

# Celebrating CBI Member Success in China

CBI Beijing • October 2014



## Executive summary

(\*Access full sector-specific updates: [architecture and design](#), [automotive](#), [aviation](#), [chemicals](#), [consumer goods](#), [education](#), [engineering](#), [engineering software](#), [energy](#), [flight services](#), [legal](#), [media](#), [professional services](#), and [transport](#))

- **Alstom** and its local joint venture, Shanghai Alstom Transport Electrical Equipment Co. Ltd., were awarded a €21 million contract by Nanjing Metro Group to provide traction systems and associated services to Line 12 of the Nanjing Metro. (September) Read more [here](#).
- **Arup** is celebrating 30 years mainland China. (October) Read more [here](#).
- **Atkins** announced that it had been appointed by China Harbour Engineering Company to assess the opportunity of incorporating a marina into the proposed 2.5-square kilometre mixed-use Colombo Port City development in Sri Lanka. (October) Read more [here](#).
- **AVEVA** announced that its Greater China Users Meeting took place in Guiyang. (September) Read more [here](#).
- **BASF** inaugurated its expanded mobile emission catalysts manufacturing operation in Shanghai, further strengthening the company's regional presence and its position as a leading supplier to the automotive industry. (October) Read more [here](#).
- **Benoy** celebrated the opening of its first completed development in Tianjin, Riverside 66. (October)



INVESTOR IN PEOPLE

Guy Dru Drury - Chief Representative - Beijing Office  
**DL:** 00 86 10 85253100 **DF:** 00 86 10 85253116 **E:** [guydd@cbi.org.uk](mailto:guydd@cbi.org.uk)

10068, 10F, China Life Tower, 16 Chaoyangmenwai Ave,  
 Beijing 100020 CHINA  
[www.cbi.org.uk](http://www.cbi.org.uk)

Director-General: John Cridland President: Sir Mike Rake

Read more [here](#).

- **Bentley Motors'** race-winning Continental GT3 achieved second place in the 11<sup>th</sup> round of the 2014 GT Asia Series, held in Shanghai. (October) Read more [here](#).
- **The Boeing Company** announced that Kunming Airlines had committed to purchase 10 737s, including four Next-Generation 737-700s and six 737 MAX airplanes. (October) Read more [here](#).
- **Deloitte** announced the winners of the national competition of the Deloitte Tax Championship 2014, which was held in Shanghai. (October) Read more [here](#).
- **DLA Piper** announced that it had advised MoboTap Inc. on an investment transaction with Changyou.com Ltd., a leading developer and operator of online games, for nearly US\$100 million. (August) Read more [here](#).
- **Eversheds** announced that it had advised China Merchant Securities (Hong Kong) in connection with the HK\$370 million initial public offering of Jiashili Group Limited, one of the largest biscuit manufacturers in China. (October) Read more [here](#).
- **GKN** announced that GKN Powder Metallurgy had signalled its commitment to the Chinese market with the expansion of its production facilities in both Danyang and Yizheng. (October) Read more [here](#).
- **Heathrow Airport Limited** released its traffic and business commentary for September 2014, reporting passenger volumes increased 14.9% to China while cargo to China grew 25.6%. (October) Read more [here](#).
- **Herbert Smith Freehills** announced that it had advised the joint bookrunners on two separate Hong Kong Stock Exchange Regulation S bond issuances for a total of RMB 2.1 billion. (October) Read more [here](#).
- **Jaguar Land Rover** opened its inaugural overseas manufacturing facility in China. (October) Read more [here](#).
- **KPMG** announced that China's Ministry of Finance had approved the opening of three offices by KPMG Huazhen (Special General Partnership) in Chengdu, Xiamen, and Qingdao. (October) Read more [here](#).
- **Linklaters** announced that it had advised on the first offshore RMB-denominated bond offering under the new State Administration of Foreign Exchange regulations. (October) Read more [here](#).
- **Mott MacDonald** announced that it had been appointed to deliver infrastructure design and construction services for the development of West Kowloon Cultural District in Hong Kong. (October) Read more [here](#).
- **Philips** and Alibaba Group announced that both companies had entered into a framework agreement for IT-infrastructure services in China. (October) Read more [here](#).
- **PwC** announced the opening of its Wuhan office. (October) Read more [here](#).
- **Shell** announced a frontier exploration discovery offshore Gabon, West Africa. (October) Read more [here](#).
- **UBM** announced that Shanghai UBM Sinoexpo International Exhibition Co. Ltd. had signed a 10-year (2014-2023) strategic cooperation agreement with the Shanghai New International Expo Centre in Pudong. (October) Read more [here](#).
- **The University of Nottingham** announced that Professor Hai-Sui Yu, Pro-Vice-Chancellor (International) at the University, had been awarded the honorary citizenship of Ningbo in recognition of his outstanding contribution towards the development of the city over the past decade. (October) Read more [here](#).
- **The Weir Group** entered into an agreement to acquire Trio Engineered Products, a Chinese-American

manufacturer of crushing and separation equipment for the mining and aggregates markets, for an enterprise value of US\$220 million (£138 million). (October) Read more [here](#).

*(Photo compilation on following page, clockwise from top left: Jaguar Land Rover opens inaugural overseas manufacturing facility in China, Atkins appointed by China Harbour Engineering Company to assess opportunity of incorporating marina into Colombo Port City development in Sri Lanka, Bentley Motors' race-winning Continental GT3 achieves second place in 11<sup>th</sup> round of 2014 GT Asia Series, Jaguar Land Rover opens inaugural overseas manufacturing facility in China, Shanghai UBM Sinoexpo International Exhibition Co. Ltd. signs 10-year strategic cooperation agreement with Shanghai New International Expo Centre in Pudong, AVEVA's Greater China Users Meeting takes place in Guiyang, Benoy celebrates opening of Riverside 66 in Tianjin, and GKN Powder Metallurgy expands its production facilities in Danyang and Yizheng)*

# CBI members by sector

## Architecture and design

CBI member [Arup](#) is celebrating 30 years in mainland China, having started its ventures in the early 1980s with Hilton Shanghai, Shaojiao power stations, and Guangzhou-Shenzhen-Zhuhai super-highway projects helping to establish its foothold. Today, more than 600 projects later, Arup's reach extends across the country, and the firm is celebrating three decades witnessing and driving urban transformation in China. Among Arup's highlights are the iconic 'Water Cube' and 'Bird's Nest' in Beijing, the soaring structures of China Zun in Beijing, Canton Tower, West Tower in Guangzhou, and the super-scale Raffles City Chongqing. In fact, Arup is engineering half of China's ten tallest buildings. Read more [here](#).



CBI member [Atkins](#) announced that it had been appointed by China Harbour Engineering Company (CHEC) to assess the opportunity of incorporating a marina into the proposed 2.5-square kilometre mixed-use Colombo Port City development in Sri Lanka. The study is multifaceted and will establish the overall demand for marina facilities, the size of the marina, appropriate berthing mix, and seek to optimise its configuration. The study will include the hydraulic modelling of the effect of the marina breakwater on the near shore coastal conditions and the adjacent Beira Lake stormwater outlet. A multidisciplinary team of economists, urban planners, urban designers, marina designers, and water and coastal engineers from Atkins' Asia Pacific and U.K.



businesses is involved in the project. The target users of the marina facilities include the high net worth individuals purchasing the high-end residential property which forms a major component of the Port City concept, local sailing and motor boat enthusiasts, visiting international yachts, and commercial tourist operators active in a wide range of water-based activities in Sri Lanka, including whale and dolphin watching, sports fishing, diving, and marine safaris. Colombo Port City is the biggest property development project for CHEC. Other cooperation opportunities for this development are being discussed. Read more [here](#).

**CBI member [Benoy](#)** celebrated the opening of its first completed development in Tianjin, Riverside 66.



Benoy worked as the Interior Architect and Graphic and Signage Designer on the retail scheme alongside Kohn Pederson Fox Associates as the Architect. Strategically located, Riverside 66 is in the heart of Tianjin's Haihe Central Business District at the intersection of Binjiang Road and Heping Road, one of the most famous commercial streets in China. Celebrating its proximity to the Haihe which winds through the city centre, Riverside 66 engages with the waterfront through its 380 metre long glass façade. The 152,800 square metre retail mall is now one of the longest single structures in the region, creating a new landmark and experience for the city. Proving its commercial attraction, Riverside 66 opened

with 300 tenants, including Aape, Anne Karen, Armani Jeans, COS, F. Façonnable, Hartmann, Hugo Boss, Michael Kors, and Versus and will welcome Apple in the near future. Read more [here](#).

**CBI member [Mott MacDonald](#)** announced that it had been appointed to deliver infrastructure design and construction services for the development of West Kowloon Cultural District (WKCD) in Hong Kong. The project is being developed by the West Kowloon Cultural District Authority (WKCDA) and will create a vibrant cultural quarter which combines art and education facilities with public space. One of the largest cultural projects in the world, WKCD will stretch across 40 hectares of land overlooking the spectacular Victoria Harbour. It will be easily accessible from other parts of the city, with an avenue spanning the entire length of the district. Traffic will be diverted to underground tunnels to create a safe and pleasant environment for pedestrians and cyclists. Mott MacDonald will provide detailed design, procurement support, and construction supervision for the development, which comprises the Austin Road pedestrian linkage scheme, China ferry terminal bridge, Kowloon Park Bridge, Artist Square Bridge, the east and west gate lay-bys, and district cooling system. All associated works including drainage, diversion works, sewage, rising mains, water mains, and utilities form part of the project. The work is due to commence in early 2015. Read more [here](#).

## Automotive

**CBI member [Bentley Motors's](#)** race-winning Continental GT3 achieved second place in the 11<sup>th</sup> round of the 2014 GT Asia Series, held in Shanghai. With an impressive performance on its race debut in China, the Continental GT3 continues to write a new chapter in the history of the brand. Bentley's partner in China, Absolute Racing, recently took delivery of a new Continental GT3, and it was their professional GT racer Jean Karl Vernay that started from fifth place in the #4 Bentley. Vernay used his driving skills and GT experience to make a very successful start, and, after the first corner, the #4 Continental GT3 had moved to the front of the pack. Vernay



remained in first place before pitting on lap 13 and being replaced by the gentleman driver Gilles Vannelet. The Continental GT3 rejoined the track in second place, and, despite some great fights with the leader, Vannelet had to settle with finishing second. In round 12 of the GT Asia series the following day, the Continental GT3 again performed well. Absolute Racing and Bentley Motorsport now look forward to the finale of the GT Asia series in Macau on 14-15 November 2014. Read more [here](#).

**CBI member [GKN](#)** announced that GKN Powder Metallurgy had signalled its commitment to the Chinese



market with the expansion of its production facilities in both Danyang and Yizheng. Driven by increased customer demand, GKN is investing £8.7 million to build a new facility at its Danyang site, which will cover an area of 20,000 square metres when construction completes in September 2015. The existing Danyang facility, established in March 2006, produces highly engineered powder metallurgy parts primarily for automotive engines and transmissions. In addition, its powder mixing facilities provides metal powders for the Danyang site and the wider Chinese powder metallurgy market. GKN

Powder Metallurgy's new facility in Yizheng, which had its groundbreaking in 2012, has now been officially opened. It produces small precision parts mainly for automotive applications in engines and body and chassis. By the end of 2014, about 80 people will be employed at the site.

**CBI member [Jaguar Land Rover](#)** opened its inaugural overseas manufacturing facility in China. The award-



winning Range Rover Evoque will be the first model to be built under the first Chinese-British automotive venture, with Chery Automobile Company. The plant inauguration of Chery Jaguar Land Rover Automotive Company follows the two-year construction of a factory, which is almost 400,000 square metres. Located in the Changshu Economic Development Zone north of Shanghai, the factory is part of a RMB 10.9 billion joint venture investment plan. By 2016, the facility is expected to be building three Jaguar Land Rover models, with total production capacity of 130,000 units a

year. Those vehicles will be manufactured in highly-automated press shops—including cutting-edge aluminum and steel technologies—along with a steel body shop comprising 306 robots, an energy-efficient paint shop, and an ergonomically-friendly final assembly line. A new aluminum body shop, the first in China, is already under construction at the Changshu facility to support the introduction of new Jaguar products. Significant investment has also been committed to training more than 2,000 new people in health and safety standards, process systems, and problem-solving, as well as the company's quality-control processes and corporate culture. The facility forms the centrepiece of a joint venture investment that will include the establishment of Jaguar Land Rover's Greater China Research and Development Centre and engine manufacturing. Inaugural sales of the China-made Range Rover Evoque are scheduled to begin in early 2015. Further details will be released at the Guangzhou Motor Show later this year. Jaguar Land Rover first established a presence in China just over a decade ago and has a long-term commitment to its Chinese customers. Once fully operational, output from the new state-of-the-art facility will include new derivatives

and models specially designed for the Chinese market. In its last fiscal year, Jaguar Land Rover sold more than 100,000 vehicles in China, making it Jaguar Land Rover's single largest market. Read more [here](#).

## Aviation

**CBI member** [The Boeing Company](#) announced that Kunming Airlines had committed to purchase 10 737s, including four Next-Generation 737-700s and six 737 MAX airplanes. The commitment, valued at US\$897 million at current list prices, is subject to the approval of the Chinese government and will be posted on Boeing's Orders and Deliveries website once all contingencies are cleared. Read more [here](#).

## Chemicals

**CBI member** [BASF](#) inaugurated its expanded mobile emission catalysts manufacturing operation in Shanghai, further strengthening the company's regional presence and its position as a leading supplier to the automotive industry. The inauguration culminates a three-year expansion project which doubles the company's production capacity for mobile emissions catalysts in China, adding new light duty emissions catalysts production lines, a new heavy duty diesel catalysts plant, and a state-of-the-art automated warehousing facility. The project increases the site's employees by 120 positions. As well as serving as BASF's Asia-Pacific hub for its emissions catalysts business, the Shanghai site houses the company's regional Research and Development Centre and complements BASF's emissions catalysts manufacturing operations in Guilin, Chennai, and Rayong. Read more [here](#).

## Consumer goods

**CBI member** [Philips](#) and Alibaba Group announced that both companies had entered into a framework agreement for IT-infrastructure services in China. Through its Alibaba Cloud Computing (AliCloud) division, Alibaba Group will support Philips with cloud computing services to store and process the data of certain of Philips' new connected products and solutions in China enabled by Philips' HealthSuite Digital Platform. The Smart Air Purifier launched in China in October is Philips' first connected product supported by Alibaba's cloud computing services. The new framework agreement marks an important step in the collaboration between the two companies. Under the terms of the agreement, AliCloud will support Philips with IT-infrastructure services including cloud servers, cloud databases, cloud storage, cloud security, and data processing. This will help to fulfill Philips' needs for its cloud-based connected consumer products and solutions in China enabled by Philips' HealthSuite Digital Platform. This agreement represents Philips' first deployment of its HealthSuite Digital Platform into a local cloud outside of Europe and the U.S. Read more [here](#).

## Education

**CBI member** [The University of Nottingham](#) announced that Professor Hai-Sui Yu, Pro-Vice-Chancellor

(International) at the University, had been awarded the honorary citizenship of Ningbo in recognition of his outstanding contribution towards the development of the city over the past decade. The honorary citizenship is awarded every two years by the Standing Committee of Ningbo's People Congress and represents the highest honour awarded by Ningbo. Professor Yu is one of only three awardees this year in the category of outstanding contributions. Professor Yu has been a Board Member of the University of Nottingham, Ningbo China (UNNC) since its inception.

## Energy

**CBI member [Shell](#)** announced a frontier exploration discovery offshore Gabon, West Africa. The well Leopard-1 encountered a substantial gas column with around 200 metres net gas pay in a pre-salt reservoir. Leopard-1 is located around 145 kilometres off the Gabonese coast, west of Gamba. Shell is proud to be sharing this success with CNOOC Limited, its partner in the licence. Read more [here](#).

## Engineering

**CBI member [The Weir Group](#)** entered into an agreement to acquire Trio Engineered Products, a Chinese-American manufacturer of crushing and separation equipment for the mining and aggregates markets, for an enterprise value of US\$220 million (£138 million). Weir is a global market leader in the provision of pumping equipment to the mining mill circuit, which separates rock from iron. The acquisition of Trio will build upon Weir's recent successful entry into the adjacent comminution segment of the mill circuit. Trio is based in Shanghai, where it has two manufacturing plants. The company also has facilities in the U.S. Read more [here](#).

## Engineering software

**CBI member [AVEVA](#)** announced that its Greater China Users Meeting took place in Guiyang on 22-24



September 2014. AVEVA not only showcased its newest and most innovative solutions in real-world situations, but also enlisted the participation of industry heavyweights who generously agreed to share their first-hand experiences with AVEVA technologies. AVEVA's solutions are developed on the principle that for every physical asset there must be a corresponding digital asset. This event

demonstrated how this focus on creating and maintaining an accurate digital asset means that AVEVA customers have the right information at the right time and can master change in an increasingly complex business landscape. Read more [here](#).

## Flight services

**CBI member [Heathrow Airport Limited](#)** released its traffic and business commentary for September 2014, reporting passenger volumes increased 14.9% to China while cargo to China grew 25.6%. Read more [here](#).

## Legal

**CBI member [DLA Piper](#)** announced that it had advised MoboTap Inc. on an investment transaction with Changyou.com Ltd., a leading developer and operator of online games, for nearly US\$100 million. MoboTap developed the popular Dolphin Browser, designed for the Android operating system and iOS, and was one of the first alternative browsers for the Android platform. Changyou is an important investor in the online sector in China and now operates some of the most popular online games in China. Read more [here](#).

**CBI member [Eversheds](#)** announced that it had advised China Merchant Securities (Hong Kong) in connection with the HK\$370 million initial public offering (IPO) of Jiashili Group Limited, one of the largest biscuit manufacturers in China. Read more [here](#).

**CBI member [Herbert Smith Freehills](#)** announced that it had advised the joint bookrunners on two separate Hong Kong Stock Exchange Regulation S bond issuances for a total of RMB 2.1 billion. The first transaction was a RMB 1.5 billion senior bond offering by Qilu International Finance Company, while the second transaction was a RMB 600 million bond offering by Yunnan Energy Investment (Overseas) Company Ltd. Read more [here](#).

**CBI member [Linklaters](#)** announced that it had advised DBS Bank Ltd. and Haitong International Securities Co. Ltd. in connection with the RMB 1 billion 6.4% Guaranteed Bonds due 2017 issued by Bohai General Capital Ltd. and guaranteed by Bohai Steel Group Co. Ltd. This was the first RMB-denominated bond issue guaranteed by a mainland Chinese company issued outside China since the State Administration of Foreign Exchange (SAFE) regulations were relaxed in June 2014 to allow Chinese onshore companies to guarantee offshore bonds without prior SAFE approval. Read more [here](#).

## Media

**CBI member [UBM](#)** announced that Shanghai UBM Sinoexpo International Exhibition Co. Ltd., one of UBM Asia's joint venture companies in China, had signed a 10-year (2014-2023) strategic cooperation agreement with the Shanghai New International Expo Centre (SNIEC) in Pudong. This is yet another important development following UBM Sinoexpo's successful staging of the 20<sup>th</sup> China International Furniture Expo (Furniture China) at SNIEC in September 2014. UBM Sinoexpo looks forward to the win-win result of their



cooperation with SNIIEC over the next 10 years and to contributing to the development of Shanghai's as well as China's exhibition industry. Read more [here](#).

## Professional services

**CBI member [Deloitte](#)** announced the winners of the national competition of the Deloitte Tax Championship 2014, which was held in Shanghai on 25 October 2014. The top honour of the competition was awarded to Peking University with Shanghai University of Finance and Economics and Sun Yat-sen University taking the second and third places. The Deloitte Tax Championship is a competition organised by Shanghai Deloitte Tax Ltd. and Deloitte Tax Research Foundation for university students in Greater China. Read more [here](#).



**CBI member [KPMG](#)** announced that China's Ministry of Finance had approved the opening of three offices by KPMG Huazhen (Special General Partnership) in Chengdu, Xiamen, and Qingdao. Localisation has been one of the basic strategies of KPMG China's operations. Read more [here](#).

**CBI member [PwC](#)** announced the opening of its Wuhan office, which will offer a total range of professional services to clients, not only financial reporting audit, internal controls audit, IPO audit, and other assurance services, but also tax consulting, risk management, M&A, and strategy consulting services. PwC has the clear goal of tapping Wuhan as a hub to accelerate the expansion of its business operations in central China. Read more [here](#).

## Transport

**CBI member [Alstom](#)** and its local joint venture, Shanghai Alstom Transport Electrical Equipment Co. Ltd. (SATEE), were awarded a €21 million contract by Nanjing Metro Group to provide traction systems and associated services to Line 12 of the Nanjing Metro in China. Scheduled to enter commercial operations by the end of 2015, Line 12, also known as Ninghe Intercity Rail Line, is about 36 kilometres long and includes 19 stations. It will connect the city of Nanjing to Hexian County in neighbouring Anhui Province. Involved in seven out of nine lines of Nanjing Metro, Alstom is making an important contribution to the massive expansion of Nanjing's metro network. In July 2014, both Nanjing Metro Line 10 and the city's airport link, equipped with Alstom traction systems, successfully entered commercial operation. Read more [here](#).



*For inputs or comments, please contact our Beijing office:*

Guy Dru Drury (Chief Representative): [Guy.DruDrury@cbi.org.uk](mailto:Guy.DruDrury@cbi.org.uk)

Ben Cooper (Policy Analyst): [Ben.Cooper@cbi.org.uk](mailto:Ben.Cooper@cbi.org.uk)