

# Agilent in China



Agilent Technologies, formerly part of the Hewlett-Packard Company, has enjoyed a long and extraordinary relationship with China.

China became Agilent's second largest market in 2004, ranking just behind the United States. The fast-growing China market is rapidly embracing new technology and quickly becoming a center for R&D, design, testing, manufacturing and marketing.

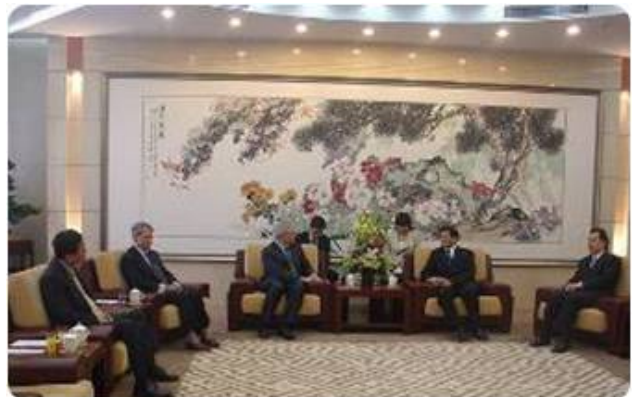
From its humble beginnings in Beijing, Agilent now has 20 presences in the mainland. Today, the company has manufacturing operations, R&D labs, test centers, design centers and sales offices throughout China.

David Packard would be honored. As co-founder of HP and Agilent—and the modern-day technology industry as well—Packard was instrumental in establishing China's first high-tech joint venture.

Packard first visited the People's Republic of China in 1977 as a member of a non-governmental committee. High-ranking Chinese officials had invited a small but powerful group of Americans to discuss how the Chinese could deal with Soviet aggression along China's northern border. Committee members were among the first outsiders to visit China in years.



David Packard (left), William Hewlett (right) with Mr. and Mrs. Wang Zhen in Palo Alto, Calif., April 1985. When David and Lucile Packard visited China in 1979, Vice Premier Wang Zhen hosted a dinner for them in the Great Hall of the People.



Mr. Liu Qi, Poliburea Member of CPC Central committee, and other Agilent Executives on April 20, 2007, the day of Agilent's China Headquarters grand opening. This committee met with Bill Sullivan, President and CEO, and Adrian Dillon, Executive Vice President and CFO, before the campus opening event

# Packard wanted HP to be the first technology business venture in China

Thus began what would become for David Packard a lifelong love for China, deep respect for its people, and a sincere commitment to help China's modernization efforts and to promote a strong relationship between the United States and China.

He returned two years later with his wife Lucile and Chi-Ning Liu, an engineer and the son of a Nationalist Chinese general who still had family in China. This time, as the guest of the China Council for Promotion of International Trade, Packard went to talk about technology.

His timing was excellent. China had renewed its focus on its "Four Modernizations" program in the areas of agriculture, industry, science and defense—a blueprint to launch China into the front ranks of the industrialized world by the year 2000.



China President Jiang Zemin meets with long-time friend, David Packard, co-founder of HP/Agilent Technologies, at Zhongnanhai, Aug. 31, 1995.

High-level meetings between the U.S. and Chinese governments were paving the way toward cooperation. Packard wanted his company to be the first electronics company to share in a technology business venture in China. It would take the dedication, trust and teamwork of scores of people and Chinese officials to make it happen.

The Packards toured Beijing for a week, unsure of whether they were making any progress. When Wang Zhen, a vice premier and survivor of the Long March, announced he was holding a reception and dinner for the Packards at the Great Hall of the People, Packard knew it was a breakthrough.

The next week he toured factories that were making anti-aircraft radar and turbine engines. He saw facilities that were using 1950s equipment and technology, and he knew his company could help. Packard established important friendships during this visit. He understood that friendship and mutual respect were an excellent basis for building business relationships in China.

Before Packard left China in 1979, his hosts told him they wanted to set up a joint venture. Packard went home and drew up a list of specific suggestions relating to China's modernization.

## Historical Highlights of Agilent Technologies in China: 1970s

**1971**

China is admitted to the United Nations.

**1972**

U.S. President Richard Nixon visits China. Chinese engineers, impressed with the HP-35 scientific calculator used in satellite transmissions of Nixon visit, invite HP to visit Beijing and discuss business prospects.

**1976**

China's cultural revolution draws to an end.

**1977**

David Packard visits China for the first time as a member of the non-governmental Committee on the Present Danger.

**1978**

Deng Xiaoping is named vice premier and leads China through its greatest period of modernization, including economic reforms.

**1979**

United States and China announce full diplomatic relations in January.

HP's first technical seminar is held in Beijing in June. A dozen engineers bring a million dollars worth of equipment from all businesses to China for demonstration and training.

U.S.-China trade agreement signed in July. David Packard is invited back to China to consult on industrial policy and technology transfer, and receives the request for his company to enter into a joint venture.

## Historical Highlights: 1980s

### 1980

Zou Jia-Hua, vice director of the Office of State Commission for National Defense Industry, leads a delegation to Palo Alto, Calif., signing a Memorandum of Understanding with David Packard.

### 1981

HP Representative Office in China opens.

### 1983

China invites entire HP board of directors to Beijing for a meeting.

China and the United States sign a Memorandum of Joint Venture. Management sets out the unified management principles of “marketing and sales, manufacturing, and research and development.” Chinese leader Jiang Zemin attends the signing ceremony.

### 1984

Wei Mingyi, vice minister of the Ministry of Electronics Industry (now Ministry of Information Industry), and David Packard sign a Contract of Joint Venture Management, five years after it was first discussed.

### 1985

The first high-tech joint venture in China is established. Chi-Ning Liu becomes general manager.

### 1986

Shanghai sales branch office opens.

### 1987

Philip Yu becomes general manager.

### 1988

Manufacturing site of computer and medical products and components established in Shenzhen.

## In 1980, David Packard and Zou Jia-Hua signed a Memorandum of Understanding

Early in 1980, a delegation of Chinese officials and technologists led by Zou Jia-Hua visited Palo Alto. During that visit, China and HP signed the first Memorandum of Understanding, in which a two-step strategy—cooperation first, joint venture later—was spelled out. That agreement laid the groundwork for the Representative Office to open in Beijing in 1981. HP’s products became formally available in the Chinese market, with sales and support provided by China Electronics Import-Export Corporation.

In 1984, Wei Mingyi, vice minister of the Ministry of Electronics Industry (now called the Ministry of Industry and Information Technology) and David Packard signed a contract of joint venture management, which brought the level of cooperation between the two countries to a higher level.

In its first full year, China’s first high-tech joint venture operated out of the fourth floor of the Beijing Second Watch Factory in the Haidan District, with a small manufacturing operation in the Beijing Radio Equipment Company in the Xuanwu District, and a branch sales office in Shanghai.

## “We want to build the culture from scratch,” said Chi-Ning Liu, the first general manager of HP in China

The company’s first general manager in China, Chi-Ning Liu, who had accompanied David and Lucile Packard on their 1979 trip, hired and trained the first employees. Their average age was 28; 84 percent of them had college or university training.

Training and development were Chi-Ning’s paramount concerns in the early days. Employees attended daily English classes, along with training in customer support, business skills and conduct. Chi-Ning said in 1986, “We want to establish a long-term partnership and good, sound structure—a real joined culture. We want to build the culture from scratch. We’re the only company that’s operating like this in the PRC. We’re teaching incentives and performance. What a thing we’re trying to do!”

## Historical Highlights: 1990-95

### 1990

For the third time, Beijing major media name China Hewlett-Packard among the top 10 joint ventures in China.

### 1991

Huapu Information Technology Co. Ltd. established in Shanghai.

### 1992

Headquarters moves to World Trade Center in Beijing.

Executives from companies from the two sides of the Taiwan Straits meet in Beijing for historic computer-technology seminar.

New sales office in Guangzhou opens.

### 1993

Huatek Software Engineering Co. Ltd. established in Shanghai.

Bill Hewlett visits China and meets employees.

### 1994

Medical Products (Qingdao) Co. Ltd. established.

Putian OME System Integration Co. Ltd. employees become part of profit-sharing program.

Fourth branch office opens in Xian, Shanxi Province.

HP becomes first computer and instrument vendor in China to receive ISO 9002 certification..

U.S. President Bill Clinton announces decision to continue Most Favored Nation status with China.

### 1995

Shanghai Analytical Products Co. Ltd. established.

David Packard makes his last trip to China and meets with Chinese President Jiang Zemin.

HP Labs and the State Science and Technology Commission of China establish a high-tech joint research program.

During the 1970s, David Packard became acquainted with the people who in the 1990s were top officials in the Chinese government. Through the years, he built relationships based on mutual respect, and these friendships proved crucial to the founding and growth of HP in China. In turn, the company played a critical role in making it possible for China to provide the conditions that made it attractive for market-oriented companies to establish operations there.

The 1990s were a time of enormous growth for international companies in China. In 1991, there were 2,064 approved foreign-funded projects in China's special economic zones, representing \$6 billion in joint ventures, \$2.1 billion in cooperative ventures with the government, and \$3.7 billion in fully owned foreign ventures. By 1992, 850 electronics firms had moved manufacturing facilities to the Pearl River Delta area, China's first special economic zone.

At that time, most of the foreign electronics firms in China were relatively similar in size and revenue. HP China was among the leaders, and was highly regarded as one of the most successful joint venture companies in China.



When David Packard visited China in 1995, employees lined up to have Mr. Packard sign copies of his book, *The HP Way, How Bill Hewlett and I Built Our Company*.

What set HP apart from its competitors was what distinguished the company from the beginning – its enormously successful approach to business known as “The HP Way.” The company’s unique culture and its strong commitment to innovation, trust and respect for people, responsibility to society, and integrating local values and customs set the standard for well-managed, global companies. These enduring values remain the hallmark of Agilent Technologies.



## Agilent enthusiastically supports programs designed to benefit the welfare of the Chinese people

Since 1985, the company has shown its commitment to being an economic, intellectual and social asset in each nation and community in which we do business. Agilent has donated money and equipments to the labs and research centers of Chinese universities, including Tsinghua University and Peking University –the most prestigious schools in China.

Agilent China has long partnered with local government and organizations to support community efforts in science and environmental education. Since 1999, Agilent has partnered with the China Youth Volunteer Association to sponsor approximately 3000 university volunteer graduates that teach mathematics and science in remote, poverty-stricken areas before they begin their post-graduate study. Agilent also works jointly with Teacher Without Borders (TWB) – an international non-profit organization -- and launched a program in 2006 in Chengdu, Sichuan province that brings advanced science teaching methodology to local teachers and school principals.



In Aug, 2007 Agilent and TWB conducted communication classes for school teachers in Du Jiang Yan and Chengdu, in Sichuan Province. More than 156 local schools and 220 English and science teachers attended the workshops

Agilent supports programs that increase student interest and achievement in science. In 2001, Agilent established the After School hands-on science program, having already reached thousands of students in most of the major cities in China. Since 2007, Agilent, working with Beijing Science and Technology Association, has title sponsored the Beijing Youth Science Creation Competition, a regional affiliated fair of the worldwide International Science and Engineering Fair (ISEF). This Beijing event attracts more than 300,000 students each year. In 2005, Agilent introduced

## Historical Highlights: 1996-98

### 1996

David Packard dies at age 83.

Company hosts Asia Pacific Quality Convention in Beijing.

Test and Measurement Organization opens a marketing and research and development center in Beijing to develop the company's VXI instrument business.

### 1997

Hewlett-Packard Leasing Ltd. is established—a joint venture between HP and Shanghai Alliance Investment Ltd.

HP and China Telecom establish the Telecommunications Measurement Education Center in Beijing.

Hewlett-Packard and Scitech establish joint venture research and development center with the Ministry of Science and Technology.

### 1998

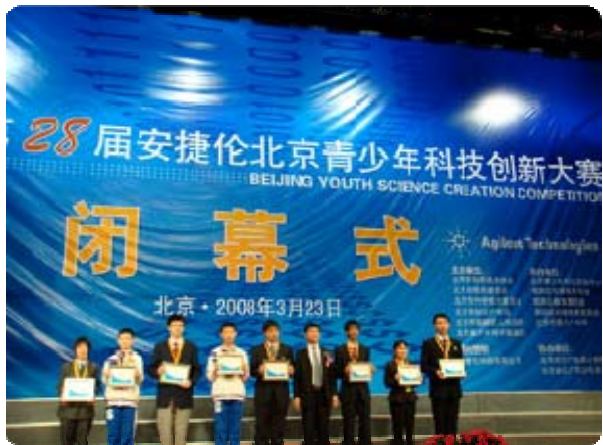
Shenzhen, Wuhan and Nanjing branch offices open.

New Beijing headquarters moves into Onward Science and Technology Center, and new Service Support Center moves into Sigma Center in Beijing's Haidian district.

the Clean Air Challenge (CAC) program in China focused on raising the awareness of environmental protection among Chinese middle and high school teachers and students. In 2007 and 2008, the company sponsored the Agilent Cup Clean Air Knowledge and Skills Competition in Shanghai and Beijing. Based on CAC program concepts, this competition helped support the “Green Olympics” efforts, one of the key themes of 2008 Beijing Olympics.



In 2006, senior education experts of the CAC program from the U.S. were invited to implement additional workshops in Shanghai and Beijing.



In March 2008, Agilent title sponsored Beijing Youth Science Creation Competition for the second consecutive year.

## Historical Highlights: 1999

### 1999

HP decides to create two independent companies on March 2.

The original test and measurement company that Dave Packard and Bill Hewlett began in 1939 is named Agilent Technologies on July 28.

Agilent Technologies Co. Ltd. established Sept. 6.

Agilent starts operating as an independent company on Nov. 1.



## Historical Highlights: 2000-05

### 2000

Agilent China order grows 82 percent compared to 1999.

Agilent Labs expands into China, with design tools and other areas of optical communications.

132 graduates from China's top 32 universities receive scholarships from Agilent.

US \$500,000 donation to University of Electronic Science & Technology of China.

### 2001

William Hewlett dies at age 87.

After 15 years of negotiations, China becomes member of the World Trade Organization (WTO), reducing tariffs, opening markets and revising its laws in accordance with its commitments.

### 2002

Agilent Technologies Shanghai Co. Ltd. opens at Wai Gao Qiao Free Trade Zone.

To create strong, local R&D resources, Agilent opens China Communications Operation (CCO) in Beijing to serve China's communications industry.

### 2003

Agilent introduces first gas chromatograph to be fully developed and manufactured in, and tailored for, China.

### 2004

Agilent receives a Best Partner Award from China's Secom Telecom Co., a leading supplier of semiconductor products.

China becomes Agilent's second largest market.

Agilent Technologies Trading (Shanghai) Co. Ltd. Opens.

### 2005

Ned Barnholt retires as Agilent's chairman, president and CEO; William P. (Bill) Sullivan succeeds him as president and CEO.

Agilent forms joint venture, Chengdu Instruments Division (CID), to develop and manufacture test equipment for China and global market.

Agilent establishes Agilent Technologies China Holding Company Ltd., based in Shanghai, to consolidate its entities in China.

Agilent LSCA Technical Training Center opens in Shanghai.

## Agilent has made it clear that it is in China for the long term

From the beginning, HP and then Agilent have made it clear that they are in China for the long term, to support both China's development and that of its own business.

Chinese President Jiang Zemin discussed China's future, and confidently told a U.S. audience at Harvard University, "We are right in direction, firm in conviction, steady in our steps and gradual in our approach."



In September 2004, the Agilent Board of Directors visited Shanghai, China. (From left to right) Bob Joss, David Lawrence, Barry Rand, Jim Cullen, Bob Herbold, Walter Hewlett and Ned Barnholt

In early 2007, the Agilent China headquarters and Beijing R&D center moved into the new campus. For the first time, Agilent consolidated all China resources including sales, R&D, lab, customer service into this new campus. "The new campus greatly demonstrates Agilent China's long term commitment to China market" said Max Yang, Vice President and General Manager, Greater China.



In 2006, Agilent N9310A, the first completely developed and manufactured in China product, rolled out.





On April 20, 2007, Agilent China Beijing New Campus officially opens.

## Historical Highlights: 2006-08

### 2006

Max Yang named vice president of Agilent and president of Agilent Greater China.

Agilent Chengdu Instruments Division (CID) rolls out its first low-cost quality-testing product completely developed and manufactured in China.

LSCA China is awarded Agilent FY06 Best Country Performance Award.

### 2007

Agilent China Headquarter officially opens on April 20, consolidating functions including sales and marketing, R&D and sales support.

Mr. Liu Qi, Poliburea Member of CPC Central committee, Party Secretary of CPC Beijing Municipal committee meets with Bill Sullivan, President and CEO, Mr. Adrian Dillon, Executive Vice President and CFO, and other Agilent Executives on April 20.

In Nov. 2007, Agilent Chengdu base groundbreaking ceremony is held. Agilent will invest \$10 million to set up the facility which is expected to be completed for use in 2009.

### 2008

Agilent actively participates into China homegrown technology deployment. It is member of China Communications Standards Association (CCSA), TD-SCDMA Forum and CMMB. Agilent is the leading company to offer test solution in TD-SCDMA and CMMB.

Agilent bought out the minority share of its joint venture with Chengdu Qianfeng Electronics Appliances Group Co., Ltd., located in Chengdu, China and renamed to Agilent Technologies (Chengdu) Co. Ltd.

The first Agilent Technology Day was held in April in Beijing.

Agilent was honored the Best Partner by China Anti-doping Agency for providing world-class instrument and service for 2008 Beijing Olympics Games.

Nov. 2007 a groundbreaking ceremony was held for the Chengdu building, further expanding Agilent's footprint in China, and reinforcing its commitment to support development in Southwest China and the government's strategy of promoting sustainable development of enterprises. Agilent will invest \$10 million to complete this new facility that will integrate Agilent's existing marketing and sales functions in Chengdu with the Chengdu Instrument Division and add in more functions, including R&D and a training center.



In November 2007, Adrian Dillon, Executive Vice President and CFO participated in the Chengdu building groundbreaking ceremony.



Bill Sullivan, Agilent President and CEO, spoke at the Agilent Technology Day event in Beijing in April, 2008.



In April 2008, Bill Sullivan, Agilent president and CEO received "Best Partner" award from China Anti-doping Agency.