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## Dispatch from China #1: Zhenjiang

Our Dear Leader has returned to China and it has been a longer time than usual between trips. But he has been very busy in London and also our Chinese Colleagues from Shanghai have been flying over to the UK to conduct business. Andrew also tells us that his trip has nothing to do with Donald Trump's trip; it is purely coincidental that 'the Donald' decided to follow 'the Andrew'.

On landing in Shanghai he headed almost immediately to Zhenjiang (westernized as Chinkiang) by High Speed Train. The city is best known for a rice-based black vinegar, Zhenjiang Vinegar, widely used in Chinese cuisine.



Chinese legend ascribes the invention of the vinegar to Heita, a son of Dukang, one of the culture heroes credited with inventing alcoholic beverages in China's prehistory. Supposedly, Heita forgot about a vat of wine for 21 days and, remembering it, found it pleasantly sour. Historical records for the present vinegar can be traced back 1,400 years. The primary producer of Zhenjiang vinegar at present—the Jiangsu Hengshun Vinegar Industry Company—was established in 1840.



Zhenjiang is about 250 km north west of Shanghai further up the Yangtze River. A relatively small town in China but, with a population of over 3mn, in the UK it would be a major City!

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Andrew was actually there doing a site visit with Cleantech Building Materials (Nasdaq First North: CBM), which, through its subsidiary Diamond Wood China Limited, holds an exclusive license to manufacture and distribute Accoya® Wood in Asia. Diamond Wood are building a manufacturing plant in joint venture with Jiangsu Sopo Group, one of China's largest state owned chemical groups, to manufacture Accoya Wood. Accoya Wood is an innovative form of modified softwood with performance characteristics that surpass even the best tropical hardwood species. Accoya® is non-toxic and is produced via a patented 'green' process technology using inexpensive FSC-certified softwood grown on sustainably-managed plantations. Diamond Wood holds the exclusive license for China and Asia given by the Accsys Technologies plc (AIM: AXS).

Andrew reports that he has developed a new 7 year plan and that in future "Andrew Thought" will be enshrined in VSA party principles. He has sent his set of principles and thoughts back to London for us to study and admire.

- VSA is committed to growing its market leadership position for small cap Natural Resources , Energy and Batteries, and new technologies particularly disruptive technologies;
- Under Mifid2 VSA will provide all research to institutions without cost, but may charge for creative thinking;
- VSA will treat all clients equally and professionally and believes the client comes first;
- VSA will find creative solutions to problems faced by companies, that cannot be solved by normal methods, through the application of Clever Thinking;
- VSA will continue to grow its highly successful China business and open the Chinese market to western companies looking to access 1.3bn consumers.

Whilst in Shanghai, Andrew will be attending the China International Industry Fair which, amongst others, will have delegations from Rolls Royce, Jaguar Land Rover and McLaren, but it is Xeros plc (AIM: XSG), the UK listed developer and provider of patented polymer based technologies with multiple commercial applications, that Andrew wants to catch up with. He believes the market for Xeros in China is quite vast (he was also heard muttering that the Chairman of Xeros China was a fellow alumnus from Oriel College - he just doesn't change does he!)

On Saturday, whilst in the UK we will all be commemorating Remembrance Day (and Andrew is getting some strange looks in China with his poppy) in China it is Singles Day, which is the biggest shopping day in the world! It is quite difficult for a westerner or *Lauwei* to really appreciate how big an event Singles Day is, but we are talking about a consumer base of 1.3bn people and where we in the West might report sales in £Millions, they do in £billions, with some newspapers suggesting £trillions! China as a consumer base is bigger than the USA and Europe *combined*, an eye watering potential for anyone who believes they have a product or brand that would work in China. VSA can help; we should talk!

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