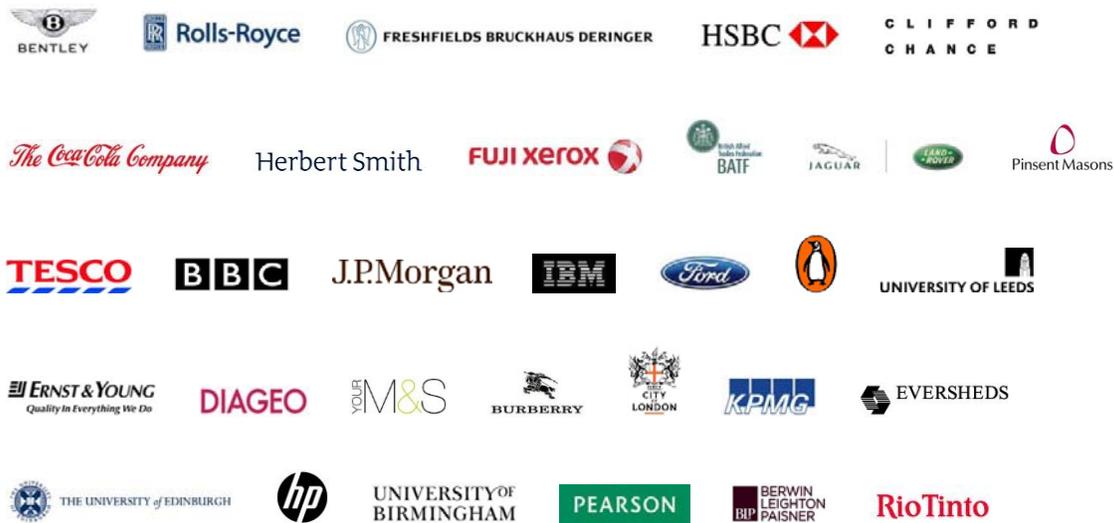


Celebrating CBI member success in China

April 2012



Executive Summary

- **BBC Worldwide** and CCTV-9 signed two co-production deals for the new science series *Generation Earth* and *Wonders of Life*. (April)
- **Bentley** announced that China surpassed the U.S. in the first quarter of 2012 to become the company's largest market as sales in the China region increased 84.9%, with 578 vehicles delivered. (April) In addition, Bentley celebrated HM The Queen's Birthday and her Diamond Jubilee year at the gala opening of Asia's largest Bentley dealership in Beijing. (April) Bentley also displayed its EXP 9 F all-wheel drive luxury Sport Utility Vehicle concept at the Beijing Auto Show. (April)
- **Berwin Leighton Paisner (BLP)** Competition Partner Dave Anderson served as an expert to the E.U. and Chinese governments at an antitrust workshop in Wuxi. (April)
- **British Allied Trades Federation (BATF)**'s international division British Jewellery & Giftware International (BJGI) launched a new service targeting companies sourcing from China. (April)
- **Burberry** released its second half trading update for the six months to 31 December 2012, reporting a strong performance in Greater China. (April)

- **The City of London** launched a new initiative aimed at strengthening London's position as the leading western hub for international RMB business. (April)
- **Clifford Chance** announced that it had advised Aluminum Corporation of China Ltd. (Chalco) on its C\$925 million takeover bid to purchase up to 60% of the issued and outstanding common shares of SouthGobi Resources Ltd. (SouthGobi). (April) Clifford Chance also announced that it had advised four strategic investors on the first-ever foreign investment in a Chinese financial asset management company. (March)
- **The Coca-Cola Company** opened its 42nd bottling plant in China in Liaoning province. The new plant spans an area of more than 170,000 square metres and represents a US\$160 million (RMB 1 billion) investment. (March)
- **Diageo** completed the mandatory tender offer (MTO) for the outstanding shares of Chinese white spirits company Sichuan Shuijingfang Co. Ltd. (Shuijingfang). (April) In addition, Diageo's Johnnie Walker House in Shanghai initiated a rare blend of Johnnie Walker's finest whiskies known as John Walker & Sons Signature Blend Vodafone McLaren Mercedes Edition. (April)
- **Ernst & Young (E&Y)** and Fudan University's School of Management launched the 2012 Ernst & Young and Fudan China Most Promising Enterprises awards. (April)
- **Eversheds** announced that it had advised New World China Land (NWCL) on the biggest corporate dim sum bond issue ever, raising a total of RMB 4.3 billion. (April)
- **Ford Motor Company** and its joint venture Changan Ford Mazda Automobile (CFMA) announced that they will invest approximately US\$600 million to expand their manufacturing facilities in Chongqing. (April)
- **Freshfields Bruckhaus Deringer** announced that it had advised the placing agents on China Minsheng Banking Corporation Ltd.'s share placement. (April)
- **Fuji Xerox's** Masataka Jo, President and CEO of Fuji Xerox (China), won the CSR Innovator Award from CBN Weekly. (March)
- **Herbert Smith** announced that it had advised Goldman Sachs, Citigroup, and HSBC on top-up placings of two Hong Kong-headquartered multinationals. (April) Herbert Smith also announced that it had advised Export-Import Bank of China (China Eximbank) on its issuance of RMB 4 billion (US\$635 billion) bonds. (March)
- **Hewlett-Packard (HP)** announced the establishment of an Education Innovation Fund in China, which will support teacher training through a US\$1 million donation to Zhejiang University and the National Commission of the PRC for UNESCO. (April)
- **HSBC** announced that it continued to maintain market leadership in the Hong Kong insurance market in 2011. (March)
- **IBM** opened the first-ever server remanufacturing centre in China. (February)
- **Jaguar Land Rover (JLR)** announced its highest-ever quarterly sales in China, with 17,997 vehicles delivered in the first three months this year, up 110% over the same period last year. (April) In addition, JLR showcased the ultra-luxurious Jaguar XJ Ultimate at the Beijing Auto Show. (April)
- **J.P. Morgan's** Treasury Services launched J.P. Morgan ACCESS Mobile in China, India, and Vietnam. (March)
- **KPMG** hosted its annual global student competition, the International Case Competition, for the first time in Asia on 18-20 April in Hong Kong. (April)
- **Marks & Spencer (M&S)** reported double digit growth in China in the fourth quarter of 2011/12. (April)
- **Pearson** announced a strategic partnership with JIL Overseas Education, a leading overseas education consulting and service company in China, to promote its English Language Proficiency Test—Pearson Test of English Academic (PTE Academic) in

- China. (April)
- **Penguin** announced the sale of the television serial rights to *Midnight in Peking* by Paul French to Kudos Television for adaptation into a major international TV mini-series. (April)
 - **Pinsent Masons** announced that it had advised Chinese sportswear group Naibu Global International Company on its AIM IPO in London. (April)
 - **Rio Tinto** became a member of the China Beijing International Mining Exchange (CBMX). (March)
 - **Rolls-Royce** won a £24 million order to design and equip four offshore service vessels, which will be built by COSCO (Guangdong) Shipyard Co. Ltd. in China. (March)
 - **The University of Birmingham** signed new collaborative agreements with three partner institutions in China—Sun Yat-Sen University, Jinan University, and the Guangzhou Institute of Biomedicine and Health. (April)
 - **The University of Edinburgh** signed an agreement with Peking University to establish a National China Research Centre at Edinburgh and a National U.K. Research Centre at Peking. (April)
 - **The University of Leeds** signed a £3 million collaborative research deal with Sinochem Group. (March)
 - **Tesco** held its second Retail Sustainable Development Forum in China in Suzhou. (April)

CBI members by sector

Automotive

- **CBI member [Bentley](#)** announced its results for the first quarter in 2012, reporting a 46.6% increase in deliveries to 1,759 vehicles. China surpassed the U.S. to become Bentley's largest market as sales in the China region increased 84.9% with 578 vehicles delivered. Sales in the U.S. also remained strong, up 35.6% with 468 vehicles delivered in the region. Read more [here](#).

In addition, Bentley celebrated HM The Queen's Birthday and her Diamond Jubilee year at the gala opening of Asia's largest Bentley dealership in Beijing. To mark the occasion, Bentley unveiled the first example of its Mulsanne Diamond Jubilee Edition at its new dealership in Sanlitun district. Only 60 examples of the Mulsanne Diamond Jubilee Edition have been created, with each car representing a year of Her Majesty's reign. This series of special vehicles is distinguished by a range of handcrafted features paying tribute to the Jubilee. Read more [here](#).

Bentley also displayed its EXP 9 F all-wheel drive luxury Sport Utility Vehicle concept at the Beijing Auto Show. The EXP 9 F concept is based around the Bentley 6.0 litre, twin-turbocharged W12 petrol engine, developing 600 bhp and 800 Nm of torque coupled with an 8-speed close-ratio transmission. The EXP 9 F could herald a third Bentley model-line alongside the bespoke Mulsanne and the high performance Continental GT, GTC, and Flying Spur. Read more [here](#).

- **CBI member [Ford Motor Company](#)** announced that it will expand its manufacturing facilities in Chongqing in southwestern China. Ford and its joint venture Changan Ford Mazda Automobile (CFMA) will invest approximately US\$600 million to expand capacity in Chongqing by 350,000 passenger vehicles, raising total capacity in China to 950,000 vehicles annually. The new investment will increase Ford's total investment in China to approximately US\$4.1 billion. Ford plans to introduce 15 new vehicles and 20 new engines and transmissions in China by 2015 as part of its plan to broaden its product portfolio and powertrain offering in China. Read more [here](#).
- **CBI member [Jaguar Land Rover \(JLR\)](#)** announced its highest-ever quarterly sales in China, with 17,997 vehicles delivered in the first three months this year, up 110% over the same period last year. Jaguar delivered 2,098 units in the first quarter, up 156%, while Land Rover delivered 15,899 units, up 105%. The exceptional first quarter sales figures contributed to the conclusion of a successful fiscal year (April 2011—March 2012), which saw deliveries of 52,032 units, up 76% over the fiscal year of 2010/2011. Read more [here](#).

In addition, JLR showcased the ultra-luxurious Jaguar XJ Ultimate at the Beijing Auto Show. The vehicle was designed by JLR's specialist ETO division, which is responsible for extending the Jaguar and Land Rover brands with a series of 'special edition' models as well as a range of personalisation options allowing owners to tailor

their cars. Read more [here](#).

Banking and financial services

- In March, **CBI member [HSBC](#)** announced that it maintained market leadership in Hong Kong with its number one ranking in individual life new business (regular premium), with a market share of 19.1% in 2011, according to the latest figures published by the Office of the Commissioner of Insurance (OCI). HSBC Insurance grew its new life business (regular premium) by 25.6% compared to 2010, exceeding the market's 18.9% year-on-year growth. HSBC was also the number one provider in the investment-linked insurance business (regular premium), with a 32.8% market share in 2011. Read more [here](#).
- In March, **CBI member [J.P. Morgan's](#)** Treasury Services continued the global rollout of its J.P. Morgan ACCESS Mobile banking platform, with China, India, and Vietnam now online following the platform's regional launch in Australia, New Zealand, Indonesia, Japan, Singapore, and Thailand earlier this year. The mobile banking platform enables multinational companies, large domestic enterprises, and mid-sized corporates to enjoy secure cash management for accounts located in China, India, and Vietnam. Read more [here](#).

Beverage

- In late March, **CBI member [The Coca-Cola Company](#)** opened its 42nd bottling plant in China. Located in Yingkou in Liaoning province, the new plant spans an area of more than 170,000 square metres and represents a US\$160 million (RMB 1 billion) investment. Upon completion, the facility is expected to reach an annual production capacity of more than five billion servings of sparkling and still beverages, including Coca-Cola, Sprite, Minute Maid, and Ice Dew. Coca-Cola plans to invest in nine production lines at the new facility, with four currently in operation. The plant will directly create 500 jobs and generate an additional 5,000 job opportunities in supporting industries. China is one of the fastest-growing markets for Coca-Cola, with volume expanding by 13% in 2011 and maintaining double-digit growth in nine out of the last 10 years. Consumption of Coca-Cola products in China now represents approximately 8% of the company's global volume. Read more [here](#).
- **CBI member [Diageo](#)** completed the mandatory tender offer (MTO) for the outstanding shares of Chinese white spirits company Sichuan Shuijingfang Co. Ltd. (Shuijingfang). The MTO was required by Chinese takeover regulations following the approval for Diageo to take control of Sichuan Chengdu Quanxing Group Co. Ltd. (Quanxing) from Chengdu Yingsheng Investment Holding Co. Ltd. (Yingsheng). Read more [here](#).

In addition, Formula 1 World Champion Jenson Button visited Diageo's Johnnie Walker House in Shanghai, the first whisky embassy and Johnnie Walker boutique outside of Scotland, to initiate a rare blend of Johnnie Walker's finest whiskies. Known as John Walker & Sons Signature Blend Vodafone McLaren Mercedes Edition,

the limited edition is priced at £30,000 and available exclusively at Shanghai's Johnnie Walker House in Shanghai. Read more [here](#).

Document processing

- In late March, **CBI member [Fuji Xerox's](#)** Masataka Jo, President and CEO of Fuji Xerox (China), won the CSR Innovator Award from CBN Weekly, a highly influential economic and business magazine in China. Among 50 award winners, Mr. Jo was one of two executives from Japanese companies and the only winner in the office equipment industry. He was recognised for his efforts in promoting Fuji Xerox's Resources Recycling System by collecting used Fuji Xerox products such as copiers, printers, and cartridges from all across mainland China. Read more [here](#).

Education

- **CBI member [Pearson](#)** announced a strategic partnership with JIL Overseas Education, a leading overseas education consulting and service company in China, to promote its English Language Proficiency Test—Pearson Test of English Academic (PTE Academic) in China. PTE Academic is a computer-based international language test that has been recognised by 32 countries and accepted for admissions by more than 2,000 programmes. JIL will act as a key distributor for the Official Guide to PTE Academic, and will also provide consulting services. As a result of the collaboration between Pearson and JIL, tens of thousands of students who use JIL's services will have direct and fast access to PTE Academic. Read more [here](#).
- **CBI member [The University of Birmingham](#)** signed new collaborative agreements with three partner institutions in China—Sun Yat-Sen University, Jinan University, and the Guangzhou Institute of Biomedicine and Health. Since the launch of the University of Birmingham's representative office in Guangzhou in September 2011, three first phase biomedical research projects are underway through partnerships with the municipal government and hospitals in the city. The projects are the Born in Guangzhou Cohort Study, the Guangzhou Biobank Cohort Study, and the Birmingham-Guangzhou Brain and Cognition Centre. Future collaborative research projects are being developed in areas including environmental science, the service industries, and stem cell research as well as in engineering and the physical sciences. The University of Birmingham's future plans include the development of an education centre in partnership with a Guangzhou-based university and a graduate school. Read more [here](#).
- **CBI member [The University of Edinburgh](#)** signed an agreement with Peking University to establish a National China Research Centre at Edinburgh and a National U.K. Research Centre at Peking. The creation of these two new centres will allow increased academic cooperation in a range of subject areas, including economic, political, and cultural fields of study. PhD and Master's students will also enjoy the opportunity to spend time at the partner institution. Read more [here](#).
- In late March, **CBI member [The University of Leeds](#)** signed a £3 million

collaborative research deal with Sinochem Group, a leading Chinese state-backed company whose core businesses cover energy, agriculture, chemicals, real estate, and financial services. The money will be used to fund six new research projects in colour science, semiconductor research, polymer development, and plant science covering transgenic technology, new materials, and anti-counterfeit technologies. The research will be carried out in the Faculty of Mathematics and Physical Sciences and the Faculty of Biological Sciences. Read more [here](#).

Fashion

- **CBI member [Burberry](#)** released its second half trading update for the six months to 31 March 2012, reporting total revenue of £1.027 billion, up 18% underlying. Led by flagship markets in the U.K., France, and Greater China, Burberry's retail revenue was up 23% underlying, reaching £743 million. Burberry opened 11 mainline stores during the second half, including an 11,000 square foot store in Taipei, the first flagship in this market. Read more [here](#).

Government

- **CBI member [The City of London](#)** launched a new initiative aimed at strengthening London's position as the leading western hub for international renminbi (RMB) business. The initiative will help deliver a private and public sector strategy for London to become a centre for RMB products and services, complementing Hong Kong and other financial centres. Current members of the initiative are Bank of China, Barclays, Deutsche Bank, HSBC, and Standard Chartered, with observers from HM Treasury, the Bank of England, and the Financial Services Authority. The initiative seeks to provide leadership to the wider financial markets on technical, infrastructure, and regulatory issues relating to the RMB product and services in London. In addition, it advises HM Treasury on maximising London's capacity to trade, clear, and settle RMB, and articulates practical next steps and long-term aims for the further development of the RMB market in London. The group also advises HM Treasury and other U.K. authorities on any financial stability concerns that members may perceive. The first report published by the initiative highlights the RMB products and services currently available in London and the volume of business transacted in London in 2011. Read more [here](#).

Information technology and telecommunications

- **CBI member [Hewlett-Packard \(HP\)](#)** announced the establishment of an Education Innovation Fund in China, which will support teacher training through a US\$1 million donation to Zhejiang University and the National Commission of the PRC for UNESCO. The fund's aim is to increase the use of information, communication, and technology (ICT) solutions to improve education outcomes in China. Over two years, more than 5,000 teachers from 500 rural and urban schools in Hangzhou and Chengdu will be trained through the fund. Teachers will learn how to use ICT effectively and innovatively in classrooms. HP's project will directly contribute to the implementation

of China's National Medium and Long-term Strategy for Education Planning and Development (2011-2020) by supporting the Chinese government's aim to improve education through the innovative use of ICT in teaching. Read more [here](#).

- In late February, **CBI member [IBM](#)** opened the first-ever server remanufacturing centre in China. Located in Shenzhen, the new centre will help reduce the impact of e-waste on the environment by extending the life of older IT equipment that otherwise would go into landfills. IBM will also buy back select IBM Power Systems from clients as they upgrade to new IBM equipment. The new facility expands IBM's global remanufacturing and refurbishment operations in Australia, Singapore, Japan, Brazil, Canada, France, Germany, and the U.S. Read more [here](#).

Legal

- **CBI member [Berwin Leighton Paisner \(BLP\)](#)** Competition Partner served as an expert to the E.U. and Chinese governments at an antitrust workshop in Wuxi in Jiangsu province. The workshop was part of an ongoing E.U.-China cooperation programme known as the E.U.-China Trade Project, which is driven by the European Commission and China's Ministry of Commerce (MOFCOM). Read more [here](#).
- **CBI member [Clifford Chance](#)** announced that it had advised Aluminum Corporation of China Ltd. (Chalco) on its C\$925 million takeover bid to purchase up to 60% of the issued and outstanding common shares of SouthGobi Resources Ltd. (SouthGobi), a dual-listed company in Canada and Hong Kong. Ivanhoe Mining Ltd. (Ivanhoe), the controlling shareholder of SouthGobi which owns 57.6% of SouthGobi's equity interests, entered into a lock-up agreement with Chalco to sell all of its shares in SouthGobi, on a pro rata basis, to Chalco to support the Chinese company's takeover bid of SouthGobi. Read more [here](#).

In late March, Clifford Chance announced that it had advised Standard Chartered on its investment in China Cinda Asset Management Co. Ltd. (Cinda), along with three other strategic investors, The National Council for Security Fund, UBS AG, and CITIC Capital. The four investors invested a total of RMB 10.37 billion (US\$1.64 billion), and will hold an aggregate of 16.54% of the enlarged capital of Cinda. All regulatory approvals for the deal were obtained. This transaction represents the first-ever foreign investment in a Chinese financial asset management company. Read more [here](#).

- **CBI member [Eversheds](#)** announced that it had advised New World China Land (NWCL) on the biggest corporate dim sum bond issue ever, raising a total of RMB 4.3 billion. The transaction was completed in two stages, with a RMB 2.8 billion debut issuance immediately followed by a re-tap issuance of RMB 1.5 billion amidst significant investor interest. The initial issuance was completed on 11 April 2012, and the re-tap issuance closed on 19 April 2012. In addition to being the largest dim sum bond issue of all time, this was also the first debt issuance by NWCL and the first offshore RMB bond by a property developer this year. Read more [here](#).
- **CBI member [Freshfields Bruckhaus Deringer](#)** announced that it had advised the

placing agents on China Minsheng Banking Corporation Ltd.'s share placement. Minsheng, China's largest non-state-owned bank, raised US\$1.44 billion (£906 million) through issuing and placing 1.65 billion new H-shares in Hong Kong. The placing agents were UBS, Haitong, KBW, and Jefferies. Read more [here](#).

- **CBI member [Herbert Smith](#)** announced that it had advised Goldman Sachs (Asia) and HSBC, as joint placing agents, on the sale of 210 million shares of Li & Fung Ltd. held by its controlling shareholder, Li & Fung (1937) Ltd., for HK\$3.9 billion (US\$502 million) under a top-up placement. Li & Fung is a leading consumer goods company. Herbert Smith also announced that it had advised Citigroup Global Markets Asia and HSBC, as joint placing agents, on the sale of approximately 51 million shares of Cheung Kong Infrastructure Holdings (CKI) held by its controlling shareholder, Hutchison Infrastructure Holdings, for HK\$2.3 billion (US\$296 million) under a top-up placement. CKI is the largest publicly listed infrastructure company in Hong Kong. Read more [here](#).

In late March, Herbert Smith announced that it had advised Export-Import Bank of China (China Eximbank), a state bank solely owned by the Chinese government, on its issuance of RMB 4 billion (US\$635 million) bonds. The bonds, to be issued by China Eximbank in Hong Kong on 05 April 2012, include a tranche of RMB 3 billion (US\$476 million) two-year bonds due in 2014 and a tranche of RMB 1 billion (US\$159 million) three-year bonds due in 2015. Read more [here](#).

- **CBI member [Pinsent Masons](#)** announced that it had advised Chinese sportswear group Naibu Global International Company on its AIM IPO with a market capitalisation of £68 million and raising £6 million of new money for the expansion of the group. Naibu is the first consumer brand from China to float in London, and its AIM IPO enables the group to strengthen its manufacturing capability. Read more [here](#).

Media

- BBC Worldwide, the commercial arm of **CBI member [BBC](#)**, and CCTV-9, the documentary channel of Chinese state broadcaster CCTV, signed two co-production deals for new science series *Generation Earth* and *Wonders of Life*. The deals mark the first co-production arrangement between CCTV-9 and BBC Worldwide. CCTV-9 will broadcast the new Brian Cox series *Wonders of Life*, which examines the story of life through physics, in winter 2012, while *Generation Earth*, a study of the most ambitious engineering projects on earth, will air on CCTV-9 in spring 2013. Read more [here](#).

Mining

- In late March, **CBI member [Rio Tinto](#)** became a member of the China Beijing International Mining Exchange (CBMX), a new electronic trading platform that will provide participating members with an additional iron ore trading channel in China. Senior officials from CBMX and Rio Tinto Iron Ore Asia, which markets iron ore on

behalf of Rio Tinto to its Asian customers, held a signing ceremony in Singapore to mark the occasion. Read more [here](#).

Power systems

- In late March, **CBI member [Rolls-Royce](#)** won a £24 million order to design and equip four offshore service vessels, which will be built by COSCO (Guangdong) Shipyard Co. Ltd. in China. The Rolls-Royce UT 771 CDL vessels will feature a fully integrated equipment system, including highly efficient diesel electric propulsion, deck machinery, bulk handling equipment, and automation and control systems. Scheduled for delivery in 2014, the vessels will be equipped for transporting pipes, equipment, and cargo to and from pipe-laying barges, oil drilling, and production platforms. The vessels will also be equipped for fire fighting. Read more [here](#).

Professional services

- **CBI member [Ernst & Young \(E&Y\)](#)** and Fudan University's School of Management launched the 2012 Ernst & Young and Fudan China Most Promising Enterprise awards. Through nominations open to the public, the awards aim to recognise sustainable, fast-growth emerging companies. The key objective of the awards is, at an early emerging stage, to discover tomorrow's industry leaders today. Read more [here](#).
- **CBI member [KPMG](#)** hosted its annual global student competition, the International Case Competition, for the first time in Asia on 18-20 April. Held in Hong Kong, the event had about 100 students from all around the world participate. The students won national competitions in their respective countries, and then represented their home jurisdictions and competed to become the global winners of the competition. Two teams represented China, one from the University of Hong Kong and the other from Sun Yat-sen University. Read more [here](#).

Publishing

- **CBI member [Penguin](#)** announced the sale of the television serial rights to *Midnight in Peking* by Paul French to Kudos Television for adaptation into a major international TV mini-series. Already a number one bestseller in Asia, *Midnight in Peking* will be published by Penguin in the U.S. on 21 April 2012 and in the U.K. on 31 May. Read more [here](#).

Retail

- **CBI member [Marks & Spencer \(M&S\)](#)** released its trading statement for the fourth quarter of 2011/12, reporting double digit growth in strategic international markets, including China and India. Read more [here](#).
- With the support of China's Ministry of Commerce (MOFCOM), **CBI member [Tesco](#)**

held its second Retail Sustainable Development Forum in China in Suzhou. Tesco has set the target of becoming a zero carbon business by 2050. To meet that target, the retailer plans to halve the emissions from its stores by 2020 and in its distribution network by 2012. Tesco also aims to work with its suppliers to reduce the emissions in its supply chain by 30% by 2020. In China, Tesco is actively supporting retailers in their efforts to go green, developing green and low carbon distribution networks, and advocating the concept of green consumption among customers. As part of its sustainability efforts in the country, Tesco launched its first green logistics centre in China last year. Located in Jiashan in Zhejiang province, the 55,000 square metre facility features an integrated energy-efficient design, which incorporates an extensive range of green technologies that use renewable energy sources and reduce energy and water usage. Employing over 26,000 people and serving over four million customers per week in China, Tesco currently has 110 hypermarkets across 11 provinces and 14 small trial express stores in Shanghai. Read more [here](#).

Trade associations

- British Jewellery & Giftware International (BJGI), the international division of **CBI member** [British Allied Trades Federation \(BATF\)](#), launched a new service targeting companies sourcing from China. Providing a basic company check on Chinese suppliers, the service includes a number of administrative checks of company information and documentation against official records, including company bank details, company licence, and export licences. Read more [here](#).

CBI Beijing
April 2012