁸¹ The increase of the already promised \$4.5 billion China Ex-Im Bank credit line points to the deepening ties in the Sino-Angolan relationship. This also was highlighted when PRC Minister of Commerce Chen Deming traveled to Angola in January 2009 and met with Angolan Prime Minister Antonio Paulo Kassoma, pledging Chinese support for Angola's agriculture sector.⁸² At this meeting, Chen also announced that bilateral trade volume between China and Angola had reached \$25.3 billion in 2008, establishing Angola as China's largest African trade partner.⁸³ In addition, on March 13, 2009, the president of the China Development Bank announced a \$1 billion loan that will be given to Angola for the agriculture sector.⁸⁴ However, unlike the loans from the China Ex-Im Bank and CIFL, this loan is not oil backed.⁸⁵ It is unclear whether the Chinese and Angolan officials met with 88 Queensway Group's leadership during these trips.

While state-to-state relations between China and Angola appear to be strong, the status of the 88 Queensway Group's projects in Angola and its relationship with the Angolan government remain uncertain. On the one hand, the recent drop in oil prices and the global financial crisis have not deterred China's state-owned policy banks from promising further financing for projects in Angola. Additionally, dos Santos's meetings with Hu Jintao in December 2008 and with Chen Deming in January 2009 show continuity in high-level political exchanges. On the other hand, although the 88 Queensway Group has become increasingly active outside of Angola, it has not announced any new projects in Angola since 2007. However, several individuals interviewed by the authors of this report claimed that vehicles branded with CIFL's logo still can be seen driving around Luanda.⁸⁶

V. THE GLOBAL SCOPE OF THE 88 QUEENSWAY GROUP

The 88 Queensway Group has taken several steps to expand and diversify its business portfolio to include new markets and sectors beyond Angola and its petroleum sector. In addition to purchasing a publicly traded company with activities in several new sectors, the 88 Queensway Group has used China Sonangol as a means to globalize its investments. China Sonangol has created a “direct investments team” to spearhead investments in various areas, including real estate, basic materials, and consumer and industrial sectors.⁸⁷ China Sonangol has become active in the air travel industry and has purchased nearly \$1 billion in high-profile real estate in the United States. The Group also has created numerous other companies registered in Hong Kong (most of which are located at the 88 Queensway address) in order to spread its investments abroad. For a complete list of the 88 Queensway Group’s global activities by country, please refer to Appendix B.

China Sonangol

After establishing the joint venture with Sonangol to gain a footing in the petroleum sector in Angola, the 88 Queensway Group used China Sonangol to diversify its investments and expand globally. In Tanzania, China Sonangol deals were met with controversy, and the Chinese Ministry of Foreign Affairs again did its best to distance itself from the Group. China Sonangol also was used as the platform for creating the Group’s first publicly traded company and investing in the United States for the first time. According to media reports, China Sonangol recently has become active, or is in negotiations for projects, in Côte d’Ivoire, Indonesia, and Singapore.

Argentina

On November 14, 2004, Chinese President Hu Jintao met with Argentine President Nestor Kirchner, pledging to invest \$19.71 billion over the next decade. The letters of intent pledged \$260 million in communications and satellite technology; \$6 billion in housing and infrastructure; \$5 billion in the energy sector; and \$8 billion in urban and suburban railways. Media accounts also reported that during Hu’s visit, Lo Fong Hung, Helder Bataglia, and Sampa met publicly with Kirchner in order to sign agreements between Chinese, Portuguese, and Argentine companies. Sampa was described as director of China Beiya Escom.^{xi} . Lo was described as a representative of the China Construction Bureau, even though she is listed on China

^{xi} As described in section II, China Beiya Escom is the joint venture between Bataglia’s Portuguese company, Escom, and Beiya International Development Limited (now known as Dayuan International Development Limited).

Beiya Escom company filings as a director.^{xiii} Bataglia represented his company, Espirito Santo Financial Group. Also joining them at the meeting was Manuel Vicente, chairman of Sonangol.⁸⁸

While most reports described the individuals affiliated with the 88 Queensway Group as accompanying President Hu's Chinese delegation, one Argentine newspaper asserted that the businessmen merely were posing as representatives of the Chinese government and had no affiliation with President Hu. In addition, prior to the conclusion of the deal between the 88 Queensway Group affiliates and former President Kirchner, PRC Foreign Minister Li Zhao Xing discouraged the agreement, saying that these companies do not represent the state of his country and did not ensure that the projects were viable. He stated, "They should bring [the projects] back to square one."⁸⁹ This type of denouncement by the PRC Foreign Ministry is not unprecedented for the 88 Queensway Group, with the Foreign Ministry offering a similar rebuke against the Group's agreements in Angola.

Tanzania

The activities of the 88 Queensway Group also have raised controversy in Tanzania. In July 2008, China Sonangol became involved in Tanzania when high-level officials from the government of Tanzania, the China Development Bank, and China Sonangol signed an agreement to develop Tanzania's agriculture, transportation infrastructure, housing, mining, and power sectors. The agreement stipulated that China Sonangol would "develop the Julius Nyerere International Airport including the development of Terminal III" and would "initiate projects leading to [Sonangol taking] 49 [percent] of [Tanzanian] government shares of Air Tanzania Limited Company."⁹⁰

With this deal, China Sonangol was granted oil exploration rights in exchange for purchasing shares in Tanzania's national airline. In February 2009, *The East African* reported that the state-owned Tanzanian Petroleum Development Corporation granted China Sonangol three licenses for oil exploration in Rukwa (western Tanzania) in order to induce the Hong Kong-based firm to purchase the shares in troubled Air Tanzania for \$21 million.⁹¹ According to local media, the money from the transaction was intended to help purchase two used Bombardier Dash 8 Q400 turboprop planes from the Canadian firm Bombardier

^{xiii} This research has not found any other connections between Lo Fong Hung and the China Construction Bureau except for this article. The China Construction Bureau is a subsidiary of the China State Construction Engineering Corporation (CSCEC), an entirely state-owned company. However, China Construction Bureau possibly is a mistranslation for the China Construction Bank. While the China Construction Bank has not given loans recently, it was involved in giving loans to Angola in 2002. (Indira Campos and Alex Vines, "Angola and China: A Pragmatic Partnership" (working paper presented at a CSIS [Center for Strategic and International Studies] conference, "Prospects for Improving U.S.-China-Africa Cooperation," December 5, 2007).

Aerospace Inc.⁹² According to *The East African* and several members of the Tanzanian parliament, this transaction violated the nation's procurement laws.⁹³

The deal reportedly was finalized during Chinese President Hu Jintao's visit to Tanzania in early 2009 and is currently under investigation by the Tanzanian government. In line with this investigation, Air Tanzania was asked to give a detailed account to parliament on what transpired during the signing of the agreement.⁹⁴ Zitto Kabwe, chairman of the Parastatal Organisations Accounts Committee (POAC),^{xiii} stated that the Tanzanian Parliament had not been made aware of the negotiations with China Sonangol and that "Parliament needs to know how oil exploration rights can be exchanged for an airline."⁹⁵ However, Yona Killagane, managing director of the Tanzania Petroleum Development Corporation, claimed that China Sonangol was offered the licenses in 2007 in a memorandum of understanding that "had no link whatsoever to the Air Tanzania share sale."⁹⁶

Officials from the Chinese and Tanzanian governments have raised questions about the deal since it became publicly known and have distanced themselves from it. The First Secretary of Economic Affairs at the Chinese embassy in Tanzania, Mr. Xia Na, told the Tanzanian government in August 2008 that while the China Development Bank will finance some projects in the country, the embassy is not aware of any plans by China Sonangol to acquire equity stakes in Tanzania's airline.⁹⁷ In an apparent attempt to distance himself from the deal with China Sonangol, the managing director of the airline claimed that Air Tanzania officials were not involved in negotiations with China Sonangol at any point and that the deal violated "[Tanzanian] procurement laws, which requires an international tender be advertised for such serious investments."⁹⁸ It remains unclear whether this scandal will derail China Sonangol's activities in Tanzania.

The 88 Queensway Group's Purchase of Aircraft

China Sonangol's purchase of airplanes has not been limited to Tanzania. In addition to these purchases and the services agreement with Sonair in Angola, the 88 Queensway Group has purchased airplanes from France's Airbus and Brazil's Embraer. In February 2007, China Sonangol ordered three Airbus Corporate Jetliners and, in August 2007, purchased two Legacy 600 Executive Jets from Brazilian aircraft manufacturer Embraer.⁹⁹ These jets may have been purchased in order to facilitate the activities of China Sonangol and its executives.

^{xiii} Parastatal Organisations Accounts Committee is the Tanzanian Parliament's committee for the oversight of state-owned corporations.

Indonesia

China Sonangol recently made its first public entry into Southeast Asia. On March 26, 2009, it was announced that China Sonangol International Holdings acquired a \$200 million stake in the Cepu oil and gas field in the West Java province of Indonesia.¹⁰⁰ The block is believed to contain reserves of more than 250 million barrels of oil. It is operated by Indonesia's national oil company, **PT Pertamina** and **Exxon Mobil**. Additional information on this deal exists in Bahasa Indonesia language news sources, although researchers were unable to utilize these sources. As this deal continues to develop, it warrants further examination.

Singapore

On April 17, 2009, it was announced that China Sonangol had purchased 9.1 percent of the shares of **OKP Holdings Limited**, a Singaporean construction and civil engineering firm. OKP describes itself as “a leading home-grown infrastructure and civil engineering company in the region, specializing in the construction of airport runways and taxiways, expressways, flyovers, vehicular bridges, urban and arterial roads, airport infrastructure and oil and gas related infrastructure for petrochemical plants and oil storage terminals.” **Mr. Or Toh Wat**, group managing director of OKP, stated that the company's newly formed partnership with China Sonangol is a good opportunity “to tap on [China Sonangol's] reach, relationships and expertise” while the OKP Holdings seeks to “extend [its] geographic footprint.”¹⁰¹

Côte d'Ivoire

According to *Jeune Afrique*, **Société Nationale d'Opérations Pétrolières de la Côte d'Ivoire (Petroci)**, Côte d'Ivoire's national oil company, is in discussions with China Sonangol and Sinopec over the development of several oil concessions and the construction of a petroleum refinery in Côte d'Ivoire.¹⁰² As this deal continues to develop, it warrants further examination.

Artfield: the 88 Queensway Group's First Known Involvement in a Publicly Traded Company

In 2008, the 88 Queensway Group purchased a controlling stake in **Artfield Group Limited**, a company engaged in the marketing and trading of clocks, office-related products, lighting products, and metals. Artfield was incorporated in Bermuda and sells the majority of its products to North America and Europe. However, Artfield also conducts business in Hong Kong and the PRC.¹⁰³ Artfield has offices in Hong Kong, Germany, and the United Kingdom and is listed on the Hong Kong, Munich, and Berlin Stock Exchanges and on the USA Pink Sheets.¹⁰⁴

In January 2008, **Ascent Goal Investments Limited**, a wholly owned subsidiary of China Sonangol International Limited, agreed to buy 56.7 percent of Artfield.¹⁰⁵ By March 2008, Ascent had acquired 74.42 percent of Artfield's shares and had named three new executive directors to the company-- Lo Fong Hung, Wang Xiangfei, and Kwan Man Fai. Lo Fong Hung has been named Artfield's chairperson and managing director. Because Artfield is a publicly listed company, once these three individuals became executive directors of the company, they were required to release publicly their biographical information to Artfield's shareholders. After the purchase of the shares and the change of leadership, Artfield changed its head office to Two Pacific Place, 88 Queensway, Hong Kong. Please see Figure 4 for the ownership structure of Artfield Group.

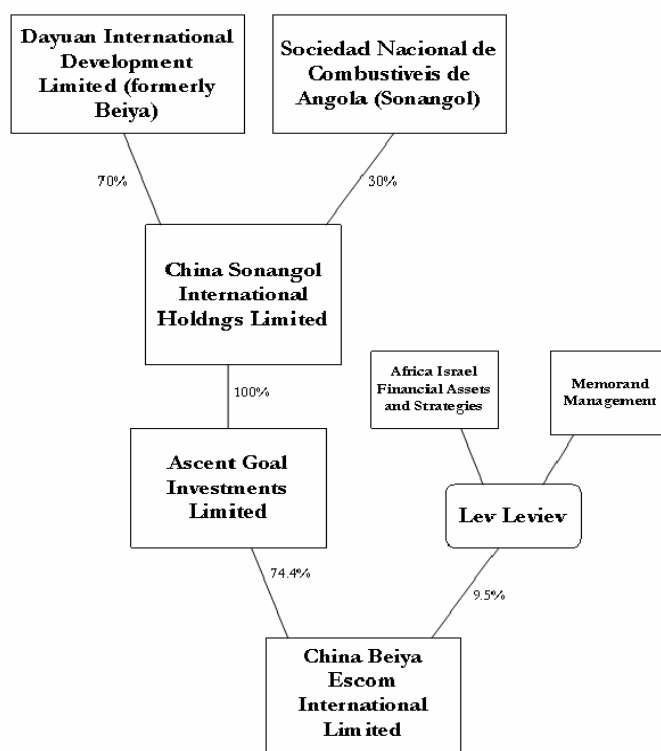
According to Artfield's 2008 annual report, the reason for entering into its agreement with Ascent Goal was to "actively seek for investment opportunities in order to broaden and expand the business and operations of the Group, particularly in natural resources and/or PRC properties area."¹⁰⁶ The report also states, "The Company made its first step in opening the tremendous business opportunities in the oil industry by entering into a service agreement with China Sonangol International Limited, the holding company of Ascent Goal, whereby the Group agreed to provide, among others, certain marketing analysis, news clipping, preparation of sales report, invoicing and preparation of management accounts services on oil trading to China Sonangol."¹⁰⁷ By agreeing to help Artfield Group gain entry into the oil trading market, China Sonangol is able to utilize the human resource and administrative capacity of Artfield. Since the purchase of shares by Ascent Goal, Artfield has ceased its trading of metals and lighting and currently is focusing solely on production and sales of clocks and other office-related products. In the time that the 88 Queensway Group has held the controlling shares of the company, Artfield Group Limited has had a gross loss of HK\$249,000 (approximately US \$32,127), with total assets equaling HK\$388,154,000 (approximately US \$50,082,448).¹⁰⁸

On August 23, 2008, **Mr. Lev Leviev**, along with two of his companies, Africa Israel Financial Assets and Strategies Ltd and Memorand Management (1998) Limited, purchased nearly 10 percent of Artfield's shares. Leviev, a billionaire Israeli diamond magnate who made a large amount of his fortune trading diamonds in Africa, first interacted with the 88 Queensway Group in Angola. Leviev's history in the country stems from when he used high-level Angolan political contacts to undercut rivals (such as DeBeers) in the diamond market. Among his contacts are Isabel dos Santos, the Angolan president's daughter.¹⁰⁹ Leviev is also the director of Africa Israel Investments Limited, which has interests through its subsidiaries in diamonds, real estate, and chemicals. Africa Israel Investments Limited also has investments through Africa, Israel, Russia, and the United States.¹¹⁰

According to an announcement by Artfield to the Hong Kong Stock Exchange, “Mr. Lev Leviev was not as at [sic] 27 August 2008 or is not as at [sic] the date of this announcement (a) a connected person (as defined under the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”)) of the Company or (b) connected with each other and/or any of the connected persons of the Company according to the Listing Rules [of the Hong Kong Stock Exchange].”¹¹¹ However, only one week later one of Leviev’s companies sold to a subsidiary of the 88 Queensway Group nearly \$1 billion in Manhattan real estate. The Listing Rules state that when Leviev bought the 10 percent of Artfield, he could not enter into “any agreement, arrangement, understanding or undertaking, whether formal or informal and whether express or implied” with any of the directors of Artfield. If Leviev bought the 10 percent of Artfield while negotiating for the 88 Queensway Group to buy his real estate in Manhattan, he would have violated the Listing Rules of the Hong Kong Stock Exchange.¹¹²

On June 4, 2009, Artfield announced that it would change its name to “China Sonangol Resource Enterprise Limited.”

Figure 4: **Ownership Structure of Artfield Group Limited in 2008**



United States

On August 31, 2008, one week after purchasing 10 percent of Artfield, Lev Leviev's **Africa Israel International-USA (AFI-USA)** signed a memorandum of understanding providing for the sale of its rights over several real estate properties in New York to China Sonangol.^{113xiv} China Sonangol purchased the JP Morgan building located at 23 Wall Street directly across from the New York Stock Exchange for \$150 million. In addition, it paid \$150 million for a 49.9 percent stake in the Clock Tower located at 5 Madison Avenue, and \$50 million (in addition to taking on half the building's \$720 million debt) for a 49 percent stake in the former New York Times Building located at 229 W 43rd Street.¹¹⁴ AFI-USA CEO Rotem Rosen signed the deed for the JP Morgan building in New York on September 29, 2008, and Kwan Man Fai, listed as vice-president of **CS Wall Street LLC**, signed the deed in Hong Kong on October 29, 2008.¹¹⁵ Notably, the address of CS Wall Street LLC is the same as the address of Rotem Rosen's law office in Manhattan, Herzfeld & Rubin, P.C. Additionally, Rosen told *Real Estate Weekly* that "[China Sonangol] will act as our strategic partner for purchasing more real estate in the United States in the near future."¹¹⁶

Beyond China Sonangol: 88 Queensway Group Activities Abroad

Venezuela

In addition to China Sonangol's activities in Argentina, the 88 Queensway Group has expanded into at least one other Latin American country. In April 2004, a Venezuelan television station reported that President Hugo Chávez had signed a letter of intent with Portugal and China to proceed with investment projects amounting to \$300 million in the energy, construction, communications, services, and aluminum sectors. Signing on behalf of Portugal was Helder Bataglia; on behalf of China was Lo Fong Hung, listed as a director of Beiya International Development. Following the signing of the letters, President Chávez announced that "The [Free Trade Area of the Americas between Venezuela and the United States] is dead. May the Washington government's plan to simply impose a model on us, rest in peace for the good. The signing of this agreement also gives a renewed boost to relations between China and Venezuela."¹¹⁷ The following day both Bataglia and Lo appeared on "Alo Presidente!" Chávez's nationally syndicated television program, to discuss the investments.¹¹⁸ No evidence confirms that the 88 Queensway Group proceeded with any investment projects in Venezuela.

Republic of the Congo

^{xiv} At that time, the buyer was identified as a "Far East investment fund."^{xiv} However, on November 20, 2008, *Real Estate Weekly* reported that China Sonangol was the previously unidentified "Far East investment fund."

The 88 Queensway Group appears to have employed a strategy in the Republic of the Congo similar to its strategy in Angola. On March 21, 2005, the 88 Queensway Group created a joint venture in the Republic of the Congo (Brazzaville) with its national oil company, Société Nationale des Petroles du Congo (SNPC). The joint venture is called **SNPC Asia**. The directors include Lo Fong Hung and Veronica Fung, as well as top executives from SNPC. Notably, the Congolese government had signed two offshore exploration and production agreements with Sinopec for the Marine XII and High Sea C blocks on February 23, 2005—only a few weeks earlier.¹¹⁹

In December 2006, Kensington International, an international consulting firm, filed a lawsuit in the High Court and the District Court of the Hong Kong Special Administrative Region of the PRC against the Republic of the Congo, SNPC, SNPC Asia, and others. The lawsuit alleged that the defendants laundered money to keep funds earned from oil revenues away from creditors. It further alleged that the defendants transported stolen oil in foreign commerce and sold those goods in the United States. The defendants—including the Congolese president's son and the SNPC Asia joint ventures—were required to pay nearly HKD 900,000 (approximately US\$116,000) in fines to Kensington and several other international creditors.¹²⁰

V. CONCLUSIONS

As mentioned in the introduction, in determining whether the 88 Queensway Group's investment practices are state directed and strategic, or commercially oriented and profit driven, several questions first must be answered. This paper is an attempt to answer such questions, and this section summarizes our findings to date. While entitled "Conclusions," this section also highlights additional questions raised by this research that will shed more light on the activities of the Group, its motivations, and its connections to the Chinese government.

What is the extent of the relationship between the 88 Queensway Group and the Chinese government?

The paucity of public information about the professional and personal backgrounds of the 88 Queensway Group's key personnel prior to 2003 prevents a solid conclusion about whether or not the group is an operation controlled by the Chinese government. Although the 88 Queensway Group is portrayed to the public (and accepted publicly) as a private, Hong Kong-based company with no government affiliation, some evidence does suggest that several of the group's personnel are connected to the Ministry of Public Security or the Ministry of State Security. However, these connections are tenuous and do not demonstrate concretely that the 88 Queensway Group is a construct of the Chinese government or a state-owned enterprise or that the group and its investment decisions are controlled by these actors.

On several occasions, the 88 Queensway Group also has relied upon Chinese government resources and connections in order to gain access to target markets. For example, then-PRC Ambassador to Venezuela, Ju Yijie was present when Lo Fong Hung and Helder Bataglia appeared in April 2004 on Venezuelan President Hugo Chávez's television show "Alo Presidente!" Additionally, many of the 88 Queensway Group's meetings with high-level officials to sign oil concession and financing agreements occur during or very soon before or after visits by PRC official government representatives. For example, this occurred when Lo Fong Hung signed agreements with former Argentine President Nestor Kirchner only two days prior to an official state visit by Chinese President Hu Jintao in 2004. In addition, an agreement for the 88 Queensway Group to buy 49 percent of Tanzanian Airlines was announced only days after an official state visit by President Hu Jintao to Tanzania in February 2009.

It is worth noting that the mere fact of Chinese official participation in a meeting or the convenience of timing should not by itself be considered unusual or corrupt. In fact, it is common practice for heads of state and/or ministerial level officials to lead trade missions to other countries in which they are accompanied by

private parties who want to do business in the country, and it is not uncommon for those same officials to both arrange and participate in meetings between the private parties and the other government in an effort to market the country's products and services. However, this does demonstrate that, at some level, Beijing is aware of, and does have a relationship with, the 88 Queensway Group—in contrast to what PRC government officials have claimed on several occasions.

The Chinese Ministry of Foreign Affairs' (MFA) support for the 88 Queensway Group has been inconsistent, and recently the MFA has taken steps in its public statements to distance itself from the activities and companies associated with the 88 Queensway Group. In sharp contrast to the support shown to the 88 Queensway Group in Venezuela, when it was announced in late 2004 that companies owned by the 88 Queensway Group were to invest \$20 billion in Argentina, the PRC Foreign Minister discouraged the investments and said that the 88 Queensway Group companies involved “do not represent the Chinese government” and that he could not ensure the viability of the projects. These sentiments were later echoed by PRC Ministry of Foreign Affairs' officials in Angola. It remains unclear what has motivated the MFA to make these statements to the media about the 88 Queensway Group's activities. Furthermore, the contradictory actions of the MFA raise several questions:

- 1) Is the MFA attempting to obfuscate government linkages to the Group?
- 2) Does the MFA see the 88 Queensway Group as a bureaucratic rival over foreign policy and investments?
- 3) Is the MFA unaware of the true nature of the 88 Queensway Group and the extent of its global activities?

Considering the fact that there is a paucity of information available about the personal and professional backgrounds of the 88 Queensway Group, how were its companies able to gain access to high levels of foreign governments and entry into foreign markets?

In addition to using government resources and connections, the 88 Queensway Group seeks access to high-level officials in countries in which it wishes to invest. This research found that in the majority of the countries in which the Group is active, it has established and cultivated relationships with foreign entrepreneurs, businesspeople, or consultants who are already well established in the target sector or market. The Group's relationship with Escom CEO Helder Bataglia provided access to Venezuelan President Hugo Chávez and then-Argentine President Nestor Kirchner. Ties to Lev Leviev enabled the Group to purchase nearly \$1 billion worth of real estate in Manhattan. Additionally, the 88 Queensway Group's subsidiary, China Sonangol, is a client of Pierre Falcone-owned Pierson Asia, a consulting firm that specializes in advising

Chinese firms doing business in Angola.¹²¹ It is worthwhile to note that Leviev, Bataglia, and Falcone each have extensive connections to the Angolan government and the country's extractive sector.¹²²

The 88 Queensway Group has employed a variety of methods for gaining access to contracts, real estate assets, and natural resources. In the Republic of the Congo and Angola, the 88 Queensway Group established joint ventures with the target country's national oil company. In Angola, Argentina, and Tanzania, the Group brokered deals that involved undertaking massive infrastructure construction projects and projects in petroleum exploration and production. This raises the following questions:

- 1) Does the 88 Queensway Group prioritize either access to infrastructure sector contracts or access to natural resources?
- 2) Is the 88 Queensway Group engaging in projects in the infrastructure sector merely to gain access to petroleum reserves in the target country?

How was the 88 Queensway Group able to raise the billions of dollars in capital needed to undertake its energy, financing, infrastructure, and real estate projects around the world?

Official company documents from the Hong Kong Companies Registry demonstrate that the 88 Queensway Group's subsidiaries involved in Angola were able to obtain loans from several different banks, including Bank of China Limited (branch in Hong Kong); Calyon (a French bank); and Wing Hang Bank, Limited (based in Hong Kong). Evidence shows that Sinopec helped to facilitate the oil-backed loan syndicated by Calyon by acting as a guarantor. However, more research is needed in order to determine how the Group was able to obtain billions of dollars in financing upon its inception in 2003, considering the lack of public information about 88 Queensway Group personnel and their business reputations.

To what extent, if any, are the activities of the 88 Queensway Group and Sinopec coordinated?

Several of the 88 Queensway Group's key personnel hold positions in Sinopec operations. Lo Fong Hung is director and Wang Xiangfei is vice-chief financial officer of Sonangol Sinopec International, a joint venture between Sinopec and China Sonangol, a joint venture between Sonangol and the 88 Queensway Group. Additionally, Wu Yang was an independent executive director for Beijing Yanhua Up-Dated High-Tech Co., Ltd, a Sinopec subsidiary based in Beijing.

The timing of the 88 Queensway Group's and Sinopec's respective entries into the Republic of the Congo and Côte d'Ivoire suggests that their activities in that country may have been coordinated. The 88 Queensway Group and Sonangol formed China Sonangol shortly after Sonangol Chairman Manuel Vicente's August 2004 visit to China, during which it was announced that Sinopec was pursuing block 18. On February 23, 2005, Sinopec and the Congolese government signed two offshore oil exploration and production agreements, one month before the 88 Queensway Group and the Congolese national oil company established SNPC Asia.

The 88 Queensway Group formed a joint venture with Sinopec for petroleum exploration and production. Sinopec also acts as the guarantor for one of the oil-backed loans taken out by the 88 Queensway Group for projects in Angola, and Unipec, Sinopec's oil-trading arm, is the principal off-taker for the oil supply contract linked to the same lending agreement. Additionally, Sinopec's withdrawal from participating in the construction of a refinery with Sonangol and its relinquishing of oil blocks corresponded with numerous problems encountered by the 88 Queensway Group in Angola.

Despite these connections, the extent, nature, and status of the 88 Queensway Group's relationship with Sinopec remain unclear. These connections neither prove that the Group is controlled by Sinopec nor that the two entities share an agenda in the countries in which both companies are involved. Questions that remain include the following:

- 1) What motivates the cooperation between the 88 Queensway Group and Sinopec?
- 2) What role did the Group play in assisting Sinopec in acquiring a stake in oil block 18 in Angola?
- 3) Did the Group need a relationship with Sinopec to gain access to the Chinese oil market?
- 4) Aside from acting as guarantor on the loan from Calyon, what role did Sinopec play in facilitating the Group's access to financing?

What is the global extent of the 88 Queensway Group's activities?

Research has found that the 88 Queensway Group is involved in projects in automobile manufacturing; cement production; diamond mining; financing; infrastructure construction; real estate; and petroleum exploration, production, and trading. Additionally, the 88 Queensway Group has been involved in projects or negotiations in at least fourteen countries (see Appendix B). The 88 Queensway Group's opacity makes it difficult to assess the global extent of its activities and connections. For example, there are numerous 88 Queensway Group subsidiaries listed on Hong Kong company documents that have not been mentioned in any publicly available media source. Job advertisements for China Sonangol have noted that the company is

active in North Korea and Russia; the exact details of these projects are unknown. Future research is needed to map the current extent and continued expansion of the 88 Queensway Group's global activities.

The 88 Queensway Group continues to expand into new countries and sectors. During the past year, the 88 Queensway Group's subsidiaries have purchased a publicly listed company, shares in an airline, high-profile real estate in Manhattan, and stakes in an Indonesian petroleum field and a Singaporean construction company. It has engaged in infrastructure projects in Tanzania and Mozambique. The changes in the 88 Queensway Group's investment behavior raise two important questions:

- 1) What is driving the Group's expansion into new sectors and markets?
- 2) Does this signal a long-term diversification shift away from the energy sector and out of Angola?

What is the significance of the 88 Queensway Group's activities in the context of China's "going out" strategy?

The case of the 88 Queensway Group demonstrates that there is a diverse set of actors involved in China's "going out" strategy. For example, in Angola, Chinese government agencies, state-owned enterprises, and private investors are active in Angola's energy and infrastructure sectors. Angola has received delegations from various Chinese government agencies, loans from three Chinese policy banks, and investment from numerous Chinese state-owned companies. On top of this, the 88 Queensway Group has created a financing structure for projects in Angola's construction sector that is comparable to, but separate from, the China Ex-Im Bank credit lines. Furthermore, the Chinese Ministry of Foreign Affairs' statements about the 88 Queensway Group's subsidiaries illustrate how the different actors involved in China's "going out" strategy oftentimes may have conflicting or competing agendas.

The case of the 88 Queensway Group provides important lessons for how scholars should approach the study of China's diplomatic and economic relationships. Often, analysts view China as a monolithic actor, with one strategy applying to all facets of its international relationships. However, the case of the 88 Queensway Group demonstrates that Chinese investments and relationships are far more complex, involving different ministries, state-owned enterprises, and individual actors. Rather than solely focusing on the Chinese government and its official pronouncements and delegations, researchers must peel back the layers; view the individuals and companies that make up these activities and investments, and work to understand how their incentives for involvement coincide or conflict with central government objectives.

What are the implications of the 88 Queensway Group's activities for the United States?

The 88 Queensway Group has illustrated how foreign firms are able to mask their acquisitions of U.S.-based assets. The group's recent purchase of nearly \$1 billion in real estate in Manhattan went relatively unnoticed in the United States, with only real estate publications publishing the details of the transaction. While it is unclear why the 88 Queensway Group made this purchase, it is clear that it has been able to enter the U.S. market with relatively little public investigation. The 88 Queensway Group's purchase of high-profile real estate assets in the United States underscores the importance of identifying the extent of the group's connections to the Chinese intelligence community, the public security apparatus, and/or state-owned enterprises.

The lack of transparency and public accountability surrounding the 88 Queensway Group is a major concern for the United States. By posing as a private firm, the Group creates numerous companies within a complicated organizational structure to invest globally, thereby enabling the Group to acquire assets unnoticed. Because the 88 Queensway Group is presenting itself as a private entity based in Hong Kong, it is unclear whether its companies would receive the same scrutiny from regulatory institutions and the U.S. media that a Chinese state-owned company would receive. Additionally, the 88 Queensway Group's lack of transparency creates difficulty in distinguishing between Chinese state and nonstate actors. This ambiguity may hinder effective analysis of China's bilateral relationships with other nations, as well as the scope and impact of Chinese aid and investment.

If U.S. efforts to promote development and democratization in Africa and Latin America are to advance, it is essential that the United States understand the complete scope of Chinese investments in Africa and who is controlling these investments. In order to fully comprehend the extent and character of Chinese investments abroad, analysts must be able to look beyond the investments made by public entities and understand who is controlling the actions being taken by nominal private investors as well.

¹ See: Indira Campos and Alex Vines, "Angola and China: A Pragmatic Partnership" (working paper presented at a CSIS conference, "Prospects for Improving U.S.-China-Africa Cooperation," December 5, 2007).

² Agence France Presse "China to Invest 20 Billion Dollars in Argentina," November 17, 2004.

See also "Brazil Embraer Gets Two Legacy 600 Jets Order from China Sonangol," *Latin America News Digest*, August 3, 2007; Lucy Corkin "China's Interest and Activity in Angola's Construction and Infrastructure Sectors," *Centre for Chinese Studies* (2006); and Manuel Ennes Ferreira, "China in Angola: Just a Passion for Oil?" *China Returns to Africa: A Continent and a Superpower Embrace* (2008); See also "Zhongguo Guoji Jijin Gongsi Xu Jinghua Lo Fong Hung Xianggang Beiya Gongsi he Angela Chengli 'Anzhong Shiyu Kongzhi Guyou Xian Gongsi'" ("China International Fund Limited Xu Jinghua, Lo Fong Hung Hong Kong Beiya International and Angola create 'China Sonangol International Holdings Limited Company'"), *Sunrise Financing Message Board*, March 27, 2007.

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Appendix A: 88 Queensway Group Companies

AC Jet International Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong

Ownership: Lo Fong Hung 100%

Directorship: Lo Fong Hung

Description: Unknown

Acegain Investments Limited (Dissolved)

Address: Room 504, Block 7, Heng Fa Chuen, Chai Wan, Hong Kong

Ownership: Veronica Fung 50%, Ghiu Ka Leung (Sam King) 50%

Directorship: Veronica Fung, Ghui Ka Leung (Sam King)

Description: Unknown

Artfield Group Limited

Address: 1011-1012, 10/F, Two Pacific Place, 88 Queensway, Hong Kong

Ownership: Ascent Goal Investments Limited 74.4%, Lev Leviev 9.5%

Directorship: Lo Fong Hung (Executive Director), Wang Xiangfei (Executive Director), Kwan Man Fai (Executive Director), Wong Man Hin, Lam Ka Wai, Chan Yiu Fai

Description: The 88 Queensway Group's first publically listed company; engaged in the marketing and trading of clocks, office-related products, lighting products, and the trading of metals; Artfield entered into a service agreement with China Sonangol to provide marketing analysis, news clipping, preparation of sales report, invoicing, and preparation of management accounts services on oil trading to China Sonangol

Ascent Goal Limited

Address: 1011-1012, 10/F, Two Pacific Place, 88 Queensway, Hong Kong

Ownership: China Sonangol International Holdings Limited 100%

Directorship: Unknown

Description: The 88 Queensway Group used Ascent Goal to purchase Artfield Group Limited in 2008

Beijing Tian Qiao Cultural Development Company Limited (formerly known as China Angola Engineering Co. Limited)

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong

Ownership: New Bright International Development Limited 100%

Directorship: Veronica Fung, Lo Fong Hung

Description: Unknown

Bright Fair Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong

Ownership: Lo Fong Hung 100%

Directorship: Lo Fong Hung

Description: Unknown

China Africa Development Holding Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong

Ownership: Gold Ascent Limited 50%, Dayuan International Development Limited 50%

Directorship: Lo Fong Hung, Catrina C. Marques Pereira

Description: Unknown

China Beiya Escom International Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong
Ownership: Dayuan International Development Limited 60%, Escom- Espirito Santo Commerce, Ltd. 40%
Directorship: Wu Yang, Wang Xiangfei, Lo Fong Hung, Helder Bataglia, Luís Miguel de Oliveira Horta e Costa, Pedro Manuel de Castro Simoes Ferreira Neto
Description: Joint venture between the 88 Queensway Group and Helder Bataglia's Escom; used to invest in Latin America

China Hong Kong Hydropower Engineering Co. Limited

Address: Unknown
Ownership: Unknown
Directorship: Lo Fong Hung, Veronica Fung
Description: Unknown

China Hong Kong Power & Water Engineering Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong
Ownership: Dayuan International Development Limited 60%, Guangxi Guineng Engineering Consultants Co., Limited 40%
Directorship: Wu Yang, Veronica Fung, Lo Fong Hung, Wang Xiangfei, Liu Fengqiu, Zhou Yunhu
Description: Joint venture between the 88 Queensway Group and Guangxi Guineng Engineering Consultants Co. Ltd., presumably for construction projects.

China International Fund Airport Construction Co. Limited (formerly Jet Technology Development Limited)

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong
Ownership: China International Fund Limited 55%, Cheng Jun 25%, Wang Benjun 20%
Directorship: Lo Fong Hung, Veronica Fung, Wang Benjun, Cheng Jun
Description: Unknown

China International Fund Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong
Ownership: Dayuan International Development Limited 99%, Lo Fong Hung 1%
Directorship: Wu Yang, Lo Fong Hung, Veronica Fung
Description: Responsible for management and financing of construction projects in Angola; provided at least \$2.9 billion to Angola for infrastructure reconstruction

China Sonangol International Holding Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong
Ownership: Dayuan International Development Limited 70%, Sonangol E.P. 30%
Directorship: Wu Yang, Lo Fong Hung, Veronica Fung, Manuel Vicente
Description: Responsible for management and operation of energy sector projects in Angola; China Sonangol also has invested in aviation, real estate, and manufacturing elsewhere in Africa, Latin America, and the United States

China Sonangol Asia Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong
Ownership: China Sonangol International Holding Limited 100%
Directorship: Wu Yang, Lo Fong Hung, Veronica Fung
Description: China Sonangol International Holding Limited subsidiary

China Sonangol Engineering & Construction Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong

Ownership: China Sonangol International Holding Limited 100%
Directorship: Wu Yang, Lo Fong Hung, Veronica Fung
Description: China Sonangol International Holding Limited subsidiary

China Sonangol Exploration & Production Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong
Ownership: China Sonangol International Holding Limited 100%
Directorship: Wu Yang, Lo Fong Hung, Veronica Fung
Description: China Sonangol International Holding Limited subsidiary

China Sonangol Finance International Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong
Ownership: China Sonangol International Holding Limited 100%
Directorship: Wu Yang, Lo Fong Hung, Veronica Fung
Description: China Sonangol International Holding Limited subsidiary

China Sonangol Gas International Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong
Ownership: China Sonangol International Holding Limited 100%
Directorship: Wu Yang, Lo Fong Hung, Veronica Fung
Description: China Sonangol International Holding Limited subsidiary

China Sonangol International Investment Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong
Ownership: China Sonangol International Holding Limited 100%
Directorship: Lo Fong Hung, Veronica Fung
Description: China Sonangol International Holding Limited subsidiary

China Sonangol Natural Resources International Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong
Ownership: China Sonangol International Holding Limited 100%
Directorship: Lo Fong Hung, Veronica Fung
Description: China Sonangol International Holding Limited subsidiary

China Urban Development Holding Co., Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong
Ownership: New Bright International Development Limited 70%, Chen Rong 15%, Xia Nankai 15%
Directorship: Lo Fong Hung, Veronica Fung, Xia Nankai, Chen Rong
Description: Unknown

CSG Automobile Limited

Address: Unknown
Ownership: Unknown
Directorship: Lo Fong Hung
Description: Unknown

Dayuan International Development Limited (formerly Beiya International Development Limited)

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong
Ownership: New Bright International Development 70%, Wu Yang 30%
Directorship: Wu Yang, Veronica Fung, Lo Fong Hung

Description: Dayuan was the first known 88 Queensway Group company to begin investing outside of China and Hong Kong; primary company with ownership stakes in 88 Queensway Group subsidiaries

Deltop Limited

Address: Flat F, 2nd Floor, Block 4, Pokfulam Gardens, 180 Pokfulam road, Hong Kong

Ownership: Lo Fong Hung 99%, Liu Xiang Mao 1%

Directorship: Lo Fong Hung, Wang Xiangfei, Liu Xiang Mao

Description: Unknown

Endiama China International Holding Limited

Address: 6411-6413, 64/F., Two International Finance Centre, 8 Finance Street, Central, Hong Kong

Ownership: Empresa Nacional De Diamantes De Angola E.P. (Endiama) 55%, New Corporate International Limited 45%

Directorship: Lo Fong Hung, Antonio de Jesus Matias, Zheng Gang, Manuel Arnaldo Sousa Calado

Description: Joint venture between the 88 Queensway Group and Angola's national diamond company

Global Investments Fund Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong

Ownership: Gold Ascent Limited 100%

Directorship: Lo Fong Hung, Veronica Fung, Manuel Vicente, Francisco de Lemos José María

Description: Unknown

Joyce Link Investment Limited

Address: Unknown

Ownership: Unknown

Directorship: Lo Fong Hung

Description: Unknown

New Bright International Development Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong

Ownership: Veronica Fung 70%, Lo Fong Hung 30%

Directorship: Veronica Fung, Lo Fong Hung

Description: New Bright was the first 88 Queensway Group to be incorporated in Hong Kong and was used as a springboard for creating other companies and subsidiaries

OKP Holdings Limited

Address: No. 6 Tagore Drive #B1-06, Tagore Building, Singapore

Ownership: China Sonangol 9.1%

Directorship: Or Toh Wat

Description: OKP Holdings is an infrastructure and civil engineering company, specializing in the construction of airport runways and taxiways, expressways, flyovers, vehicular bridges, urban and arterial roads, airport infrastructure, and oil & gas-related infrastructure for petrochemical plants and oil storage terminals

Progress Team Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong

Ownership: Sunny Global Development Limited 100%

Directorship: Lo Fong Hung, Kwan Man Fai, Lo Ka Wai

Description: Owned by Sunny Global Development Limited, a subsidiary of Artfield Group Limited; exact purpose unknown

Right Year Investment Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong

Ownership: Unknown

Directorship: Lo Fong Hung, Kwan Man Fai

Description: Unknown

SNPC Asia Holding Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong

Ownership: Dayuan International Development Limited 85%, Escom – Espirito Santo Commerce, Ltd. 5%, Société Nationale des Petroles du Congo (SNPC) 10%

Directorship: Lo Fong Hung, Veronica Fung, Denis Gokana, Blaise Elenga

Description: Joint venture between the 88 Queensway Group and the Congolese national oil company

SNPC Asia Development Co., Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong

Ownership: SNPC Asia Holding Limited 100%

Directorship: Lo Fong Hung, Veronica Fung, Denis Christel Sassou Nguesso, Denis Gokana

Description: Subsidiary of SNPC Asia Holding Limited

SNPC Asia Trading Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong

Ownership: SNPC Asia Holding Limited 100%

Directorship: Lo Fong Hung, Veronica Fung, Denis Christel Sassou Nguesso, Denis Gokana

Description: Subsidiary of SNPC Asia Holding Limited

Sonangol Asia Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong

Ownership: China Beiya Escom International Limited 70%, Sonangol E.P. 30%

Directorship: Lo Fong Hung, Wu Yang, Manuel Vicente

Description: Incorporated in June 2004, this is the first known joint venture between the 88 Queensway Group and Sonangol. It is unclear how Sonangol Asia Limited differs from China Sonangol and its subsidiaries

Sunny Global Development Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong

Ownership: Artfield Group Limited 100%

Directorship: Unknown

Description: Artfield Group Limited subsidiary

Wide Action Investment Limited

Address: 1011-1012, 10/F., Two Pacific Place, 88 Queensway, Hong Kong

Ownership: Company Kit Secretarial Services Limited 100%

Directorship: Lo Fong Hung, Kwan Man Fai

Description: Unknown

Worldpro Development Limited

Address: 2201-03, 22/F., World Wide House, 19 Des Voeux Road Central, Hong Kong

Ownership: World Noble Holdings Limited 100%

Directorship: Lo Fong Hung, Manuel Vicente, Francisco De Lemos José María, Moshe Hallak

Description: Unknown

Appendix B

88 Queensway Group Projects by Country*		
Country	Company	Project
Angola	China International Fund Limited	A Nissan manufacturing plant in Luanda that will construct 10,000 automobiles per year.
Angola	China International Fund Limited	Construction of 215,500 units of the public housing in Luanda and other the 17 provinces covering an area of 31,436,709 m ² .
Angola	China International Fund Limited	Water supply and drainage construction and reconstruction projects in the cities: Luanda, Senado da Câmara, Rio Seco, Surcoa, and Cazenga.
Angola	China International Fund Limited	The restoration of over 1,600 km of highways throughout Angola.
Angola	China International Fund Limited	The construction and restoration of three major railways in Angola totaling over 2,500 km in length.
Angola	China International Fund Limited	The construction of the New International Airport of Luanda, which will be the largest in Africa. The terminal building's area is 160,000 m ² and will have the capacity up to handle over 13 million passengers and 35,000 tons of cargo per year.
Angola	China International Fund Limited	The construction of China International Fund Limited's headquarters building in Luanda. When completed, the 25-story building will be 99.95 m tall.
Angola	China International Fund Limited	The construction of river irrigation and hydro-electricity projects along the Kwanza River.
Angola	China International Fund Limited	The establishment of an industrial zone in Luanda and logistics bases in Luanda, Benguela, and Namibe that will stockpile major construction materials because Angolan prices are high and delivery time is long.
Angola	China International Fund Limited	The planning of an administrative complex for the Angolan government that will include a new presidential palace, Parliament House, Supreme Court, office buildings for ministries, and a conference center.
Angola	China International Fund Limited	The construction of a "new city" southwest of Luanda, called Nova Luanda.
Angola	China International Fund Limited	A joint venture agreement between Endiama EP (the Angolan state-owned diamond company) and CIFI, called Endiama China International Holdings Limited. The partnership was cancelled in 2007, but Endiama China still is listed as an active company on the Hong Kong Company Registry.
Angola	China Sonangol	A 30 percent stake in the Angolan airline, Sonair.
Angola	China Sonangol; Sonangol Sinopec International	A 50 percent stake in offshore oil block 18 in Angola through Sonangol Sinopec International, a joint venture between China Sonangol and Sinopec.

Country	Company	Project
Angola	China Sonangol	Oil exploration in offshore oil blocks 3/05 and 3/05A.
Angola	China Sonangol; China International Fund Limited	Sponsorship of an 18-year-old Angolan Formula One racecar driver, Luís Sá Silva, who races throughout Asia and Europe.
Argentina	China Sonangol; China Beiya Escom; China Construction Bureau	88 Queensway Group companies' promise to invest \$20 billion in energy and infrastructure projects; no evidence that any of these investments have been made.
Brazil	China Sonangol	Purchase of two Legacy 600 executive jets from Empresa Brasileira de Aeronautica SA (Embraer).
Congo-Brazzaville	SNPC Asia	Joint venture with Société Nationale des Petroles du Congo, Congo-Brazzaville's state-owned petroleum enterprise.
Côte d'Ivoire	China Sonangol	In discussions with Société Nationale d'Operations Pétrolières de la Côte d'Ivoire (Petroci), Cote d'Ivoire's national oil company, and Sinopec over the development of several oil concessions and the construction of a petroleum refinery
Indonesia	China Sonangol	\$200 million stake in a CEPU oil and gas field in Indonesia operated by PT Pertamina and Exxon Mobil.
Mozambique	China Sonangol	Several cement production projects.
Nigeria	China Sonangol	Ultra-deep water oil exploration projects according to China Sonangol website, but no report of this in the media.
North Korea	China Sonangol	Statements in job advertisements for China Sonangol that the company is active in North Korea. The exact details of projects are unknown.
Russia	China Sonangol	Statements in job advertisements for China Sonangol that the company is active in Russia. The exact details of projects are unknown.
Singapore	China Sonangol	Purchase of 9.1 percent of the shares of OKP Holdings Limited, a Singaporean construction and civil engineering firm
Tanzania	China Sonangol	In the process of constructing an airport terminal at Julius Nyerere International Airport in Dar es Salaam. The project is being financed by China Development Bank.
Tanzania	China Sonangol	Granted oil exploration licenses in Tanzania in return for its purchase of 49 percent of Air Tanzania's shares.
United States	China Sonangol	Purchase of the JP Morgan Chase building in Manhattan, 49 percent of the former New York Times building, and 49 percent of the Clock Tower from Lev Leviev's Africa-Israel Investments, totaling \$710 million.
Venezuela	China Beiya Escom	Lo Fong Hung and Helder Bataglia's appearance on President Hugo Chavez's television program in April 2004. The following day, they signed letters of intent for investment in Venezuela.

*The 88 Queensway Group projects listed above are the projects that have been published in media reports. However, because of the opacity of the 88 Queensway Group, additional projects that have not been made public may be underway.

Sources: China International Fund Limited Web site. <<http://www.chinainternationalfund.com>>; “Highlights: Angolan Independent Press Weekly Digest, July 16-29, 2006” AFP20060805501002 *Angola -- OSC Report* in Portuguese, July 16—29, 2006; “Endiama, Miracel and Endiama-China project approved,” *Diamond Intelligence Briefs*, Vol. 20, No. 447 (September 27, 2005): 3666(1); Indira Campos and Alex Vines, “Angola and China: A Pragmatic Partnership,” (working paper presented at a CSIS conference, “Prospects for Improving U.S.-China-Africa Cooperation,” December 5, 2007); Agence France Presse, “China to invest 20 billion in Argentina,” November 14, 2004; *Latin America News Digest*, “Brazil Embraer Gets Two Legacy 600 Jets Order from China Sonangol,” August 3, 2007; *Asia Legal Business*, “China Sonangol International - Indonesian CEPU project interest acquisition US\$200.00 m,” March 26, 2009. <<http://asia.legalbusinessonline.com/deals/china-sonangol-international-indonesian-cepu-project-interest-acquisition/1662>>; *Financial Times Limited*, “China National Chemical Marching into African Market,” October 23, 2007. <http://www.micromedex.com/pressroom/news_feeds/?story_ID=142271&category=3>; China Sonangol Web site. <<http://www.chinasonangol.com>>; China Sonangol job postings. <<http://www.jobhuanbao.com/Company/listCompany.asp?comid=68046>>; *The East African*, “Chinese Firm Likely to Buy 49 Percent Shares of Air Tanzania,” August 16, 2008.; Linda Barr O’Flanagan, “Africa Israel sells stake in its Manhattan real estate holdings,” *Real Estate Weekly*, November 20, 2008.; Venezuelan Presidential Press, “President Chavez: The FTAA Has Died for the Good of Our People,” April 3, 2004.; OKP Holdings Limited, “OKP Teams Up With Strategic Business Partner Who Takes On Substantial Stake,” April 17, 2009; Pascal Airault, “La Côte d’Ivoire se rapproche de la Chine,” *Jeune Afrique*, June 12, 2009; *Macau News*, “China Sonangol and CIF sponsored Angolan driver Luís Sá Silva to race in Europe and Asia,” April 23, 2009.

Appendix C: The 88 Queensway Group Personnel and Connections

Veronica Fung Yuen Kwan – Ms. Veronica Fung is one of the first two individuals known to be involved with the 88 Queensway Group. She is the owner and director of New Bright International Development Limited, the first company known to be associated with the Group. Fung owns 70 percent of New Bright. She is also the director of at least twenty companies incorporated in Hong Kong, most of which are located at the 88 Queensway address. She is one of the only high-ranking associates with a public profile prior to 2003. In 1992, Fung was listed as director of Acegain Investments Limited and owned 50 percent of the shares of the company. Acegain has since been dissolved. Since Fung owns the majority shares of New Bright, she appears legally to control the majority shares of each of New Bright's several dozen subsidiary companies. However, she has been notably absent from any media coverage related to companies associated with the 88 Queensway Group.

Lo Fong Hung – Ms. Lo Fong Hung was appointed as director of New Bright in 2003 and owns 30 percent of the company. Lo has served as the public face of the 88 Queensway Group, making several public appearance on behalf of companies associated with the consortium. Although there is little information publically available about Lo's personal or professional background prior to 2003, she is listed currently as the director of at least thirty-four companies incorporated in Hong Kong, most of which are listed at the 88 Queensway address. Lo is married to Mr. Wang Xiangfei. Lo is also director of a Sonangol Sinopec International (SSI), a joint venture between Sinopec and Angola's national oil company, Sonangol.

Wu Yang – Mr. Wu Yang is the director of at least fourteen companies headquartered in Hong Kong (most of which are located at the 88 Queensway address) and, like Lo and Fung, he has little known public background in international business. Wu's association with the 88 Queensway Group is significant, because research indicates that he may be tied to the PRC Ministry of State Security, the PRC Ministry of Public Security, and/or Sinopec. On company filings, Wu lists his residential address as "No. 14 Dong Chang An Street, Beijing, China." Incidentally, this address is the headquarters for the Ministry of Public Safety (MPS), the internal police authority for the PRC. Also located in this compound is a reception office for the Ministry of State Security (MSS), the primary state agency responsible for foreign intelligence activities. In addition to his potential connection to the PRC intelligence or security apparatus, Wu Yang also has been named in Angolan government reports as a vice chairman of Sinopec, although he is not listed on any of Sinopec's annual reports from 2001 to 2005. Wu also is listed as an independent executive director for Beijing Yanhua Up-Dated High-Tech Co., Ltd., a Sinopec subsidiary, in Yanhua's annual reports.

Wang Xiangfei – Mr. Wang Xiangfei is a former director of China Everbright and a current director of China International Trust and Investment Company (CITIC). Wang became involved with the 88 Queensway Group no later than 2006, when he was listed as director of China Beiya Escom – a joint venture between the 88 Queensway Group and the Portuguese bank, Escom. He also is listed as chief financial officer of Sonangol Sinopec International (SSI), a joint venture between Sinopec and Angola's national oil company, Sonangol. While he plays a leadership role in at least six 88 Queensway Group companies, it is unclear exactly how much control or leadership he wields within the Group. Wang Xiangfei graduated from Renmin University of China in 1982, the first graduating class coming out of the university after the Cultural Revolution. Wang is married to Lo Fong Hung.

Kwan Man Fai – Since 2003, Mr. Kwan Man Fai has held leadership positions in at least five of the 88 Queensway Group's companies. Kwan worked as a partner at Li & Partners, a Hong Kong-based law firm, until 2008. While Kwan was working with the firm, Li & Partners was listed on Hong Kong Company Registry documents as being secretary for most of the 88 Queensway Group companies. When he left Li & Partners in early 2008, Kwan's law firm was no longer identified on

company filings as secretary for the 88 Queensway Group companies. Kwan Man Fai signed the deed acquiring the Manhattan real estate sold by Africa Israel Holdings (USA) Corporation in October 2008. The deed lists Kwan Man Fai as the vice president of CS Wall Street LLC, the 88 Queensway Group subsidiary created for the purpose of purchasing real estate in the United States.

Xu Jinghua – Mr. Xu Jinghua is one of the most opaque individuals involved in the 88 Queensway Group. In multiple media reports, Xu is said to be the chairman of the board of Dayuan and China International Fund Limited (CIFL), both 88 Queensway Group subsidiaries. However, he is not listed on official registry documents as being a director or shareholder of any of the 88 Queensway Group companies. According to business media and Chinese bloggers in mainland China, Xu controls both oil trading and infrastructure construction operations in Angola. Bloggers and former CIFL personnel also note that Xu has gone by several aliases since working with CIFL; among these are Xu Songhua, Sa Muxu, Samo, and “Sam King.” Sam King is also the English alias of the individual who owned 50 percent of Acegain Investments Limited along with Veronica Fung in 1993. However, it remains unclear whether or not Xu Jinghua is the same Sam King as the individual from Acegain. According to a Chinese-language media source, Xu Jinghua may also refer to himself as “Sam Pa” or “Sampa,” which is the same name as one of the individuals who participated in a 2004 delegation to Buenos Aires along with Lo Fong Hung. “Sampa” was described by Argentine media at the time as a “Cambodian who was affiliated with China Beiya Escom.” *Asia Times* reported in March 2007 that Xu has “cozy relationships” with Angola’s political and military leadership. These relationships may be the result of ties developed during Angola’s civil war. Several Chinese bloggers have noted that Xu is rumored to have been involved in arms sales to the Angolan military during the Angolan civil war. These claims have yet to be substantiated.

Ju Lizhao – Mr. Ju Lizhao has been documented as controlling China International Fund Limited (CIFL) projects in Angola. Ju is reportedly the CIFL director stationed in Angola, although he is not listed on any official documents. Ju potentially represents an important personnel connection between the 88 Queensway Group and China’s People’s Liberation Army (PLA). He is a former senior colonel for the PLA General Staff Department’s Foreign Affairs Division, the military office responsible for military exchanges in China. Four years after retiring from the PLA, Ju was reported to have begun associating himself with CIFL.

Helder Bataglia – Mr. Helder Bataglia is a Portuguese national who grew up in Angola. Bataglia is the president and chairman of Espirito Santo Commerce (Escom), a subsidiary of the Portuguese bank Espirito Santo Financial Group. Escom has major interests in the airline, agriculture, banking, construction, and diamond sectors in Africa and Latin America, particularly in Angola and the Republic of the Congo. Bataglia is reputed to be a close friend of Congolese President Denis Sassou Nguesso, Venezuelan President Hugo Chávez, former Argentine President Nestor Kirchner, and Angolan President José Eduardo dos Santos. He also has business deals with high-level officials in the Russian diamond sector. Bataglia’s business and political connections have helped the 88 Queensway Group gain access to leaders in Venezuela, and he has claimed publically to have convinced the Group to come to Angola as well. In April 2004, Bataglia established a joint venture with the Group called China Beiya Escom International Limited. China Beiya Escom mainly has been used as a means of investing in Latin America. Bataglia, Lo Fong Hung, and “Sam Pa” travelled to Argentina in November 2004 to sign agreements on behalf of the Chinese, Portuguese, and Argentine governments.

Pierre Falcone – Mr. Pierre Falcone is an individual who likely has helped the 88 Queensway Group invest in Angola. Falcone, born in French Algeria, was involved heavily in an international oil-for-arms scandal called Angolagate. In 1993, the son of former French President François Mitterand, a Russian diamond magnate, and Falcone all were involved in a deal to sell \$791 million of Russian arms to the Angolan government during its civil war. In the years since Angolagate, Falcone’s

relationship with President José Eduardo dos Santos has remained strong. Their relationship is so pronounced that when Falcone was arrested for his activity in Angolagate in 2003 by French authorities, dos Santos appointed him as the Angolan ambassador to the United Nations cultural organization, UNESCO, in order to procure diplomatic immunity for Falcone. Currently, Falcone resides in Beijing and owns a consulting company called Pierson Asia, which specializes in advising Chinese companies that want to establish operations in Angola. One of Pierson Asia's clients is China Sonangol, an 88 Queensway Group company heavily involved in Angola's oil sector. Other Chinese clients of Pierson Asia include CITIC and Zhen Hua Oil, the oil trading arm of Chinese state-owned armaments and engineering firm China North Industries Corporation (NORINCO).

Lev Leviev – Mr. Lev Leviev is a billionaire Israeli diamond magnate who has made a large amount of his fortune trading diamonds in Africa by building on his high-level Angolan political contacts, namely Angolan President dos Santos's daughter, Isabel dos Santos. He is the director of Africa Israel Investments Limited, which has interests with its subsidiaries in diamonds, real estate, and chemicals. Africa Israel Investments Limited also has investments throughout Africa, Israel, Russia, and the United States. In August 2008, Leviev and his company bought almost 10 percent of the shares of Artfield Group Limited, the 88 Queensway Group's publically traded company. In addition, Africa Israel Holdings (USA) Corporation, a subsidiary of Africa Israel Investments, is the company that sold nearly \$1 billion of Manhattan real estate to China Sonangol in October 2008.

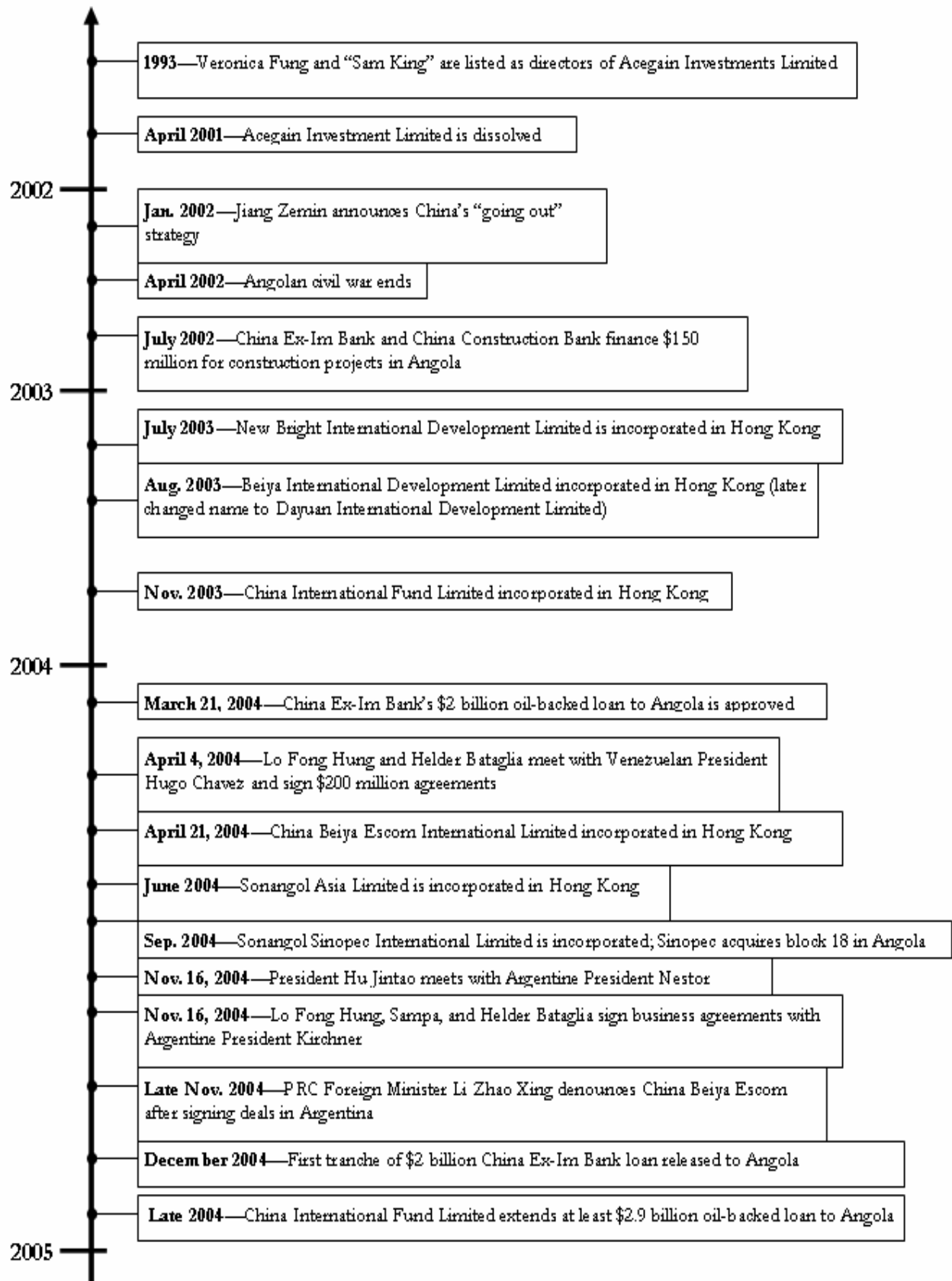
Manuel Vicente – Mr. Manuel Vicente is the chairman and CEO of Sonangol E.P., Angola's national oil company. He became connected with the 88 Queensway Group when Sonangol formed a joint venture with an 88 Queensway Group subsidiary (Dayuan) to create China Sonangol. He is director of at least four 88 Queensway Group companies and travelled to Argentina in November 2004 as part of the same delegation as Lo, Bataglia, and Sam Pa. Vicente has been a member of the supervisory board and nonexecutive senior board member of Banco Comercial Portugues S.A. since January 2008 and a director of Galp Engergia SGPS SA, a Portuguese oil company. Both of these companies have made numerous investments in Angola. He is also a member of the board of directors of the Carlyle Group.

Helder Viera Dias, also known as “Kopelipa” – Kopelipa is a retired Angolan general and currently is a senior intelligence advisor to Angolan President dos Santos. Kopelipa controls the Gabinete de Reconstrução Nacional (GRN,) which administers the loans given to Angola by China International Fund Limited. According to the Angolan media, the GRN is extremely opaque and “muddles state finances,” with the Angolan Ministry of Finance knowing few details about GRN activities or expenditures.

Sources: Agence France Presse, “China to Invest 20 Billion Dollars in Argentina,” November 17, 2004.; *Latin America News Digest*, “Brazil Embraer Gets Two Legacy 600 Jets Order from China Sonangol,” August 3, 2007.; Lucy Corkin, “China's Interest and Activity in Angola's Construction and Infrastructure Sectors,” *Centre for Chinese Studies*, 2006.; Manuel Ennes Ferreira, “China in Angola: Just a Passion for Oil?” *China Returns to Africa: A Rising Power and a Continent Embrace*, (New York, NY: Columbia University Press, July 2008), p. 313; “Zhongguo Guoji Jijin Gongsi Xu Jinghua Lo Fong Hung Xianggang Beiya Gongsi he Angela Chengli ‘Azhong Shiyong Kongshi Guyou Xian Gongsi’” (“China International Fund Limited Xu Jinghua, Lo Fong Hung, Hong Kong Beiya International, and Angola create ‘China Sonangol International Holdings Limited Company’”), *Sunrise Financing Message Board*, March 27, 2007. <http://www.sunrisefinancing.com/bbs/viewthread.php?tid=1471>.; Artfield Group Limited Annual Report 2008. Stock Code: 1229, http://www.hkexnews.hk/listedco/listconews/schk/20080730/LTN20080730684_C.pdf; Tan Po, “Spy Headquarters Behind the Shrubs – Supplement to ‘Secrets about CPC Spies,’” Hong Kong, March 1, 1997, No. 23333, pp.34-37 Cheng Ming on Spy Headquarters [FBIS-CHI-97-047](http://www.fbi.gov/pressroom/2007/07/070707a.htm).; Zhongguo shi you hua gong ji tuan

gong si nian jian. (China Petrochemical Corporation Annual Report) 2001-2005.; Beijing Yanhua Gao Xin Ji Xu Gu Fen You Xian Gong Si di wu jie dong shi hui, di si ci hui yi jue yi gong gao,” (“Beijing Yanhua High-Tech Up-Dated Co, Ltd. Fifth Director Meeting, Fourth Resolution,”), *Zhongguo Zheng Quan Wang – Shanghai Zheng Quan Bao (China Securities Net – Shanghai Securities News)*, March 17, 2006. <http://finance.sina.com.cn/stock/t/20060317/0252600521.shtml>; Beijing Yanhua Up-Dated High-Tech Co., Ltd., *Annual Report 2005*. <http://disclosure.szse.cn/m/finalpage/2006-03-17/16576411.PDF>; China CITIC Bank Corp Ltd (Shanghai Stock Exchange: Wang Xiangfei brief biography), Reuters Business and Finance, February 24, 2009. <http://www.reuters.com/finance/stocks/officerProfile?symbol=601998.SS&officerId=947622>; Artfield Group Ltd (Hong Kong Stock Exchange: Kwan Man Fai brief biography), Reuters Business and Finance, February 25, 2009. <http://www.reuters.com/finance/stocks/officerProfile?symbol=1229.BE&officerId=1134991>; NYC Department of Finance, Office of the City Register, Document ID: 2008111800527001, Document Date: November 14, 2008, Preparation Date: November 18, 2008.; William Tonet, “It is necessary to change the way the country is governed,” *Folha* 8, June 24, 2006-July 1, 2006.; “Big Oil, High Stakes,” *Africa Asia Confidential*, Volume 1, Number 1 (November 2007).; “Ningde Lu Qiao: Zhongji Xu Jinghua Shen Tong Angela” (“Ningde Road and Bridge: CIFI’s Xu Jinghua Mysterious Angola”), *China Securities Journal*, March 28, 2007. http://www.cs.com.cn/xwzx/02/200703/t20070328_1074202.htm; Zhou Jiangong, “Africa frenzy feeds China stock bubble,” *Asia Times Online*, March 27, 2007. http://www.atimes.com/atimes/China_Business/IC27Cb01.html; Lu Buping, “Zhongguo Dalu: Zhongguo Guoji Jijin Gongsi zai Angela bu zhi xiang gan shenme” (“Mainland China: Do Not Know what China International Fund Limited would like to do in Angola”), *Africa Windows Message Board*, January 18, 2007. <http://www.africawindows.net/html/feizhouzixun/feizhouxinwen/20070704/1681.shtml>; ¹ “Zhongji Gongsi Zhu Angela Zongzhui Ju Lizhao: ‘Women bu shi da pianzi,’” (“CIFI Chairman Stationed in Angola, Ju Lizhao: ‘We’re not liars’”), *Di Yi Cai Jing Ri Bao (Number One Finance Daily)*, April 2, 2007. <http://www.p5w.net/stock/news/gsxw/200704/t864743.htm>; “Zui xin zonghe fenxi 600477, yong you jiu shi shi faai bu kan hou yi” (“Latest combined analysis of 600477, Possession is riches, have no regrets”), *Hexun Web Blog*, July 10, 2007, http://guba.hexun.com/600477/guba_512985.html; “Hai jun Bei Hai jian dui” (“North Sea Naval Fleet”), *The Standing Committee of Qingdao Municipal People’s Congress* website.; “Interview with Helder Bataglia,” *Press Net – Angola*, September 6, 2004. <http://www.pressnet-dc.com/angola/intescom.asp>; “Joint Angolan, Russian, Portuguese Diamond Exploration To Create 1,500 Jobs,” *Lausophone Africa – FBIS Report* in Portuguese, November 25, 2005. OSC ID: AFP20051124503002.; Angela Charlton and Pierre-Antoine Souchard, “High-Profile Suspects in Angola Arms Trial in Paris,” *Washington Post*, October 7, 2008.; *The Economist*, “Angola-gate,” November 19, 2008.; “A Controversial Figure Pops Up in Beijing,” *Africa Energy Intelligence*, June 18, 2008. www.africaintelligence.com; OSC Report Highlights Angolan President’s Oldest Daughter’s Influence,” *OSC Feature – Angola – OSC Report*, October 17, 2006. OSC ID: FEA20061018028807.; Ray Fisman, “Diamonds are a Guerilla’s Best Friend,” *Slate Magazine*, August 17, 2007.; Linda Barr O’Flanagan “Africa Israel sells stake in its Manhattan real estate holdings,” *Real Estate Weekly*, November 20, 2008.; Mariano Obarrio, “De aquel ‘megaanuncio’ quedo muy poco,” *La Nacion*, June 1, 2005. http://www.lanacion.com.ar/nota.asp?nota_id=709097; Galp Energia SGPS SA: Lisbon Stock Exchange. Manuel Vicente biography. *BusinessWeek Companies*. <http://investing.businessweek.com/businessweek/research/stocks/people/person.asp?personId=33989109&apId=874537&previousTitle=Galp%20Energia%20SGPS%20SA>.

Appendix D: Timeline of Events



2005	March 2005 —China Ex-Im Bank provides an additional \$2 billion oil-backed loan to Angola
	March 21, 2005 —Joint venture established between Dayuan and Congolese national oil company, called SNPC Asia
	April 2005 —Wu Yang is appointed independent executive director of Beijing Yanhua Up-Dated High-Tech. Co., Ltd., a Sinopec subsidiary.
2006	April 6, 2005 —CIFL and Endiama joint venture for diamond exploration in Angola is approved by Angolan Council of Ministers
	March 17, 2006 —Wu Yang resigns from Beijing Yanhua
	March 2006 —SSI named as partner in the construction of Lobito refinery in Angola
2007	Dec. 2006 —SNPC Asia implicated in lawsuit against SNPC and Congolese government
	Feb. 2007 —China Sonangol orders 3 Airbus Corporate Jets and 2 Executive Jets from Brazilian airline, Embraer
	Early March 2007 —SSI deal to construct Sonaref refinery in Lobito is canceled
	March 7, 2007 —Joint venture between Endiama and CIFL is canceled
	March 29, 2007 —Chinese embassy in Angola denounces CIFL and its projects
	April 2007 —Hangxiao Steel Structure is investigated for insider trading after signs deal with CIFL by China Securities Regulatory Commission in Shanghai
	July 2007 —Angolan media reports many of CIFL projects have stalled due to lack of funds
2008	Nov. 2007 —SSI relinquishes stake in three oil concessions in Angola
	Jan. 2008 —88 Queensway Group acquires controlling shares of Artfield Group Limited
	April 2008 —Kwan Man Fai resigns from Li & Partners
	July 2008 —China Sonangol begins negotiations with Tanzanian officials to buy Air Tanzania shares
	Aug. 9, 2008 —Chinese embassy in Tanzania denounces China Sonangol
	Aug. 23, 2008 —Lev Leviev purchases 10 percent of Artfield shares
	Aug. 31, 2008 —China Sonangol purchases nearly \$1 billion in Manhattan real estate from Africa Israel USA
2009	Dec. 2008 —Angolan Pres. dos Santos and Sonangol CEO Manuel Vicente travel to China
	Feb. 1, 2009 —Tanzanian oil company grants China Sonangol 3 licenses for oil exploration after it purchases 49 percent of Air Tanzania
	Feb. 16, 2009 —Hu Jintao visits Tanzania
	March 12, 2009 —China Development Bank offers Angola \$1 billion non-oil backed loan for
	March 26, 2009 —China Sonangol acquires \$200 million stake in CEPU oil and gas field in Indonesia