

# Celebrating CBI Member Success in China

CBI

CBI Beijing • January  
2017

WPP

CLIFFORD  
CHANCE

BOMBARDIER

SIEMENS

Grant Thornton

ATKINS



C/M/S/  
Law. Tax

BT



Thomas Cook Group

Deloitte.

EVERSHEDS

Linklaters

JLL

IBM

Simmons & Simmons



AIRBUS



HUAWEI



Fidelity  
INTERNATIONAL

BLACKROCK

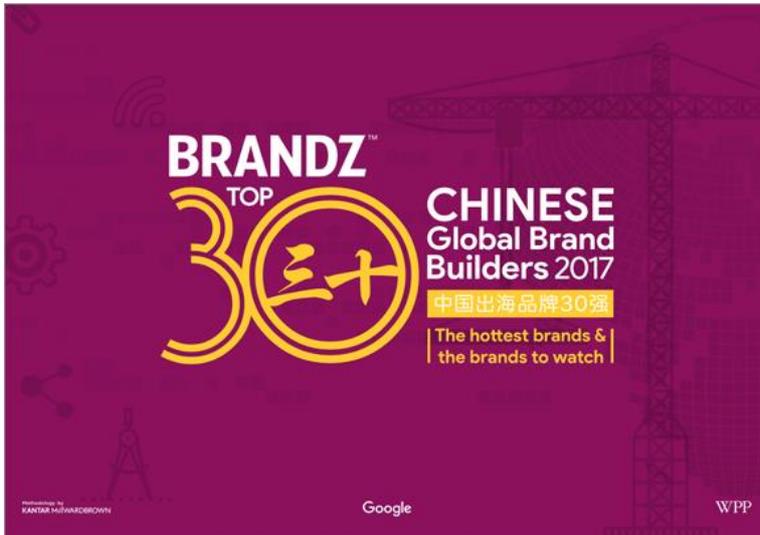
## Executive summary

(\*Access full sector-specific updates: [advertising \(1\)](#), [aerospace \(1\)](#), [automotive \(1\)](#), [banking \(2\)](#), [conglomerate \(1\)](#), [design \(1\)](#), [education \(1\)](#), [financial services \(2\)](#), [legal \(4\)](#), [real estate \(1\)](#), [technology \(1\)](#), [telecommunications \(1\)](#), [tourism \(1\)](#) and [transportation \(1\)](#))

- **WPP** and Kantar Millward Brown in collaboration with Google released the first “BrandZ™ Top 30 Chinese Global Brand Builders” ranking and report. Read more [here](#). In other news, **WPP** announced that its operating company Ogilvy & Mather Marketing Communications Limited (O&M) has agreed to acquire full ownership of two existing Chinese joint ventures from Shanghai Advertising Limited. Read more [here](#).
- **Airbus** has signed a Memorandum of Understanding (MoU) with China Airlines (CAL) to support the development of the airline’s maintenance, engineering and technical training capabilities in Taiwan.. Read more [here](#).
- **Ford Motor Company** sales surged 23 percent in China in December, capping a record year for the automaker in the world’s largest new vehicle market. Read more [here](#).
- **Fidelity International** will be the first foreign asset manager to wade into China's brutal domestic market. A licence from Asset Management Association of China lets it raise funds from Chinese institutions and wealthy individuals and invest them onshore. Read more [here](#).

- **Blackrock** has been awarded its first Renminbi Qualified Foreign Institutional Investor (RQFII) license in the United States by the China Securities Regulatory Commission (CSRC). Read more [here](#).
- **Siemens** officially opened an industrial hackerspace at its Wuhan Innovation Center located in the Future City, setting another milestone in the development of the innovation center. Read more [here](#).
- **Queen's University Belfast** and Shenyang Pharmaceutical University (SPU) have agreed to facilitate development of a Centre of Excellence within SPU's new Benxi campus in Shenyang, China. Read more [here](#).
- Hong Kong MTR's new South Island Line, for which **Atkins** was the detailed designer for a key section, started operating on 28 December 2016, serving the 350,000 residents and workers in Southern District. Read more [here](#).
- **Deloitte's** Southeast Asia Chinese Services Group (CSG) hosted its 4th CSG Leaders Meeting in Kuala Lumpur. Read more [here](#).
- **Grant Thornton's** valuation service line (Beijing Jingduzhongxin Assets Appraisal Co., Ltd.) completed its merger with Zhongshuizhiyuan Assets Appraisal Co., Ltd. (Sinovalue) on December 16. Read more [here](#).
- **Eversheds** advised CGN EE on the acquisition of a portfolio of 14 onshore wind-farms with an enterprise value in excess of €500m. Read more [here](#).
- **Clifford Chance** advised ANZ on its agreement to sell its 20% stake in Shanghai Rural Commercial Bank (SRCB) to China COSCO Shipping Corporation Limited and Shanghai Sino-Poland Enterprise Management Development Corporation Limited. Read more [here](#).
- **Linklaters** has advised China Development Bank Corporation on the project development and financing of the 2x1,050 megawatt Jawa 7 coal-fired power plant to be constructed in Banten Province, Indonesia. Read more [here](#). In additional news, **Linklaters** has advised the Hong Kong Exchanges and Clearing Limited ("HKEx") on the establishment of the Shenzhen-Hong Kong Stock Connect. Read more [here](#).
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- Postal Services Bank of China worked with **IBM** and used the Hyperledger Fabric to create the first deployment in China to apply blockchain technology to asset custody in the financial industry. Read more [here](#).
- Two of the world's leading communications companies – **BT** and **Huawei** – have come together to lead the global development of 5G mobile technologies. Read more [here](#). In additional news, **BT** announced that it has been named a "Leader" in the IDC MarketScape: Asia Pacific Managed Security Services 2016 Vendor Assessment report. Read more [here](#).
- Manchester United fans in China who dream of visiting the Theatre of Dreams will be given the chance to enjoy an official Old Trafford Match Break experience. The opportunity has arisen courtesy of a new agreement with the Club's Official Travel Services Provider Thomas Cook Sport, part of **Thomas Cook**, one of Europe's leading holiday companies. Read more [here](#).
- **Bombardier** is celebrating the delivery of the first BOMBARDIER INNOVIA automated people mover (APM) 300 vehicle to the city of Shanghai. Read more [here](#).

## Advertising



**CBI member** [WPP](#) and Kantar Millward Brown in collaboration with Google released the first “BrandZ™ Top 30 Chinese Global Brand Builders” ranking and report. The 2017 ranking lists the Chinese brands that have most successfully established a presence in overseas markets. The report presents pioneering research gauging overseas consumers’ attitudes towards Chinese brands, which indicates that China has the world’s attention. The circumstances are favourable for brands that move now to build strength in global markets by delivering and communicating quality and relevance, and the report provides insights

and recommendations to help them conquer the challenges and seize the opportunities in their path. To produce the ranking, Kantar Millward Brown calculated the Brand Power (the BrandZ™ measure of consumer predisposition to choose a particular brand) of Chinese brands outside of China across seven countries, supported by Google’s Consumer Surveys. The evaluation is based upon a list of 167 Chinese brands with the medium Brand Power score of 85, a sum of seven countries’ score. Lenovo, a global leader in personal computer and mobile technology, leads the charge as the most powerful Chinese export brand with a Brand Power score of 1,682. It is followed by the innovative international brands Huawei (1,256), in the consumer electronics category and the ecommerce market place giant Alibaba (1,047). Consumer electronics brands represent 40% of the ranking’s total Brand Power, and dominate the Top 5 – Lenovo (no. 1), Huawei (no. 2) and Xiaomi (no. 5) – an indication of the strength of Chinese consumer electronics brands overseas. Read more [here](#).

In other news, WPP announced that its operating company Ogilvy & Mather Marketing Communications Limited (O&M) has agreed to acquire full ownership of two existing Chinese joint ventures from Shanghai Advertising Limited. The acquisition will see O&M take up the remaining 25% and 15% stakes in Shanghai Ogilvy & Mather Advertising Ltd and Shanghai Ogilvy & Mather Marketing Communications Consulting Co. Ltd respectively. Shanghai Ogilvy & Mather Advertising was founded in 1991 and employs around 520 people in China. The agency specialises in advertising strategy, design and production with key clients including YUM! Brands, Unilever, Philips, Nestlé and Coca-Cola. Shanghai Ogilvy & Mather Advertising’s gross revenues for the year ending 2015 were RMB 633.2 million with gross assets of RMB 466.3 million as of the same period. Read more [here](#).

## Aerospace

**CBI member** [Airbus](#) has signed a Memorandum of Understanding (MoU) with China Airlines (CAL) to support the development of the airline’s maintenance, engineering and technical training capabilities in Taiwan. Under the MoU, Airbus and CAL will evaluate technical and business solutions to develop the carrier’s services for all Airbus aircraft types currently operated by the airline, which include the A350 XWB, A330/A340, and A320 families. The companies will also jointly evaluate and promote CAL’s retrofit activities and cabin and airframe modifications, the feasibility of approving the airline’s maintenance training centre and developing its maintenance training capabilities in Taiwan ranging from ab-initio programmes to courses for mechanics. In addition, they will evaluate the benefits of Satair Group and other Airbus affiliates becoming key parts providers for CAL. Ho Nuan-Hsuan, Chairman of China Airlines, said: “We are delighted to sign this cooperation MoU

with Airbus, which bodes well for enhancing aviation industry capabilities in Taiwan for the Asia-Pacific region. Through Airbus' valuable industry know-how, China Airlines and our associated TAMECO maintenance subsidiary are looking forward to accelerating our maintenance and engineering capabilities for the major Airbus aircraft types, including the newly introduced A350 XWB." Read more [here](#).

## Automotive

**CBI member [Ford Motor Company](#)** sales surged 23 percent in China in December, capping a record year for the automaker in the world's largest new vehicle market. For all of 2016, Ford Motor Company sales totaled a best-ever 1.27 million vehicles, 14 percent higher than 2015. That total includes sales by joint ventures Changan Ford Automobile and Jiangling Motors Corporation, sales of Ford models imported to China and Lincoln, which has become the fastest growing luxury brand in China. In December alone, Ford and its joint ventures sold nearly 150,000 vehicles in China, up 21 percent over 2015. The growth was driven by strong demand for Ford's expanded lineup of SUVs such as the Ford Edge and Explorer, the Ford Taurus large car, and performance vehicles such as the Ford Mustang. Read more [here](#).

## Banking

**CBI member [Fidelity](#)** International will be the first foreign asset manager to wade into China's brutal domestic market. A licence from Asset Management Association of China lets it raise funds from Chinese institutions and wealthy individuals and invest them onshore. This is a strategic win, but it's no big concession. Picking Fidelity ahead of rivals like Aberdeen and Vanguard may surprise those who thought the firm had sabotaged itself in China. In 2014 star manager Anthony Bolton, frustrated by his tenure at Fidelity's China Special Situations fund, called the Chinese "great liars" and lambasted local corporate governance. Since then that fund, which Bolton no longer runs, has revived, beating its benchmark MSCI China index by a handy 44 percentage points since launch. Fidelity's standing in Beijing appears to have recovered as well. But for the Bermuda-based Fidelity - which became independent from Boston's Fidelity Investments in 1980 but is still backed by the same founding family - being the first foreigner in is a negligible business advantage. Read more [here](#).

**CBI member [Blackrock](#)** has been awarded its first Renminbi Qualified Foreign Institutional Investor (RQFII) license in the United States by the China Securities Regulatory Commission (CSRC). This is the first RQFII license awarded to any asset manager in the U.S. and the fourth RQFII license awarded to BlackRock. The license has been granted to BlackRock Fund Advisors, a U.S. subsidiary of BlackRock, Inc., to invest in mainland China's domestic capital markets, including the A-share stock and onshore bond markets. Certain BlackRock-managed funds can now apply for investment quota under the license from the State Administration of Foreign Exchange (SAFE), including iShares ETFs. Read more [here](#).

## Conglomerate

**CBI member [Siemens](#)** officially opened an industrial hackerspace at its Wuhan Innovation Center located in the Future City, setting another milestone in the development of the innovation center. With leading technical expertise and innovative practices, Siemens will work together with local partners to build "digitalization" laboratories, intelligent water laboratories, industrial hardware and software platforms and expert networks. The hackerspace will be closely geared to the situation and needs of the local industry to provide such services as innovation project incubation, professional training and technical consulting for local micro-, and medium-sized enterprises. "Digitization is a long journey. Rather than merely applying digital technologies and tools to products, it is to change the entire organizational model and ecosystem," said Dr. Zhu Xiaoxun, Senior Vice President of Siemens Ltd., China and Head of Siemens China Corporate Technology. "Taking this hackerspace as a pilot, we would explore and establish innovative patterns and industrial ecosystem of

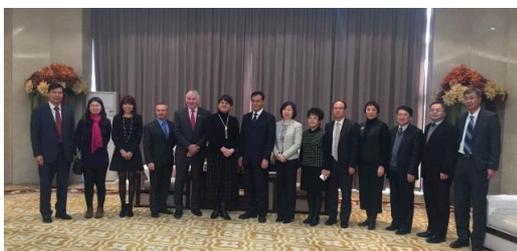
intelligent manufacturing in China together with the local government and our partners.” As an important part of the “Siemens China Innovation Center” initiative, Wuhan hackerspace will collaborate with local universities including Huazhong University of Science and Technology, Wuhan University, Wuhan University of Science and Technology and Wuhan Intelligent Equipment Industry Technology Research Institute to help local micro- and medium-sized companies accelerate innovation on advanced Industrial Internet of Things (IIoT) technologies. Read more [here](#).

## Design

Hong Kong MTR’s new South Island Line, for which **CBI member** [Atkins](#) was the detailed designer for a key section, started operating on 28 December 2016, serving the 350,000 residents and workers in Southern District. John Blackwood, Atkins’ director for transport in Asia Pacific, said: “We’ve been working with MTRC for over 40 years but it’s always a thrill to see a new line come into operation, providing significant benefits to the community along the alignment.” The new line runs in a combination of underground sections and on elevated structures, with five stations in total. Atkins was appointed by the MTR Corporation to provide the detailed design for two elevated new stations at Ocean Park and Wong Chuk Hang, 1.9km of new elevated viaduct, a new 247m bridge spanning the Aberdeen Channel Bridge, noise barriers, widening of a major open nullah for drainage, slope works, complex utility diversions and other associated works. “As the South Island Line is an elevated railway on the densely populated Hong Kong Island, it was a particularly challenging project as it is becoming progressively more difficult to build above ground railway lines in Hong Kong,” added John. CBI member Atkins Read more [here](#).



## Education



**CBI member** [Queen’s University Belfast](#) and Shenyang Pharmaceutical University (SPU) have agreed to facilitate development of a Centre of Excellence within SPU’s new Benxi campus in Shenyang, China. The announcement was made at a reception attended by Northern Ireland First Minister, Arlene Foster and the Vice Mayor of Shenyang, Jinghui Zhang on 7th December 2016. The Centre will initially carry out high-quality research to develop innovative new medicines for age-related

diseases, which is of common interest to patients in both the UK and China. The Centre will be supported by an additional investment of 1,000,000 RMB by SPU and the senior Queen’s scientist from the School of Pharmacy is Dr Min Zhao, who is based in Queen’s recently-established joint College with China Medical University in Shenyang. Read more [here](#).

## Financial Services



**CBI member** [Deloitte's](#) Southeast Asia Chinese Services Group (CSG) hosted its 4th CSG Leaders Meeting in Kuala Lumpur. The Deloitte CSG includes bilingual Deloitte professionals with vast experience to advise and assist companies which engage in cross-border investments and businesses with China. The focus of this year's meeting was to foster better business cooperation and facilitates Chinese investments in ASEAN. It also underscores the role Deloitte can proactively play in reaching out to Chinese

investors to ASEAN or Southeast Asia (SEA) countries and how Deloitte's professionals can provide strategic investment and business guidance for local businesses. According to a recent Deloitte survey, titled "Internationalization of China's SOE and the OBOR Initiative" of 54 state-owned enterprises (SOEs), SEA is the most popular investment destination for Chinese companies. SEA's geographic advantage with its rich natural resources, a population of 630 million and with significant economic growth potential, has made SEA one of the most attractive and active regions for Chinese investors, said Dr. Ernest Kan, Deloitte Southeast Asia Chinese Services Group Leader. Malaysia provides the right window for investments in SEA for Chinese investors, considering Malaysia's long standing economic and social connection with China. The country is set to play an important role in China's "One Belt, One Road" initiative, added Dr. Kan. Read more [here](#).

**CBI member** [Grant Thornton's](#) valuation service line (Beijing Jingduzhongxin Assets Appraisal Co., Ltd.) completed its merger with Zhongshuizhiyuan Assets Appraisal Co., Ltd. (Sinovalue) on December 16. And Grant Thornton's valuation service line currently possesses series of qualifications of valuation including securities and futures business, real estate valuation, national land, mineral exploration rights and military confidentiality. In 2016, the revenue of Grant Thornton China's valuation service line (Sinovalue) hit 100 million RMB, listed in the top 10 firms in China. Find more information [here](#).

## Legal

**CBI member** [Eversheds](#) advised CGN EE on the acquisition of a portfolio of 14 onshore wind-farms with an enterprise value in excess of €500m. The transaction completed on 30th December in respect of the wind farms, which operate at approximately 228 MW in Northern Ireland and Republic of Ireland. Eversheds acted for the buyer, CGN Europe Energy (CGN EE), a subsidiary of CGN Group (the Chinese state owned nuclear generator). The sellers were Gaelectric Holdings plc and Lanber Holdings. The deal was signed in a high profile ceremony attended by the Irish Energy minister, the Chinese ambassador to Ireland, senior officials from CGN and a number of local dignitaries. Read more [here](#).

**CBI member** [Clifford Chance](#) advised ANZ on its agreement to sell its 20% stake in Shanghai Rural Commercial Bank (SRCB) to China COSCO Shipping Corporation Limited and Shanghai Sino-Poland Enterprise Management Development Corporation Limited. The agreement will see COSCO and Sino-Poland Enterprise each acquire 10% of SRCB for a total consideration of RMB9.19 billion (approximately A\$1.84 billion or US\$1.32 billion). The deal was led by China Co-Managing Partner Terence Foo and Corporate Partner Glen Ma who were supported by associates Jay Liang and Kenny Yu. The agreement was signed on 31 December 2016 and is subject to customary closing conditions and regulatory approvals. ANZ's initial investment in SRCB was made in 2007 and has since invested a total of A\$568 million in SRCB.. Read more [here](#).

**CBI member** [Linklaters](#) has advised China Development Bank Corporation on the project development and financing of the 2x1,050 megawatt Jawa 7 coal-fired power plant to be constructed in Banten Province, Indonesia. China Development Bank Corporation acted as lender and mandated lead arranger in connection with the provision of approximately US\$1.3 billion in financing for the Jawa 7 project. The deal team included lawyers from Widyawan & Partners, Linklaters' associated firm in Indonesia. Xiaohui Ji, Beijing based

Partner at Linklaters commented, "The project is another demonstration of Chinese outbound investment into projects of fundamental importance to economic and social development in the region." The investment aligns with China's broader strategy as part of the Belt and Road initiative to support regional cooperation through economic development. Linklaters is deeply engaged in the Belt and Road initiative and has been advising on energy and infrastructure projects in a number of Belt and Road countries, including Cambodia, Indonesia, Kazakhstan, Myanmar, Pakistan, Russia, the United Arab Emirates, Vietnam, Georgia, Uzbekistan, Egypt and Iran." Read more [here](#).

In additional news, Linklaters has advised the Hong Kong Exchanges and Clearing Limited ("HKEx") on the establishment of the Shenzhen-Hong Kong Stock Connect. The programme will create trading and clearing links that enable Hong Kong and overseas investors to trade in securities listed on the Shenzhen Stock Exchange and Mainland Chinese investors to trade in securities listed on the Stock Exchange of Hong Kong. "This is another leap forward in the financial integration of Hong Kong and Mainland China as well as between Mainland China and the rest of the world," said Linklaters capital markets partner Chin-Chong Liew. Read more [here](#).

**CBI member CMS** is pleased to announce that London-based partner Tim Elliott has relocated to co-lead the firm's Hong Kong office together with CMS Germany partner Nicolas Wiegand and to build out CMS' finance capabilities in the region alongside its newly established disputes offering. The firm obtained its Hong Kong license in September 2016, and will initially be focusing on those product areas with one of its key aims in 2017 to strengthen its capabilities in Asset Finance and Energy Finance. Tim Elliott says: "We have for some time been pressed by our existing clients and contacts in the region to provide more on the ground support in Asia, and my job is to assist in establishing that support. We see substantial growth potential here in transportation, renewable and oil and gas financing in particular and we want to invest in that growth and partner more closely with clients in the region."

## Real Estate

**CBI member JLL**, the leading professional real estate services firm in the globe, completed the relocation of its Guangzhou office to the 28th floor of the Guangzhou CTF Finance Centre ( East Tower) on January 9 to meet the company's ever-growing business demands in South China. JLL has grown in Guangzhou for twelve years. Since opening its Guangzhou office in 2004, the company has served real estate clients in South China. Currently, JLL Guangzhou boasts a professional team comprising more than 120 staff members. The team provides comprehensive, integrated real estate services to local, regional and global clients. JLL's services equip clients in making decisions for leasing, owning or investing in real estate assets and realising added value. JLL Guangzhou is also the leader in property management and corporate facility management, with more than 1,000 onsite managers and employees in projects under such services. In 2016, JLL managed over 10 million square metres of properties in South China. In order to enhance the services provided to ever-increasing clients in South China, JLL Guangzhou moved its office to CTF Finance Centre, kicking off JLL's Relocation Campaign in 2017, "Move to Inspire." The campaign aims to create bespoke coworking office spaces for collaboration, sharing and innovation, and to actively fulfil JLL's commitment to sustainable development. JLL's new workplace is 1.5-times larger than its original, features agile office and coworking spaces, and provides flexible, coordinated and diversified office modes for its employees and visiting clients. Read more [here](#).

## Technology

Postal Savings Bank of China (PSBC) announced that it launched its blockchain-based asset custody system. As part of its work, the bank has also successfully executed more than 100 real business transactions on the blockchain since the system went live in October 2016. PSBC worked with **CBI member IBM** and used the Hyperledger Fabric to create the first deployment in China to apply blockchain technology

to asset custody in the financial industry. As one of China's leading retail banks, PSBC pays attention to the technology innovation to speed its research in advanced financial products, technologies, processes and business applications. As part of these efforts, the bank worked with IBM to develop an asset custody system built on the Hyperledger Fabric. Upon completion of a Design Thinking workshop and joint development work with IBM, the bank embarked on a two-month trial operation, during which it completed over one hundred asset custody transactions involving buying and selling bonds. During the trial, the system demonstrated blockchain's ability to help streamline the traditionally complex credit verification process and manage risk, helping financial institutions operate more securely and efficiently. Read more [here](#).

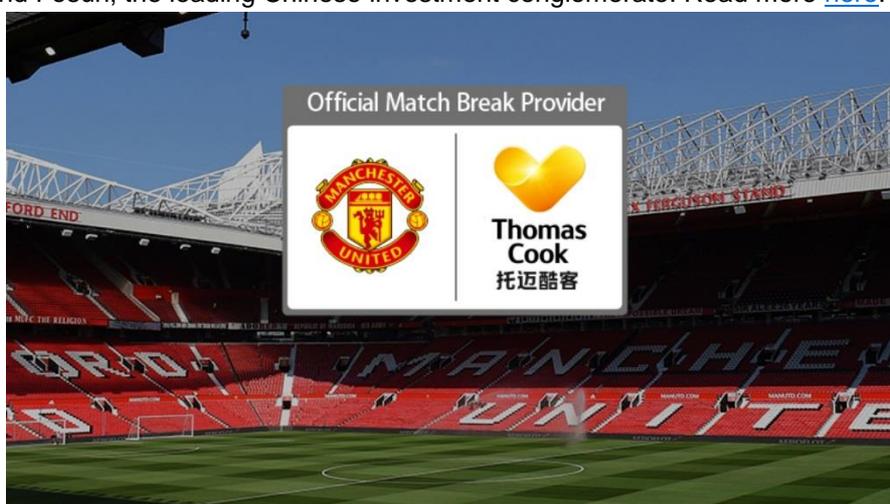
## Telecommunications

Two of the world's leading communications companies and **CBI members- BT** and **Huawei** – have come together to lead the global development of 5G mobile technologies. The new partnership will see the companies conduct pioneering joint research into 5G, considering how faster mobile communication technologies might be applied, as well as the technical and commercial feasibility of deploying them. It is hoped the research will drive the development and standardization of 5G technologies throughout the industry. BT and Huawei will work together at the world leading BT Labs in Ipswich and other locations around the UK to explore various aspects of 5G, including: network architecture; a new air interface between devices and base stations; 'network slicing' - which will allow operators to apportion network resources to specific services; machine-to-machine communications in Internet of Things (IoT) applications; and security technologies. Read more [here](#).

In additional news, **BT** announced that it has been named a "Leader" in the IDC MarketScape: Asia Pacific Managed Security Services 2016 Vendor Assessment report. In this year's report, BT has moved from the Major Player category to the Leaders category. The report notes BT's remarkable growth in the Asia Pacific cybersecurity market and its "cloud of clouds for security" strategy. The IDC MarketScape also notes BT's extensive and diverse network of partnerships and its significant investments in internal security R&D. Read more [here](#).

## Tourism

Manchester United fans in China who dream of visiting the Theatre of Dreams will be given the chance to enjoy an official Old Trafford Match Break experience. The opportunity has arisen courtesy of a new agreement with **CBI member** and the Club's Official Travel Services Provider **Thomas Cook** Sport, part of Thomas Cook, one of Europe's leading holiday companies. United fans can get official Match Break packages for every home game at Old Trafford through Thomas Cook China, a joint venture between Thomas Cook and Fosun, the leading Chinese investment conglomerate. Read more [here](#).



## Transportation

**CBI member [Bombardier](#)** is celebrating the delivery of the first BOMBARDIER INNOVIA automated people mover (APM) 300 vehicle to the city of Shanghai. The first of its type in China, the vehicle is from an order placed in June 2015 by Shanghai Shentong Metro Group Co. Ltd. for a turnkey APM system along with 44 INNOVIA APM 300 vehicles. The system will enter service later this year on Shanghai Metro's Line 8 Phase 3 Project, a new 6.6 km, dual-lane elevated, driverless APM system that will connect the large residential district of Pujiangzhen to the Line 8 interchange at the Shendu Highway Station. Jianwei Zhang, President of Bombardier China, said, "We are proud that our world leading INNOVIA APM 300 system will start operation on one of the most dynamic and important urban mass markets in the world. We greatly appreciate the tremendous effort from our team, and especially the trust and support from our long term strategic partner Shanghai Shentong Metro Group Co., Ltd., which made it possible to deliver the APM on time, on quality and within budget. We are ready to make any needed support in the operation service and I am confident that we will see more Bombardier APM systems in Shanghai and other Chinese cities in the future." Read more [here](#).

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