



Foreign Affairs Committee  
Digital, Culture, Media and Sport Committee  
Business, Energy and Industrial Strategy Committee  
Defence Committee

Rt Hon Boris Johnson MP  
Prime Minister  
10 Downing Street  
London  
SW1A 2AA

3 April 2020

*Dear Prime Minister*

We are writing as Chairs of our respective Committees to ask the government to urgently look into the attempts of China Reform Holdings Corporation, a Chinese state-owned investment company, to appoint four directors to the board of the British-based company Imagination Technologies Group Ltd. in an emergency board meeting scheduled for Tuesday 7 April.

Imagination Technologies, headquartered in Hertfordshire, focuses on semiconductor and related intellectual property licensing, creating and licensing processor solutions for graphics, vision & AI processing, and multi-standard wireless communications. It has provided more than 11 billion cumulative chip shipments with Imagination's IPs, and delivers technology to the mobile, automotive, AI industry among others, with notable clients including Apple, Samsung, MediaTek, UNISOC and LG.

The company is owned by Canyon Bridge, a US based private equity firm, whose largest investor is China Reform. When Imagination was acquired by Canyon Bridge in November 2017, we have been informed that the government at the time provided assurances to Imagination Technologies that its new owner was an American firm, not under the control of the central Chinese government, with China Reform remaining a passive investor. The board changes now proposed by China Reform would indicate otherwise.

Given the importance of the UK tech sector for self-sufficiency in the UK industrial base, our R&D capabilities as well as the national security implications of hostile foreign takeovers, we ask the government to urgently:

- Contact the management of Imagination Technologies to ask for more information about the proposed changes to its board and conduct an investigation into what plans the proposed new board have for the company.
- Request an assessment by GCHQ on the national security implications of allowing the proposed board changes to go ahead.
- Engage with US counterparts on CIFIUS to obtain more information on China Reform Holdings, its investment fund, and the implications of its investments in UK critical sectors.
- Seek assurances that Imagination Technologies will remain a UK based company, able to continue its operations and innovations in the UK.
- Inform Parliament via relevant Committees what consideration the government is giving to exercising its legal powers to intervene in this case.

As government guidance to UK tech and critical industries remain vague on how to handle foreign acquisitions and mergers, in the longer term we would also welcome assurances that this is an issue

being looked at, and that a stronger legal framework will be put in place for scrutinising and handling foreign investments and acquisitions that could pose a threat to our national security.

A copy of this letter has been sent to the Secretary of State for Foreign and Commonwealth Affairs, the Secretary of State for Digital, Culture, Media and Sport, the Secretary of State for Business, Energy and Industrial Strategy as well as the Secretary of State for Defence.



**TOM TUGENDHAT MP**  
Chair, Foreign Affairs Committee



**JULIAN KNIGHT MP**  
Chair, Digital, Culture, Media and Sport Committee



**RACHEL REEVES MP**  
Chair, Business, Energy and Industrial Strategy Committee



**TOBIAS ELLWOOD MP**  
Chair, Defence Committee