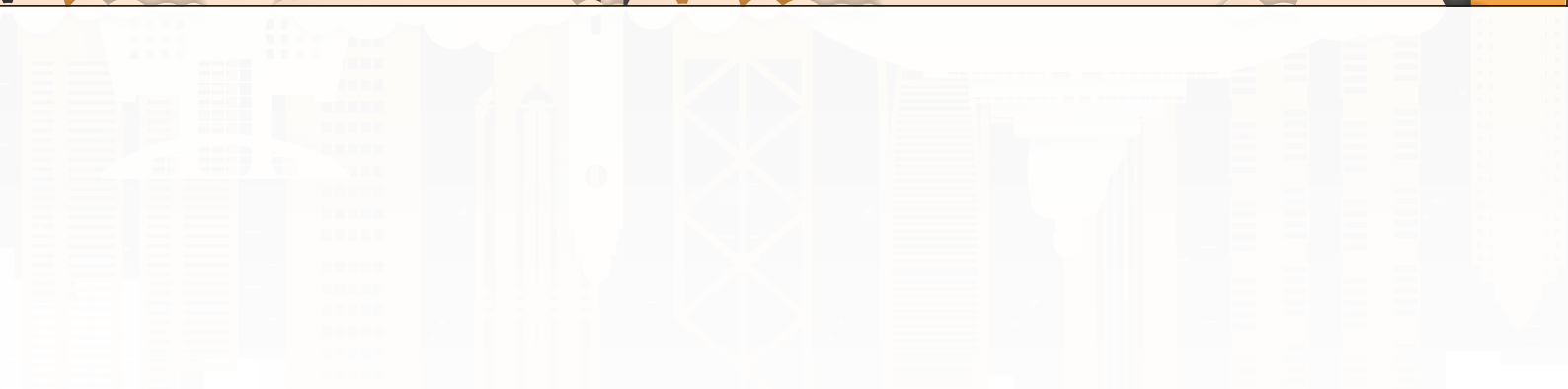


L U X U R Y
L O N D O N



WHAT DOES CHINA'S GREAT RE-OPENING MEAN FOR YOU?



KEY FINDINGS:

1.

The re-opening of China's borders presents an exciting opportunity across sectors and a much more promising outlook in 2023.

2.

However, the first few months of 2023 could remain challenging, with a stronger recovery expected around the middle of the year.

3.

Domestic travel in China has resumed, and businesses are already planning trips to meet with Chinese counterparts and customers, in China, in 2023.

4.

5 top tips for building trust with, and attracting Chinese customers:

- Communicate frequently and effectively
 - Show sincerity, understanding and respect
 - Speak the same language
 - Share expertise and knowledge on the right Chinese platforms
 - Build deep and personal relationships
-



February 2023 (London) – After almost three years, China finally re-opened its borders to the world on 8th January 2023. Passengers can enter China without quarantine. Optimism has risen. Life in China has been restored to a pre-pandemic normal.

It is predicted that Chinese companies are going to report their highest earnings growth in five years. The economic reopening after COVID lockdowns and accommodative monetary policy raise hopes for higher profits, according to Refinitiv, a global provider of financial market data and infrastructure.

China is also expected to outperform Asia, excluding Japan, due to its faster-than-anticipated reopening, continuing domestic policy support, and potential for stronger earnings growth, said Mark Haefele, Chief Investment Officer, UBS Global Wealth Management.

For example, China's tech sector is expected to see earnings growth of 27% in 2023 compared with 9.4% in 2022; while the property sector is predicted to see 9.4% higher profits in 2023 after a 4.9% drop last year.

However, what does China's re-opening specifically mean for companies in specific sectors? How are businesses adapting to this 'new' normal? And how do they build trust with Chinese counterparts and travellers, who can now travel easily both domestically and internationally?

For this Thought Leadership Article, 11K Consulting and Luxury London Media invited 14 respected experts across luxury property, retail, architecture, lifestyle, legal and professional services sectors in Hong Kong, China and the UK to offer their unique insights on these topics from their industry perspective.

High-profile interviewees include:

Carmen Chiu, Regional Managing Director,
APAC, Fortnum & Mason

Daniel Daggars, Founder,
DDRE Global

Kate Donneky, Managing Director,
Rhodium

Kathy Gallagher, CEO of HK,
Quintessentially

Jing Jing,
International Marketing & Communications Executive,
RIBA

Robert Kerr, Director,
ADAM Architecture

Edith Lai, Senior Associate,
Charles Russell Speechlys LLP

Rafael Steinmetz Leffa, Executive Director,
GWM London Limited

Lynn Lin, Partner, Head of Asia,
Gerald Edelman

Gary Miller, Partner,
Mishcon de Reya LLP

Winnie Seow, Asia Market Lead,
Hawksford

Kerri Sibson, COO,
Knight Dragon

Jenny Steen, Sales Director,
Ballymore

Charlie Walsh, Head of Residential Sales
The OWO Residences, London



QUESTION ONE

What does China's re-opening mean for your company and your sector?

The re-opening of China's borders presents an exciting opportunity across sectors and a much more promising outlook in 2023, though the first few months of 2023 could remain challenging until a stronger recovery come to fruition around the middle of the year, experts said.

From a luxury property sector perspective, **Charlie Walsh, Head of Residential Sales for The OWO Residences, London**, said that the pandemic and the resulting restrictions meant that, until now, the recovery in the Chinese market was effectively paused – but strong recovery is expected.

“As the country re-opens, we expect to see activity returning, and more transactions happening in London. Not only does the weaker pound make investments more attractive, but the UK offers appealing lifestyle factors that continue to be a strong basis for Chinese buyers to invest in UK property,” Walsh said.

Jenny Steen, Sales Director, Ballymore, shared similar positive sentiment.

“Since the opening of borders in China, we have already witnessed an uptick in visitors to our London developments, as well as increased enquiries and offers from those looking to invest in the UK. We expect this trend to continue throughout the year as more people travel and the demand for prime London residential property remains high.”

She added that, in the past few years, many buyers have made decisions via virtual tours. “While virtual tours have been a convenient tool throughout the restrictions, we are thrilled that people can once again visit our sites in person. The demand for community-driven neighbourhoods that foster a real sense of belonging is higher than ever before, and being able to experience these unique aspects of our developments first-hand will be invaluable for our Chinese buyers,” Steen said.

Kerri Sibson, COO, Knight Dragon, commented that London property remained strong, and firmly on the radar of Chinese buyers, who, despite closures, still have an appetite to invest.

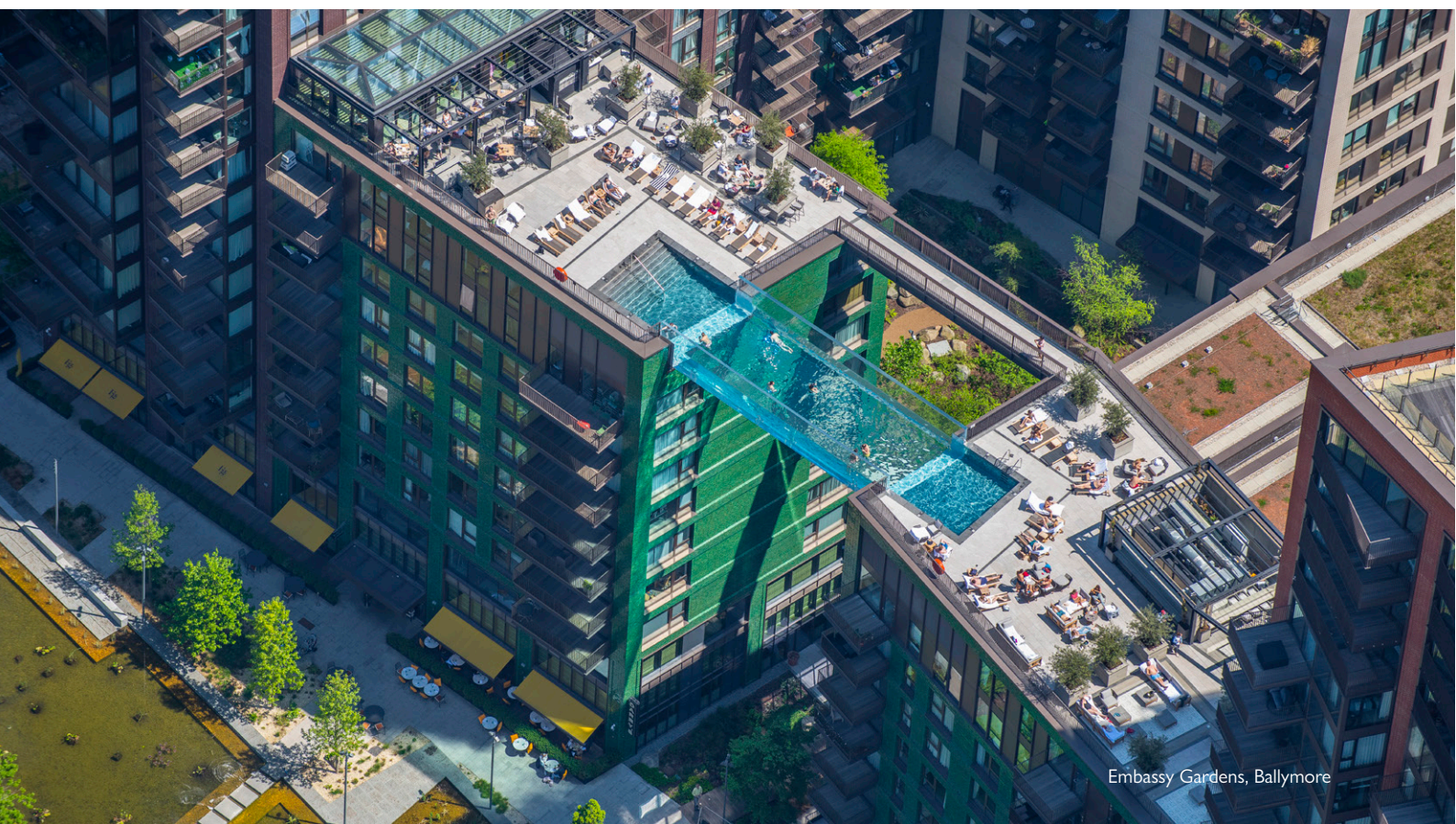
“Peninsula Gardens, the latest chapter of Greenwich Peninsula, sold 94% over opening weekend in September 2022 and we brought forward a further collection to meet global demand, including from China. Looking ahead, where there has been some hesitancy – where people haven’t been able to visit or don’t have contacts on the ground to visit on their behalf – we are expecting to see these buyers heading over to see potential properties first-hand.”

Kate Donnelly, Managing Director, Rhodium, said that the property management company, which provides services to new build super-prime schemes across London, expects the number of new build apartment owners from China to increase in 2023. This is because residential property in London remains sought-after as “a long-term, safe haven asset class for education, cultural and economic reasons.”

Daniel Dagers, Founder, DDRE Global, explained that Chinese buyers account for a growing number of sales for the super-prime market, specifically those priced at £10m+ in central London, and these numbers have been growing year on year. “China’s re-opening will, without doubt, have a positive impact on the number of transactions in the prime and super-prime markets,” Dagers commented.

From a luxury lifestyle sector perspective, **Kathy Gallagher, CEO of HK, Quintessentially,** said that the re-opening of China’s borders presents an exciting opportunity for its business and for many of its office locations around the world.

“We anticipate Chinese outbound travellers to nearby locations around the region, such as Japan, Korea, Thailand, Hong Kong and Singapore, as well as long haul destinations, such as the UK, Europe and North America. In particular, Hong Kong is expected to see an increase in Mainland Chinese visitors, with increased spend in sectors such as retail, hospitality, food and beverage, and healthcare.”



Embassy Gardens, Ballymore

Carmen Chiu, Regional Managing Director, APAC, Fortnum & Mason, echoed this view: “The border opening has shown very positive sentiment overall and a much more promising outlook in 2023. However, the next few months will still be challenging until a stronger recovery mid-year. We have already seen more customers in the last couple of weeks in our Hong Kong Flagship at K11 MUSEA. They purchased our Fortnum & Mason products to bring back to Mainland to celebrate Lunar New Year with their families and friends.”

From a legal perspective, **Gary Miller, Partner, Mishcon de Reya LLP**, expects China’s re-opening to stimulate international transactions and communications, with a dynamic economic environment nurturing the need for legal services.

“We are well-prepared for increased demand from Chinese clients in London and Asia. During the pandemic, we opened our Singapore office and established a presence in Hong Kong through our association with Karas LLP,” Miller said.

Edith Lai, Senior Associate, Charles Russell Speechlys LLP, agreed: “China’s re-opening is certainly positive news for our firm, given our expanding footprint in Asia and we are looking to open a Singapore office this year. Speaking to our clients and contacts, we can see there is ‘pent-up demand’ for investment and for travel and relocation to the UK. Our immigration team have already seen an increase in new enquiries, and we expect this trend will continue over the course of 2023.”

From a professional services perspective, **Lynn Lin, Partner, Head of Asia, Gerald Edelman**, said that the firm expects an increase in demand from China-based businesses looking to invest and expand their operations to the UK, as well as from UK-based businesses looking to operate in China.

“With the reopening, international business travel will increase. We already have trips ourselves planned to China this year. This will support more investments and opportunities in the UK as well allowing UK-based businesses to develop their business relationships with Chinese companies and suppliers.”

Winnie Seow, Asia Market Lead, Hawksford, also predicted that there will be more visits from Chinese investors to the UK this year, as they look to explore new investment opportunities.

“Similarly, we anticipate more European businesses travelling to China, as many consider expanding their operations into the market. We are hopeful that China’s re-opening will bring more business interactions and investment opportunities – both for the Chinese market and globally,” Seow said.

From an architecture perspective, **Jing Jing, International Marketing & Communications Executive, Royal Institute of British Architects (RIBA)** said that China’s reopening means that this will be a year of actual access to the market and close contact with China.

“We expect to increase business from China by at least 30% this year, China’s reopening allows RIBA to have a more meaningful exchange between members from China and the rest of the world. We are already planning exciting initiatives, such as physical exhibitions and visiting tours at RIBA headquarters, to engage with China members and enhance their global connections.”

Robbie Kerr, Director, ADAM Architecture, said the firm has been investing in China for the last 18 months as they have strong belief in the Chinese market. “As a sector, we had a lot of historic work with clients from China looking to the exciting opportunities here and expect that with the ability to see, they will believe too.”



QUESTION TWO

How are you adapting your business for China's re-opening?

Domestic travel in China has resumed, and businesses are already planning trips to meet with Chinese counterparts and customers in China in 2023. There is an anticipation of an influx of Chinese travellers overseas later in the year.

Jenny Steen, Sales Director, Ballymore, said: "We are excited to welcome our valued customers from China back to the UK – so much has changed over the past three years; our pioneering Sky Pool in Embassy Gardens has opened, the first residents have moved into our Brentford development and our new Riverscape development on the river Thames is rapidly evolving. Equally, our plans to visit China are in full swing. We are looking forward to meeting with and hearing from our existing customers, as well as new buyers, on what they want from their future homes."

Charlie Walsh, Head of Residential Sales for The OWO Residences, London, said he has planned trips in Q1 and Q2 2023, covering Hong Kong, Shanghai, Shenzhen, Guangzhou, Beijing and potentially other cities, to showcase The OWO Residences by Raffles in this important market.

"In Shenzhen, we will be hosting events at Raffles Shenzhen so clients can experience the brand first-hand. Our penthouse residence completes in Q1 so we're also organising events for Chinese buyers in London."

Based in Hong Kong, **Carmen Chiu, Regional Managing Director, APAC, Fortnum & Mason**, said that as soon as China's borders re-opened, they "invited over 20 Hong Kong-based Chinese social media influencers to come to our flagship store for retail and hospitality experiences. This is a very important first step to reactivate the brand, elevating awareness and driving social engagement with our potential Mainland customers."

Also based in Hong Kong, **Kathy Gallagher, CEO of HK, Quintessentially**, said in anticipation of the influx of Chinese travellers overseas:

"Our business is exploring investment in Mandarin-speaking resources in various international locations to provide support with inbound Chinese requests for our services."

Edith Lai, Senior Associate, Charles Russell Speechlys LLP, which has an office in Hong Kong, said that "in March 2023, we will finally be able to host the fifth anniversary party of our Hong Kong office, and a delegation from our London office will be joining. We hope contacts from China could join us in Hong Kong too. We look forward to meeting our Chinese and Asian clients and contacts in person again. Nothing can replicate a relationship cultivated from regular face-to-face contact."

Both Lynn Lin, Partner, Head of Asia, Gerald Edelman and Winnie Seow, Asia Market Lead, Hawksford have also planned business trips to China in 2023.

Lin said: "This will be the first time I've gone back to China in three years and will allow me to connect with my Chinese clients, as well as forge new relationships. Also, we expect more travellers from China to visit the UK and hope to be involved in trade and investment events, as well as host our own events for Chinese clients."

Seow said: "We will be organising and hosting a series of China-focused hybrid activities, which will allow investors and intermediaries to join in-person in the UK, or virtually around the globe."

In the architectural sector, **Robert Kerr, Director, ADAM Architecture**, said the company will start planning renewed visits to China building on the success of its last trip in 2019. **Jing Jing, International Marketing & Communications Executive, RIBA**, added that 2023 is set to be exciting for RIBA's business development in China.

Jing explained: "We will further strengthen and promote mutual visits and participation in the business between the UK and China. For example, we will invite RIBA senior managers to attend industry conferences in China to establish more business partnerships or collaborations with local partners or individuals. We will also invite RIBA Chartered Architects from our RIBA China 100 programme to host an exhibition in London headquarters to showcase their projects and participate in industry exchanges and training in the UK."



Upper Riverside, Knight Dragon



QUESTION THREE

What is your top tip for building trust with, and attracting Chinese customers?

Frequent and effective communication, showing sincerity, understanding and respect, speaking the same language, sharing expertise and knowledge on the right Chinese platforms, and building deep and personal relationships are all key to building trust with and attracting Chinese customers, experts said.

Rafael Steinmetz Leffa, Executive Director, GWM London Limited, said: "Be sincere, don't look at the relationship or the business dealings as a transactional process. It is all a process of building trust and getting to know one another. Attracting clients normally comes through recommendations by other clients or people known to them and these always tend to be open to doing business as long as you represent them well."

Jenny Steen, Sales Director, Ballymore, said: "Developing trusted relationships and understanding current buyer demands is key. We aim to make every aspect of the buying process as smooth as possible, with dedicated Mandarin speakers within our customer team who can provide guidance and support throughout. We're proud that a recent 2022 customer survey showed that 100% of people who buy from Ballymore recommend us to their friends."

Charlie Walsh, Head of Residential Sales for The OWO Residences, London, agreed that it is a prerequisite to show real understanding and respect to Chinese customers right from the first interaction, share regular insightful content on the right platforms, deliver promises with quality, and go the extra mile.

"With the country's re-opening, we have already planned several trips to China with the goal of building long-term, trusting relationships with our Chinese buyers, investors and partners, to show our total commitment to this important market."

Robert Kerr, Director, ADAM Architecture, said the key to building trust with Chinese clients is to:

“Be true to your values, have strength and belief in your brand and to be straightforward and patient.”

Kate Donnelly, Managing Director, Rhodium, added that demonstrating knowledge and experience in a particular sector is crucial for establishing trust in professional relationships with Chinese clients, “but then deliver on your promises, both actually made and perceived, to create a long-lasting relationship.”

“They must build deep and personal relationships directly with their consumers to achieve brand stickiness. To facilitate this, communication channels should be tailored to the individual, communicating in local language wherever possible. This enables trust through connection on a more personal level,” Donnelly explained.

Kerri Sibson, COO, Knight Dragon, commented that the key to attracting Chinese customers is understanding their needs and motivations for buying, be it as an investment, for their children to live in whilst studying in the capital or for their own use when visiting London.

“At Knight Dragon, we have an extensive team – many of which are native speakers of Mandarin and Cantonese – who support and guide Chinese purchasers through the entire buying process, to ensure it is seamless and that their exact needs are met.”

Similarly, **Carmen Chiu, Regional Managing Director, APAC, Fortnum & Mason,** said that building trust with Chinese customers is about being authentic and offering a quality experience, sharing your heritage and telling your brand stories, as well providing plenty of photo opportunities.

Kathy Gallagher, CEO of HK, Quintessentially, highlighted that companies cannot purely rely on their brand reputation alone to attract and retain Chinese consumers.

Lynn Lin, Partner, Head of Asia, Gerald Edelman, said:

“Be flexible and offer tailored services. Chinese clients can be demanding, so being able to meet their needs is crucial. Also, having a Chinese speaking team member who can regularly share informative content on Chinese social media and online communities will really help you stand out.”

Gary Miller, Partner, Mishcon de Reya LLP, shared similar sentiment. “Our ethos is that ‘it’s business, but it’s personal’. By understanding our clients’ motivations and priorities, we can tailor our services accordingly and draw on our extensive network of legal and business expertise.”

Daniel Daggars, Founder, DDRE Global, said: “As a business, we use the term ‘trust equity’ when agreeing to partner with real estate professionals in China and Asia. From our experience of working at the very top end of the market, we know that business is personal and is done via a web of ‘trusted advisors’ who have created trust equity with their clients over many years.”

NOTES TO THE EDITOR:

This Thought Leadership Article was conducted by 11K Consulting, the UK's leading Chinese luxury and property PR and communications agency; and luxury print and digital media business Luxury London Media.

This is part of 11K's China Insights Hub (<https://11kconsulting.com/hub/>) initiative to educate, inform and inspire our audiences on different topics around the evolving Chinese market.

Here is the full list of experts interviewed for this article (alphabetically by surname):

Carmen Chiu, Regional Managing Director,
APAC, Fortnum & Mason

Daniel Dagers, Founder,
DDRE Global

Kate Donneky, Managing Director,
Rhodium

Kathy Gallagher, CEO of HK,
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Charlie Walsh, Head of Residential Sales
The OWO Residences, London



The OWO Residences by Raffles

As the country re-opens, we expect to see activity returning, and more transactions happening in London.

Charlie Walsh,
Head of Residential Sales for
The OWO Residences, London

ABOUT 11K CONSULTING:

11K Consulting is the UK's leading China Luxury PR and communications agency specialised in helping companies to target and influence Chinese and Asian investors, U/ HNWIs and luxury consumers in China, HK and the UK. Our clients are a mix of high-end real estate, interior design, architecture, luxury, and retail companies in the UK and Europe.

<http://11kconsulting.com>

ABOUT LUXURY LONDON MEDIA

Luxury London is an integrated media organisation that connects premium brands with high-net-worth individuals through print media, digital platforms, contract publications and a programme of experience-led events. The portfolio includes LuxuryLondon.co.uk, Luxury London Magazine, and Pell-Mell and Woodcote, the official magazine of the Royal Automobile Club.

<https://luxurylondon.co.uk>

CONTACT US:

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