

HK Foreign Direct Investment



Make it Happen. Make it Hong Kong.

Come along to the 2017 StartmeupHK Festival and be part of the action to put Hong Kong on the map

**START
ME
UP
HK
FESTIVAL
2017**

Hong Kong's startup ecosystem has witnessed phenomenal growth over the past few years and the city is consistently ranked as one of the fastest growing startup hubs in the world.

To celebrate and showcase the startup ecosystem, InvestHK is organising

2017 StartmeupHK Festival running on 16-20 January. Delving into the future of entrepreneurship and disruptive innovation, the week will feature keynotes, interactive how-to sessions, hackathons as well as powerful lessons with seasoned founders and investors in

sectors such as FinTech, digital health, smart city technologies, IOT, retail innovation and much more.

Last year over 5,600 people from over 22 countries congregated in Hong Kong to learn, share and interact.

investhk.gov.hk

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Why Attend?

For Startups

InvestHK's StartmeupHK Festival is a great platform to connect with thousands of startups, investors, accelerators, incubators and other community partners, both local and from around the world, in one place. There are also opportunities to meet with manufacturers, pitch your business and find partners to go global or enter the Mainland China/Asia market.

For Investors

Get the latest trend on what's happening in world of technology in the hottest sectors in Hong Kong, Mainland China and the world, and meet fledgling or growing startups. Connect with your peers, angel investors, venture capitalists, family offices and co-work spaces; and learn from those who have already invested in Mainland Chinese and other Asian startups.

For the Startup Community

Whether you're a hardware manufacturer looking to move up the value chain, an industrialist looking to diversify your business, an academic teaching entrepreneurship or a corporate entity looking to bring some of that innovation in-house, the StartmeupHK Festival will provide you with opportunities to connect, to learn and to be inspired.

Event Highlights

Retail's Cutting Edge (Mon, 16 Jan)

The forum is for tomorrow's online and offline retail innovators and startups. Technology and innovation are making far-reaching change in the retail industry. Explore how disruptors use technology to shape the way people relate to brands, select products and use social media to help determine their purchases. Also, check out how retailers are adopting new ways to measure, analyse and interact with their customers.

FashionTech Asia (Mon, 16 Jan)

Celebrating the hybrid of fashion and tech while bringing all the brilliant minds together, this event will include a panel discussion by supernovae of the industry, fashion catwalk and after party. Come join us for an evening where fashion meets tech and get excited of how we are making technology sexy again!

The Connected City (Tues, 17 Jan)

The Connected City will be showcasing innovations for the next generation of city living. The conference will feature examples of a number of smart cities and technologies from around the world including IoT and data analytics to enhance a city's liveability, workability and sustainability.

StartmeupHK Venture Forum (Tues, 17 Jan)

Keynote speakers you cannot afford to miss: best-selling author and founder of the Moven mobile banking service, Brett King; cyber illusionist, Marco Tempest; Internet pioneer and Chairman of VeriFi (Hong Kong), Pindar Wong; co-founder of Ethereum and founder of Consensys, Joseph Lubin; and Director of the Li Ka Shing Institute of Health Sciences of the Chinese University of Hong Kong, Dr Dennis Lo.

FinTech Finals (FF17) (Wed-Thurs, 18-19 Jan)

FF17 will bring together the world's expert speakers to illuminate on FinTech design, innovation and entrepreneurship, and watch 24 top global startups pitch for prizes and cash.

HealthTech Asia (Fri, 20 Jan)

The theme for HealthTech Asia 2017 is "How can HealthTech find solutions to the challenges facing healthcare systems?" Healthcare systems face several challenges including financial sustainability, manpower shortages and expectations from consumers for better quality service delivery. HealthTech Asia 2017 will showcase international as well as local innovations that are providing new solutions and, in doing so, are changing the landscape of how healthcare is delivered.

Please visit the website www.startmeup.hk for the latest event details.

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2017

JAN

London

The Current Business Climate in Hong Kong

This seminar will start with a brief talk on the Hong Kong Government's measures aimed at ensuring an open and conducive environment for business. This will be followed by an overview of the current business scene and opportunities.

Location: HSBC, 6th floor, 8 Canada Square, Canary Wharf, London E14 5HQ

Organiser: The Hong Kong Association

► hkas.org.uk/events

Hong Kong

Comix Licensing Market

Some 20 booths will be set up by emerging creative units (comics and animation artists, illustrators, and game artists) in the Public Open Space of Comix Home Base to showcase and sell their works. There will also be open-mic presentation sessions, networking tea receptions and sharing sessions for participants to learn about the industry of animation/comics/game licensing.

Location: Comix Home Base

Organisers: Hong Kong Arts Centre and Comix Home Base

► comixhomebase.com.hk

Hong Kong

StartmeupHK Festival 2017

To celebrate and showcase the startup ecosystem, the week-long programme will delve into the future of entrepreneurship and disruptive innovation with keynotes, interactive how-to-sessions, hackathons, powerful lessons with seasoned founders and investors plus much more.

Location: Hong Kong Convention and Exhibition Centre and PMQ (Police Married Quarters)

Organiser: InvestHK

► startmeup.hk/festival2017

Seoul

Luncheon cum Seminar on "Hong Kong: Where Business Goes to Grow" in Seoul, 2017

The luncheon cum seminar is designed to celebrate the comprehensive agreement for the avoidance of double taxation (CDTA) signed between Hong Kong and Korea, as it came into force on September 27, 2016. Topics include exploring the business opportunities in Hong Kong and Mainland China.

Location: Diamond Hall, 22/F The Plaza Seoul

Organisers: InvestHK and Korea Chamber of Commerce & Industry (KCCI)

FEB

Barcelona, Spain

Mobile World Congress 2017

MWC is a B2B event for the mobile industry and those in other relevant industries who want to discover how mobile technology can benefit them.

Location: Two venues in Barcelona, Spain: Fira Gran Via and Fira Montjuïc.

Organiser: GSMA (Groupe Spéciale Mobile Association)

► mobileworldcongress.com

MAR

Venice, Italy

Chinese New Year Celebration Seminar: Opportunities for Italian Companies in HK

This unique Chinese New Year event provides a networking opportunity along with useful information for Italian companies about doing business in Hong Kong.

Location: Veneto Promozione, Via delle Industrie, 19/D, Marghera, Venice, Italy

Organisers: HKETO, Veneto Promozione, InvestHK, HKTDC

► venetopromozione.it/en

Hong Kong

Art Basel in Hong Kong

A metropolis of the 21st century, Hong Kong ranks among the world's most dynamic international cities. During Art Basel, collaborations with local and international partners ensure a diverse range of arts programming, with hundreds of cultural events hosted across the city throughout the week.

Location: Hong Kong Convention and Exhibition Centre

Organiser: Art Basel

► artbasel.com/hong-kong/the-show

Milan, Italy

One Belt One Road: the Strategic Role of Hong Kong Seminar

Explore the unique role Hong Kong plays under the Belt and Road initiative.

Location: The Union of Trade of Milan, Corso Venezia, 47, Milan, Italy

Organisers: AICE, InvestHK, HKTDC, The Propeller Club

FinTech

InvestHK's inaugural Hong Kong FinTech Week showcases city's infrastructure, talent and business-friendly culture

The inaugural Hong Kong FinTech Week (7 to 11 November 2016) attracted more than 2,500 participants and an array of international Fintech companies and startups looking to grow their business, as well as accelerators, incubators and investors searching for opportunities and innovation



The FinTech Week consisted of a diverse range of activities taking place at the PMQ and various venues around the city, bringing together more than a hundred FinTech experts to share their experience and insights.

With support from the Securities and Futures Commission (SFC) and the Hong Kong Monetary Authority (HKMA), along with Accenture, Cyberport, Finnovasia, the Hong Kong Applied Science and Technology Research Institute (ASTRI), the Hong Kong Science and Technology Parks Corporation (HKSTP), NexChange and The Finovate Group, Hong Kong has showcased its vibrant ecosystem with a mix of local and international firms as well as support from the private and public sectors.

The SFC Regtech and FinTech Contact Day aims to enhance understanding of emerging regulatory and financial technologies and how they intersect with securities regulation. James Liu, Acting Secretary for Financial Services and the Treasury, said, "Hong Kong is committed to supporting FinTech development by enabling innovators to fully leverage our sophisticated financial markets, presence of major multinational financial institutions, talent pool and effective legal framework."

Another event was organised by Finnovasia with a China focus, drawing some of the world's hottest FinTech companies, such as China's biggest peer-to-peer lending and wealth management platform Lufax, online insurer Zhong An, JD Finance, WeBank and Hong Kong-based bitcoin exchange BTCC.

The highlight of the week was FinovateAsia 2016, organised by The Finovate Group, which included a competition among 36 innovative startups in which each was given just seven minutes to demonstrate their products in front of the audience.

The launch of the first Hong Kong FinTech Community Conference, organised by a private-sector industry group of entrepreneurs, investors and various other players, showcases the collaborative spirit in the city. "We are particularly pleased about this, because it demonstrates how Hong Kong is essentially private sector- and market-driven, with the strong support of the Government," Charles Ng, Associate Director-General of InvestHK, said.

The FinTech O2O: State of the Ecosystem event organised by NexChange examined what it means to be a FinTech professional today and explored the pillars of FinTech from funding to customer outreach, and how people start their own company or look to reroute their career.

The HKMA FinTech Day was launched by the Chief Executive of the HKMA, Norman Chan. It was followed by the signing of a memorandum of understanding among the HKMA, ASTRI, Cyberport and HKSTP on FinTech collaboration. A new white paper on blockchain was released. There were also several panel discussions that tapped the expertise of senior executives from companies such as Ant Financial Services Group, WeChat Pay, Octopus, HKT Payment and TNG.

To follow the latest FinTech developments in Hong Kong, please visit the website (www.hongkong-fintech.hk).



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Toys and Games Industry

Be a Player in Hong Kong's Toys and Games Industry

Renowned as the “World’s Toy Centre”, Hong Kong is home to a traditional toys and games industry that recorded some HK\$2,236 million* of sales (US\$286.7 million) in 2015, with action figures and accessories recording 37.3% value growth between 2010-2015



© Niloo / Shutterstock.com

In addition, Hong Kong is the world's second largest toy exporter with total toys and dolls exports (including re-exports) amounted to HK\$46,486 million in 2015.

A wide spectrum of traditional toys, including action figures and accessories, model vehicles as well as role-play and construction toys can be found in Hong Kong.

While the usual major retail channels of traditional toys stores and department stores account for more than 90 percent* of sales, there are small toyshops located in Mongkok and Wan Chai providing high-end, limited edition and collectible figures and items for toy enthusiasts.

The robust local market and a large pool of design professionals reinforce Hong Kong's position as a sourcing and distribution hub for toys market leaders worldwide.

Hong Kong can also act as a regional hub for licensing and international legal and dispute resolution centre for resolving issues such as intellectual property rights.

Hong Kong's Advantages and Opportunities

Being the world's second largest toy exporter, Hong Kong has a large pool of experts in quality control, management, marketing, finance and accounting, and product design and management. World-class, large-scale trade shows such as The Hong Kong Toys and Games Fair features more than 2,000 exhibitors and global

market leaders in toys and games. Key players including Mattel (US), Hasbro (US), LEGO (Denmark) and TOMY (Japan) as well as many small independent brands have established offices in Hong Kong for sourcing and distribution functions.

The integration of electronics and advanced technology with toys has led to increased sales of electronic traditional toys which accounted for 24.1 percent* of traditional toys sales in 2015, compared with 21.5 percent in 2010. This indicates that product design and development of toys is shifting to an educational, creative and developmental focus.

"Hong Kong is strategically located at the heart of Asia, connected with not only Mainland factory base but also many cost-effective manufacturing countries in Asia, such as Vietnam, Thailand, India, Indonesia and Bangladesh," said Dr. Jimmy Chiang, Associate Director-General of Investment Promotion with Invest Hong Kong. "The establishment of many sourcing operations in Hong Kong reaffirms our status as an international trading and sourcing hub."

*Source: Euromonitor 2016

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Fairs / Trade Shows 2017

	Date	Details
Comix Licensing Market	8-12 January 2017	Some 20 emerging local ani-com and figure units will showcase and sell their works at the Comix Home Base in Wanchai, and there will also be sharing sessions, networking tea receptions and open-mic presentation sessions
Hong Kong Toys and Game Fair 2017	9-12 January 2017	Organised by the Hong Kong Trade Development Council and held at the Hong Kong Convention and Exhibition Centre, the Hong Kong Toys and Games Fair is the largest toys industry event in Asia
Dollvie	15 July 2017	Ball-jointed doll convention
Animation-Comic-Game Hong Kong (ACGHK)	July 2017	An annual carnival of Cosplay competitions, on-line games showcases, licensed character goods, comics and comic merchandise
Toysoul	December 2017	An iconic and influential toys exhibition in Asia featuring movie-themed toys, figurines and collectibles

Smart Ideas for a Smart Hong Kong



The Office of the Government Chief Information Officer (OGCIO) has commissioned a consultancy study for formulating a smart city blueprint for Hong Kong, re-affirming the Government's commitment to building Hong Kong as a smart city

The OGCIO has set up dedicated portal SmartCityHK (www.smartcity.gov.hk) to collect input from the public for the formulation of a blueprint to develop Hong Kong into a smart city.

The key objectives are

- (i) making use of innovation and technology to address urban challenges to enhance city management and improve quality of living, sustainability, efficiency and safety of our city;
- (ii) enhancing the city's attractiveness to global business and talents; and
- (iii) inspiring continuous innovation and sustainable economic development of the city.

The consultancy study is scheduled to complete by mid-2017. The blueprint to be formulated under the consultancy study will

map out short-, medium- and longer-term measures up to 2030 for developing Hong Kong into a smart city. It will cover policy objectives and strategy, development plans, governance arrangements, digital infrastructure, open data sharing and public-private collaboration.

You are invited to submit your suggestions and related information on the use of innovation and technology to make Hong Kong a smarter place to live in. Your input will be considered in mapping out implementation measures to be set out in the smart city blueprint.

For more details, please visit www.smartcity.gov.hk

Key Themes

The following six components of smart city development are commonly adopted by the academia and relevant sectors:

- Smart Economy
- Smart Mobility
- Smart Environment
- Smart Citizen
- Smart Living
- Smart Government





“I am an advocate for Hong Kong. It’s an amazing place to set up a business, especially in e-commerce.”

Luke Grana
Founder and CEO
Grana

The Changing Power of E-Commerce

In just two years, GRANA is firmly on track to achieve its set goal of changing the way fashion is distributed. Its success has attracted the attention of the world’s leading e-commerce giant Alibaba Group

Up-and-coming fashion label GRANA, founded in October 2014, has recently moved into a brand-new 18,000 square foot centralised warehouse in Wong Chuk Hang, with a strong team made up of various functions and over 50 employees. It was a milestone and a validation of Founder and CEO Luke Grana’s vision to create high-quality basics at affordable prices for everyone, one that took him from Sydney, Australia to Hong Kong three years prior.

“I had a one-way ticket, US\$200,000 and a business plan,” he recalled.

“Doing it from Australia was impossible as the shipping rates were so expensive. Hong Kong is a tax-free port, the world’s sourcing city and the world’s busiest international air cargo hub, allowing us very good shipping rates to global markets,” he said.

“I am an advocate for Hong Kong. It’s an amazing place to set up a business, especially in e-commerce.”

Grana cited three lessons he has learned in raising seed capital. “The first one is you need to have proof points. When we raised our first seed round, and we had a proof point of a trial as we sold out 2,000 tee shirts within three weeks,” he said.

Once he had met the first group of angel investors, it then came down to leveraging those contacts.

“We kept getting a lot of introductions, and that was really positive.

“And the third is to be persistent. Some investors would say no, but you have to keep pushing and give them a clear point of view on why they should invest in your business.”

InvestHK has been providing assistance to GRANA from the company’s planning stage. Co-founder and Chief Operation Officer Pieter Paul Wittgen, who was formerly an investment banker in Hong Kong, pointed out the importance of lasting partnerships.

“We solved a lot of problems by including partners into the thinking process, in every phase, and making them part of the success of the company,” he said.

And the young fashion label has recently earned the attention of a new partner: Alibaba. Alibaba Group set up a HK\$1 billion (US\$130

million) Entrepreneurs Fund for Hong Kong in 2015 and in October 2016, the Fund participated as the lead investor in GRANA’s recent US\$10 million Series A round of funding.

Cindy Chow, Executive Director of the Alibaba Hong Kong Entrepreneurs Fund, pointed to the lean business model, use of technology and being an e-commerce business as key reasons for picking GRANA. “We look for companies that have a good business proposition, create business value and provide proof points,” she said.

The Alibaba Hong Kong Entrepreneurs Fund seeks to invest in promising young companies with a significant base in Hong Kong and deemed a good fit of the Alibaba ecosystem. Portfolio companies get to meet Alibaba’s business unit leaders for advice and other business opportunities.

“We are planning to extend our product range and going to be working on entering China next year. We want to work closely with and learn as much as we can from Alibaba Group, so it’s going to be very exciting for us,” Grana said.

Grana

- Founded in October 2014 with the mission to source and design quality clothing using luxury materials from around the world, sold at affordable prices directly to customers online
- Headquartered in Hong Kong with a 50-strong staff
- Raising US\$10 million Series A funding led by the Alibaba Hong Kong Entrepreneurs Fund, with continued support from Golden Gate Ventures and MindWorks Ventures

grana.com

Changing the Way People Work

The number of co-work places is rapidly growing in Hong Kong, and one of the latest aspires to bring a bit of hotel experience to work

“There is very little red tape in terms of construction and government regulations in Hong Kong.”

**Junny Lee, Founder and CEO
The Work Project**



Walking onto the main floor of The Work Project in Causeway Bay, one of the city’s newest co-work spaces, feels like entering a hotel lobby, and there is a reason why.

“Of the five members in my work experience team, three of them are former hoteliers,” Junny Lee, founder and CEO, said. “Just like how you design and build a hotel, what we emphasise here is the experience of the end user.”

And there is just the right expertise in Hong Kong to create this pilot product.

“Hong Kong is where some of the greatest hotel brands were born. The talent pool here in terms of hospitality is amazing,” he said.

But The Work Project, evidently, is not a hotel but a place for work, and all the luxury has a purpose.

“There’s an intimate relationship between workplace design, workplace experience, and productivity and retention rates,” he said, pointing to a recent CBRE survey that found 71 percent of millennial workers would trade some work benefits for a better work environment. The US Psychology Bulletin, he said, found happier employees 31 percent more likely to be productive.

At The Work Project, even the music played and the scent are designed to improve concentration and sense of wellbeing. Members of The Work Project can also enjoy services and discounts from restaurants, wellness facilities and an upscale hair salon in the same building.

While these workers enjoy a luxury work environment, the businesses they work for enjoy flexibility that helps them save costs.

“We are the only co-work space provider in Hong Kong that allows the customer to dictate the membership terms. So you can start any day and end any day,” he said. Members can expand or downsize anytime, and even an individual hot desk member has access to the private office when needed.

The flexibility has been made possible, Lee explains, by a completely automated propriety software system that handles bookings and invoicing. “Members can log in, book online and pay online,” Lee said.

It took Lee almost one year to identify the right space for The Work Project, but construction of it took only two and a half months, including four floors of shared spaces, meeting rooms and private offices, for up to 350 workers. There was also the building of a vertical garden designed by celebrity botanist Patrick Blanc and consisting of some 60 plant species.

“This simply would not have been possible in any other city. There is very little red tape in terms of construction and government regulations in Hong Kong, and we were very lucky to be working with wonderful professionals,” he said.

Based in Singapore, Lee travels to Hong Kong regularly for The Work Project. “I love it because there are just so many choices, and there are so many new things happening all the time. That makes the city very exciting and dynamic,” he said.

The Work Project

- Consists of four floors of shared spaces, meeting rooms and private offices, for up to 350 workers
- Offers members services and discounts from restaurants and wellness facilities in the same building
- Inspired by hotel experience, with music and scent designed to improve concentration and sense of wellbeing

theworkproject.com

Dark Fibre Provider Sees Bright Future in Asia

Telecommunications company Superloop is ready to offer wholesale carriers and global content providers in Hong Kong scalable and reliable connectivity through a newly built network

At a recent launch event in Hong Kong, Bevan Slattery, Chairman and CEO of telecommunications provider Superloop, announced the company had completed the first phase in the construction of its dark fibre network in the city as scheduled. He also announced work is progressing rapidly on TKO Express, the first domestic submarine cable to link Chai Wan and Tseung Kwan O (TKO) Industrial Estate, a key component of the core network.

"We have built over 110 kilometers of fibre optic cable connecting a lot of the major data centres around Hong Kong," Slattery said. "We build fibre infrastructure and give other carriers and enterprises access, with the flexibility to control their network services."

Traditionally, telecom carriers provide network connections to clients through lit fibre, with equipment already installed to control the bandwidth. Superloop leases dark fibre to companies and let them light it up with their own technology.

"It's reliable, immune to power outage and configuration problems, because it's their own dedicate pair of fibre, all the way from A to B," he said.

Superloop is well established in the Australian cities of Brisbane, Melbourne and Sydney, and its first network in Asia went live in Singapore last year. The 2,000 core network in Hong Kong represents the company's largest fibre count deployment to date.

Slattery, who has 20 years of experience in infrastructure building, said Hong Kong was a major piece of the puzzle in his company's expansion plan.

"It's where so many multinational companies set up their Asia headquarters, and we are seeing growth in Hong Kong because of its strong relationship with Mainland China," he said.

"Asia overtook North America in terms of the amount of internet traffic in 2016. That is going to keep growing on a massive scale."

Telecom carriers are also among Superloop's potential clients, as leasing dark fibre is a cost-effective way to expand network capacity.

It has taken Superloop two and a half years to get the Hong Kong network ready, and the company has a staff of seven in the city. As part of the expansion plan, it is looking for more office space in the Chai Wan area, where its submarine cable lands.

"By the end of next year I expect to have somewhere around 30 people here in Hong Kong," Slattery said.

He explained that while sales representatives would make up a major part of the staff, other departments would include engineering, network design and planning, and project management.

Slattery rates Hong Kong highly as an information and communications technology (ICT) hub. "Hong Kong is absolutely booming - the investment is incredible. The Hong Kong Government is so proactive in making sure the city has a competitive environment that attracts investment. The regulatory regime is nice, stable and constant. And not only that, there is so much buzz. Every time I come here, I feel a shot of adrenaline," he enthused.

Superloop

- Completed the construction of its dark fibre network in Hong Kong, its largest fibre count deployment to date
- Offers clients their own dark fibre pair to activate for scalable and reliable network connection
- Plans to increase its staff headcount in Hong Kong to 30 by the end of 2017

superloop.com



"The Hong Kong Government is so proactive in making sure the city has a competitive environment that attracts investment. The regulatory regime is nice, stable and constant."

**Bevan Slattery, Chairman and CEO
Superloop**

A Toast to Hong Kong as a Wine Hub

Australian Vintage has achieved tremendous growth in business in Asia after setting up its regional office in Hong Kong

“I love the simplicity of doing business in Hong Kong. The government is definitely helping businesses to come here and set up their operations.”

**Nicolas Heretiguian, General Manager - Asia
Australian Vintage**

Leading Australian wine company Australian Vintage began exploring Asian markets some seven years ago but it was not until two and a half years back that a decision was made to set up a regional office in Asia. A number of cities were considered, and Hong Kong was chosen in the end.

“They made what I think was the right choice to set up in Hong Kong,” Nicolas Heretiguian, General Manager - Asia, said.

“Hong Kong gives us the opportunity to be working with Mainland China and also the rest of Asia, because this is not only a local office but an office for Asia. Hong Kong, for us, is a hub for our Asia operations.”

“I love the simplicity of doing business in Hong Kong. The government is definitely helping businesses to come here and set up their operations.”

The office is manned by four, focusing on sales and marketing. There is also a sales representative based in Shanghai. In the coming year, Heretiguian has plans to hire another person for a regional role and perhaps move into a bigger office.

Business is growing. “Two and a half years ago, we shipped about 200 containers to Asia, and this year we are shipping about 300 containers. We achieved a year-on-year growth of about 30 percent in business from 2016 to 2017 just by having an office here,” he said.

Being based in Asia, Heretiguian has been able to open up new markets. The first major development following the opening of the Hong Kong office was the signing of a long-term, strategic country-wide distribution agreement with COFCO Wine & Spirits, a division of China's largest food processing, manufacturer and trader. The company's signature retail label, McGuigan, can now be found at the more than 1,200 Family Mart stores in Shanghai, as well as outlets of Lawson and Lianhua supermarkets.

Most recently, a shipment has been made to Myanmar and McGuigan will become available for retail in the country starting January 2017. “We would not have thought of doing that from Australia before,” Heretiguian said. Australian Vintage sells its products in 18 Asian markets in total.



But Heretiguian added that it is about having the right product, too. “Australian wine, as a category, is getting more and more consideration and attention from consumers in Asia. It's easy to drink, it's soft, and there is fruit flavour on the back that the Asians like. McGuigan is perfectly fit for the Asian palate,” he said.

Having personnel on the ground in Asia has also led to important product developments for the McGuigan brand. Its cult-like product, McGuigan Black Label Red, has recently undergone a makeover for the Asian market, with a limited edition “Year of the Rooster” label due to make an appearance on supermarket shelves in the Chinese New Year. With six bottles of McGuigan Black Label Red sold every minute in Australia, Heretiguian is expecting big things for this product in Asia.

McGuigan features Riesling, Cabernet Sauvignon, Shiraz and Chardonnay varietals grown in the Hunter Valley and has garnered many awards from around the world. Most recently it has once again been named International Winemaker of the Year at the 2016 International Wine & Spirits Competition in London and become the first winemaker in the world to win the award four times.

One of Australia's largest vineyard owners and managers and responsible for 10 percent of the country's annual wine production, Australian Vintage offers five brands of wine as well as tailored wine solutions, bulk wines and grape concentrate.

Australian Vintage

- Set up the regional office in Hong Kong in 2014
- Sells its products in 18 Asian markets
- Responsible for 10 percent of Australia's annual wine production

australianvintage.com.au

A Vision on the Art Future

Founded in 1977 in Paris, de Sarthe Gallery opened their Hong Kong space in 2010 and represents and exhibits a diverse spectrum of international artists, from important French Impressionists to Asian and Western modern and post-war masters as well as a generation of emerging artists

“I have always anticipated an art district in Hong Kong as the city has become the art hub of Asia and people here have become increasingly interested in the art world.”

**Pascal de Sarthe, Founder
de Sarthe Gallery**



Having profound experience in art business with Asia customers, Pascal de Sarthe, Founder of de Sarthe Gallery, established a solid network before moving to Hong Kong in 2010. He first started his gallery in Central and decided to move to a 10,000-square-foot gallery space in the Wong Chuk Hang area in early 2017 in order to facilitate the continued growth of the Asian client base. De Sarthe has hired New Yorker Willem Molesworth as the director of his new space.

There is a noticeable increase of art galleries moving to Wong Chuk Hang, especially with the MTR South Island Line coming into operation in December 2016, slowly transforming the area into an art community.

“I have always anticipated an art district in Hong Kong as the city has become the art hub of Asia and people here have become increasingly interested in the art world. This is thanks to the popularity of international art shows and important art auctions that have taken place in the city,” de Sarthe said.

According to de Sarthe, there are art galleries that see themselves as a platform for selling art pieces but de Sarthe Gallery has a different thought. They keep the core value of what an art gallery is all about, which is bringing important exhibitions to town and promoting contemporary art. “Art galleries play an important role in educating the public about art,” de Sarthe added.

Since de Sarthe has the knowledge and resources, he is more than willing to share his love of art with more people. With the new gallery opening with increased space and flexibility, de Sarthe is planning to work with artists from around the world to bring their works to Hong Kong.

Apart from organising its own exhibitions, de Sarthe Gallery has also participated in Art Hong Kong, Art Basel Hong Kong and other art fairs in the region over the past few years. Other than

Hong Kong, de Sarthe also has a gallery in Beijing run by his son Vincent de Sarthe which mainly features emerging Chinese artists. The gallery hopes to be part of the emerging art being created today in China.

“Hong Kong is a small place, everyone is connected and willing to help each other. I seldom find other places with people who are so friendly,” de Sarthe concluded.

de Sarthe Gallery

- Founded in 1977 in Paris, de Sarthe Gallery opened their first Hong Kong space in Central in 2010 and has now opened a new space in Wong Chuk Hang and another gallery in Beijing
- The gallery represents and exhibits a diverse spectrum of international artists, from important French Impressionists to Asian and Western modern and post-war masters, as well as a generation of emerging artists

desarthe.com

Mainland Conglomerate Seeks to Use Hong Kong as a Financing Hub

CGCOC Group, headquartered in Beijing, plans to build a management team in Hong Kong and set up a corporate treasury centre

While an increasing number of Mainland Chinese corporations are looking to “go global” and seize opportunities brought forth by the country’s One Belt, One Road initiative, infrastructure builder CGCOC Group hopes to become a platform from which these businesses can draw resources and experience.

“Some 30 years ago CGCOC already ventured out of the country, now we have returned and, leveraging the business relationships we have built in Africa, we want to connect Mainland Chinese capital with resources in Africa, and lead Mainland Chinese investment capital, Hong Kong local capital and international investors to Africa,” Huang Bo, Director and Chief Financial Officer of CGCOC Group HK, said.

The seeds of the company were sown in 1983 when Mainland China sent a group of engineers to Nigeria to drill wells for water supply as part of a state-sponsored aid project. More cooperation and initiatives ensued, and in 2002, a round of financing gave birth to the CGCOC Group.

Today, CGCOC’s business scope covers four main areas, which are consultancy, investment, infrastructure and logistics leasing. It has projects in 20 African countries, and they range from modern agriculture and industrial investment to real estate, clean energy, mining and construction engineering.

In 2014, the group established CGCOC Group HK, expanding its number of subsidiaries in Greater China to 10. Huang explained that the Hong Kong office is tasked with setting up a corporate treasury centre for the group, acting as the platform to identify new investing partners interested in Africa, and financing projects through means such as IPO.

“Hong Kong is an international financial centre, and it has a rich and high-end talent pool. We want to use this office as the platform to upgrade our management team, the quality of management and our financing ability,” he said.

CGCOC HK currently has three local employees and Huang plans to grow the staff to about 10 in the next three years, for

functions such as treasury management and financial services. But he added that as the Hong Kong office is a platform for attracting investment opportunities, there is no limit as to how big it can grow. “If one day we need 100 people, we will hire 100 people,” he said.

CGCOC has 29 overseas regional management offices around the world, including in many countries along the Belt and Road such as Indonesia, Kazakhstan, Egypt and Iran. But Huang said that for at least next three to five years, East Africa will remain the stronghold of the group’s business. Huang emphasised that his company’s mission has remained the same from the very day when the first group of engineers landed in Nigeria.

“We do not just build a project to make money and then leave. We take roots in these lands and work on these projects with the locals to improve their livelihood. What we are putting on the ground for the country is sustainable and long-term development. It is what Mainland China needs, what these countries need and exactly what we need,” he said.

CGCOC Group HK

- Plans to build a management team and set up a corporate treasury centre in Hong Kong
- Business scope covers consultancy, investment, infrastructure and logistics leasing
- Invests primarily in East Africa and Southeast Asia and aims to connect other Mainland Chinese companies with opportunities in those regions

cgcoc.com.cn

“Hong Kong is an international financial centre, and it has a rich and high-end talent pool.”

**Huang Bo, Director and Chief Financial Officer
CGCOC Group HK**





Leveraging Hong Kong's Strengths as a Financial and FinTech Hub

After three years of hard work, Israeli startup BondIT finally launched its fixed income algo-advisory solution last year, and it is ready to take on Asia from its new regional base in Hong Kong

“Hong Kong is one of the most forward-looking cities in Asia when it comes to FinTech.”

**Donald Chan, Head of Asia Pacific
BondIT**

The fixed-income market is a complicated world to navigate. Bonds come with many different ratings, and some are not rated at all. They usually trade in the “over the counter” market instead of on exchanges. Adding in other factors such as interest rate sensitivity, duration and maturity and so on, and the task of creating an optimised fixed-income portfolio becomes daunting.

That was why it took a team of 25 experts three years to get BondIT, a digital algo-advisory solution for fixed-income investment, ready for commercialisation last year.

“We have people from the financial market with fixed-income knowledge, and those with data and machine-learning expertise; five of them are PhDs,” Donald Chan, Head of Asia Pacific, said. “The combination of know-how and the amount of lead time we have entered the market to generate this solution is precisely our competitive edge.”

BondIT has introduced the solution to its home country of Israel and to Europe, and it is now available in Asia as well. Given his in-depth understanding of the Asian markets and experience working with Israeli tech companies, Chan co-founded the Asia business with Hong Kong being chosen as its regional hub. Beyond Hong Kong, BondIT has successfully launched its business in Singapore, Korea, and now Mainland China.

“We have decided on Hong Kong because it is the financial hub of Asia, and it is one of the most developed and established fixed-income markets in the region. This city is also a wealth management hub, and then there is the ease of access to the Mainland Chinese market,” Chan explained.

The fixed-income market in Mainland China is rapidly developing, he furthered, and his company has formed a partnership with Wind Information, a leader in the country's financial data services industry. He added that having a presence in Hong Kong played an important role in securing the pact.

“Hong Kong is one of the most forward-looking cities in Asia when it comes to FinTech. The Securities and Futures Commission and the Hong Kong Monetary Authority are being strategically involved in the whole ecosystem, to act as an enabler for FinTech,” he said.

“They are encouraging adoption and testing, and we are seeing a lot of other countries trying to play catch-up. We have an advantage of being at least a year or two ahead.”

Chan emphasised that BondIT is a B2B2C solution aiming to equip investment advisors and portfolio managers at financial institutions to manage the fixed-income universe more effectively. The solution “cleanses” the plethora of data for accuracy and concision, and then seeks out bonds based on an investor's constraints and goals. What used to take analysts and financial professionals hours and days to do, often with sub-optimal results, can now be done in seconds, with more efficiency and precision.

“With our solution, it takes 15 seconds to construct a portfolio,” Chan said.

The efficiency allows the advisor to provide clients with timelier advice in response to the fast-changing market. The solution also sends out alerts when bonds in a portfolio are maturing or when weightings of assets in a portfolio need rebalancing.

From the financial institution's perspective, Chan explained, the solution frees up time for advisors to reach out to “sleeping” clients and reactivate their accounts, and hence a wider outreach to clients. Recommendations are based on clearly defined risk parameters and analytics are well presented, which helps ensure regulatory compliance.

Heading BondIT's Asia base in Hong Kong, Chan works with a chief revenue officer and a head of product management. He plans to add another 10 to the headcount in 2017 for functions such as front-end development, client support and marketing.

BondIT

- A B2B2C solution for fixed-income portfolio optimisation that took three years to develop
- Set up a regional base in Hong Kong in 2016 to explore the Mainland Chinese market and other parts of the region
- Plans to increase its headcount in the regional office by 10 in 2017

bonditglobal.com

Forward-thinking Legal Services

German international law firm Taylor Wessing has set up in Hong Kong as the natural next step to support clients in the region

Taylor Wessing, one of the largest European law firms in Germany, set up a registered foreign law firm in Hong Kong in association with HM Chan & Co, a local law firm founded in 2015. Opened in July 2016 and headed by Dr Jakob Riemenschneider, a corporate partner recently relocated from their Munich office, the Hong Kong branch of Taylor Wessing in Central provides a full suite of commercial business law services, including corporate, merger and acquisition, capital markets and regulatory and compliance advice on inbound and outbound matters.

"Hong Kong is incredibly professional. The international city is a place for doing business, and you can feel it in terms of company establishment, corporate structures, access to financial and logistics services - all things can be easily done here," Dr Riemenschneider said.

Taylor Wessing has 20 years of experience in supporting international businesses to set up and grow in Mainland China through its branches in Shanghai and Beijing. The establishment of the Hong Kong practice makes Taylor Wessing's global and regional network one of the widest among international law firms in Asia.

"We have many European clients, especially technology companies, and we have been advising them from Germany for years. Hong Kong is an excellent platform for us to serve the region efficiently. Having a presence here facilitates faster communication with our clients," he said.

Assisting clients in multi-jurisdictional transactions is a core competence of the firm. With the city's advantages including the practice of English common law system, its east-meets-west culture, superb connectivity to Mainland China, and a strong pool of international legal professionals and multi-lingual talent, Hong Kong provides the essential ingredients to help Taylor Wessing grow along with its clients and expand in the region steadily.

Dr Riemenschneider first met InvestHK's staff in an event organised by InvestHK's Berlin office in Munich. He was very impressed with the talent from Hong Kong and the services provided by the department. "Their support was timely and crucial to our smooth set-up in the city," he concluded.

Taylor Wessing

- Headquartered in Hamburg, Germany
- 30 offices in 18 countries, with more than 1,200 lawyers and 360 partners
- Named "Transatlantic Law Firm of the Year UK and Europe" at the Transatlantic Legal Awards 2016

taylorwessing.com

"Hong Kong is incredibly professional. The city is an excellent platform for us to serve the region efficiently."

Dr Jakob Riemenschneider
Attorney-at-Law and Tax Accountant (Germany)
Taylor Wessing

Taylor Wessing
in association with
HM Chan & Co





“The direct flight between Hong Kong and Vienna can truly benefit these two cities by boosting more economic opportunities.”

**Andreas Otto, Chief Commercial Officer
Austrian Airlines**

Closer to the World's Music Capital

Austrian Airlines to launch direct flight between Hong Kong and Vienna to expand Asia's footprint

Operating scheduled services since 1958, Austrian Airlines AG is the biggest civil airline business of Austria. It flies to six domestic and more than 120 international destinations in 55 countries. The inaugural direct service between Hong Kong and Vienna took off on 5 September 2016 with up to five weekly flights. This represents a significant expansion in Asia since the first flight took place in 1989 from Vienna to Tokyo (NRT) and was followed by further flights to Beijing and Shanghai in 1995 and 1997 respectively.

“In the past few years we have been monitoring the trends in Asia and concluded that Hong Kong is one of the most promising cities in the region. Furthermore, we see an increase in investment from Austria into the city over these years. All these trigger us to expand our network to this vibrant city and extend our Asia's footprint,” Andreas Otto, Chief Commercial Officer said.

Being a subsidiary of one of the largest passenger airline fleets in the world, Lufthansa Group, Austrian Airlines makes use of the synergy of the extensive product portfolio of the group and the support from Lufthansa's group local office and staff to ensure customers are well taken care of.

During the preparation of the services between Hong Kong and Vienna, Austrian Airlines was introduced to InvestHK through the Austrian Trade Commission. InvestHK assisted



the airline in connecting with government contacts and promotion activities, and since then has established a long term relationship with the airline.

“Hong Kong is a city full of energy and has always been an attractive tourist destination. Also, the growing number of Austrian companies testifies to the liberal and positive business environment in this city. At the same time, Hong Kong offers a valuable source of incoming tourism to Austria. We believe the direct flight between Hong Kong and Vienna can truly benefit these two cities by boosting more economic opportunities”, Otto concluded.

Austrian Airlines AG

- A subsidiary of Lufthansa Group and is the biggest civil airline business of Austria
- The inaugural service between Hong Kong and Vienna took off on 5 September with up to five weekly flights

austrian.com

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		Sweden	
Australian Vintage	Wine	Cint	Software / Big Data Technology
F45 Training	Fitness and Health	Nilorn East Asia Ltd	Design and Branding - Supply of Packaging Items
Grana	Online Clothing		
Superloop	Telecommunications		
Thinextra	IoT Network Operator and Solutions Provider	Switzerland	
		Jeeves Training Ltd	Hospitality Training
Austria		United Kingdom	
Austrian Airlines	Transport & Logistics	CFO Centre	Management Outsourcing
		Spacious	Information Portal for Real Estate
Brazil		United States	
Lugano Chocolate	Chocolate Industry	Corner Kitchen Café	Restaurant
		de Sarthe Gallery	Art Gallery
Germany		Deal N Ship Limited	e-commerce
Buy Berlin	Real Estate	Global Tree Functional Foods Limited	Packaged Foods
MMB Deutschland	Online Store Selling Baby & Kids Products		
Taylor Wessing	Legal Services	International Concept Management	International Aquarium/ Marine Park Design and Construction
Israel			
BondIT	FinTech		
Mainland China			
CGCOC Group HK	Transport & Industrial		
Donghai International Financial Holdings Company Limited	Securities & Futures Brokerage and Asset Management		
Russia			
DCA - Asia Limited	Software / Big Data Technology		
Singapore			
Bracelet Lounge (Asia Pacific) Private Limited	Retail, Silver Jewellery		
GoBear	Online Platform for Comparison of Financial Products		
Ruyi	Art Business		
The Work Project	Shared Workspace		



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

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