

HK Foreign Direct Investment



2018-19 Budget - Diversifying the Economy

Hong Kong's Financial Secretary Paul Chan unveiled the 2018-19 Budget on 28 February. Hong Kong's economy grew by 3.8 percent in 2017 thanks to better-than-expected outturn in the external environment, and is forecast to grow by 3-4 percent in 2018. Headline inflation was 1.5 percent in 2017, with an underlying inflation rate 1.7 percent. For 2018, headline inflation is estimated at 2.2 percent with underlying inflation of 2.5 percent.

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Highlights



Innovation and Technology

"To stay ahead of the game, we must enhance our innovation and technology environment, attract companies from

new economy sectors and research institutions to set up their presence in Hong Kong and nurture talent for a knowledge-based economy," the Financial Secretary said.

There are four focus areas for Innovation & Technology industry: biotechnology, artificial intelligence, smart city and FinTech. To enhance such business environment, the Government has allocated \$20 billion for the first phase of the Hong Kong-Shenzhen Innovation and Technology Park in the Lok Ma Chau Loop, and will inject \$10 billion into the Innovation and Technology Fund to continue to support applied research and development. The Government will also set aside \$10 billion to update the Hong Kong Science Park and enhance support to the enterprises located there, as well as allocating \$200 million to Cyberport to enhance the support for startups and a further \$100 million to promote the development of e-sports.



Tourism

In order for Hong Kong Tourism Board to implement the Development Blueprint for Hong Kong's Tourism Industry, the Board

will receive \$226 million for the project. A further \$310 million is earmarked to support Ocean Park in developing education and tourism projects over the next few years.



Business and Professional Services

To boost the business and professional services sector, the Government is injecting \$1.5 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales, and improve the relevant support programmes.

To encourage the trading and logistics industry to move up the value chain, the Government will cap the charge for each declaration at \$200, so as to further lower the cost of importing and exporting high-value goods to and from Hong Kong, and enhance Hong Kong's advantage as a trading hub. The Government has set aside \$5 billion for consideration on the project of redeveloping the Air Mail Centre at the Hong Kong International Airport to enhance its efficiency and capacity.



Financial Services

\$500 million will be invested to promote development in the next five years and provide necessary support for bond

market. The Government is launching a three-year Pilot Bond Grant Scheme to attract local, Mainland and overseas enterprises to issue bonds in Hong Kong, and continuing to issue Silver Bonds in 2018 and 2019. A green bond issuance programme with a borrowing ceiling of \$100 billion will be launched, for government's green public works projects to promote green finance.



Enhancing Collaboration

The Government will examine Hong Kong's competitiveness, its economy and the current state and direction for

development of its industries from a forward-looking and strategic perspective. Playing the role of a "facilitator" and a "promoter", the Government will introduce timely and appropriate measures to support industries where Hong Kong has strengths and development potential, and tap new markets. The Government will also review regulatory and tax requirements to remove red tape and create a business-friendly environment.

The Government is committed to expanding its network of Economic and Trade Offices to help open up emerging opportunities. We will actively seek to sign FTAs, IPPAs and CDTAs with other economies, including those along the Belt and Road, to fortify our position as an international trade and investment hub.



Creative Industries

To boost the creative industries sector, the Government is injecting a further \$1 billion to strengthen support

for the development, especially in nurturing talent, helping startups and enhancing public understanding towards the value of creativity and design.

2018

APR

4	Hong Kong
	Hong Kong ICT Awards 2018 The Awards recognise outstanding innovations and applications of information and communication technology (ICT), and encourage Hong Kong's leading ICT experts and companies to develop innovative solutions that meet the needs of Hong Kong's businesses. <i>Location: Hong Kong Convention and Exhibition Centre</i> <i>Organiser: Office of the Government Chief Information Officer</i> ▶www.hkictawards.hk
11	San Francisco
	BBVA Open Talks Fintech Event InvestHK will be exhibiting at the International Village in the event which brings together FinTech entrepreneurs and innovators from the Bay Area. <i>Location: Broadway Studios, San Francisco</i> <i>Organiser: BBVA</i>
12-13	Hong Kong
	Internet Economy Summit The event brings together top global and local thought leaders to discuss strategies in capturing opportunities arising from the propelling internet economic growth, as well as to share their insights. <i>Location: Hong Kong Convention and Exhibition Centre</i> <i>Organisers: The Office of the Government Chief Information Officer, HKSAR and Cyberport</i> ▶ieconomysummit.hk
17	Hong Kong
	ASEAN Community Networking Reception This networking reception is to thank ASEAN companies for their contribution to Hong Kong. <i>Location: Hong Kong</i> <i>Organiser: InvestHK (by invitation only)</i>
24	Shanghai
	Taking the World Public - IPO Event Series: Shanghai 2018 The event will bring together corporate leaders, regulators and top dealmakers to discuss challenges and opportunities in the rapidly evolving Chinese IPO Market. <i>Location: JW Marriott Shanghai (Tomorrow Square)</i> <i>Organisers: China Money Network, Baker Tilly Hong Kong</i> ▶chinamoneynetwork.com/taking-world-public-shanghai-2018
25 & 27	Dublin & Brussel
	Routes to Growth Conference 2018 The event aims to help local SME's to explore business opportunities in Hong Kong, Mainland China and Southeast Asia, with key experts sharing their experiences in Asia. <i>Location: Dublin & Brussels</i> <i>Organiser: Cathay Pacific</i> ▶routestogrowthasia.com

MAY

14-16	New York
	Consensus Blockchain Conference 2018 The event features 250+ speakers and 3,000+ attendees from the leading industry startups, investors, financial institutions, enterprise tech leaders, and academic and policy groups. <i>Location: New York Hilton Midtown</i> <i>Organiser: Coindesk</i> ▶coindesk.com/events/consensus-2018
24-25	Amsterdam
	The Next Web Conference A two-day technology festival bringing together international technology executives, investors and startups. InvestHK will have a booth in the event. <i>Location: Westerpark, Amsterdam</i> <i>Organiser: theNextweb</i> ▶thenextweb.com

JUN

4	Tokyo
	Business Seminar on Investment Environment in Hong Kong The seminar introduces how to make use of Hong Kong as a business platform and shares tips on the management of Hong Kong subsidiaries. <i>Location: Lidabashi, Tokyo</i> <i>Organiser: KPMG AZSA LLC</i> ▶home.kpmg.com/jp/ja/home/events.html
4-6	Amsterdam
	Money 20/20 The event is a marketplace for ideas, connections and deals in payments, FinTech and financial services, for industries leaders to seize new business opportunities, strengthen partnerships and discover the latest disruptions. <i>Location: RAI Amsterdam</i> <i>Organiser: Money 20/20 Europe</i> ▶europe.money2020.com/amsterdam
4-8	Athens
	Posidonia Posidonia was established as one of the major events of the shipping industry. It connects international shipping industry with the Greek ship owners and is a platform that brings together ship owners with the latest industry developments. <i>Location: Metropolitan Expo Centre at the Athens International Airport</i> <i>Organiser: Posidonia Exhibitions SA</i> ▶posidonia-events.com
11-13	Dublin
	Moneyconf The two-day event will gather 5,000 attendees from over 60 countries to network and learn more on FinTech and the revolution in money, payments and finance. <i>Location: RDS Main Hall, Dublin</i> <i>Organiser: Web Summit</i> ▶moneyconf.com
21-22	Dublin
	Inspirefest A Silicon Republic's international event connecting sci-tech professionals with fresh perspectives on leadership, innovation and diversity. <i>Location: Bord Gais Energy Theatre, Dublin</i> <i>Organiser: Silicon Republic</i> ▶inspirefest.com
28	Hong Kong
	2018 Belt and Road Summit - Collaborate for Success The Summit brings together government officials, representatives of international institutions, business leaders and industry experts from countries along and beyond the Belt and Road to exchange views on co-operation and explore new opportunities. <i>Location: HKCEC</i> <i>Organiser: HKTDC</i> ▶beltandroadsummit.hk/en/index.html
29	Scheveningen
	Business Seminar The event focuses on the opportunities for Dutch companies in Hong Kong and the Greater Bay Area, in particular on advanced manufacturing and circular economy. Followed by a reception at the Volvo Ocean Race Village. <i>Location: Zuiderstrandtheater, Scheveningen</i> <i>Organiser: Netherlands Hong Kong Business Associate (NHKBA)</i>

JUL

11	Tokyo
	Belt and Road Seminar This seminar will introduce the outline of the Belt and Road Initiative and its opportunities. <i>Location: Jimbo-cho, Tokyo</i> <i>Organisers: InvestHK, Hong Kong Economic and Trade Office in Tokyo, HKTDC</i>
21	Hong Kong
	Junior Chamber International Hong Kong, 22nd Entrepreneurship Awards These awards are designed to encourage innovation and recognise outstanding local entrepreneurs. <i>Briefing and recruitment session: 4 April 2018</i> <i>Nominations: Until 16 May 2018</i> <i>Review date: 16 June 2018</i> <i>Organiser: Junior Chamber International Hong Kong</i> ▶www.cjc.org.hk

4 SECTOR FOCUS

Innovation and Technology

Hong Kong Smart City Blueprint

The Hong Kong Smart City Blueprint aims to enhance the city's attractiveness to global businesses and talent, and to inspire continuous city innovation and sustainable economic development



The government is planning to invest initially HK\$700 million to push ahead with key infrastructure projects for smart city development. Focusing on six major areas, "Smart Mobility", "Smart Living", "Smart Environment", "Smart People", "Smart Government" and "Smart Economy", the plan is to embrace innovation and technology (I&T) to build a world famed Smart Hong Kong characterised by a strong economy and high quality of living.

Here are some of the key highlights:



Smart Mobility

- To introduce an intelligent transport system and traffic management; traffic news and transportation route search to be integrated into one mobile app
- Pilot intelligent traffic signal systems with sensors
- Smart airport with facial biometric technology incorporated at key check points



Smart Living

- To increase the number of free hotspots under the "Wi-Fi.HK" scheme
- Faster Payment System (FPS)
- Hospital Authority is setting up a big data analytics platform to encourage sharing of anonymous patient data
- To phase down coal-fired electricity generation gradually and replace with natural gas and non-fossil fuel sources
- To apply renewable energy on a wider and larger scale
- To build green and intelligent buildings with the provision of smart water meter system, electric vehicle charging facility and real-time parking vacancy information requirements



Smart People

- To launch a fast-track I&T talent admission scheme in 2018 to admit technology talents from overseas and the Mainland China
- To launch a HK\$500million Technology Talent Scheme which will include a Postdoctoral Hub



Smart Government

- To open up more public and private sector data in digital forms to facilitate research and innovation via government one-stop Public Sector Information Portal (data.gov.hk), focusing on health, transportation and education sectors starting from this year



Smart Economy

- To promote FinTech initiatives and explore distributed ledger technology application in different areas, including trade financing and cross-boundary transactions
- Hong Kong Monetary Authority (HKMA) to facilitate the introduction of virtual banking
- To introduce an enhanced tax deduction will be introduced for qualifying expenditure incurred by enterprises on R&D in 2018-19

For innovation-related business opportunities in Hong Kong, please contact:

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Keeping of Significant Controllers Register by Companies

To enhance Hong Kong's regulatory regime for combating money laundering and terrorist financing, the new requirements for all Hong Kong companies (except listed companies) to ascertain and maintain up-to-date beneficial ownership information by way of keeping of a Significant Controllers Register has come into operation on 1 March 2018

Here are some Q & As which explain the new requirements:

Q: What are the new requirements on the keeping of significant controllers register?

A: Under the Companies (Amendment) Ordinance 2018 which came into effect on 1 March 2018, all companies incorporated in Hong Kong (except listed companies) are required to:

- identify and ascertain persons who have significant control over the company; and
- maintain a Significant Controllers Register to be accessible by law enforcement officers upon demand.

Q: Who is a significant controller of a company?

A: A significant controller includes:

- a registrable person who is a natural person that has significant control over the company; and
- a registrable legal entity e.g. a company, which is a shareholder of the company that has significant control over the company.

A person has significant control over a company if one or more of the following five conditions are met:

- The person holds, directly or indirectly, more than 25 percent of the issued shares in the company or, if the company does not have a share capital, the person holds, directly or indirectly, a right to share in more than 25 percent of the capital or profits of the company;
- The person holds, directly or indirectly, more than 25 percent of the voting rights of the company;
- The person holds, directly or indirectly, the right to appoint or remove a majority of the board of directors of the company;
- The person has the right to exercise, or actually exercises, significant influence or control over the company;
- The person has the right to exercise, or actually exercises, significant influence or control over the activities of a trust or a firm that is not a legal person, but whose trustees or members satisfy any of the first four conditions in relation to the company.



Q: What are the particulars in respect of a significant controller that should be entered into a company's Significant Controllers Register (SCR)?

A: The following particulars of a significant controller should be provided:

- Name
- For a registrable person,
 - correspondence address, identity card number (if the person does not have an identity card, the number and issuing country of the passport)
- For a registrable legal entity (e.g. a company),
 - legal form, registration number, place of incorporation (governing law) and address of registered office
- Date of becoming a significant controller
- Nature of control over the company

Q: What form should a company deliver to report the location of SCR?

A: The SCR can be kept at a company's registered office or a specified place in Hong Kong. If the SCR is not kept at the registered office, the company must notify the Companies Registry of the location of keeping SCR or any change thereafter within 15 days after the SCR is first kept at that place or of the change using form NR2.

However, an existing company, i.e. a company that was incorporated before the new requirement came into operation on 1 March 2018, is not required to deliver a Form NR2 to the Companies Registry for registration if the SCR is kept at the same place where the company's register of members is kept and the Registrar of Companies has already been informed of that place.

Some Common Scenarios

Q: My company is a small private company with two shareholders, each holding 50 percent of the shares of the company. Who is / are my company's significant controller(s)?

A: A person who holds, directly or indirectly, more than 25 percent of the issued shares in the company is a significant controller. Therefore, both shareholders are the significant controllers of your company and the particulars of both shareholders should be entered into the significant controllers register.

Q: My company is a small private company with only one Hong Kong company, ABC Profits Limited, as its sole shareholder. Is ABC Profits Limited the only significant controller of my company?

A: No. If there is a natural person A, who has significant control over your company through ABC Profits Limited, A is also the significant controller of your company. The particulars of ABC Profits Limited and A should be entered into the significant controllers register.

Q: My company is a small private company with only one corporate shareholder which is an overseas company incorporated in the British Virgin Islands ("BVI"). The BVI company is wholly owned by me. Who is / are my company's significant controller(s)?

A: A person holds, directly or indirectly, more than 25 percent of the issued shares in the company is a significant controller. Therefore, both the BVI company and you are the significant controllers of your company. The particulars of the BVI company and you should be entered into the significant controllers register.

For more details, please visit the dedicated thematic section on "Significant Controllers Register" on the website of the Companies Registry at <https://www.cr.gov.hk/en/scr>





“Hong Kong is the natural choice for our first regional Lab – it is a mature financial centre and trading hub, has a conducive regulatory environment and supported by an increasing demand for blockchain solutions in the region.”

**Dr Paul Sin, Partner
Consulting
Deloitte Asia Pacific Blockchain Lab**

Unleashing Blockchain Potential across Different Industries

Deloitte launches its first regional blockchain lab in Hong Kong to tap on the increasing demand in the region

In 2017, Deloitte launched their Asia Pacific Blockchain Lab (the “Lab”) in Hong Kong following the two other labs that are located in Dublin and New York. The opening of the Lab builds on the recent collaboration with the Hong Kong Monetary Authority (HKMA) and five leading banks in Hong Kong, driving the adoption of Distributed Ledger Technology (DLT) with the trade finance ecosystem. At the moment, the Deloitte team has developed over 40 blockchain solutions, covering supply chains, banks, insurance companies and more.

Dr Paul Sin, Partner of Consulting at Deloitte, explained that blockchain solutions work best when there is a B2B ecosystem. The most common solutions are between banks and insurance companies or various banks who want to detect fraud together. Cross-industry blockchain solutions are taking off in Hong Kong, such as marine insurance agencies with shipping companies, automobile companies with leasing firms or food suppliers from the supply chain would like to trace the products from farm to customer’s table.

“In the old days, people were very conservative in sharing records, but now with blockchain solutions, people create trust through technology and are more willing to collaborate,” Sin said.

To cover the projects in the region, the Hong Kong team has over 20 engineers who work closely with the development and programming teams in Guangzhou and Chongqing respectively. There are altogether over 400 staff in the region.

“Hong Kong is the natural choice for our first regional Lab – it is a mature financial centre and trading hub, has a conducive regulatory environment and supported by an increasing demand for blockchain solutions in the region,” Sin added.

“People in general have a good understanding of the wide range of financial products and they are fast to pick up new technology. The city has an advantage of having a talented international workforce.”

Sin sees a great potential in the FinTech development in Hong Kong. As HKMA is planning to facilitate the establishment of virtual banks, it can help promote financial inclusion that normally target retail industry and the small and medium-sized enterprises (SMEs). Companies who have limited access to financial services will be able to receive microfinance or other related financial services. “There are about 330,000 SMEs in Hong Kong that accounts about 46 percent of total employment, I believe there is a tremendous potential in developing blockchain solutions for this segment,” Sin commented.

Deloitte Asia Pacific Blockchain Lab

- The third Blockchain Lab following Dublin and New York offices
- The Hong Kong regional Lab has over 20 staff and work closely with Guangzhou and Chongqing teams to serve the Asia Pacific region

https://www2.deloitte.com/cn/en/pages/financial-services/topics/fintech.html?icid=nav2_fintech

Hong Kong, the International Dining Hotspot

Following the success of Tsukada Nojo in Hong Kong, AP Company plans to use the city as headquarters for overseas business

Japanese restaurant group AP Company has been eyeing Hong Kong market over the years, and searching for the right partner and location to open their first restaurant in the city. In July 2017, the company's leading brand Tsukada Nojo landed in Harbour City's Ocean Terminal in Tsim Sha Tsui, one of the most popular tourist and shopping hotspots in town.

Setting against a breathtaking harbour view, Tsukada Nojo features Japanese collagen-rich chicken hotpot with a farm-to-table concept, targeting health and beauty-conscious diners. The restaurant has soon become a "must-go" for the epicureans.

Masashi Kamatani, Managing Director of AP Company, said that Hong Kong is crucial for their continuous expansion in Asia. "Hong Kong is the key market for our future success. The city has a very mature dining culture, while the customers have a strong spending power and are curious about new taste and dining experience."

According to Kamatani, the Hong Kong branch has the highest sales and average spend-per-customer among their 200 restaurants in Japan, as well as a handful of outlets in the region including Singapore, Beijing and Jakarta.

"For business operators, Hong Kong has a very sophisticated and stable market. Even though it's competitive, there's always room for new restaurants with abundant opportunities available," he added.

To stay ahead of the game, Kamatani encourages the staff to proactively talk with customers to find out their satisfactory level and expectation. He also visits different restaurants every day to understand the latest food and beverage trends and what competitors are offering. "Most importantly," he said, "is to constantly communicate with customers and modify our products and services to meet their expectations."

With its new franchise store opening in Cambodia and the Philippines later this year, AP Company will eventually make Hong Kong their headquarters for overseas business. Kamatani remarked, "Hong Kong is a compact city and it's easy to launch a business. It is centrally located in the heart of Asia, which makes it convenient for us to manage our branches in Japan and Southeast Asia."

The company now employs close to 40 full time and part time staff for restaurant operation. In the next few years, AP Company targets to open 20 more restaurants in Hong Kong, and will add more office staff to manage its overseas business as when the headquarters is set in Hong Kong.

Kamatani thinks that InvestHK has provided a great platform for business operators. "When I started, I didn't know much about government policy or the market environment in Hong Kong, so I turned to InvestHK for assistance. The information and industry news have been very helpful for me to understand what needs to be done," he concluded.

AP Company

- A listed company established in 2001 in Japan
- Owning over 200 restaurants in Japan with over 20 F&B brands, as well as six outlets in Singapore, five in Beijing and one in Jakarta
- In addition to the existing restaurant in Tsim Sha Tsui, the company will open another restaurant in Shatin in 2018

apcompany.jp

"Hong Kong is the key market for our future success."

Masashi Kamatani
Managing Director
AP Company





“Hong Kong has always been and will continue to stay strong in logistics, construction and real estate, and will always be the financial centre and service hub for Asia region.”

Agilson Valle
General Manager (Hong Kong)
Euromonitor International

Thriving IPO Market Creates Ample Opportunities for Market Research

Seeing growth in the city's IPO market, Euromonitor opens office in Hong Kong to seize opportunity in the region

Headquartered in London, Euromonitor International is a global market research company that provides customers with strategic intelligence and research on industries, economies and consumers around the world. Founded in 1972 and with over 40 years of experience in the field, the company's in depth research covers more than 30 industries across over 200 countries with 14 offices around the globe.

To serve its long term clients as well as to explore new opportunities, Euromonitor has recently set up its Hong Kong office and will officially open in May 2018.

According to Agilson Valle, General Manager (Hong Kong), Euromonitor is no stranger to the Hong Kong market. Having been running market sizing and analysis for companies who were planning to list on the Hong Kong Stock Exchange, the company is experienced in helping clients to complete their IPOs with strategic business intelligence. With the new Hong Kong setup, the company now has a local Consulting team with both Research and Account Management, providing face-to-face support to their clients here.

Euromonitor also noticed the rising interest of companies in China's Belt and Road Initiative. “We see a lot of growth potential coming from the Belt and Road Initiative, as well as significant infrastructure investment gaining momentum here. Hong Kong has always been and will continue to stay strong in logistics, construction and real estate, and will always be the financial centre and service hub for the Asia region.” Valle said.

“We do believe in the vast development in the Asian continent where abundant opportunities can be found, and we want to be part of it,” Valle added.

The company currently employs 24 staff members, and plans to expand the team steadily to 50 staff by 2020, reflecting its commitment to further develop in Hong Kong and Asia. “We see ourselves as a continuing partner with the financial market in Hong Kong, bringing insights to the market by providing neutral information for different industries.” Valle remarked.

When Euromonitor was planning to set up in Hong Kong, InvestHK assisted the company starting from the planning stage. Valle recalled, “InvestHK went the extra mile in helping us to set up and we relied a lot on the team in looking for location and contacts. When we were finally here, we felt extremely welcome and we exchanged a lot of ideas with the department. I can only recommend InvestHK to any companies who want to set up in Hong Kong.”

Euromonitor International

- Established in 1972 in London
- Hong Kong office will officially open in May 2018
- Entered Asia market since 2000 and now has office in Sydney, Bangalore, Shanghai, Tokyo, Seoul and Hong Kong

euromonitor.com



Hong Kong - Important Milestone for Expansion in Asia

Global Exchange opens ten branches at the Hong Kong International Airport, eyeing further growth in the region

“Hong Kong is a fantastic place for doing business. People here are very determined to be successful. It is a competitive place, and is equipped with a good legal and economic system, as well as a deep talent pool.”

Isidoro J. Alanis
President and CEO
Global Exchange Group

First opened in 1996 at Fuentes de Oñoro of Salamanca in Spain, Global Exchange was a local foreign exchange shop at the Spanish-Portuguese border. Reckoning that 90 percent of its customers would be lost after Euro was introduced in 1999, the company decided to expand its business to overseas. From there onwards it has now become one of the world's leading retail foreign currency exchange companies, running over 260 branches at 55 international airports across 21 countries.

The company has recently been awarded with foreign exchange concession at the Hong Kong International Airport (HKIA). Eight out of ten branches are already in operation, and the rest will be launched by late 2018.

Global Exchange has chosen Hong Kong to open its first office in Asia for a few reasons. “We are really proud of securing our presence at the Hong Kong International Airport, as it is recognised as one of the best airports in the world, not only because it has the third largest number of passengers in the world, but more importantly, it has the highest quality of service and facilities up to global standard,” said Isidoro J. Alanis, President and CEO of Global Exchange Group.

“Hong Kong is a fantastic place for doing business. People here are very determined to be successful. It is a competitive place, and has a good legal and economic system, as well as a deep talent pool,” Alanis continued, adding that most of the employees hired in Hong Kong are locals, and he is impressed with their enthusiasm and work quality.

To stand out in the market, Global Exchange's booths in the airport are equipped with touchscreen, multi-lingual display that serves customers coming from around the world. Other value-added, customer care services include an e-pocket destination guidebook exclusively for their customers. “With our high-quality staff, reliable in-house software and constant

adoption of new technologies, we strive for offering quick, efficient and professional services to stay ahead of the game,” Alanis said.

“Our long term goal is to be the best company in retail foreign exchange industry at the airport in terms of the quality of service that we offer,” he added.

After the opening of all branches in Hong Kong by end of 2018, Global Exchange's next mission is to further expand in the region. In five years, said Alanis, the company is going to widen its customer base and set foot in other Asia's international airports. He remarked, “we are always in search of new opportunities and are ready to go anywhere worldwide. Asia has a very fast-growing number of international airports, and this is the area where we would like to propel our business.”

“Eventually, we plan to have our Asia headquarters based here in Hong Kong. This is one of the best places to do business,” he concluded.

Global Exchange Group

- Founded in 1996 in Fuentes de Oñoro of Salamanca in Spain
- Currently serves around 5.5 million customers in 2017 and employs over 2,000 employees
- Awarded with foreign exchange concession at Hong Kong International Airport in 2018. All ten branches will be opened by year end

www.global-exchange.com

The Perfect Launch Pad for Creative and Technology Business

Deep talent pool, dynamic market, mature IT and legal infrastructure make Hong Kong the global headquarters for VR company Shadow Factory

Shadow Factory is a full-stack creative media production studio specialising in providing story-driven immersive experience solution for commercial customers, including virtual, augmented, and mixed reality production. Since its inception in 2016, the company has experienced rapid growth and is now a medium-sized agency comprising creative and technology professionals in Hong Kong. Centrally located in Asia, the company serves a portfolio of international clients based in Hong Kong, Macau, North America and Japan ranging from entertainment and retail to industrial industries.

"Hong Kong is an ideal location where one can comfortably reach entertainment and industrial markets regionally in Asia as well as global brands and corporates, all from the same place. With such market dynamic, together with other perks such as high-speed internet and mature legal and IP infrastructure, Hong Kong offers a unique opportunity for us," said Devin Ehrig, Co-founder.

Coming from film and animation background in the US and seeing VR as one of the most powerful medium of audience engagement, the founders realised that Hong Kong is the perfect launch pad for their VR business, and decided to make the city their global headquarters.

"Hong Kong is where we started," he added, "we have fantastic people here as there is such a sophisticated creative industry in Hong Kong. Our team is majority Hong Kong born and raised, multi-cultural and well-trained professionals. The diversity from Hong Kong is what gives us the global edge."

Thanks to Hong Kong's deep talent pool, Shadow Factory has formed a winning business model and a unique, high-performing team structure with creative, technology and business development specialists.

Ehrig also believes that the fast-growing gaming industry in Hong Kong has created ample opportunities. "Industry associations and relevant organisations are driving diversity in the sector and raising awareness about the prospects of these unexplored markets present including career opportunities for Hong Kong youth. It has never been a better time to involve in interactive content development in Hong Kong," Ehrig remarked.

In less than two years since its inception, the company has grown from four staff to a team of 24, with functions such as creative design, technical production, as well as sales and marketing, and expects to increase up to 40 staff by end of this year. With their upcoming Series B round funding, Ehrig said that Shadow Factory will continue to maintain its productions in Hong Kong while forming a new team in Canada. As the team expands, they are also looking to reaching out to South East Asian market.

Shadow Factory

- Established in 2016 and headquartered in Hong Kong
- A creative media production studio specialising in providing story-driven immersive experience solution for commercial customers
- All immersive content and technology development are produced in Hong Kong

shadowfactory.io

"We have fantastic people here as there is such a sophisticated creative industry in Hong Kong. Our team is majority Hong Kong born and raised, multi-cultural and well-trained professionals. The diversity from Hong Kong is what gives us the global edge."

**Devin Ehrig, Co-founder
Shadow Factory**



“We are fortunate that there is a really good talent pool in Hong Kong. When we have new projects, we can be confident that we can recruit people here without relying too much on our headquarters.”

Mark van Kalles
Contracts Director
Hargreaves Industrial Services



Constructing Further Growth in Asia

As business soars, British industrial services company Hargreaves launched a subsidiary in Hong Kong to meet the rising demand for scaffolding and construction projects

Hargreaves, a comprehensive industrial services company listed in the UK, came to Hong Kong in 2012 and since then the company has been exposed to enormous opportunity in the city. With the business growth over the last six years, Hargreaves recently established Access Services HK Ltd, a subsidiary that specialises in construction and scaffolding projects.

According to Mark van Kalles, Contracts Director, Hong Kong as Hargreaves' first foothold in Asia has provided them a secure and promising environment for business growth. “The market in Hong Kong is very compatible; the legal system and contract law are also comparable with that of the UK,” he said.

“There is a large degree of familiarity of how business is done here compared to the UK,” van Kalles continued, “it makes setting up in Hong Kong very easy and we are looking to using Hong Kong as a hub to expand in Asia.”

He added that the transparency of tendering and licensing procedures with bilingual details makes it easy for foreign companies to bid for projects.

In Hong Kong, Hargreaves mainly offers engineering and maintenance projects. Van Kalles remarked that all of the services they offer in the UK headquarters such as property development, logistics and renewable energy projects are potential opportunities that they can bring to Hong Kong.

In shortly seven months since its launch, over 70 staff have been employed for the projects by Access Services, which includes management staff, engineering project managers as well as general labour. Most of the staff are recruited locally. “We are fortunate that there is a really good talent pool in Hong Kong,” van Kalles said, “when we have new projects, we can be confident that we can recruit people here without relying too much on our headquarters.”

Hargreave's next goal is to diversify their offerings in Hong Kong and expand regionally. “We have already established a good portfolio here to prove our project quality and capability,” van Kalles said, “we will use this as a base to explore other markets and industries.”

He added, “the Belt and Road Initiative is going to make an impact in the industry, especially when we are looking at exporting our services to Mainland China and Southeast Asia.”

Since Hargreaves was set up in 2012, InvestHK has provided assistance in different levels such as publicity and advice on visa application. “We started talking to InvestHK six years ago, and we are still talking today. There is a role of them not just during the set up stage, but also helping along a company's growth,” van Kalles concluded.

Hargreaves Industrial Services

- Headquartered in Durham in the UK, the company has over 2,000 employees globally
- Deliver projects and services in the infrastructure, energy and property sectors in the UK, while in Hong Kong the company currently focuses on engineering and maintenance work
- Its subsidiary Access Services HK Ltd was established in last September to provide construction and scaffolding projects in the region

www.hsgplc.co.uk

Eyeing the Potential of Innovation and Technology Development in Asia

Specialising in sensing, processing and powering technologies, Teledyne e2v recently expanded its regional headquarters in Hong Kong in the midst of rapid growth in the region

Since its establishment in the 1960's, US company Teledyne Technologies provides enabling technologies for a diverse range of markets that require advanced technology and high reliability, including deepwater oil and gas exploration and production, oceanographic research, air and water quality environmental monitoring, factory automation and medical imaging. In March 2017, the company acquired UK company, e2v, which is also specialised in producing high performance RF & microwave, Imaging and Semiconductor based products and solutions, and became Teledyne e2v. The Asia Pacific headquarters of Teledyne moved to a brand new facility in the Hong Kong Science Park in the latter half of 2017.

According to Anthony Fernandez, Vice President of Asia Pacific, there are two main reasons why the company selected Hong Kong as their regional headquarters. "With the majority of our customers being based in Northern Asia, mainly Mainland China, Japan and South Korea, our office needs to be located in a strategic geographic location that enables quick customer support. Also, the transparent legal and financial structures that we are familiar with give us confidence in doing business here."

The Hong Kong office has a team of 20 playing a key role in supporting and integrating growing its Asian presence. The team provides sales and marketing, application development, technical and operational support to customers across the region. In addition, the company also has offices in Shenzhen, Beijing, Yokohama, Seoul and Taipei.

InvestHK has been providing ongoing support since e2v's first set up in Hong Kong, including assistance with company registration, bank account opening and staff recruitment, and now the expansion of Teledyne e2v in the city.

Promising Innovation and Technology Ecosystem

Fernandez is positive about the innovation and technology ecosystem in Hong Kong. "We are glad to see there are many technology startups in the Science Park here. A lot are driving the development of Artificial Intelligence (AI) and Industry 4.0 that creates smart factory. Being part of the technology community, we can strengthen our ties with existing business partners and extend our reach to new customers in the region." He added, "There are some of the best universities with lots of excellent talent, along with returning students from overseas, we can find a strong pool of very talented engineers here."

Looking ahead, the company continues to conduct more technology and application development in Hong Kong, as the customer base in Asia is growing rapidly and they need local support to drive innovation and R&D. "It gives us tremendous opportunities in collaborating with customers and co-innovating customised products. We foresee there will be more development in Hong Kong and in Asia, especially for advanced technology applications", Fernandez enthused.

Teledyne e2v

- Globally recognised for more than 60 years of commitment and technological breakthroughs in the provision of high reliability solution, sub-systems and components to the most demanding of professional markets
- The Asia Pacific headquarters is located in Hong Kong with other five offices in the region

Teledyne-e2v.com

"The transparent legal and financial structures that we are familiar with give us confidence in doing business here."

Anthony Fernandez
Vice President, Asia Pacific
Teledyne e2v



Driving Revenue and Future Growth in Online Entertainment Industry

After its IPO debut in Hong Kong, Vobile looks to Mainland China as market lures investment

Founded in 2005, Vobile is headquartered in Santa Clara, California with offices in the United States, Japan and Hong Kong. The company's mission is to deliver the best technology platforms to unleash the full potential of video content in the new era.

With its range of products developed in the Silicon Valley, Vobile helps content owners and distributor, such as movie studios, TV networks and video streaming platforms, to minimise piracy-induced revenue loss, while at the same time maximising profit generated by worldwide content distribution. Its technology platform VDNA® Digital Fingerprinting enables video and audio tracking for copyright protection and measurement.

After listing on the Hong Kong Stock Exchange Main Board in January 2018, Vobile is setting up more offices in Mainland China which will be wholly-owned or being a subsidiary of the Hong Kong office. New R&D centres set up in Hong Kong and Mainland are also under way.

According to Yangbin Wang, Chairman and CEO, the entertainment and media landscape has experienced a drastic change in the last decade with the booming internet and technology infrastructure. "We believe the industry will have a great future, and we need to find a sweet spot where technology helps our clients to protect their content better across the internet, while at the same time monetarise and maximise the revenue so as to attract more investment into the industry," Wang said.

He added that setting up an APAC headquarters in Hong Kong has benefited the company in many ways. "Many of our clients in the US are looking for ways to enter Mainland market," Wang said, "having a presence here has allowed us to follow our clients closely, and provide insights and services that are close to the Mainland market."

"The development in Guangdong-Hong Kong-Macao Greater Bay Area, as well as the high-speed rail connecting Hong Kong with Shenzhen and Guangzhou will also make the city a unique place for us to accelerate in the region," Wang continued.

"Hong Kong is efficient not only because of the fast working pace, it is also the people and their professionalism that makes the city a perfect spot for expanding our business," Wang said, adding that the city's high quality education has also produced a deep talent pool favourable for any industries and job functions.

InvestHK's San Francisco office has been in contact with Wang for a long time and provided information for setting up in Hong Kong. Wang recalled, "It was like a very close friend and support us throughout the process. I'm very grateful to the staff who have been so helpful and informative."

Vobile Group Limited

- Winner of the 69th Technology and Engineering Emmy Awards granted by the National Academy of Television Arts and Science in 2017
- Incorporated in Hong Kong as Vobile Group Limited and was listed on the Hong Kong Stock Exchange Main Board
- Plans to expand its Hong Kong operation with additional business development headcounts in 2018 and eventually sets up a R&D centre

VobileGroup.com

"Hong Kong is efficient not only because of the fast working pace, it is also the people and their professionalism that makes the city a perfect spot for expanding our business."

Yangbin Wang
Chairman and CEO
Vobile Group Limited



“We believe that Hong Kong is the right place for us to be. It is close to our suppliers in Mainland China and South East Asia, and it also has a well-established connection with the European and North American markets.”

Nicolò Bellotto
CEO
Dezoo



Striving for Innovation in Home Decor

With an international team based in Hong Kong, Dezoo is ready to embrace latest technologies, AI and Chatbot, into its future development

Dezoo is a B2B platform that connects professional buyers, furniture and homeware suppliers and designers within the furniture and home decor industry. The platform provides a dedicated solution that optimises furniture sourcing journey. Buyers can browse this online platform to source from verified suppliers even with small order quantities. It is also a platform for aspiring independent furniture designers to partner with manufacturers and realise their ideas.

The company has recently set up an office in Hong Kong to manage this B2B marketplace in the Asia region. Nicolò Bellotto, CEO, said, “We believe that Hong Kong is the right place for us to be. It is close to our suppliers in Mainland China and South East Asia, and it also has a well-established connection with the European and North American markets.”

Headquartered in Hong Kong, Dezoo's international team comprises six members coming from Italy, Canada, the United States, and Hong Kong. This multi-cultural team has brought onboard their extensive experience from around the world. As the company expands their operation in Asia, more roles will be added to the team such as marketing officer, relationship manager as well as sourcing manager.

Bellotto added, “From a centrally located base in Hong Kong, we can maximise our logistics and connectivity along Belt and Road economies where we can develop both supplier and customer bases. We believe this is a perfect fit for our business model.”

Technologies and innovations are the key elements for Dezoo to create customised user interfaces. One of the new features

that Dezoo has developed is an in-house created “Moodboard” which users can use to mix-and-match images of the items selected and virtually share this canvas to their clients. Other platform developments will include more functions to facilitate interaction between buyers and sellers. A real-life competition launched later this year will allow winners to produce specialist pieces. There are plans to further engage Hong Kong's tertiary institutions.

“We are also very interested in further developing AI solutions which can guide professional buyers through their sourcing process, including functionalities such as an online assistant, chatbots and image recognition solutions. These technologies will definitely play a substantial role in our future development,” Bellotto said.

Dezoo

- Set up in 2016 and headquartered in Hong Kong
- Currently has six staff in Hong Kong with a plan to expand
- Selected to be the exhibitor in the ALPHA programme in RISE 2018

dezoo.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
Belgium		New Zealand	
BAUNAT (HK) Ltd	Digital Native Diamond Jewellery Brand	178 Degrees	Premium New Zealand Food Importer and Distributor
Canada		Philippines	
Korah (HK) Limited	AI Technology	AlphaConcepts International Limited	Influencer Marketing Platform
France		Russia	
Astrakhan APAC Limited	IT Consultancy	ATC Air Service Limited	Logistics and Tourism
Enyx LTD	Ultra-low Latency Technology and Solutions	Singapore	
ePITsolutions Limited	eLearning	Cocoba Hong Kong Limited	Snack Retail
GIDA Limited	Interior Design	Metro Residences Hong Kong	Online Property Searching Platform
Le Petit Croissant	Breakfast Delivery Service	Spain	
Think it Twice Limited	Mobile Training for Retail Sector	Global Exchange	Foreign Exchange Service
Vigeo Eiris Hong Kong	ESG Research Provider	Sweden	
WHAT'sIN	Online Fruit Boxes Delivery Service	Wan Living	Scandinavian Design Products - eCommerce
Germany		Taiwan	
Beautiful Brands Ltd.	German Consumer Products Distributor	MemePR	AI Marketing Platform
Ireland		Yuanta Commercial Bank Co., Ltd. - Hong Kong Branch	Banking
Aergo Capital Asia Limited	Aircraft Leasing	United Kingdom	
Italy		Access Services HK Ltd	Construction and Scaffolding Projects
Dezoo	eCommerce for Home Deco	Euromonitor	Market Research
Japan		Halal Planet	Travel and Tourism Online Platform
AP Company	Restaurant	Invest Northern Ireland	Government Economic Development Agency
DYM Hong Kong Limited	Healthcare Services	TourDesk Hong Kong Limited	Travel Technology
TG Trade (Hongkong) Co., Ltd.	Medical Device Trading	Traveltek Hong Kong Limited	Travel technology
Korea		Wise Fine Enterprise Limited	Retail
T'way Air Co. Ltd.	Aviation	United States	
Mainland China		Bears Nutrition Asia Ltd	Premium Children's Nutrition Brand
CALS Aviation Group	Aircraft Operating Leasing, Lease Management and Advisory Services	David Zwirner	Art Gallery
Chongqing Spicy Hot Pot Company Limited	Restaurant	Deloitte Asia Pacific Blockchain Lab	FinTech
Hong Kong Representative Office of Zhuhai	Government Sector	HALO Learning Works (Asia) Limited	Educational Technology
Juewei Food (Hong Kong) Limited	Food Retail	Hush Home	eCommerce Brand & Hospitality Supplier
KQ International Limited	Geospatial Information Services	Miro	Applied AI
Qingdao (China) Centre for Business & Commerce (Hong Kong)	Government Sector	Ping Pong Global Holdings Ltd.	Financial Services
The Hotelier Awards Hong Kong Ltd.	Hospitality	Shadow Factory	Creative Media Production Studio
Unisplendour Technology (Holdings) Limited	Surface Mount Technology (SMT) Equipment Manufacture, Financial Investment and Asset Management	TD Ameritrade Hong Kong Limited	Brokerage
Mexico		Teledyne e2v	Machine Vision Sensors, Aerospace, Medical and Life Science, and Geospatial
Mezcalito	Lounge and Bar	Vobile	SaaS for Content Protection and Distribution



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