

HK Foreign Direct Investment

Hong Kong Retains Second Place in Global FDI Inflows

According to the results of the United Nations Conference on Trade and Development (UNCTAD) World Investment Report (WIR) 2016, Hong Kong continues to rank second in global foreign direct investment (FDI) inflows

According to the UNCTAD report, Hong Kong registered FDI inflows of US\$175 billion in 2015, a year-on-year surge of 53.5 percent compared to US\$114 billion in 2014. It places Hong Kong second only to the US (US\$380 billion) and ahead of Mainland China (US\$136 billion). The UNCTAD report said that the increase in Hong Kong FDI inflows was partly due to corporate reconfiguration.

Globally, foreign direct investment also reached its highest level since 2008. The

UNCTAD report added that global FDI recovery was strong in 2015 with FDI flows jumping by 38 percent to \$1,762 billion, which could be attributable to a surge in cross-border merger and acquisitions (M&As), especially in developed economies.

"It is very encouraging to see that Hong Kong ranks second again in global FDI inflows. Despite ongoing global uncertainties, Hong Kong continues to be an important business city among foreign and Mainland companies. However, we are cautiously optimistic about

the way forward, and will continue to strive to assist foreign and Mainland companies who plan to set up presence in our city," Francis Ho, Acting Director-General of Investment Promotion, said.

The numbers highlight Hong Kong's role as a "super-connector" and a conduit for direct investment. Foreign investors use Hong Kong as a base to then invest in the rest of Mainland China and the region. Mainland companies increasingly use Hong Kong as a platform to make global investments and acquisitions.

Chief Executive Reception for New Foreign and Mainland Companies in Hong Kong

21 June 2016



InvestHK 投資推廣
The Government of the Hong Kong
Special Administrative Region



Chief Executive C Y Leung (second right) hosts the annual reception to thank new foreign investors for their contributions to Hong Kong. Joining him are Francis Ho, Acting Director-General of Investment Promotion (first left); Greg So, Secretary for Commerce and Economic Development (second left); and Philip Yung, Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (first right).

investhk.gov.hk

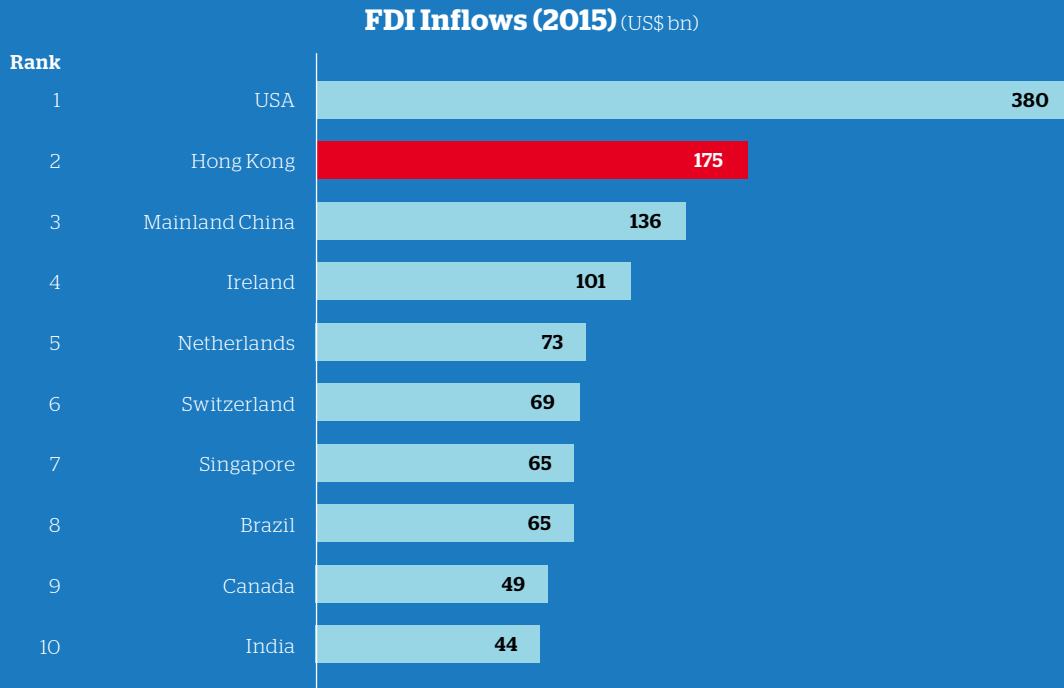
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Global Rankings in FDI Inflows



Source: UNCTAD World Investment Report 2016

World's Most Competitive Economy

Hong Kong is also the world's most competitive economy, according to the World Competitiveness Yearbook by Switzerland's International Institute for Management Development (IMD). This latest ranking, which came out at the end of May, placed Hong Kong top among 61 economies.

The IMD survey is based on four main factors: economic performance, government efficiency, business efficiency

and infrastructure. Hong Kong ranked first, globally, in both government and business efficiency.

In the first six months of 2016, InvestHK has completed 262 projects from 33 places. Mainland China remained the largest single source of investment into Hong Kong for this period, followed by the US, UK, France and Taiwan. In terms of jobs created, these 262 companies planned to employ around 2,646 people in Hong Kong within their first year of set up or expansion.



2016

JUL

Munich, Germany

WHAT IF Accelerator by Innoforum 2016

The WHAT IF! programme identifies disruptive ideas emerging from local ecosystems in different countries and cities, and then accelerates these ideas into businesses by providing access to face to face as well as online mentorship, partnering and non-dilutive funding. Finalists of the accelerator will be pitching at the event. InvestHK is a co-sponsor and exhibitor of this event.

Location: Deutsches Zentrum für Neurodegenerative Erkrankungen (German Center for Neurodegenerative Diseases) e. V. (DZNE) – Feodor-Lynen-Straße 17, 81377 Munich

Organiser: Innovation Forum

► inno-forum.org/accelerator

Xi'an

"Belt and Road, Together We Grow" Seminar (Xi'an)

The seminar aims to introduce to Shaanxi enterprises Hong Kong's business advantages and how Mainland enterprises could make use of the Hong Kong's platform to "go global" under the "Belt and Road" initiative.

Location: Xi'an

Organiser: InvestHK

Singapore

SeaTrade Maritime Awards Asia

This award ceremony will honour an individual who has made a significant and lasting contribution to the region's shipping and maritime industry.

Venue: Shangri-la Hotel, Singapore

Organiser: Seatrade Communications Singapore Pte Ltd

► seatradeasiaawards.com

AUG

Hong Kong

ClickZ Live Hong Kong 2016

World-renowned speakers will deliver an action-packed, educationally-focused agenda on the latest digital marketing tips, tricks and tools.

Venue: The Mira Hong Kong

Organiser: ClickZ

► clickzlive.com/hongkong

Hong Kong

APAC Innovation Summit 2016: Sensors

Hong Kong Science and Technology Parks Corporation's flagship event with an aim to provide the leading minds an opportunity for inspirational exchange in technology and market trends. Riding on its success in the past 11 years, the event has become a high profile regional event to engage stakeholders from the academia, research community, industry and government departments as well as investors, both locally and globally.

Venue: Hong Kong Science Park

Organiser: Hong Kong Science and Technology Parks Corporation

► apacinnosummit.net

Hong Kong

Natural & Organic Products Asia 2016

The event aims to connect new distributors and retailers from Hong Kong as well as some Hong Kong chained-organic retailers and distributors.

Venue: Hong Kong Convention and Exhibition Centre

Organiser: Diversified Communications Hong Kong, LLC

► naturalproducts.com.hk/expo/en/

31 AUG
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2 SEP

SEP

Xiamen

China International Fair for Investment and Trade (CIFIT) 2016

CIFIT takes place in September every year in Xiamen, Mainland China. Themed on "Introducing FDI" and "Going Global", CIFIT contains three components: investment and trade exhibitions, authoritative forums, seminars and policy release, and investment project matchmaking symposia. CIFIT 2016 will focus on the "Belt and Road Initiative". InvestHK will stage the Hong Kong Pavilion jointly with Hong Kong Trade Development Council (HKTDC), and co-organise an investment promotion seminar with MOFCOM, and Fujian government counterparts.

Organisers: Fujian Provincial People's Government, Xiamen Municipal People's Government, Investment Promotion Agency of Ministry of Commerce

► chinafair.org.cn

Hong Kong

AmCham HK 2016 China Conference

Gain insights on the economic transition happening in Mainland China and related hot topics, and take the opportunity to learn from and interact with around 20 Asia Pacific CEOs of renowned multinationals and Mainland experts about the best practice of doing business in Mainland China. This exceptional half-day event will include two keynote speeches and four highly interactive panels, as well as plenty of networking opportunities for senior business executives.

Location: Four Seasons Hotel Hong Kong

Organisers: The American Chamber of Commerce in Hong Kong

► amcham.org.hk/events/signature-events/china-conference

San Francisco, US

TechCrunch Disrupt San Francisco 2016

TechCrunch Disrupt is the world's leading authority in debuting revolutionary startups, introducing game-changing technologies, and discussing what's top of mind for the tech industry's key innovators. It gathers the best and brightest entrepreneurs, investors, hackers, and tech fans for on-stage interviews, Startup Battlefield competition, 24-hour Hackathon, Startup Alley, Hardware Alley, and After Parties.

Location: Pier 48, San Francisco, CA 9415

Organiser: TechCrunch

► techcrunch.com/event-info/disrupt-sf-2016/

Buenos Aires, Argentina

"Hong Kong – Your Platform to Go Global" Seminar

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

Location: TBC

Organiser: InvestHK

Hong Kong

APAC Innovation Summit 2016: Smart City

Hong Kong Science and Technology Parks Corporation's flagship event with an aim to provide the leading minds an opportunity for inspirational exchange in technology and market trends. Riding on its success in the past 11 years, the event has become a high profile regional event to engage stakeholders from the academia, research community, industry and government departments as well as investors, both locally and globally.

Venue: Hong Kong Science Park

Organiser: Hong Kong Science and Technology Parks Corporation

► apacinnosummit.net

Frankfurt am Main and Düsseldorf (28), Hamburg and Munich (29), Germany**Think Asia Think Hong Kong 2016, Germany**

As Asia continues to drive the global economy's growth, German companies keen on exploring new business opportunities in the East can partner with Hong Kong, Asia's international trade and financial centre, in their search for success. Learn more by joining the event in various German cities for lineup of activities including thematic seminars, business matching meetings, business consultation with Hong Kong service providers and networking opportunities.

Organiser: HKTDC

► thinkasiathinkhk.com/2016/en/index.html

London, UK

London Business Briefing

Lloyd's List will make London the destination of choice for senior leaders in maritime who wish to discuss and understand the impact of innovation and technology on global shipping. This briefing and debate discusses the corporate landscape, environmental regulations, how shipping is being shaped, and what it can do to influence the direction it is moving along.

Organiser: Informa UK Ltd

8-11

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12-14

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22-23

28-29

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Hong Kong: Regional Hub for Corporate Treasury Centres

Recent changes in legislation have further strengthened Hong Kong's role as a premier location in Asia for business and treasury management



The Inland Revenue (Amendment) (No. 2) Ordinance 2016 ("the Ordinance") was gazetted and came into operation on 3 June 2016. The Ordinance allows, under specified conditions, the deduction of interest expenses in calculating profits tax for the intra-group financing business of corporations, and reduces profits tax rate for specified treasury activities by 50 percent (i.e. to 8.25 percent) for qualifying CTCs. The half rate concession applies to relevant sums accrued on or after 1 April 2016 and the new interest deduction rule applies to interest payable on or after 1 April 2016.

What is a CTC

A CTC is effectively an in-house bank within a multinational corporation, focusing on the optimal procurement and usage of capital for the group's operations. The major functions include intragroup borrowing and lending, cash-and-liquidity management, processing payments to vendors or suppliers, supporting the raising of capital by the corporate group, and risk management.

A CTC can lower cost and improve operational efficiency of a corporate group:

- Reduce the cost of capital through by optimising external and internal funding
- Reduce idle cash and interest cost by regional cash pooling
- Reduce transaction and banking costs by standardising multi-currency transactions and payment systems
- Reduce foreign-exchange (FX) risks by centralising FX management
- Improve working capital efficiency by centralising the management of accounts payable and receivable

Why set up a CTC in Hong Kong

Hong Kong is Asia's premier location for setting up a CTC:

An International Financial Centre

- Hong Kong offers an extensive banking network, supplying a wide range of sophisticated banking products
- Deep capital markets with stock market capitalisation of USD3 trillion¹
- Robust financial infrastructure with daily average FX market turnover of USD275 billion²
- Effective professional services crucial for corporations to establish their regional CTCs and expand their business presence in Asia

Proximity to the Mainland and its status as the premier offshore Renminbi (RMB) centre:

- Largest offshore pool of RMB deposits with over RMB880 billion³
- Deep offshore RMB debt market
- RMB Real Time Gross Settlement System (RTGS) operating from HK Time 08:30 to 05:00 of the next day
- RMB trade settlement handled by banks in Hong Kong: RMB1.1 trillion in the first three months of 2016⁴

The development of Hong Kong as a regional CTC hub will benefit the financial and business sectors, and help deepen the capital markets, including the offshore RMB market. "The Amendment Ordinance provides a conducive environment for attracting multinational and Mainland corporations to centralise their treasury functions in Hong Kong, thereby enhancing the competitiveness of our financial markets and contributing to the development of a headquarters economy," Professor K C Chan, Secretary for Financial Services and the Treasury, said.

¹ As of April 2016 ² As of April 2013 ³ As of March 2016 ⁴ As of March 2016

Enterprise Support Scheme

Government Funding Scheme to Support Innovation and Technology



Launched in April 2015 by the Innovation and Technology Commission of the Hong Kong SAR Government, the Enterprise Support Scheme (ESS) is a major funding initiative under the Innovation and Technology Fund, which aims to encourage more private sector investment in research and development (R&D) activities and to create more technology-related job opportunities of a diversified nature in Hong Kong. The scheme also aims at creating a rainforest for technology start-ups and fostering further development of the innovation and technology sectors.

The ESS will provide funding to companies of all sizes to support their R&D projects. Funding of up to \$10 million for each approved project will be provided on a dollar-for-dollar matching basis, and the applicant company will own the intellectual property rights of the project. There will be no requirement for recoupment of the Government's contribution and benefit-sharing of commercialised R&D results is not mandatory.

Applications for the ESS are open all year round. A company will be eligible to apply if it is incorporated or registered in Hong Kong under the Companies Ordinance. Applicant company should not be a government subvented organisation nor a subsidiary of any government subvented organisation.

Project applications will be considered by an assessment panel comprising independent experts from the academia, industry, private equity and capital market, etc. to ensure an informed, fair and balanced assessment of applications. The vetting criteria include innovation and technology component, technical and management capability, financial considerations, commercial viability of project deliverables, as well as relevance with the Government policies or in overall interest to the community. An application needs to pass each of the above criteria to be approved in principle.

Project funds, including the ESS Fund and the recipient company's matching fund, must be exclusively used for the costs of manpower and new equipment procured specifically for carrying out the project's technology R&D activities in Hong Kong.

ESS recipients are also eligible for other Innovation and Technology fund schemes. ESS funded project with an approved project period of 12 months or longer is eligible to hire two interns to assist in the project. The company is also eligible for the R&D Cash Rebate Scheme, in which a company will receive a cash rebate equivalent to 40 percent of the company's expenditure in the ESS project.

For details about the ESS, please visit itf.gov.hk

Germany

Connecting to the World via Hong Kong

Thriving business opportunities have further reinforced the strong ties between Hong Kong and Germany

Germany is Hong Kong's largest trading partner in Europe and ranked 10th among Hong Kong's trading partners in the world. Bilateral trade amounted to some EUR 12.35 billion in 2014. Hong Kong also played a significant role in the trade between Mainland China and Germany, with about 6.5 percent of the trade routed through Hong Kong, amounting to some EUR 8.6 billion.

As of June 2014, over 330 German companies have their offices in Hong Kong. Among them, more than 210 of them are regional headquarters or regional offices, using Hong Kong as a gateway for doing businesses with Mainland China and the rest of Asia.

"Think Asia, Think Hong Kong" (TATHK), a mega promotion campaign to attract overseas companies to use Hong Kong's service platform to tap into Mainland and other Asian markets, will be organised in Germany this year. InvestHK will join hands with Hong Kong Trade Development Council (HKTDC) to bring together business communities from Hong Kong and different economies to discuss developments and trends in the dynamic global market and highlight Hong Kong's key advantages for German companies to go global or access the Mainland market. The two-day programme on 28 and 29 September will cover four cities Frankfurt am Main, Dusseldorf, Hamburg and Munich. Key topics include the Belt and Road Initiative, RMB internationalisation, selling to China and throughout Asia, logistics and maritime, and technology. For more details, please check out the website thinkasiathinkhk.com/2016.

InvestHK is also a supporting partner of the 15th Asia Pacific Conference of German Business in Hong Kong to be held on 3-5 November. This is a signature event in Asia, where top business

and government leaders from Germany and Asia gather every two years to discuss business, network and strengthen personal and economic ties with the region. More details can be found on asiapacificconference.com.

A Global Connector for Startups

Hong Kong offers a holistic startup ecosystem with a wide array of support from the Government, incubation and acceleration programmes to investor networks. In addition, the ever growing number of networking events and seminars helps connect like-minded individuals. Hong Kong's geographical advantage offers easy access to the supply chain and manufacturing facilities in the Pearl River Delta.

An example is Germany's IoT wearable startup Soundbrenner. The German startup participated in a 12-week acceleration programme organised by Brinc, Hong Kong's first IoT accelerator specialising on hardware, and launched a wearable metronome for musicians. "Hong Kong offers access to the whole supply chain of Mainland China – the suppliers, the know-how and the manufacturers, etc. The city is also a large shipping hub of the world," Florian Simmendinger, CEO, Soundbrenner, said.

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British Council Opens its first International Pre-School in Hong Kong

“There are a lot of qualified and experienced kindergarten teachers here, thanks to the rich talent pool in the city.”

**Robert Ness, Director Hong Kong
British Council**

The British Council in Hong Kong is launching its first International Pre-School to cater for increasing demand in the city

The British Council opened in Hong Kong back in 1948 with an aim to strengthen cultural relations between Chinese and British people. Over the years, the Council has created strong connections between Hong Kong and the UK's cultural assets, including English, education, arts, and social entrepreneurship. To take one step further, the British Council is going to launch an International Pre-School starting in August 2016.

Built on a solid reputation in English teaching over the years, the British Council sees a steady increase in the number of young children attending their classes and the rising demand from parents, which led to their decision to set up a pre-school in Hong Kong. In 2016-17, the new Pre-School can cater eight classes, with an average of 20 students each, for children from two years eight months to six years old. According to Robert Ness, Director Hong Kong, the Pre-School will focus on creativity and aim to create an enjoyable learning environment for the children to prepare for their next stage. Adopting the UK-based International Primary Curriculum (IPC), classes will be taught in English and Cantonese with integrated Putonghua time. Students will be immersed into a truly bilingual and bicultural learning environment to develop their language ability naturally.

Teachers are required to possess either native level proficiencies in English, Cantonese or Putonghua. “We have no issues in recruiting teachers for our pre-school. There are a lot of qualified and experienced kindergarten teachers here, thanks

to the rich talent pool in the city. Our Head of Pre-School is a Hong Kong professional who has thorough experience in early years education,” Ness commented. Other than locals, Ness also welcomes teachers from overseas as diversity is one of the core values of the British Council and Hong Kong is an attractive place to live and work.

Having lived in Hong Kong for almost four years and first time in Asia, Ness enjoys the professionalism and the energy of this cosmopolitan city. He also finds it easy to communicate and travel around even though he regrets not having made enough progress in learning the local language.

British Council International Pre-School

- In 2016-17, the new Pre-School can cater eight classes for children from two years eight months to six years old

britishcouncil.hk/en/preschool



“Hong Kong is a natural choice for the company for its sophisticated retail environment, advanced infrastructure and an international clientele who values authenticity and are culturally curious and globally minded.”

**Robert Hanson, CEO
John Hardy**

Jeweller Revives Techniques from Bali's Ancient Royal Courts

Artisan-crafted jewellery brand, John Hardy, plans to open three additional locations in Hong Kong, and more to come in the region

The brand was founded in 1975 by John Hardy, a Canadian designer and artist, who was enchanted by the beauty of Bali. Handcrafted by master artisans using traditional jewellery techniques descended from ancient Balinese courts, each John Hardy piece embodies the natural landscape, artistic heritage and culture of the beautiful island of Indonesia.

Committed to the thousand-year old artisanal heritage, the brand contributes to Bali's sustainability both economically and environmentally. Today, the company is one of the largest employers in Bali, with a production base and showroom employing close to 700 local and international staff, producing every piece of jewellery by hand. The workshop area is built with low-impact materials such as bamboo, adobe and thatch, occupying 400 lush acres that include Balinese heirloom rice paddies and farms to supply both employees and guests with organic meals.

John Hardy's creations are now available in over 600 sales points in 27 countries, including department stores and jewellery shops around the world. John Hardy's regional commercial hub for North Asia is positioned in Hong Kong, headed by the North Asia Commercial General Manager with a strong remit for promoting retail, distribution and marketing activities across the region.



CEO, Robert Hanson, says, “Hong Kong is a natural choice for the company for its sophisticated retail environment, advanced infrastructure and an international clientele who values authenticity and are culturally curious and globally minded.”

“Hong Kong is a global luxury hub that serves as an exciting shopping ground for luxury brand customers. Each of John Hardy's collection has a unique story inspired by the legends and surroundings of Bali, such as the bamboo, the paddy fields, the mythic animals that denote nobility and the Balinese people's love for life. These elements also attract customers who are particularly interested in brands with a distinctive narrative,” he continued.

In addition, the company plans to open three additional retail stores in Hong Kong, all of which are directly managed. “John Hardy's brand is about community and human bonding. Every day at our base in Bali, we host workshop tours and hospitality events to provide the John Hardy experience to the public. We are looking for a location to have our own workshop in Hong Kong, where we could have an event space to show our artisanship and truly demonstrate the uniqueness of John Hardy,” Hanson enthused.

By establishing a solid footing in Hong Kong, Hanson said the company will aim for a more aggressive target in the next five years to open more locations in the rest of the region.

John Hardy

- An artisan handcrafted jewellery brand established in Bali, Indonesia in 1975
- Available in over 600 points of sales across 27 countries

johnhardy.com

Hong Kong: The Perfect Location for Seamless Communication around the Globe

A leading provider of strategic IT solutions and private cloud services to the hedge fund and investment industry offers round-the-clock global support from Hong Kong

Headquartered in Boston, Eze Castle Integration launched its Hong Kong office in 2012 with a small team to mainly provide IT back up support to the UK and US clients with remote offices in Hong Kong. Over the past four years, the brand also started serving local firms and has gradually established its reputation in the market. Now the office has expanded to nine staff members offering IT support and award-winning Eze Private Cloud services to the hedge fund and investment industry.

Global Presence, Local Leadership

With presence in major financial centres including Boston, New York, Chicago, Dallas, London, Minneapolis, San Francisco, Singapore and Stamford, Hong Kong plays a strategic role in completing the geographic puzzle by providing 24x7x365 days support to a wealth of global clients complementing with the other offices around the world.

Being an important international financial hub, Hong Kong offers a host of opportunities for the company to cultivate their business. Its clientele include not only the established financial related firms, but also an increasing number of Mainland financial businesses entering the market. This enables Eze Castle Integration to further deploy their expertise for a broader client base. Also, a local team that understands the culture builds up a better interaction and engagement with clients.

"The city has a very strong talent pool. A lot of them have international exposure with working experience for

multinational firms. And, it is not difficult to find talent who is bilingual or even trilingual. Language skill is crucial to our success as we support clients speaking a range of foreign languages – seamless communications with the best level of service is the key," Dean Hill, Executive Director said. "Most importantly, we believe that the local office should be led by a local leader who knows the market inside-out with extensive connection and network that can help the company to grow."

Eze Castle Integration appreciated the assistance from InvestHK who has been continuously looking after the local office since its launch and introduced them to numerous industry events. "InvestHK, local industry organisations and associations play an important role in helping our company to set up and develop smoothly in the city," added Michael Leung, Director.

Eze Castle Integration

- Headquartered in Boston with nine offices around the world
- Offers IT support and award-winning private cloud services to the hedge fund and investment industry around the globe

eci.com

"The city has a very strong talent pool. A lot of them have international exposure with working experience for multinational firms. It is not difficult to find talent who is bilingual or even trilingual."

**Dean Hill, Executive Director
Eze Castle Integration**



Tianjin's Largest State-Owned Enterprise Sets up Overseas Headquarters in Hong Kong

Hong Kong has proven to be a “super-connector” for Tewoo to go global

Tewoo Group Co Ltd, which was ranked 146th in the Fortune Global 500 in 2015, is one of the largest material circulation enterprises in Mainland China. With an overseas network in 21 markets, it is also the largest state-owned enterprise in Tianjin, a metropolis in northern coastal China. In 2015, the group established Tewoo Group (HK) Ltd and acquired a 15,000 square feet office space in prime business district Wan Chai as a major move to consolidate its seven subsidiary companies in Hong Kong.

To further develop the group's international business, the Hong Kong office will act as the group's investment and financing platform, according to Chu Xiangqing, Executive Director of Tewoo Group (HK) Ltd, Hong Kong.

“Hong Kong is one of the world's largest trading economies. It is an international city with robust rule of law, financial stability and absence of exchange controls. On top of its low and simple tax system, the city's Comprehensive Double Taxation Agreements (CDTAs) with 35 jurisdictions and tax rebate for offshore RMB businesses make it very attractive for Mainland enterprises like us,” Chu said.

The tax treaties signed between Hong Kong and other countries enabled Tewoo to manage the acquisition of some of the world's major mining sites more cost effectively. A recent project is the acquisition of a mining site in South Africa. “Global trading through Hong Kong helps reduce the acquisition costs and increase the competitiveness of our exports,” she explained.

With more and more acquisitions completed through Hong

Kong, including a copper mine in Canada and an integrated coal and electricity project in Cambodia, Chu said the company plans to employ six additional local staff to take up financial and business development responsibilities. At the moment the company has 18 local staff and 12 staff relocated from Mainland China.

Tewoo Group sees the Belt and Road Initiative an opportunity to increase its energy exports to ASEAN countries and for Mainland companies to go global as a whole.

According to Chu, InvestHK has been a long-term partner with Tewoo since 2004, when the group's first joint venture was set up in the city. “For more than a decade, InvestHK has been contacting us, visiting our company and assisting us in the areas of business advice, publicity, talent recruitment and referral of service. We really appreciate the support from InvestHK's Transport and Industrial team.”

Tewoo Group (HK) Ltd

- Established in Hong Kong in 2015
- Core business includes trading of metals, energy, minerals, chemicals, automotive and electromechanical

www.tewoo.com



“Global trading through Hong Kong helps reduce the acquisition costs and increase the competitiveness of our exports.”

**Chu Xiangqing, Executive Director
Tewoo Group (HK) Ltd, Hong Kong**

World's First Wearable Metronome from Hong Kong

With the support from a local IoT accelerator, Germany's startup Soundbrenner has created and unveiled the world's first smart wearable device for musicians in just one and a half year

"Hong Kong is really a great place to start an IoT company. We decided to stay here and make it our headquarters."

**Florian Simmendinger, CEO
Soundbrenner**

Soundbrenner is an IoT wearable startup originated from Berlin, where the first prototype of its wearable metronome for musicians was developed in 2014. Its ultimate goal is to enable every single musician on the planet to use its product to master their rhythm. In order to achieve this goal, the company looked for components and expertise outside Europe to strive for mass production opportunity. Brinc, Hong Kong's first IoT accelerator specialising on hardware, invited Soundbrenner to participate in its 12-week accelerator programme. Upon completion of the programme, Soundbrenner decided to settle in Brinc's office at PMQ in Hong Kong in 2015. Soundbrenner received almost US\$300,000 in pre-order value, followed by product launch in the market and music shops.

"After working with Brinc for four months, we realised Hong Kong is really a great place to start an IoT company. We decided to stay here and make it our headquarters," Florian Simmendinger, CEO, Soundbrenner, said.

"We are very excited that we made the choice to partner with Brinc. Even though we started only in July 2014, today we are selling our products all over the world. This only took one and a half years," he added.

Excellent Funding Platform and Talent Pool for Startups

According to Simmendinger, Hong Kong offers access to the whole supply chain of Mainland China - the suppliers, the know-how and the manufacturers, etc. The city is also a large shipping hub of the world with robust rule of law, economic freedom, a business-friendly environment and quality of life suitable for foreigners.



Hong Kong has also proven to be a good fund raising platform for startups. Most of Soundbrenner's funding came from local investors. "Up to several millions dollars in funding - it's something you can get locally," Simmendinger said. "In terms of hiring staff, Hong Kong has the talent pool as there are many universities. The cosmopolitan city also attracts international talent from all over the world who can easily come and live here."

Simmendinger enjoys working and living in Hong Kong for many reasons, especially the diversity of life and its accessible nature. "It takes only 30 minutes from your apartment to the nature. You can go to beaches, forests or mountains. This kind of diversity cannot be found elsewhere in the world," he enthused.

Soundbrenner

- Established in Berlin in 2014, and moved the headquarters to PMQ in Hong Kong in March 2015
- With offices in Berlin for the wearable metronome's mobile app development, and in Los Angeles for marketing and artist relationship management

soundbrenner.com

“Interestingly, Hong Kong is a small city but has a big market.”

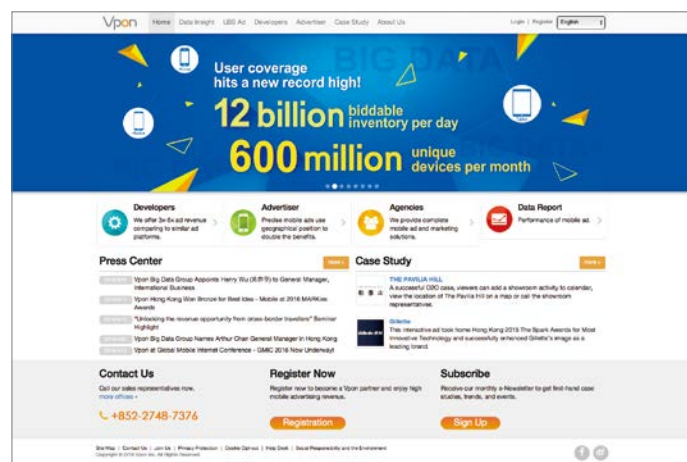
**Henry Wu, General Manager
International Business, Vpon**



Driving Transactions with Big Data

Vpon, a fast-growing Big Data Analytics company in Asia with headquarters in Taipei, plans to use Hong Kong as an entry point for global sales activities

With the amount of internet traffic from personal computers being outnumbered by mobile devices, and more than half of eCommerce transactions generated from mobile, advertisers' spend on mobile advertising keeps rising. To strive for a share in this market, Vpon offers its proprietary data-driven scenario mobile advertising and Location-based Services (LBS) advertising which have been highly sought-after by renowned consumer brands, property developers, finance firms, hospitality brands, advertising agencies and alike. As a result, its business also expanded rapidly in less than a decade.



To ride on Mainland China's booming business opportunities driven by mobile advertising, Vpon set up a subsidiary in Shanghai in 2010. Later in 2014, the growth of Mainland tourist arrivals in Hong Kong prompted Vpon to set up in Hong Kong in order to help consumer brands capture this market. Vpon Hong Kong has employed 11 staff and will hire up to 20 staff by end of this year, according to Henry Wu, General Manager, International Business, Vpon.

"Hong Kong is part of our Asia strategy. Interestingly, it is a small city but has a big market. Many regional headquarters are based in here to carry out their regional decisions, which include planning their regional advertising budgets. This represents a big opportunity for our business," Wu said.

Wu joined Vpon in 2010 as a founding member of the company. He was the deputy General Manager in Shanghai responsible for Greater China's sales activities. In 2014, he set up Vpon Hong Kong and started to form many fruitful partnerships with some of the leading online media, information portals and apps in the city. Shortly within two years, he developed the company into one of the largest mobile advertising platforms. His company snatched numerous awards, including Hong Kong's Most Valuable Companies Awards 2015, Spark Awards, Mobile Excellent (MobEx) Awards, MARKies Awards, etc.

"As a well-established finance and trading hub, Hong Kong is known for its efficiency, speed and practicality. Collaborations are formed between companies with substantial strengths. The city's business culture is largely sales-oriented and people are ambitious and business-savvy. That's why Hong Kong is our ideal beachhead for global sales activities," he explained.

According to Wu, Vpon Hong Kong will focus on three major areas: cross-border tourists solutions; branding and eCommerce and mobile online-to-offline (O2O), and will coordinate its concerted efforts in Shanghai, Hong Kong and Singapore to help clients win sales globally and lower the conversion costs.

"Data drives transactions. It is our mission to help clients create sales opportunities through Big Data," he said.

InvestHK has supported Vpon in terms of publicity and networking since 2015. "InvestHK's activities have helped us improve our profile in the city in the past year," he said.

Vpon Inc

- Founded by Victor Wu in Taipei in 2008, with about 200 staff
- Ranked third in Forbes China's Top 100 Privately Held Small Businesses For 2015
- Subsidiaries in Hong Kong, Shanghai and Tokyo

www.vpon.com



“Hong Kong is an attractive market to Ya Kun as it showcases cuisine and food from different parts of the world and discerning gourmands welcome a diversity of culinary cultures.”

**Adrin Loi, Executive Chairman
Ya Kun International Ptd Ltd**

Authentic Singaporean Flavour

Singapore-based coffee and kaya toast chain, Ya Kun, has relaunched its Family Café in Tsim Sha Tsui and plans to increase its presence in Hong Kong and neighbouring cities

The long established brand started by the late Loi Ah Koon in 1944 and now operates more than 100 outlets in 10 places covering Singapore, Hong Kong, Indonesia, the Philippines, South Korea, Taiwan, Thailand, Mainland China, Myanmar and Cambodia.

With its relaunch, Ya Kun not only offers its signature kaya toasts, coffee and soft-boiled eggs to customers, it also provides an array of popular Singapore-styled dishes and seasonal cuisine to cater for the sophisticated market of Hong Kong.

“Besides ensuring the same taste that Hong Kong and other customers have enjoyed at our outlets in Singapore, we will also introduce unique Singaporean cuisine to address their epicurean curiosity and adventure here in Hong Kong. We will render the same friendly service in order to build a loyal clientele for our Tsim Sha Tsui outlet,” Adrin Loi, Executive Chairman of the Ya Kun Group, said.

Extend its Rich Heritage to Neighbouring Cities

“Hong Kong is an attractive market to Ya Kun as it showcases cuisine and food from different parts of the world and discerning gourmands welcome a diversity of culinary cultures. In addition, it is easy and straight forward to start a business in Hong Kong, thanks to its pro-business environment, well-developed transportation system and infrastructure, reliable communications network and a cosmopolitan culture

that possessed a comparatively high per capita income. These factors have collectively influenced Ya Kun International to set up its corporate-owned outlet,” Loi explained.

Ya Kun will also actively explore collaborative opportunities to increase the number of outlets through franchising with experienced and established partners. Given the geographical advantage of Hong Kong, Ya Kun hopes to extend its brand presence in Macau and neighbouring Mainland cities.

“The InvestHK team has been very supportive and forthcoming with administrative and market information. What’s more, the publicity support from InvestHK has helped to generate an overwhelming response from the locals when we first opened in Tsim Sha Tsui and this was instrumental in driving the business for the outlet,” Loi said.

Ya Kun International Pte Ltd

- Operates more than 100 outlets in Asia offering authentic Singaporean cuisine
- Hong Kong’s first corporate-owned outlet opened in Tsim Sha Tsui, Kowloon

yakun.com

“ A presence in Hong Kong will give us good visibility in Mainland China, which is our next strategic target.”

**Madeline Ng, Director, Talent Acquisition
JCG / Achieve (HK) Ltd**



From Good to Great

Setting up in Hong Kong allows Achieve Group, a Singaporean human resources firm, to expand beyond the city, including Mainland China

Based in Singapore, Achieve Group is a multi-award-winning human resources (HR) outsourcing partner for local and multinational companies within the Asia Pacific region. In December 2015, the company decided to re-open its operation in Hong Kong in order to expand further to North Asia. To bring the Singaporean culture to the company, Madeline Ng, Director, Talent Acquisition, was relocated from Singapore to Hong Kong and established JCG/Achieve (HK) Ltd.

Being a boutique agency with 25 years of HR experience, Achieve Group's success is built upon its intimate knowledge of the economic fabric and its consistency in meeting long-term clients' recurring needs. It adopts a personalised approach that requires active "hand-holding" with clients, especially for small companies which account for the majority of its clientele.

According to Ng, the company articulates its business around several key divisions: General Placement, Technology and Global Energy (including life sciences, IT, communications, oil and gas, engineering), Executive Search, and HR Consulting and Outsourcing. It has a linked computer system and talent database among its offices in Singapore, Malaysia and Hong Kong. Amid a changing economy, Ng sees active growth in the eCommerce and mobile sectors in the Hong Kong market.

"Hong Kong is an important economic and financial centre. As our organisation grows, we are naturally drawn to Hong Kong and beyond that, to Mainland China. A presence in Hong Kong will give us good visibility in Mainland China, which is our next strategic target," Ng said. "Our immediate goal is to leverage on the strong relationships we have with multinational corporations in our home market. This will trickle down to

local firms as well, thanks to the great talent we are hiring for our Hong Kong office."

As a passionate recruiting professional, Ng is very satisfied with the quality of staff employed in Hong Kong. "We find the Hong Kong staff of high quality. Our consultants are very responsible, dedicated and self-motivated. They are passionate in providing the best candidates for clients, even if that means going the extra mile," Ng said.

The company has recruited six local staff and plans to recruit more as its business grows. The process of setting up in Hong Kong was very smooth and efficient, according to Ng. "InvestHK is very supportive. The Business and Professional Service team was instrumental in pointing out different sources of possible government support and business opportunities, allowing us to focus on our core business development," she concluded.

Achieve Group

- Founded by Joshua Yim in Singapore in 1990
- With offices in Singapore, Malaysia and Hong Kong
- Previous awards include Singapore Prestige Brand Award, ISO 9001:2008 by UKAS 2011 Enterprise 50 Awards and Asean Business Award

achievegroup.com.hk

Hong Kong – Prime Legal Hub in Asia

Boston-based Global 100 law firm Nixon Peabody LLP combined with Asian law firm CWL Partners in 2015 to provide a comprehensive range of legal services to clients across Asia

With over 700 attorneys across 16 offices worldwide, Nixon Peabody LLP established their office in Hong Kong in 2010 by association with a leading Asian law firm CWL Partners. Eventually the two firms combined to form Nixon Peabody CWL in 2015.

In addition to advising on a full spectrum of local legal issues, the Hong Kong office serves as the regional headquarters and a hub for clients throughout the Asia-Pacific region including Mainland China, Singapore, Malaysia, Australia, Japan, Korea, Myanmar, Thailand and Vietnam.

"By leveraging on the strengths and networks of a local firm, our combined firm in Hong Kong is tasked to pitch Nixon Peabody's US capabilities for Hong Kong and Chinese companies. We help clients grow their business internationally particularly to the US market," David Cheng, Chair and Managing Partner of Nixon Peabody's China and Asia-Pacific practice, said

The firm represents Hong Kong and international clients, including public companies, private enterprises, mainland businesses, private equity, venture capital, hedge funds, investment banks, entrepreneurs, high-net-worth individuals and company directors. They provide a broad range of legal solutions and advise clients on inbound and outbound M&A and investment transactions, Hong Kong IPOs and corporate finance, intellectual property, investment fund formation, media and entertainment matters and legal disputes.

"As Hong Kong continues to be the gateway to Mainland China and the international markets, having a presence in here is crucial to our business. In recent years we see a significant

expansion of Mainland Chinese companies entering the international markets through an entity outside of Mainland China, and Hong Kong is definitely the preferred choice," Cheng explained.

The company business has been growing exponentially over the years. Starting off with 10 staff during the association with CWL, the combined firm has increased to nearly 60 staff by now.

Cheng finds Hong Kong a fast-paced city and a great place for business. "Hong Kong is a business-friendly city. The tax system is simple, and given its transparent and well-developed legal system, Hong Kong has become a prime location for commercial dispute resolution through arbitration and mediation," he concluded.

Nixon Peabody

- US based Nixon Peabody LLP combined with Asian business firm CWL to form Nixon Peabody CWL in 2015
- The Hong Kong office serves as the regional headquarters and a hub for clients throughout the Asia-Pacific region

nixonpeabody.com/hong_kong



"As Hong Kong continues to be the gateway to Mainland China and the international markets, having a presence here is crucial to our business."

**David Cheng, Chair and Managing Partner
Nixon Peabody's China and Asia-Pacific
practice**

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 | | Singapore | |
| Change Enablement (HK) Ltd | Education | AIMS Immigration Specialist (HK) Ltd | Immigration Consultation |
| Canada | | Angsana | Molecular and Diagnostics Laboratory |
| Intralogue | Knowledge Exchange Platform | Achieve Group | Human Resources |
| Liricco Technologies | Building Energy Management | Ya Kun International Pte Ltd | Food and Beverage |
| Mr.Greek | Food and Beverage | Taiwan | |
| Egypt | | KOI Café | Beverage Chain Store |
| MOMO HK Ltd | Food Trading | Picowork Ltd | Cloud Operating System Solutions |
| France | | Vpon Inc | Big Data Analytics |
| AVIWEST Asia Ltd | Live Video Contribution System | The Netherlands | |
| Elyctis | eID Document Reader Supplier | Faust Hong Kong Ltd | Shoes Retail |
| Germany | | UK | |
| 3Faktur | Prototype and Low-quantity Product Manufacturing | British Council International Pre-School | Education |
| Soundbrenner | Wearable Device | BuyAssociation (Hong Kong) Ltd | UK Real Estate |
| Indonesia | | Croylek Ltd | Electrical, Mechanical and Thermal Insulation Supplier |
| John Hardy | Jewellery | Eventus Study Tours Ltd | Education |
| Ireland | | Higgins + Higgins Architecture + Design Studio | Architecture and Design |
| ALT-254 | Architecture and Design | Practicology | Multi-Channel Retail Consultancy |
| Israel | | Rush Hour Media | Branding and Web Design |
| J. Rotbart & Co | Investment in Physical Precious Metals | US | |
| Keshet International Asia Ltd | Media Content Creation and Distribution | BASIS Global | Education |
| Italy | | Eze Castle Integration | Information and Communications Technology |
| Massimo De Carlo | Contemporary Art Gallery | Nixon Peabody | Legal Services |
| Japan | | Ossic HK Ltd | 3D Audio Headphones and Earphones |
| NTT DATA Hong Kong Ltd | Global Payment Services | Pillsbury Winthrop Shaw Pittman | Legal Services |
| Mainland China | | Schragels | Bakery – New York Bagels |
| Guangdong Goldjet International Logistics Co Ltd | Logistics | The Association of Pacific Rim Universities | Non-Profit Education and Research Network |
| OBK Labs | Software Development Services | | |
| Shenling Environmental Systems (Hong Kong) Ltd | HVAC Manufacturer | | |
| Sino-Euro Air Training Alliance Holdings Ltd | Pilot, Cabin Crew and Aviation Technician Training | | |
| Tewoo Group (HK) Ltd | Industrial | | |



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The Government of the Hong Kong
Special Administrative Region

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