

Celebrating CBI Member Success in China

CBI Beijing • August 2014



Executive summary

(*Access full sector-specific updates: [architecture and design](#), [automotive](#), [aviation](#), [banking and financial services](#), [beverage](#), [chemicals](#), [education](#), [electronics](#), [flight services](#), [government](#), [healthcare](#), [legal](#), and [logistics](#))

- **Airbus** announced that the Airbus A350 XWB landed for the very first time at Hong Kong International Airport. (July) Read more [here](#).
- **Arup** co-authored a report for the World Economic Forum to develop strategies for urban development of Chinese cities. (August) Read more [here](#).
- **BASF** announced that BASF Shanghai Coatings Co. Ltd. had inaugurated its new automotive coatings plant at the Shanghai Chemical Industry Park in Shanghai. (July) Read more [here](#).
- **The Boeing Company** announced an order by BOC Aviation for 82 airplanes. (August) Read more [here](#).
- **British Airways** announced special fares for travel from Beijing, Shanghai, or Chengdu to London. (August) Read more [here](#).
- **The City of London** welcomed the finding of SWIFT's latest RMB tracker, which shows that Europe is leading the adoption of the currency beyond Asian countries and that the U.K. financial sector in particular continues to attract RMB business. (August) Read more [here](#).
- **The Coca-Cola Company** released its results for the second quarter of 2014, reporting a strong performance in China. (July) Read more [here](#).
- **DHL** and the Chinese Football Association Super League announced that DHL had become an official partner of CSL. (August) Read more [here](#).



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- **Ford Motor Company** announced that Ford China's July sales reached 90,775 wholesale vehicles, up 25% compared to the same period a year earlier. (August) Read more [here](#).
- **Harvey Nash** supported the Asian Business Leaders Award. (July) Read more [here](#).
- **Heathrow Airport Limited** released its traffic and business commentary for July 2014, reporting that cargo to China increased 11.5%. (August) Read more [here](#).
- **HSBC** announced that it had pledged more than HK\$10 million for various scholarship programmes for the coming academic year 2014/15. (August) Read more [here](#).
- **Linklaters** announced that it had advised Dairy Farm on its US\$925 million acquisition of 19.9% of Yonghui Superstores. (August) Read more [here](#).
- **Pearson** released its results for the first half of 2014, reporting that, in China, Global Education, its test preparation services for English language and vocational qualifications, performed strongly. (August) Read more [here](#).
- **Philips** released its results for the second quarter of 2014, reporting a strong performance in China for its Healthcare and Consumer Lifestyle businesses. (August) Read more [here](#).
- **Pinsent Masons** announced that it had advised Tan Chong International Ltd. on its tender offer to purchase an approximate 28% interest in Zero Co. Ltd. for approximately HK\$305 million (£23 million). (July) Read more [here](#).
- **Rolls-Royce** and the Civil Aviation Administration of China signed an agreement in Beijing to extend collaboration on their pioneering training programme for another 10 years. (August) Read more [here](#).
- **Smith & Nephew** released its results for the second quarter of 2014, reporting a strong performance in China. (August) Read more [here](#).
- **Standard Chartered** announced that Standard Chartered China had completed a set of newly approved RMB FX option transactions with Chinese corporate clients. (August) Read more [here](#).
- **The University of Nottingham** announced that a team in the University of Nottingham Ningbo China's Department of Civil Engineering was the only China-based entry among the winners of a competition run by the European Space Agency. (August) Read more [here](#).

CBI members by sector

Architecture and design

CBI member [Arup](#) co-authored a report for the World Economic Forum (WEF) to develop strategies for urban development of Chinese cities. As part of the WEF's the Future of Urban Development initiative (FUD), the report identifies transportation, urban energy management, and sustainable industry development as main challenges facing Chinese cities. It also provides recommendations for the two Champion Cities, Dalian and Zhangjiakou. This is the second consecutive year for Arup to be appointed as project champion and technical advisor for the FUD initiative. Read more [here](#).

Automotive

CBI member [Ford Motor Company](#) announced that Ford China's July sales reached 90,775 wholesale vehicles, up 25% compared to the same period a year earlier. Ford China's year-to-date sales hit 640,031 vehicles, up 33%. Ford remains on track to bring 15 new vehicles to China by the end of 2015 as part of its accelerated China growth plan. Read more [here](#).



Aviation

CBI member [Airbus](#) announced that the Airbus A350 XWB landed for the very first time at Hong Kong International Airport. The aircraft, MSN 005, is one of five A350 prototypes used to perform comprehensive flight test and development trials. The aircraft has to fly a representative airline schedule, demonstrating its maturity for airline operations. This route proving exercise is the last of the trials required for Type Certification, which is expected in September this year. The aircraft will be operated by Airbus flight crews. For its visit to Asia, the A350 MSN 005 arrived directly in Hong Kong from Toulouse. Read more [here](#).



CBI member [The Boeing Company](#) announced an order by BOC Aviation for 50 737 MAX 8s, 30 Next-Generation 737-800s, and two 777-300ERs (Extended Range). The order, valued at US\$8.8 billion at list prices, is the largest in BOC Aviation's 20-year history and part of the company's effort to grow its portfolio of fuel-efficient airplanes. The order adds to BOC Aviation's fleet, which is among the youngest in the leasing industry, with an average of less than four years. Read more [here](#).



CBI member [Rolls-Royce](#) and the Civil Aviation Administration of China (CAAC) signed an agreement in

Beijing to extend collaboration on their pioneering training programme for another 10 years. Since 1996, the Senior Executive Development Programme has benefited more than 1,000 leaders and managers from across the Chinese civil aviation industry, and it is recognised as a flagship training programme which continues to make significant and consistent contributions to people development for China's fast-growing aviation sector. The programme consists of integrated modules and curriculum delivered in both China and the U.K. Read more [here](#).

Banking and financial services

CBI member [HSBC](#) announced that it had pledged more than HK\$10 million for various scholarship programmes for the coming academic year 2014/15. These scholarship schemes include the HSBC Overseas Scholarship Scheme, the HSBC Hong Kong Scholarships Programme, the Innovation and Technology Scholarship Award Scheme, and the HSBC Social Work Scholarships Scheme. They will benefit 180 top Hong Kong undergraduate students from all academic disciplines. Read more [here](#).

CBI member [Standard Chartered](#) announced that Standard Chartered China had completed a set of newly approved RMB FX option transactions with Chinese corporate clients. Standard Chartered's transactions are structured using a combination of vanilla European-style RMB FX options to cater to corporate clients' specific hedging requirements. The solution offers the clients more diversified FX hedging strategies based on their market view and risk appetite and allows them to better manage their currency exposure and associated FX risks. Read more [here](#).

Beverage

CBI member [The Coca-Cola Company](#) released its results for the second quarter of 2014, reporting that, in China, the steady execution of its new strategy coupled with strong activation of the Share a Coke campaign in June resulted in 10% growth in sparkling volume for the quarter as the company focused on driving increased sales of its entry-size single-serve packages. Read more [here](#).

Chemicals

CBI member [BASF](#) announced that BASF Shanghai Coatings Co. Ltd. had inaugurated its new automotive coatings plant at the Shanghai Chemical Industry Park in Shanghai. The expansion of its automotive coatings production capacity with an investment of around €50 million further strengthens BASF's presence in China and its position as a leading coatings supplier to the automotive industry. Read more [here](#).

Education

CBI member [Pearson](#) released its results for the first half of 2014, reporting that, in China, Global Education, its test preparation services for English language and vocational qualifications, performed

strongly. Course enrolments in the first half increased 48% to more than one million, boosted by good underlying demand and product upgrades, through 80 Pearson-owned and 453 franchised learning centres. Student numbers at Wall Street English increased by 6% to 65,000. In Guizhou Province, Pearson has trained nearly 200 teachers in English Language Teaching, and is providing digital courseware for 8,700 students in Guiyang to improve their English. Read more [here](#).

CBI member [The University of Nottingham](#) announced that a team in the University of Nottingham Ningbo China's (UNNC) Department of Civil Engineering was the only China-based entry among the winners of a competition run by the European Space Agency (ESA). The competition involved accurately tracking and positioning using Europe's current satellites. Read more [here](#).

Electronics

CBI member [Philips](#) released its results for the second quarter of 2014, reporting a strong performance in China for its Healthcare and Consumer Lifestyle businesses. Philips' Healthcare business reported a strong equipment order intake in China, while the company's Consumer Lifestyle business reported that its award-winning designs and superior technology further strengthened its leadership position in the Chinese air purification market, with consumers responding to innovations such as the VitaShield Intelligent Purification System. In addition, Philips' Mother and Childcare business' (AVENT) distribution was expanded to more cities, with a continued focus to make AVENT the brand that is most recommended to mothers. Read more [here](#).

Flight services

CBI member [British Airways](#) announced that special fares are valid for travel from Beijing, Shanghai, or Chengdu to London between 04 August 2014 and 31 March 2015 for World Traveller economy, World Traveller Plus premium economy, and Club World business class customers. Travellers are also invited to visit any one of 20 other destinations in the U.K. or 40 European countries within the same, great fare. British Airways launched the great value return fares to encourage travellers to plan early for their Christmas and Chinese New Year holidays to the U.K. and Europe. The limited time offer is available for booking on [ba.com](#) or via local travel agents from now until 03 September 2014. Read more [here](#).

CBI member [Heathrow Airport Limited](#) released its traffic and business commentary for July 2014, reporting that cargo to China increased 11.5%. Heathrow further reported that China's performance is likely to strengthen further in forthcoming months, with Air China set to double its service to Beijing from October, following which there will be 51 departures from Heathrow per week to mainland China. Air China's flights will operate from T2, demonstrating at an early stage the benefits of having STAR alliance operating under one roof—maximising transfer traffic and therefore the economic viability of routes. Read more [here](#).

Government

CBI member [The City of London](#) welcomed the finding of SWIFT's latest RMB tracker, which shows that Europe is leading the adoption of the currency beyond Asian countries, representing 10% of total RMB payments by value worldwide, and that the U.K. financial sector, in particular, continues to attract RMB business, with 123.6% growth recorded by SWIFT between July 2013 and July 2014. Read more [here](#).

Healthcare

CBI member [Smith & Nephew](#) released its results for the second quarter of 2014, reporting a strong performance in China. Read more [here](#).

Legal

CBI member [Linklaters](#) announced that it had advised Dairy Farm on its US\$925 million acquisition of 19.9% of Yonghui Superstores, a Shanghai-listed company with supermarket operations in mainland China. This added to Linklaters' list of M&A transactions in China over the last 12 months, such as advising Jardine Strategic on its acquisition of a 20% stake in Zhongsheng, The Carlyle Group, Yashili, and Zhang International in connection with the US\$1.62 billion voluntary general offer for Yashili by China Mengniu International Co. Ltd. and, most recently, Noble Group on the acquisition by COFCO and the establishment of an agribusiness joint venture. Read more [here](#).

CBI member [Pinsent Masons](#) announced that it had advised Tan Chong International Ltd. on its tender offer to purchase an approximate 28% interest in Zero Co. Ltd., a Tokyo Stock Exchange listed company, for approximately HK\$305 million (£23 million). Both Tan Chong and Zero are engaged in the automobile-related business. Tan Chong, through the tender offer, is expected to further expand its business in the ASEAN region through the establishment of a closer capital and business alliance with Zero. Read more [here](#).

Logistics

CBI member [DHL](#) and the Chinese Football Association Super League (CSL) announced that DHL had become an official partner of CSL. DHL and CSL agreed on a major sponsorship package that will run from 2014 through 2017. The sponsorship underscores DHL's long-term commitment to the China market, its support for the development of Chinese football, and its recognition of CSL as the leading Chinese football association. The partnership will see DHL engaging in new marketing activities to interact with Chinese customers and employees. As part of the agreement, DHL's branding will appear on the football pitches and in the stadiums where CSL matches take place. Read more [here](#).



Recruitment

CBI member [Harvey Nash](#) supported the Asian Business Leaders Award. Each year, Asia House recognises an individual who exemplifies the concept of the 'Servant Leader'. This award highlights the links between economic success, professional excellence, moral leadership, and service to society. This year, the award was presented to Ho Ching, Executive Director and CEO of Temasek. Read more [here](#).

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