

HK Foreign Direct Investment



2016 / 17 Budget Maintains Hong Kong's Competitiveness in the New Economic Order

Hong Kong will act swiftly to identify new development opportunities as a result of a new economic order being driven by breakthroughs in information technology (IT) and the increasingly influential role of emerging markets in the global economy

Hong Kong's Financial Secretary John Tsang unveiled the 2016-17 Budget on 24 February. On the economic front, the economy grew by 2.4 percent for 2015 as a whole and is forecast to grow by 1.2 per cent in 2016. Headline inflation was 3 percent in 2015, with an underlying inflation rate of 2.5 percent.

For 2016, headline inflation is estimated at 2.3 percent with underlying inflation of 2 percent.

InvestHK to Set Up a Dedicated Team on Fintech

The Steering Group on Financial Technologies set up in 2015 has examined

the direction for Hong Kong's fintech development jointly with the industry, research and development (R&D) institutions and relevant regulatory authorities. It has recommended a number of measures for creating a conducive environment and encouraging financial institutions and

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**this
Issue**

International Forward Calendar
Special Feature: StartmeupHK
Sector Focus: Art

3
4
6

Successful Investors
New Investors

7-15
16





professionals from around the world to drive the development and application of fintech in Hong Kong.

In recent years, a number of international financial institutions and professional services firms, including Accenture, the Commonwealth Bank of Australia, KPMG, Nest and Tuspark, have chosen to establish laboratories and incubation programmes in Hong Kong. This underlines Hong Kong's edge in developing fintech. The Government will set up a dedicated team under InvestHK to organise international events and facilitate startups, investors and R&D institutions to establish their presence in Hong Kong.

The Enterprise Support Scheme under ITF will provide financial support to fintech startups and financial institutions. The Cyberport will set aside a dedicated space of 3,000 square metres in its co-working space Smart-Space, and roll out a designated programme to provide support to 150 fintech startups over the next five years. In addition, it will arrange for 300 university students to join fintech training camps in overseas universities to gain more in-depth understanding of the career prospects in the sector.

The Hong Kong Monetary Authority (HKMA), the Securities and Futures Commission (SFC) and the Office of the Commissioner of Insurance will set up fintech dedicated platforms to liaise with the industry to ensure that the market will balance between market demand and investors' understanding and tolerance of risk when introducing innovative financial products and services.

Promoting Startups

Hong Kong is one of the most popular startup hubs in the world. According to InvestHK's latest survey, there are now

Measures to support small and medium enterprises (SMEs)

- to extend the application period for the "special concessionary measures" under the "SME Financing Guarantee Scheme" to 28 February 2017; reduce the annual guarantee fee rate for the measures by ten percent; and remove the minimum guarantee fee for the measures
- to reduce profits tax for 2015-16 by 75 percent, subject to a ceiling of \$20,000
- to waive the business registration fees for 2016-17 to benefit 1.3 million business operators.
- to enhance the long-term competitiveness of SMEs, a Pilot Technology Voucher Programme will be launched under the Innovation and Technology Fund (ITF) to subsidise their use of technological services and solutions to improve productivity and upgrade or transform business processes. The three-year pilot programme will provide, on a matching basis, a maximum subsidy of \$200,000 for each eligible SME. The estimated expenditure of this programme is \$500 million.

1,600 local startups, representing an increase of 50 percent over 2014.

New measures are introduced to continue to offer comprehensive support to startups in various areas such as business incubation, financing, business expansion and office space. These include the following:

- The government will set up a \$2 billion Innovation and Technology Venture Fund to co-invest with private venture capital funds on a matching basis in local technology startups;
- Hong Kong Science & Technology Parks Corporation (HKSTP) will expand in stages to provide additional floor area of 70,000 square metres for startups and other technology companies by 2020, with the project estimate amounting to \$4.4 billion to be borne jointly by the Government and HKSTP; and
- Cyberport will earmark \$200 million to invest in its startups. HKSTP will continue to support startups through its Corporate Venture Fund and incubation programmes.

There are other measures to support various industry sectors, such as creative industries, commerce and logistics, and financial services. Please visit budget.gov.hk for the full Budget.

2016

MARCH

Guiyang

8

Hong Kong Professional Services for "Belt and Road" Seminar: Guizhou-Hong Kong Logistics Cooperation

The seminar aims to introduce to Guizhou enterprises Hong Kong's business advantages and opportunities for the logistics industry and encourage them to "go global" through Hong Kong.

Organisers: Hong Kong Economic and Trade Office in Chengdu (CDETO) of the HKSAR Government, and InvestHK

Hong Kong

LSCM's Latest Technologies Showcase and Partners' Exhibition

17-20

This fourth roadshow will feature various automation technologies for enhancement of industries' efficiency and the adoption of innovative technologies for construction safety.

Location: Stars Atrium, Plaza Hollywood, Hong Kong

Organiser: The Hong Kong R&D Centre for Logistics and Supply Chain Management (LSCM)

► lscm.hk

London, UK

22

The 4th Annual China Business Conference 2016

InvestHK fully supports the breakout session on Hong Kong, titled "Hong Kong as the super-connector for UK businesses in Asia".

Organiser: The China-Britain Business Council

► cbbc.org/whatson/china-business-conference-2016

Hong Kong

Art Basel in Asia

24-26

Following a breakthrough 2015 edition, the upcoming show offers a premier platform for showing works from across the globe, with more than half from Asia and Asia Pacific. The show provides an in-depth overview of the region's diversity through both historical materials and cutting-edge works by leading and emerging artists.

Location: Hong Kong Convention and Exhibition Centre

Organiser: Asian Art Fairs Ltd

► artbasel.com/hong-kong

Chongqing

30

"Hong Kong – Your Platform to Go Global" Seminar

The seminar aims to introduce to Chongqing enterprises Hong Kong's investment environment and business advantages with a view to encourage them to "go global" through Hong Kong.

Organiser: InvestHK

APRIL

London, UK

5

Go Global: Spotlight on Asia

This event is for entrepreneurs and decision-makers of companies to discover the Asian and ASEAN opportunity as well as trading tips and techniques. A panel of experts from developed and emerging territories will uncover their respective markets and show how they can access these territories within a budget.

Location: Somerset House, London

Organiser: Enterprise Nation

► enterprisenation.com/events/categories/somerset-house

San Francisco, US

5-6

CityAge: San Francisco

CityAge is a platform for idea and business development, designed to enable new partnerships among the business, government and societal decision makers who are building the 21st century.

Location: The City Club of San Francisco

Organiser: CityAge Media Inc

► cityage.org/sf

Hong Kong

Mines and Money – The Leading Pan-Asian Mining Investment Forum

5-7

With eight years of history, Mines and Money Asia is the leading Pan-Asian mining investment conference and exhibition, bringing together 2,000 attendees from 30 countries. Senior executives of global mining companies are connected with resource investors from around the world for three days of learning, networking and deal-making.

Location: Hong Kong Convention and Exhibition Centre

Organiser: BeaconEvents

► minesandmoney.com/hongkong

Hong Kong

Marine Money Forum, Hong Kong

7

Marine Money hosts the industry's most important international ship finance forums and conferences. Held in New York, Athens, Singapore, Oslo, and other worldwide locations where ship-owning and the formation of capital for shipping is taking place, the forums provide the best educational and networking opportunities available in the industry.

Location: Renaissance Harbour View Hotel, Hong Kong

Organiser: Marine Money Asia Pte Ltd

► marinemoney.com/forums/HK16/index

Los Angeles, US

Asia/Pacific Business Outlook (APBO) 2016

18-19

APBO is for business leaders who want to expand their trade and investment in the Asia-Pacific region. The conference provides a unique mixture of over 50 leading academic, business and government experts to advise American firms on how to become more competitive in the dynamic Asia-Pacific marketplace.

Location: Millennium Biltmore Hotel Los Angeles

Organisers: The USC Marshall School of Business and the U.S. Department of Commerce

► apboconference.com

MAY

Hong Kong

CloserStill Media: Cloud Expo Asia and Data Centre World 2016

18-19

Data Centre World trade show and conference will bring the most powerful companies and innovative speakers in international data centre solutions together with top-tier buying audiences from around the globe. The conference brings together the leading elements of the data centre industry and marketplace for two days of business, networking and knowledge sharing.

Location: Hong Kong Convention and Exhibition Centre

Organiser: CloserStill Media

► datacentreworldhk.com/welcome

Vancouver, Canada

Pacific Finance & Trade Summit

24-25

Organised by CityAge, in partnership with AdvantageBC and the Province of British Columbia, the second annual Pacific Finance and Trade Summit will bring together business and public sector leaders from across North America and Asia to look at the tools that will enhance Canada's trade and finance activity in the Pacific.

Organiser: CityAge Media Inc

► cityage.org/pacific

Sydney, Australia

World Business Forum

25-26

During the two-day forum, individual and organisational speakers will share their experience in working and learning in different business situations.

Location: The Event Centre, The Star

Organiser: BEE Australia

► wbfsydney.com

Hong Kong

RISE HK31 MAY
|
2 JUN

RISE is produced by the team behind Web Summit. People from the world's biggest companies and most exciting startups will come to Hong Kong to share their stories and experiences at RISE. They'll be joined by major global media, hundreds of investors and thousands of attendees for three days of legendary networking.

Location: Hong Kong Convention and Exhibition Centre

Organiser: ConnectIntelligence

► riseconf.com



StartmeupHK Festival Attracts Thousands of Participants from Around the World

The week-long StartmeupHK Festival took place from 23 to 30 January 2016 featured the signature event, InvestHK's Startmeup HK Venture Forum. Star of the show was Elon Musk, CEO of SpaceX and Tesla Motors

The 2016 StartmeupHK Festival organised by InvestHK aims to promote the city as one of the fastest growing start-up hubs in the world. The week-long festival had drawn world-renowned speakers and startup legends to share their insights, together with over 20 start-up related conferences, seminars, competitions and networking events in the city.

The signature event, StartmeupHK Venture Forum, was held on 26 January 2016 and attracted more than 900 entrepreneurs and investors from Hong Kong and overseas to attend the half day event. In addition, the live webcast also attracted viewers from over 30 places around the world to witness this remarkable occasion. Financial Secretary, John C Tsang, mentioned in the opening remarks, "Hong Kong's start-up scene has experienced phenomenal growth in recent years, with now more than 1,500 startups in our city, increased by nearly 50 percent when compared with 2014. These ventures are led by entrepreneurs, investors, corporations, universities and Government."

The highlight of the Forum was the fireside chat with CEO of Tesla Motors and Space Exploration Technologies (SpaceX) Elon Musk.

Musk is also a serial entrepreneur of Paypal and Zip2. During the session, Musk commented that "Hong Kong will have over time the highest percentage of electric vehicles of any city in the world and will serve as a model for high-density cities around the world to transform to a sustainable transport future."

Other speakers at the event included Cindy Chow, Executive Director of Alibaba Entrepreneurs Fund and founders such as Eric Gnock Fah from Klook, Paul Tones from PassKit, Kevin Chan from Insight Robotics and Fritz Demopoulos from Queen's Road Capital. Also speaking were the Chairman and CEO of Synergia One Group of Companies, Fred Mouawad; the Founder and former CEO and Board Chairman of Super 8 Hotels, Mitchell Presnick; and more.

In the closing remarks, Secretary for Commerce and Economic Development, Gregory So, said, "The StartmeupHK Venture Forum this year is truly amazing. A very special thank you to all the speakers for your inspiring sharing on your success stories and on the themes of innovation and entrepreneurship in Hong Kong and around the world."



Four Industry Verticals

To review the Venture Forum, please visit
InvestHK's YouTube Channel.



FF16 (Fintech Finals 2016)

25-26 January 2016

The two-day event attracted more than 600 attendees and over 40 fintech startups presented their ideas at the Startup Village. Speakers included Chris Skinner, CEO of The Finanser, who talked about how fintech firms are using mobile and blockchain technologies to create the internet of value.



LAUNCH Consumer IoT Summit

27-28 January 2016

During the two-day event, over a thousand of investors and startups had the opportunity to participate in a global conversation on the next wave of internet technology: IoT. Alongside the conference, LAUNCH hosted a Global IoT Startup contest and attracted innovative startups from around the world to pitch in front of judging panels and compete for attractive prizes.

HealthTech Asia

29 January 2016

Influential keynote speakers Walter De Brouwer, CEO Scanadu, and Alejandro Tocigl, CEO Miroculus talked about how technology can help to monitor our health conditions and ways to detect early cancer. And, the AIA Nest Health Tech pitch competitions attracted numerous startups to present how their innovation might change our lives.



Data Analytics Showcase

23-29 January 2016

The week-long data analytics showcase organised by KPMG revealed the ways how companies can analyse big data to become valuable customer insights. The "The Changing Face of Commerce" seminar revealed the latest innovation trends and the changing landscape of technologies, including the impact of AI, Robotics and the growing IoT ecosystem.



Art

Art Blossoms Hong Kong

Top spot for artists, gallerists and art fair organisers to reach out to the international and Asian audience



Popular art clusters in Hong Kong

With a number of significant art fairs coming up this spring, the city is filled with art in the air. Art Basel Hong Kong - one of the world's most distinguished modern and contemporary art shows - is taking place from 24-26 March. Art Central, another contemporary art fair, also returns to the iconic Central Harbourfront from 23-26 March. And, the highly popular Affordable Art Fair, will curate the works from young and emerging artists at the Hong Kong Convention and Exhibition Centre from 13-15 May.

According to **Art Basel, Hong Kong** will see 239 of the world's leading modern and contemporary art galleries, displaying works from more than 3,000 artists from around the globe. Nearly 60,000 people attended the event in 2015, including private collectors and arts institutions from around the world, and many participating for the first time.

Hong Kong's gateway position in Asia has underlined Art Basel's success in the city and its multiplier impact cannot be underestimated. "Hong Kong is right at the heart of Asia. Its superb transport infrastructure and links make it convenient for Art Basel's visitors from the US and Europe," Adeline Ooi, Director Asia, Art Basel, said. "Many of our guests also explored the local galleries and arts institutions during their stay, and we know that many of them also made the most of their travel by visiting nearby countries to experience the art scenes there."

Hong Kong also provides access to 4.7 million high net worth individuals (HNWIs) in Asia Pacific. HNWIs in Hong Kong grew by 11.2 percent to reach 138,000, while in Mainland China, HNWIs rose 17.5 percent to 890,000 in 2014 (World Wealth

Report 2015 by Capgemini). This represents a potential pool of affluent buyers in the region.

Inaugurated in 2015, **Art Central** will showcase over 100 exhibitors including the next generation artistic talent and some of the world's most established contemporary galleries. With 30,000 visitors, the fair will provoke an exciting round of dialogues among art lovers.

Another iconic event in the art calendar is the **Affordable Art Fair**, which aims to meet the increasing interest in contemporary art and the phenomenal gallery scene in Hong Kong and Asia. Thousands of original paintings, prints, sculpture and photography will come under one roof, all priced between HK\$1,000 and HK\$100,000.

Over the last few years, InvestHK has supported a number of art galleries, art fairs and art consultancies to set up or expand in Hong Kong. One recent example is Whitestone Gallery which focuses in Japan's Gutai artworks and has relocated its headquarters from Tokyo to Hong Kong last year. Other examples include Pace Gallery (US), La Galerie (France), Yellow Korner (France), ChicZando (Canada), etc.

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Harley-Davidson Revs Up a Store

A concept lifestyle store that serves as a platform for local riders and enthusiasts to share their passion for riding

“Hong Kong is a dynamic city where you can find everything you need here. The local people are very welcoming and always willing to help.”

**David Neilsen, Dealer Principal
Harley-Davidson of Hong Kong**

Spanning over 8,000 square feet on two floors, the brand new Harley-Davidson concept store has become an eye-catching landmark in the Chai Wan area. The store offers a one-stop shop experience with motorcycle sales, after sales service, parts and accessories merchandise, apparel sales and a mini cafe. According to David Neilsen, Dealer Principal, Hong Kong is a vibrant city with a unique culture and a lot of locals have a discerning lifestyle. He wishes to deliver a premium experience to customers and allow them to explore the spirit of freedom and adventure that the brand conveys. “We are not just a motorcycle dealer. We hope to spread the brand culture and deliver a quality customer experience. The concept store is set to be a place for Harley-Davidson fans to exchange riding experiences, and that’s why we’ve incorporated a mini cafe to allow our fans to stay longer and enjoy some relaxing moments here.”

“We also organise test rides and social events and hope to engage with more people who share the same passion about motorcycle riding,” he added.



Great Place to Live and to Do Business

As an independent dealer, the reasons Neilsen decided to expand the Harley-Davidson concept store in Hong Kong are mainly because of the independent judiciary and the rule of law, a corruption-free economy and strong pool of local talent.

“Hong Kong is a dynamic city where you can find everything you need here. There are countless options of eateries and I can bring my two children to theme parks all the time,” he added, “The local people are very welcoming and always willing to help. The friends whom I met helped me to find my apartment and schools for my children.”

The concept store has 15 staff and targets to employ an additional four staff. Some 90 percent are locals. Neilsen is impressed by the local talent’s hard work and passion about their job.

Through the support of InvestHK, Neilsen established contacts with local banks, connected with various government departments, including the Immigration Department and linked up to headhunters for senior staff recruitment. He strongly recommends new business owners to contact InvestHK as the team can provide all the information about how to start a business in the city.

Harley-Davidson of Hong Kong

- A concept store that offers sales, service, parts and accessories, apparel and mini cafe and serves as a platform for enthusiasts to share their passion of riding
- Employs 15 local staff

hongkongharleydavidson.com

“Hong Kong is an ideal location to open our first Asia office because of its free port status, easy customs procedures and geographical advantage.”

**Kenneth Yung, Director
Asian Operations, Heritage Auctions**

US-based Heritage Auctions Enters Asia Market through Hong Kong

With over 40 years of history, the US auction house has extended its presence in Asia and plans to capture a larger share of the rare coins and currency market

Founded in 1976, the US based Heritage Auctions offers a wide range of auction services, such as US and world coins, rare currency, art, jewellery and timepieces, vintage and couture handbags and more. The auction house handles over 60 percent in overall sales of rare US coins and currency sold at all report auction houses in the US. In view of the potential growth of the collectible rare coin and currency note market in the region, the auction house has established a Hong Kong office in 2015, its first in Asia.

Numismatic Auctions

Headed by rare coin and currency note collector and enthusiast Kenneth Yung, Director of Asia Operations, the Hong Kong office is focused on numismatic auctions. He revealed that Hong Kong is an ideal location to open their first Asia office thanks to its simple tax system, so buyers do not have to bear additional sales tax; free port status and easy customs procedures that encourage a thriving import and export of rare coins and bank notes for individual buyers and sellers. In addition, because of Hong Kong's geographical advantage, Mainland Chinese buyers can easily access the city to view the products instead of travelling to the US. As Mainland China is a great potential market for Heritage Auctions, the Hong Kong office can act as a catalyst to further develop interest in rare coin and notes trade in the region.

The first semi-annual Hong Kong Coin Auction was held in December 2015 and it was Heritage's first, focusing exclusively on the coins and currency of Mainland China, Hong Kong, Macau and southeast Asia. The result was very encouraging and there are already 960,000 registered online buyers. Yung is confident that the result of the upcoming auction in June 2016 with a wider selection will be even better.

There are four staff in the Hong Kong office and all of them can speak English, Cantonese and Mandarin. Yung commented, “It is not difficult to find talent who can speak all three languages in Hong Kong and this helps us communicate with our US office and customers speaking Cantonese and Mandarin effectively”.

Heritage Auctions

- Founded in 1976 in the US and is the third largest auction house in the world
- The Hong Kong office is the first Asia office which focuses on rare coins and currency

ha.com

Paint the Future

Approaching its 50th anniversary, Whitestone Gallery has moved its head office from Tokyo to Hong Kong to tap into the city's talent and international market

“Since the Hong Kong market is very open and is a vibrant trading platform, the most important museums, curators, critiques, buyers and auction houses all gather here.”

**Koei Shiraishi, CEO
Whitestone Gallery**

Since its inception in 1967, Whitestone Gallery has been introducing various types of artists regardless of their nationality and age, ranging from Japanese traditional art to Impressionism, École de Paris, Gutai, Yayoi Kusama, Yoshitomo Nara, Hi Red Center and other emerging young artists in both primary and secondary markets.

With InvestHK's support, the gallery moved its head office from Tokyo to Hong Kong in 2015 to benefit from the city's status as a platform to attract young talent and appeal to the international audience.

“Taking root in Hong Kong is our mission. We believe Hong Kong will be one of the most important places to find great young talent and promote us internationally, because the city allows us to anticipate market trends and needs,” Koei Shiraishi, CEO, Whitestone Gallery, said.

The welcoming attitude of the Hong Kong SAR Government to international companies is another main reason behind its move, according to Shiraishi. “Simple and practical systems, along with the ardent support from InvestHK, were very useful for us when we first started our operation. I believe the setting also makes it possible



for many art collectors to enjoy art and acquire their precious collections in Hong Kong,” he said.

Art Trading Platform

The majority of Whitestone Gallery's target audience are lifework art collectors who acquire the artwork as their assets. Its mission is to provide them with art pieces that have high appreciation value over time, and enhance their marketability.

“Since the Hong Kong market is very open and is a vibrant trading platform, the most important museums, curators, critiques, buyers and auction houses all gather here. This active environment is a big plus for us,” Shiraishi said. He believes that the Hong Kong office is a step forward to make Whitestone develop into a more sophisticated and international gallery, thanks to the city's leading role in the global art market.

An expert in Gutai* art, Shiraishi is glad to see a large amount of Gutai works in Hong Kong's auction sales recently. It plans to establish a firm foothold in Hong Kong by organising exhibitions and engaging with the wider art community here.

“I would like to take this opportunity to extend my gratitude to InvestHK. We could not have successfully settled down in Hong Kong without their support. While we have only been familiar with the Japanese art market, InvestHK showed us their in-depth knowledge and provided every possible help,” Shiraishi concluded.

Whitestone Gallery

- Established in Tokyo, Japan in 1967
- An expert in Gutai art

whitestone.hk

*Note: *Gutai group, founded by Jiro Yoshihara, was one of Japan's most influential avant-garde art movement of the postwar era.*

“Hong Kong people are very open-minded to food and beverage culture from around the world, hence giving us the opportunity to share our passion of Italian coffee culture with this city.”

**Mario Assuero Barbagli, Managing Director
Star Cup Ltd**



Caffè Pascucci Brews an Authentic Italian Flavour

The cafe has opened five branches in Hong Kong since 2008 to spread authentic Italian coffee and culinary culture in the city

Caffè Pascucci is a long established cafe chain originated from Italy. There are around 500 branches around the world, including 413 branches in Korea. First launched in Hong Kong in 2008, locally based Italian businessman Mario Assuero Barbagli introduced not just another neighbourhood cafe but an authentic Italian one that brings a range of sophisticated Italian dessert coffee and Tuscan cuisine to the community.

“When I first met the owner of Caffè Pascucci in 2008, I immediately fell in love with the brand. I was very impressed with the concept and their persistence in maintaining high quality coffee,” Mario Assuero Barbagli, Managing Director, Star Cup Ltd, said.

Sharing Italian Specialty Coffee Culture

Opening the first two Caffè Pascucci in 2008 in Wanchai and Mong Kok, Barbagli introduced 75 specialty coffees to customers and all of the recipes were created by Caffè Pascucci's champion barista trainer Eddy Righi in Italy. He travelled to every new Caffè Pascucci around the world to explain the coffee concept to staff, provide training and ensure all recipes and formulas are followed through. Therefore, customers can enjoy the

large variety of gourmet coffee and traditional Italian cuisine in Hong Kong. The third branch located in Hong Kong Plaza (Western district) is a combination of a coffee bar and an Italian restaurant bringing an authentic Italian dining experience to the community. The fourth branch is situated in the Kowloon Commerce Centre, an office complex in Kwai Chung which is an ideal place to offer premium coffee to office workers. The fifth branch is situated in Discovery Bay. Caffè Pascucci has employed over 20 staff in Hong Kong and also brought in chefs from Italy to ensure quality is well maintained.

“Hong Kong people are very open-minded to food and beverage culture from around the world, hence giving us the opportunity to share our passion of Italian coffee culture with this city,” Barbagli said.

“When I had the idea to open a cafe in Hong Kong, I was introduced to Stefano de Paoli, InvestHK's representative in Italy. I'm very fortunate to have the Hong Kong team to assist me all the way to launch my first cafe in this city. They not only provide valuable advice and connect me to the right government departments, they always go the extra mile to help me solve the problems and their efficiency is something that I really appreciate,” he concluded.



Caffè Pascucci

- An Italian cafe established in Hong Kong and opened five branches since 2008
- All dessert coffee recipes are created by Caffè Pascucci's champion Italian barista and all the staff have to go through training by the barista

Live with Passion

Lin Shiao Tung, a jewellery brand from Taiwan, hopes to use Hong Kong as a stepping stone to expand its presence in Asia and beyond – even to the American and European markets

Since its inception over 16 years ago, Lin Shiao Tung Jewellery has won numerous international awards. The company currently has six stores in Taiwan, and recently opened in Hong Kong as “Shiao”. Originated from the name of founder and designer Lin Shiao Tung, the word “Shiao” means “dawn” in Chinese, referring to the original intention of the brand. Further expansions of the company are underway in Suzhou and Shanghai. Lin Shiao Tung Jewellery chose the “store-within-a-store” business model and is currently located in a major books and lifestyle store that also recently expanded in Hong Kong.

“Hong Kong is a city where tradition meets modernity. I see so much multi-cultural creativity here, featuring a mixture of western and eastern cultures, echoing the ideas for my jewellery design. There is a great mix of international jewellery brands here, and Hong Kong people are passionate about fashion and art, hence presenting an excellent opportunity for creative and innovative brands like ours,” Lin Shiao Tung said.

Jewellery for Everyday and Special Occasions

The company’s roots date back to an exhibition launched in 1999, when Lin Shiao Tung rented a 140-square metre exhibition space at a bookstore’s gallery in Taipei to display his jewellery design, which was conceived more than 10 years earlier. This exhibition was a launch pad for Lin to subsequently retail his products at several leading department stores in Taiwan.

The jewellery industry continually evolves with new techniques and materials. According to Lin, consumers’ tastes have also changed – for example, Chinese people nowadays prefer designs that can be worn everyday as well as on special occasions. As a result, Lin Shiao Tung decided to set up his own eponymous brand in 2000 to better adapt to the latest lifestyle preferences, so that customers possess not only the jewellery but also its meaning behind. “All of my jewellery has a story to tell,” Lin said.

Lin appreciated InvestHK’s support in providing practical advice, government regulations and updated information on Hong Kong. “This allowed us to fully focus on our core business and serve our new and existing clients who come to visit our new store,” Lin concluded.

Lin Shiao Tung Jewellery

- Established eponymous brand and atelier in 2000
- The jewellery brand in Taiwan with the highest number of design patents and created over 1,000 pieces of jewellery

lin-shiao-tung.com.tw



“Hong Kong people are passionate about fashion and art, hence presenting an excellent opportunity for creative and innovative brands like ours.”

**Lin Shiao Tung, Founder and Designer
Lin Shiao Tung Jewellery**



Spreading Korean Taekwondo to the World

Having visited and worked in a number of countries in Asia, Master No Rae has found Hong Kong the ideal place to pass on his skills and spirit

“As the hub of Asia, Hong Kong is where people of diverse nationalities and ethnicities come and eventually settle.”

**Master No Rae, Founder
NRG Taekwondo Korea Ltd**

NRG Taekwondo Korea Ltd was recently set up by No Rae, or known as Master No Rae, a native Taekwondo Master from Korea who has achieved Taekwondo fifth Dan grade black belt, and graduated with honours from the Korea Nazarene University.

“Originated from Korea, Taekwondo is one of the martial arts included in the Olympic Games and is what I have devoted my life to,” Master No Rae said.

His early engagement in Taekwondo since the age of nine has not only boosted his confidence and physical fitness but also made him more optimistic. As a result, he decided to become a Master to teach and spread the spirit of Taekwondo from the age of 12. To fulfill this goal, he took part in international tournaments and participated in demonstrations in foreign countries.

Diverse Cultures

After teaching in Korea, Ukraine, the Philippines and Indonesia, and visiting some other countries including the US, Master No Rae decided that Hong Kong is the place to be for him to continue his passion for Taekwondo.

“I enjoy my teaching time here in Hong Kong and have fallen in love with the city through the students I taught. As the hub of Asia, Hong Kong is where people of diverse nationalities and ethnicities come and eventually settle. Large firms establish and invest in Hong Kong in order to make a difference. This is why I decided to open the first Taekwondo learning centre in Hong Kong to spread its spirit,” he explained.

“Hong Kong parents are open-minded and encourage their children to learn sports aside from academic subjects.

Taekwondo also helps students reduce stress and develop themselves positively,” he added.

Master No Rae met his business partner in Hong Kong and has managed to secure agreements with Korea Nazarene University, Department of Taekwondo, Seoul Kangseogu Taekwondo Association and Kyung Hee University UB Taekwondo. His instructors are native Korean with extensive teaching experience in other countries.

Using Hong Kong as a hub, Master No Rae hopes to open two more branches in future and eventually expand elsewhere in Asia and to Europe.

He is thankful for InvestHK’s services. “I heard of InvestHK’s services through a friend and they have provided prompt and useful responses which led to positive outcomes,” he said.

NRG Taekwondo Korea Ltd

- Established in September 2015
- Located in Fortune Metropolis, opposite to Hunghom MTR station

Ubiquitous, Invisible Security Protection

Fintech startup APrivacy is set to scale its data encryption and tracking technology business from Hong Kong

Established in Canada in 2010, APrivacy is a fintech expert in data security that caters for the financial services industry, with a primary focus on banks. Its security solutions protect confidential information on any devices, digital documents, emails and even messaging and cloud storage. This is through restricting copying, saving, printing, or forwarding documents and emails; or pull back any document or email message at any time, even after being sent or downloaded.

"It is like an invisible security layer on top of existing applications, so you can use whatever application you want and we make it secure with seamless user experience," Dr Cédric Jeannot, CEO, APrivacy, explained the uniqueness behind the technology.

Fintech Acceleration Programme

After completing the three-month Accenture FinTech Innovation Lab Asia Pacific Programme in 2014, Dr Jeannot, and Michael Basler, COO and CFO, realised the market opportunity and decided to set up in Hong Kong.

"The programme allows us to have a better sense of the city and the lifestyle, and there is a good balance between culture and business. It offers an ideal platform where fintech startups meet the banks and understand the trends and their needs," Dr Jeannot said.

In September 2015, they set up an office at Smart Space, the co-work space at Cyberport, and another one in downtown Central. To meet its business needs, APrivacy plans to hire up to 20 staff for sales and marketing, customer support, project management and technical deployment by end of 2016.

Massive Market, Sophisticated Customers

Hong Kong has more opportunities for fintech startups than New York, according to Dr Jeannot. "I think local customers are more sophisticated when compared to those in North America. For example, Chinese customers may request the bank staff to use instant messaging apps to communicate with them. If the bank is unable to provide such services, the Chinese customers can easily switch to another bank. Hence, there is an increasing demand for compliance and data centric security solutions," he explained.

"In terms of market demand of our services, Hong Kong is 10 times larger than the US. And from entrepreneurship point of view, Hong Kong has all the ingredients for startups to flourish - excellent connectivity, strategic location and an increasing number of incubators and accelerators," he added.

APrivity was assisted by InvestHK's Toronto office and the Information and Communications Technology team from the very beginning. Dr Jeannot is very impressed with the efficiency and ease of setting up in Hong Kong. "It is super easy to set up a company in Hong Kong. It is so business-friendly that companies do not need to reinvent the wheel. InvestHK is a one-stop shop for startups and the government services here are very efficient," he said.

APrivity

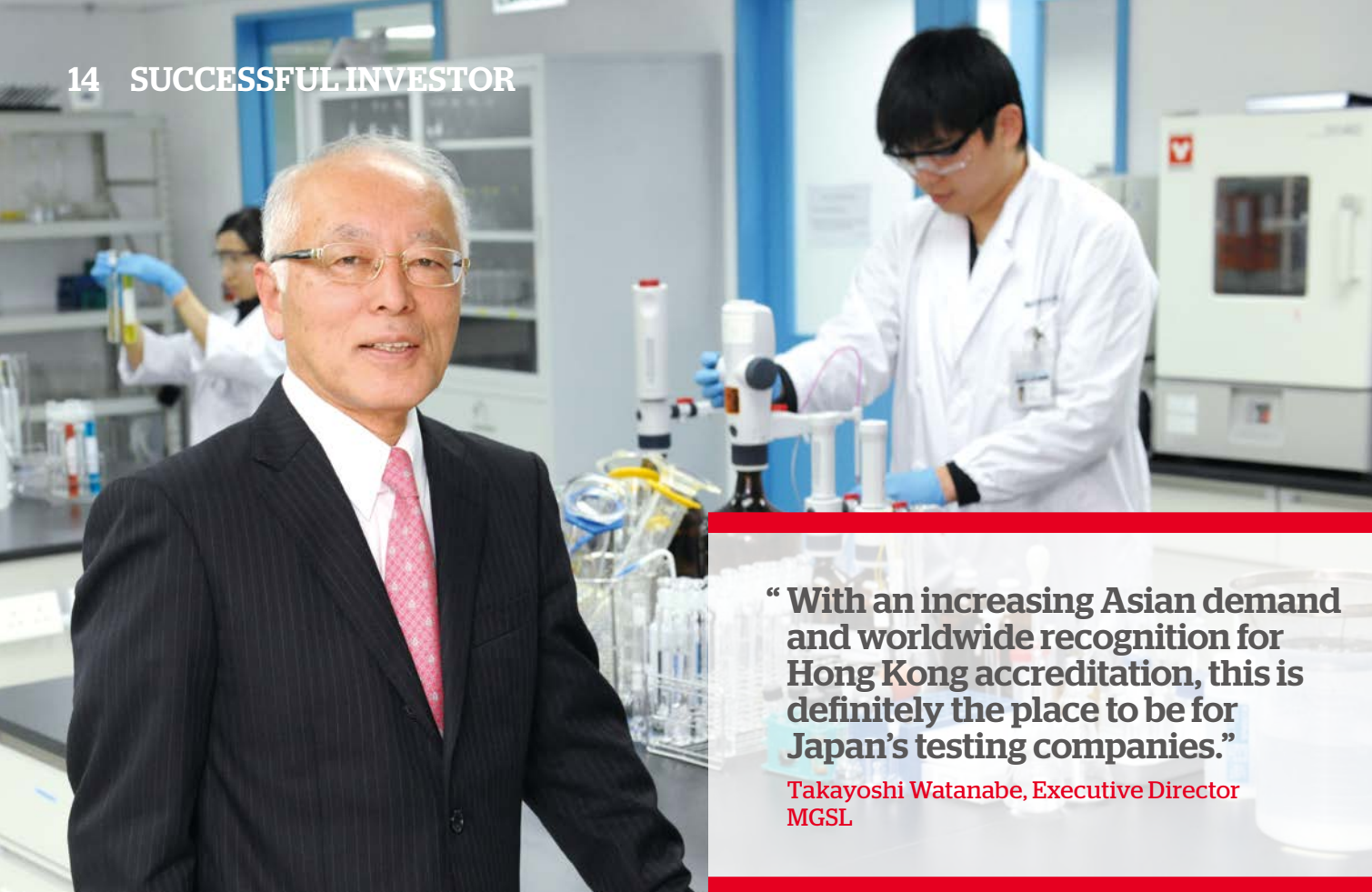
- Headquartered in Canada with R&D functions
- Provides military grade security with seamless user experience

aprivity.com

"Hong Kong has all the ingredients for startups to flourish – excellent connectivity, strategic location and an increasing number of incubators and accelerators."

**Dr Cédric Jeannot, CEO
APrivity**





“With an increasing Asian demand and worldwide recognition for Hong Kong accreditation, this is definitely the place to be for Japan’s testing companies.”

**Takayoshi Watanabe, Executive Director
MGSL**

When It Comes to Quality, Hong Kong’s the Place

Attracted by Hong Kong’s strategic location, Japan Recreation and Miscellaneous Goods Safety Laboratory (MGSL) has established a fully-serviced testing laboratory with both Japanese and Hong Kong accreditations

With 55 years of experience in product safety testing, Tokyo-based MGSL decided in 2014 to expand to the international market from Hong Kong. Located in Tai Po, New Territories, the laboratory employed five people on opening in September 2014 and has since expanded to 35 including five Japanese staff. Offering a whole range of testing and inspection services covering nine areas of products, MGSL’s main business in Hong Kong is toy safety inspection and chemical analysis for consumer goods.

The city’s proximity to the Pearl River Delta (PRD) region, a manufacturing base of the world, and its central location in Asia, are the main considerations behind MGSL’s expansion to Hong Kong.

“The value chain of toy manufacturing has shifted to this part of the world. Many Japanese manufacturers have moved their operation base to Mainland China or other Asian countries. Quality checks are now taking place in Shenzhen, with inspection done in Hong Kong and goods exported to Japan. The Japanese market is more focused on product design at the moment,” Takayoshi Watanabe, Executive Director, MGSL, explained. “The young and growing population in neighbouring countries such as Indonesia and India provides a huge market for testing services, this together with proximity to the PRD and cost effectiveness from a logistics point of view make setting up in Hong Kong a logical step.”

Worldwide Recognition

Hong Kong is undoubtedly the region’s testing and certification hub. According to Watanabe, having a Hong Kong accredited laboratory status is beneficial to the company’s overseas business, as markets like Europe tend to accept the Hong Kong accreditation which complies with international rules and regulations. MGSL’s Hong

Kong office not only provides comprehensive laboratory testing services, but also serves as a regional headquarters to support clients from southern China and southeast Asia.

“We enjoy the business friendliness in Hong Kong including its free port status, and free flow of information and capital,” he said. “We started our business from scratch and we are very appreciative of our Hong Kong staff whom we recruited from top universities. We also send them regularly to our Tokyo headquarters for further training.”

Looking ahead, Watanabe said the company sees a doubling of revenue for its Hong Kong operation in five years and plans to recruit up to 80 staff by 2016, especially more experienced ones. “With an increasing Asian demand and worldwide recognition for Hong Kong accreditation, this is definitely the place to be for Japan’s testing companies,” Watanabe concluded.

Japan Recreation and Miscellaneous Goods Safety Laboratory (MGSL)

- Headquartered in Tokyo, with laboratories in Osaka, Hong Kong and Taipei
- Employs 150 staff in Japan and 35 in Hong Kong

mgsl.or.jp

Valet Storage Makes its Debut

With its own warehouse and fleet, O2O (online-to-offline) logistics service provider Klosit finds increasing demand for its unique valet storage services in Hong Kong

Klosit is a consumer valet storage platform service providing personal storage solutions with strong plastic containers and a full range of pick-up, storage and delivery services. Having established in Hong Kong for merely one year, the company has expanded to 20 staff.

Despite the important role played by the website in its business model, Klosit regards itself as a logistics company with a website and not the other way around because the founders and management count with over 30 years in the logistics business in Switzerland and Hong Kong, and they are leveraging on such experience to roll out the Klosit service. The company's centralised storage warehouse includes 24 hours security system, temperature controlled and pest-free facilities, and door-to-door delivery and collection. It is dedicated to providing a time-saving and comfortable living environment to customers.

An Ideal Place for O2O Business

High percentage of Internet users and lack of household space in the city have attracted Klosit to choose Hong Kong as the first city to launch their business. According to wearesocials's statistics, 5.75 million people in Hong Kong are active Internet users.

"Hong Kong is ideal for Klosit and has been used as our launching site because of our local market knowledge and existing facilities. Having a population in excess of seven million people, compact living space and a high-income population, Hong Kong provides all the prerequisites for the adoption of valet storage," Riccardo Fuochi, Founder of Klosit, said.

"Our interactions via social media and website facilitate product discovery. Also, the 'online payment and offline fulfilment' business model is very different from today's mini storage concept which is fully offline," he added.

A new concept in the region, valet storage enables customers to schedule an appointment with Klosit and its driver will deliver the boxes right to the customer's door for packing. Every box comes with a unique password printed on a security seal. The client

can snap a photo of the contents in the box before he locks up the security seal. Then he can upload the photos to his secured account, manage his boxes and retrieve them any time.

As valet storage is a new product in the region, it will take some time for users to learn and understand. Frequent travellers, expatriates, young couples and collectors and sports lovers constitute the customer base of Klosit at the moment. Shortly after its debut in Hong Kong, Klosit was greeted with encouraging market response and it was named the Best Storage Service in the 2015 Best of the Best Awards organised by an online media brand.

In 2016, the company plans to introduce the service to commercial clients and is adding wine and art storage into its portfolio. "We also target to expand the service into two new markets in the first half of 2016," Fuochi said.

InvestHK's overseas consultant in Italy and the Transport and Industrial team have worked together to offer one-stop support for Klosit since its early stage. "The environment makes setting up very easy and there's no red-tape to cause confusion. The quality of workforce is also second to none with the opportunity to hire English speaking staff, including working-level employees such as drivers and delivery staff," he concluded.

Klosit

- Chose Hong Kong as the first city for launching the service globally
- Provides O2O logistics and storage services via smart devices

klosit.com



"The environment makes setting up very easy and there's no red-tape to cause confusion."

**Riccardo Fuochi, Founder
Klosit**

InvestHK recently facilitated the following companies to establish or expand their business presence in Hong Kong. We welcome them to our city and wish them a prosperous future.

Company name	Sector	Company name	Sector
Australia		Netherlands	
Australian Nutrition and Sports (ANS)	Sports Nutrition	WECREATE	Advertising, Branding, Web Design, eCommerce and App Design
Canada		Poland	
APrivacy	Fintech	BLU Energy Drink Asia	Food and Beverage
Blueprint	Software	Spain	
Pivot88	Information Technology	360Experience	Travel Agency
France		Switzerland	
L'Eclair de Genie	Food and Beverage	Klosit	Storage Services
Germany		S-Partners Ltd	Start-up Investment Services
BLEND	Architecture and Urban Design	Taiwan	
GreenPages	Green Online Directory	Beast Kingdom Co Ltd	Collectible Toys and Apparels Retail
India		Hong Kong Kawoo Life Co Ltd	Wooden Product Design
B'CREO	Services for Technology Startups	Lin Shiao Tung Jewellery	Jewellery
Italy		Turkey	
actiMirror Corporation	Internet of Things	TLS Logistics Asia Co Ltd	Logistics
Caffè Pascucci	Food and Beverage	United Kingdom	
Euro Healthy Foods Corporation	Italian and European Food Trading	Baillie Gifford Asia (Hong Kong) Ltd	Asset Management
Noi Company Ltd	Trading	CloserStill Media	Event Production
Japan		Malvern College Hong Kong	International Education
DFL-Shutoken Leasing (Hong Kong) Company Ltd	Financial Services	One Space	Integrated Architecture, Interior Design and Technology
Japan Recreation and Miscellaneous Goods Safety Laboratory	Testing and Certification	United States	
Whitestone Gallery	Art Gallery	Art-Life Gallery Workshop	Art Gallery and Workshop
Korea		Harley-Davidson of Hong Kong	Automobile
NRG Taekwondo Korea Ltd	Taekwondo Course	Heritage Auctions	Auction House
Mainland China		Lumen Labs Inc	Wearable Technology
IngDan	IoT Supply Chain Platform		
Shenzhen Gangfeng Investment Consulting Co Ltd	Investment Consulting		



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