

# InvestHK

Quarterly Newsletter

January 2019



## Hong Kong – A Magnet for All

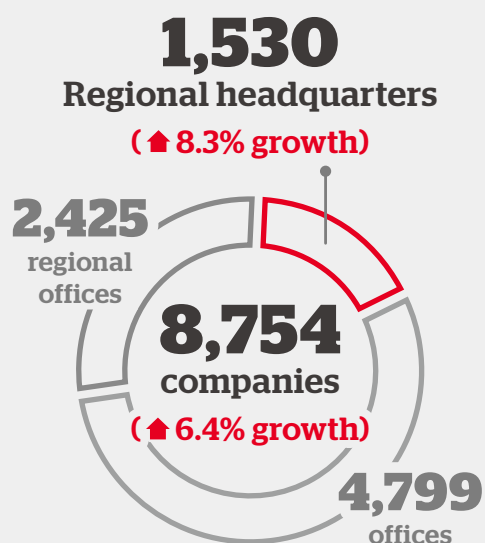
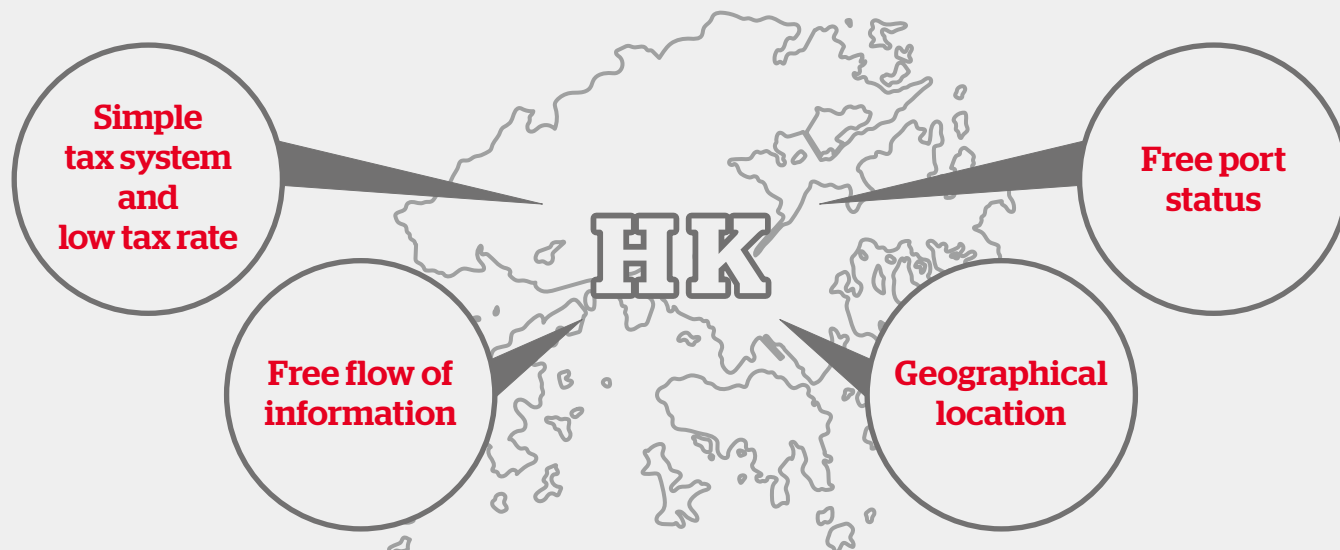
Ranked as the world's freest economy for the 24th consecutive year, Hong Kong is an ideal place for overseas and Mainland companies to run their regional and local operations.

**This Issue** 4-5 Special Feature: Hong Kong as an I&T hub  
6 International Forward Calendar 7-15 Case Studies

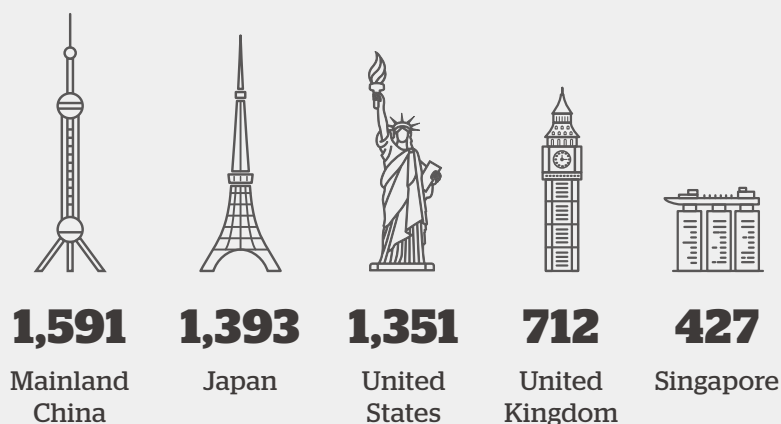


According to the results of a joint survey conducted by Invest Hong Kong (InvestHK) and the Census and Statistics Department (C&SD), in 2018 over 8,700 business operations in Hong Kong have parent companies situated overseas or in the Mainland. Among them, 1,530 are regional headquarters (RHQ), 2,425 regional offices (ROs) and 4,799 local offices (Los).

**The following are the top favourable factors that affect the choice of setting up an office in Hong Kong:**

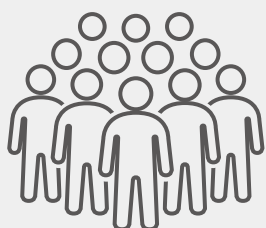


#### Top five source countries/ territories



#### No. of staff employed

**485,000**  
(↑ 8.6%)



#### Major lines of business

Import/  
export trade,  
wholesale and  
retail



Financing and  
banking

Professional,  
business  
and education  
services



Transportation,  
storage  
and courier  
services

## Hong Kong Continues to be a Leading Global Startup Hub

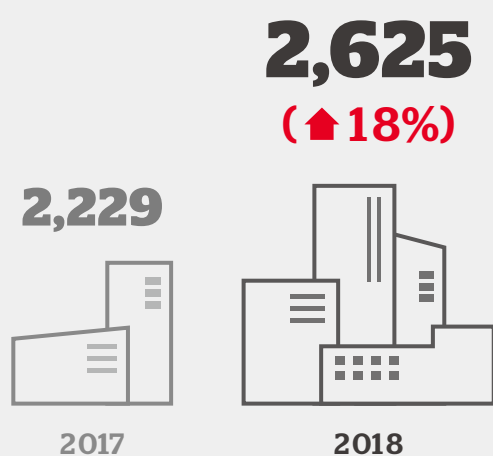
Hong Kong's startup ecosystem has skyrocketed in the last few years. On top of its enduring commercial advantages, Hong Kong's legendary spirit of enterprise and its boundless energy create the perfect environment for starting a business. This is supported by a strong

network of incubators and accelerators, a pool of experienced angels and venture capitalists, a host of government backed programmes and a welcoming community of startups knit together by dozens of networking events, seminars and associations.

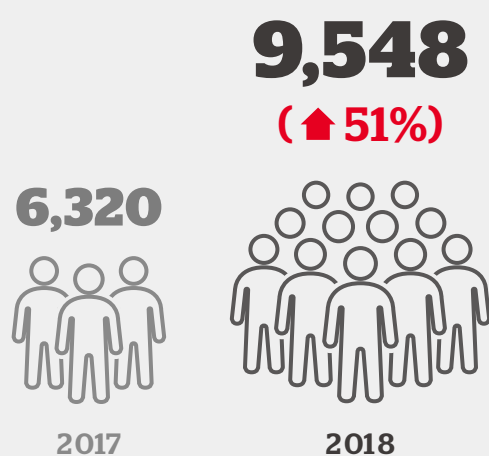
The survey was carried out in collaboration with 48 co-work spaces, incubators and accelerators covering 79 locations. The objectives are to better understand the startup community and to promote Hong Kong as a leading hub for innovation and entrepreneurship.

### InvestHK's Startup Survey highlights:

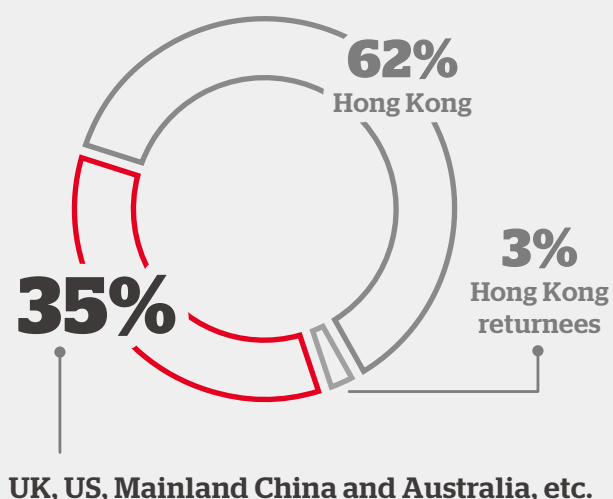
#### Number of startups



#### Number of staff employed



#### Origins of founders



#### Top business sectors

FinTech, e-Commerce/  
supply chain management/  
logistics technology, professional or  
consultancy services,  
information, computer and  
technology or ICT



#### Check out the details of the StartmeupHK Festival 2019

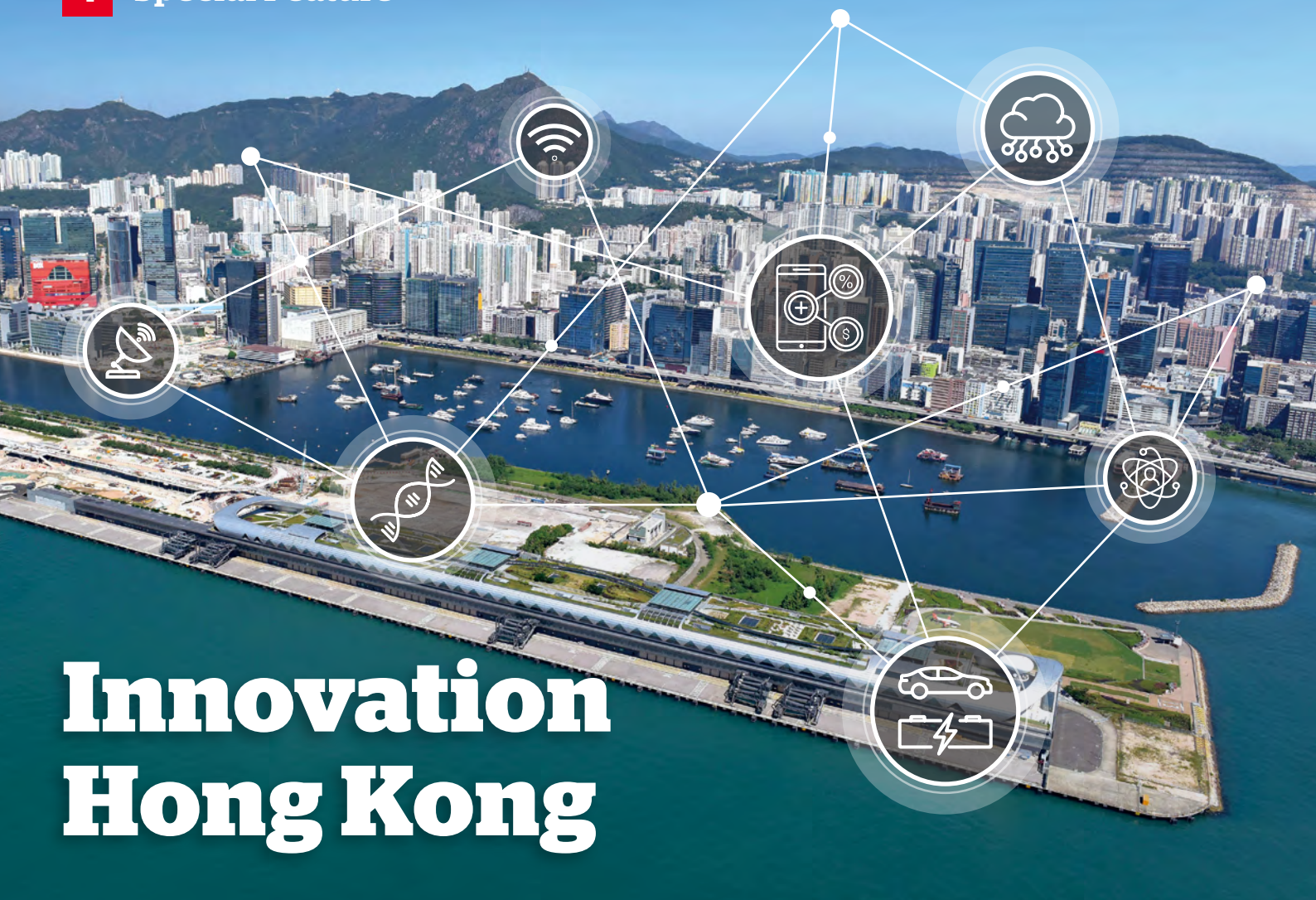
21-25 January  
Hong Kong Convention and  
Exhibition Centre



To set up or expand your business in Hong Kong,  
contact us:

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# Innovation Hong Kong

The Chief Executive's 2018 Policy Address outlining the key strategies for developing Hong Kong into an international innovation and technology (I&T) hub has received wide recognition from various sectors and good progress has been made in the past year. The Guangdong-Hong Kong-Macao Greater Bay Area has a strong focus on I&T and offers not just a huge market of 68 million people for technology enterprises, but a highly efficient manufacturing base for turning research outcomes into prototypes and products.

The Government focuses on four key areas with notable strengths, namely **biotechnology**, **artificial intelligence**, **smart city** and **financial technologies**, and is implementing a series of new policies to support their development. The infrastructure works of the Hong Kong-Shenzhen I&T Park at the Lok Ma Chau Loop has commenced in June 2018, with the objective of providing the first batch of land parcels for superstructure

development not later than 2021. The Science Park expansion project will be completed one year ahead of schedule in 2019, the InnoCell residential building for talent, as well as the Data Technology Hub and the Advanced Manufacturing Centre

at Tseung Kwan O Industrial Estate will be completed progressively starting from 2020 as scheduled.

## Funding Support

In addition to hardware support, the





Government provides \$10 billion dedicated funding to develop two research clusters in healthcare technologies and artificial intelligence and robotics. The Institut Pasteur from France, as well as the Guangzhou Institute of Biomedicine and Health and the Institute of Automation in Beijing under the Chinese Academy of Sciences (CAS) have expressed interest in joining the clusters at Hong Kong Science Park to work in collaboration with local universities and research institutions. The University of Hong Kong and the Harvard John A. Paulson School of Engineering and Applied Sciences have agreed to set up a joint laboratory of instrumentation for precision medicine in December 2018.

In September 2018, the "Arrangement on Enhancing Innovation and Technology Cooperation between the Mainland and Hong Kong" was signed as an action guide and framework for the two parties to take forward the various I&T co-operation initiatives in the coming few years. The two sides will enhance co-operation in six areas, namely scientific research, development of platforms, nurturing of talents, transfer of results and incubation of I&T industry, integration into national development strategies, and cultivation of an I&T atmosphere. It will also promote transfer and translation of scientific research results, co-ordinate collaboration between the CAS and local universities, undertake technological education and promotion activities as well as setting up a Joint Laboratory Funding Scheme with the provision of one-off research grants up to \$30 million.

### Talent Admission

Since having quality talent is the key to I&T development, in June 2018, the Government has launched a pilot fast-track Technology Talent Admission Scheme to enable technology companies or institutes to attract overseas technology talent, in focused technology areas, including biotechnology, artificial intelligence, cybersecurity, robotics, etc.

In addition, a \$500 million Technology Talent Scheme was launched to train and pool technology talent, and through



the injection of \$3 billion into the Research Endowment Fund, providing studentships for local students admitted to research postgraduate programmes and subsidise local enterprises on a matching basis for training their staff on advanced manufacturing technologies.

The Postdoctoral Hub programme provides funding support to qualified companies to recruit up to two postdoctoral talents for research and development (R&D) work and provide a monthly allowance of \$32,000 for each postdoctoral talent for up to 24 months.

Furthermore, in August 2018, the Government announced its first talent list aiming to attract quality people from around the world in 11 professions to support Hong Kong's development as a high value-added and diversified economy.

### Encouraging R&D

Hong Kong also offers a super tax deduction of up to 300 per cent for the first \$2 million of qualified R&D expenses, and 200 per cent for the remainder with no upper limit. It has also deployed \$2 billion under the Innovation and Technology Venture Fund Scheme to co-invest, on a matching basis, with venture capital funds in local technology startups and has already entered into agreement with six investment companies in July and August this year to invest, on a matching basis, in local technology startups.

To sum up, the recent developments and strong policy support have created many exciting business opportunities and scope for expansion in Hong Kong.

## JAN

9	<b>American Community Networking Reception</b> This networking reception is to thank American companies for their contribution to Hong Kong. <i>Location: Hong Kong</i> <i>Organiser: InvestHK (by invitation only)</i>
14-15	<b>Asian Financial Forum (AFF)</b> The AFF brings together some of the most influential members of the global financial and business community to discuss developments and trends in the dynamic markets of Asia. <i>Location: Hong Kong Convention &amp; Exhibition Centre</i> <i>Organisers: HKSAR Government and the Hong Kong Trade Development Council (HKTDC)</i> <a href="http://www.hktdc.com/ncs/aff2019/en/main/index.html">www.hktdc.com/ncs/aff2019/en/main/index.html</a>
15	<b>Hong Kong Business Seminar &amp; Chinese New Year Reception in Bristol</b> Hong Kong business seminar followed by Chinese New Year celebrations. InvestHK will share about the business opportunities in Mainland China and Asia via Hong Kong, including the Greater Bay Area and Belt and Road initiatives. <i>Location: SS Great Britain, Great Western Dockyard, Gas Ferry Road, Bristol, England BS1 6TY</i> <i>Organisers: InvestHK, Hong Kong Economic and Trade Office (London)</i>
16	<b>Business Luncheon in London</b> InvestHK will share about the business opportunities in Mainland China and Asia via Hong Kong, including the Greater Bay Area and Belt and Road initiatives. <i>Location: Harry's Bar2, 17-20 Ironmonger's Lane, London, EC2V 8EP</i> <i>Organiser: International Professional Association</i> <a href="http://www.internationalprofessionalsassociation.com">www.internationalprofessionalsassociation.com</a>
29-30	<b>4th Paris Fintech Forum</b> The event will address key issues related to digital finance and FinTech in particular in 90+ panels and 60 pitches on four stages and two workshop rooms. 220+ CEOs will be on stage and 2,600+ participants from banks, AI, Data, alternative lending, Insurtech, Blockchain & Crypto assets, Payment, platforms will attend. <i>Location: Palais Brongniart, Paris</i> <i>Organiser: Alteir Consulting</i> <a href="http://www.parisfintechforum.com">www.parisfintechforum.com</a>

## FEB

25-28	<b>MWC Barcelona</b> One of the world's largest mobile events, the event brings together the latest innovations and leading-edge technology from more than 2,400 leading companies, with a conference programme assembling today's visionaries to explore the hot industry. <i>Location: Fira Gran Via and Fira Montjuïc</i> <i>Organiser: GSMA</i> <a href="http://www.mwcbarcelona.com">www.mwcbarcelona.com</a>
27	<b>2019 ChinaWatch Forum</b> Under the overall theme of "Pioneering China with New Paradigm Strategy", this forum targets to welcome 250+ attendees who are interested in investing into Mainland China and Hong Kong. <i>Location: Four Seasons Hotel Seoul</i> <i>Organiser: BusinessWatch</i>

## MAR

14	<b>Mainland Reception</b> This networking reception is to thank Mainland companies for their contribution to Hong Kong. <i>Location: Hong Kong</i> <i>Organiser: InvestHK</i> <i>Co-organisers: Hong Kong Chinese Enterprises Association, Chinese Banking Association of Hong Kong, Chinese Securities Association of Hong Kong (by invitation only)</i>
29-31	<b>Art Basel Hong Kong</b> Art Basel returns for its seventh edition in Hong Kong. The show will feature 242 premier galleries representing 36 countries and territories from around the world, including 21 new galleries, with works ranging from modern masterpieces to the most contemporary work by established and emerging artists. <i>Location: Hong Kong Convention &amp; Exhibition Centre</i> <i>Organiser: MCH Group Asia Ltd.</i> <a href="http://www.artbasel.com/hong-kong">www.artbasel.com/hong-kong</a>

## APR

4	<b>Hong Kong ICT Awards 2019</b> The Hong Kong ICT Awards aims at recognising and promoting outstanding information and communications technology (ICT) inventions and applications, and encourage innovation and excellence among Hong Kong's ICT talents and enterprises. <i>Steered by: The Office of the Government Chief Information Officer</i> <i>Location: Hong Kong</i> <a href="http://www.hkictawards.hk/index_e.php">www.hkictawards.hk/index_e.php</a>
15-16	<b>Internet Economy Summit 2019</b> The 4th Internet Economy Summit (IES) is the region's flagship event on digital economy that aims to examine how businesses can leverage data-driven innovations to capitalise on opportunities in the connected world. The 2-day Summit themed "Digital Economy • Redefines our Future" brings together prominent industry icons, top business executives and entrepreneurs from around the world offering a vision into the digital future with disruptive influence in the hottest topics at the forefront of global technology development. <i>Location: Hong Kong Convention and Exhibition Centre</i> <i>Organisers: HKSAR Government, Hong Kong Cyberport</i> <a href="http://ieconomysummit.hk">ieconomysummit.hk</a>
29-30	<b>Innovate Finance Global Summit</b> This annual event is one of the most prestigious conferences for the FinTech industry. It is a platform that convenes the world's global institutions together with startups, policy makers and investors to share ideas and solutions to the challenges facing financial services. <i>Location: Guildhall, Gresham St, London EC2V 7HH</i> <i>Organiser: Innovate Finance</i> <a href="http://ifgs.innovatefinance.com">ifgs.innovatefinance.com</a>

See more events at



# Innovative Spaces for Startups to Grow



**Hong Kong has always been an international business hub and makes it the ideal base from which Tencent can connect to the world.** ”

**Elaine Wang, General Manager  
Tencent WeStart**



## Leading Mainland China internet value-added services conglomerate launched a pioneering platform in Hong Kong to nurture the digital.

In 2013, Tencent launched Tencent WeStart Innovation Space in Mainland China and has rapidly spread to 34 locations. The objective is to create an open, inclusive and borderless ecosystem for startups and cutting-edge industries. Recently, the group launched their first Innovative Space branch outside Mainland China in Hong Kong.

Located in Kwun Tong, Tencent WeStart HK spans over 16,000 square feet and can host around 200 enterprises. By pursuing Tencent's open platform strategy with the focus on digital content and AI, the Hong Kong centre partnered with VS Media (a YouTube certified MCN company) and Hong Kong's reputable developer New World Development's K11 with the aim of attracting local and overseas digital content creators to contribute to the startup ecosystem. Through promoting entrepreneurship in Hong Kong, Tencent WeStart hopes to attract overseas companies to come to Asia and help Mainland entrepreneurs to go global.

"Hong Kong has always been an international business hub and has always been innovative, open and collaborative. It makes an ideal base from which Tencent can connect to the world. Together with the deep talent pool, the city is the ideal location to set up the first Tencent WeStart Innovation Spaces outside Mainland China. We hope local and overseas entrepreneurs can establish a closer relationship with the Mainland market and understand the related policies better," said Elaine Wang, General Manager of Tencent WeStart.

Other than just setting up a physical presence in the Innovation Space, enterprises can also leverage on a wide range of exclusive services provided by Tencent for further collaboration. Through online service platform open.qq.com, entrepreneurs can get access to a variety of business services or app development assistance. In addition, they can ride on Tencent's open media content platform, to create short videos, pictures and articles and distributed across multiple Tencent content products. Content can be easily accessed by Mainland users or content generated in Mainland can go global.

Investment is also an essential element for startups to succeed. Tencent provides investment support, including Tencent WeStart innovation fund incubator programme, Tencent open platform interest-based content fund for potential enterprises. In addition, entrepreneurs can easily connect to other Tencent's partners for advice and support and can attend education courses, conferences and events.

### Supportive Government Garners Greater Opportunities

Given Hong Kong government's staunch support in promoting the innovation and technology development through different areas such as investing in infrastructure development, R&D collaboration and nurturing startups, Xu strongly believes that these initiatives can attract many foreign companies to set up their presence in Hong Kong. With increased interaction with Mainland Chinese enterprises, mutual exchange of knowledge and experience can be further facilitated. At the same

time, Hong Kong has an excellent working environment and free flow of information. "With similar Chinese cultural background, there are a lot of potential talent in the area of creative industries that we can nurture and tap into," Wang commented.

Eyeing the future, Hong Kong plays a key role in enhancing the Guangzhou-Hong Kong-Macao Greater Bay Area development thanks to its proximity to Shenzhen and Guangzhou. "We at Tencent have always been focusing on the Greater Bay Area development. With our headquarters in Shenzhen, we hope to join forces with Hong Kong to promote China's digital ecosystem by encouraging more interaction with overseas enterprises," Wang concluded.

Together with InvestHK's Hong Kong and Mainland teams, a wealth of information on the region's startup ecosystem can be shared with the Innovation Space enterprises.

### Tencent WeStart

- Tencent WeStart Hong Kong Innovation Space is the first of its kind to open outside Mainland China
- Digital content startups can leverage on a wide range of exclusive services provided by Tencent around the world for support and collaboration

[westart.tencent.com](http://westart.tencent.com)



# Bon Voyage to Success

**Miami-based Norwegian Cruise Line vies to lead the fast-growing cruise market in Asia.**



Asia's cruise line industry is definitely booming. According to Cruise Line Industry Association's "Asia Cruise Trends Report 2018", Asian cruise passengers grew from 775,000 to over four million between 2012 and 2017. Hong Kong, being Asia's top five largest source markets, also saw an 80 percent growth in passenger number in 2017.

Seeing a great potential in Asia, US-based Norwegian Cruise Line Holdings Ltd. (NCLH), one of the world's leading cruise companies, expanded to Asia in 2015 with Hong Kong as its first port of call. Followed by more regional offices opened in Shanghai, Beijing, Tokyo, Singapore and Mumbai, Hong Kong remains NCLH's regional hub for reservations and operations of its fly-cruise business in Asia.

Felix Chan, Vice President of Sales Asia, believes that the city's high quality talent pool is the most important factor for NCLH to begin its Asia voyage from Hong Kong. "We have a strong team of sales and operations professionals here who could

serve our travel agency partners and guests in different places such as Japan, India, Southeast Asia and Mainland China," he said, "with the language advantage as well as the time-zone convenience, Hong Kong is undoubtedly an ideal place to be our regional hub."

NCLH's three brands serve Asia's diverse market well: Norwegian Cruise Line is the most popular choice for young adults and multi-generation families; Oceania Cruises features "the finest cuisine at sea" for upper premium, epicurean travellers, while Regent Seven Seas Cruises offers highly-personalised services for guests who are seeking the most luxurious experience on the ocean.

"Asian consumers are driven by destinations and great value," Chan said, "cruising offers great value proposition as you can easily visit multiple destinations in a single trip, particularly so when you go to places where dining, transportation, and accommodation are expensive or difficult to get by in a typical land vacation."

Besides the consumer market, incentive travel also creates a big opportunity in Asia for NCLH. "Cruise is one of the best solutions for incentive travel organisers for its logistical arrangement convenience and value-for-money packages," Chan said, "we are seeing more demands for hosting incentive groups on our ships, especially from India and Japan. There is a big potential in Asia."

In response to the demand from its home market, NCLH is also expanding its deployment in Asia on top of its existing 450 destinations. More cruises will be sailing in Asian waters in the coming years, including a 2,400-passenger cruise Norwegian Jade which will sail from Hong Kong in January 2020.

**“With the language advantage as well as the time-zone convenience, Hong Kong is undoubtedly an ideal place to be our regional hub.”**

**Felix Chan**  
**Vice President of Sales Asia**  
**Norwegian Cruise Line Holdings Ltd.**

## Norwegian Cruise Line Holdings Ltd.

- Listed on the New York Stock Exchange (NYSE:NCLH) and has been selected to join the S&P 500 Index from 13 October 2018.
- Currently hires 14 employees in Hong Kong office covering operations, sales and administration functions.
- Owns a combined fleet of 26 cruises with approximately 54,500 berths. Eight more ships will be added to the fleet by 2027.

 [ncl.com](http://ncl.com)





# Enabling a Smarter, Safer City

**US wireless MESH technology company offers one-of-a-kind Smart City network solution to help governments improve public safety.**

Headquartered in Hong Kong, Anywhere Networks (formerly "P2 Wireless Technologies") is a Smart City network solutions and service provider offering comprehensive solutions that focus on public safety and connects IoT devices such as IP surveillance cameras, sensors and other applications for governments, industries and enterprises. Ideal for deploying city-wide applications, Anywhere Networks's intelligent MESH technology offers a secure, high capacity and scalable network solution for high-bandwidth demanding application and mission-critical network infrastructure.

Leveraging existing fiber infrastructure, Anywhere Networks's unique technology enables customers to reliably connect and manage multiple Ethernet devices at 19,200 locations on one network.

The company has recently completed a Smart City pilot project for the Taiwan government, deploying some 620 smart lamp poles with IP cameras, smart lighting systems, sensors, and digital signage, providing full connectivity coverage to all smart lamp poles across Taoyuan city.

Bo Larsson, Executive Chairman & Chief Operating Officer, believes MESH networking is the future for supporting Smart City projects. With the Hong Kong and Mainland Chinese governments launching various initiatives supporting the innovation and technology industry, such as the Hong Kong-Shenzhen Innovation and Technology Park on the Lok Ma Chau Loop, and the Guangdong-Hong Kong-Macao Greater Bay Area, there are ample opportunities for intelligent MESH networking solutions connecting IoT devices anywhere.

"We are excited about all these government initiatives that promote the development of innovation and technology," Larsson said,

“

**We looked at many other cities before, but we finally decided to set up our headquarters here in Hong Kong. One of the main reasons is that we saw the HKSAR government has been putting a lot of effort to help companies to be successful here.**”

**Bo Larsson  
Executive Chairman &  
Chief Operating Officer  
Anywhere Networks**

"we also plan to hire more engineers in Hong Kong and Mainland as we see substantial opportunities ahead of us." Headquartered in Hong Kong, Anywhere Networks has also set up a new office in Guangzhou this year to better serve the Mainland market.

Larsson thinks that Hong Kong is the best headquarters location for Anywhere Networks. "We looked at many other cities before, but we finally decided to set up our headquarters here in Hong Kong," he said,

"one of the main reasons is that we saw the HKSAR government has been putting a lot of effort to help companies to be successful here."

He added that with the proximity to Mainland China, Hong Kong has given them the best position which makes it easy for them to access the China market.

With office in the Hong Kong Science and Technology Park, Anywhere Networks currently hires some 30 professionals, which two third of them are engineers. With the rapid business growth, their target is to triple the headcounts in the coming year. Moving forward, Anywhere Networks also plans to launch IPO in Hong Kong in the next two years, hoping to raise enough funds for the company to become a global market leader.

Introduced to InvestHK's head office before it came to Hong Kong, Larsson thinks that the department has offered tremendous help in helping them to set foot in the city. "The team is very kind and supportive. They helped us a lot on understanding how everything works here," he concluded, "their service is invaluable to foreign companies like us."

## Anywhere Networks

- Headquartered in Hong Kong with regional offices and R&D center in San Francisco Bay Area
- Established business presence in Asia Pacific, Europe, North America, and Middle East

 [p2wireless.com](http://p2wireless.com)

# Boosting Connection to Hong Kong

Finnair goes “Double Daily” to Hong Kong to meet rising demand for flights between Europe and Asia.

“

Many recent government initiatives have a positive impact on the future growth of our business. ”

**Stan Kwong**  
Regional Head  
Finnair



Finnair, one of the world's longest operating airlines, will increase their direct flights between Helsinki and Hong Kong in 2019 to cater for the rising demand. Currently with 12 flights weekly, Finnair will go “Double Daily” with two flights per day, or 14 flights weekly, starting from April 2019.

“The Nordic region has become a very popular destination for Hong Kong travellers, as Northern lights and nature travel in Finland are some of the hottest travel trends,” said Stan Kwong, Regional Head, “we see the increasing demand and the rapid market growth, and we expect the growth will continue to accelerate.”

With a network covering 100 destinations in Europe and connecting to 19 Asian cities, Finnair also offers one of the fastest connections between Asia and Europe via Helsinki.

The launch of “Double-Daily” not only shows the popularity of Finnair's products in the Hong Kong market, but also highlights the airline's strong commitment to Asia.

“Many recent government initiatives have a positive impact on the future

growth of our business,” Kwong said. “With the development of Guangdong-Hong Kong-Macao Greater Bay Area, more traffic into and out from the region is expected. With Finnair's extensive network in Hong Kong and Guangzhou covering the Greater Bay Area, travellers can choose to travel via their closest departure point in either city.”

“The newly opened HongKong-Zhuhai-Macao Bridge (HZMB) situated right next to the Hong Kong airport will bring more travellers from neighbouring cities,” Kwong added, “HZMB, coupled with the Express Rail Link, will certainly enhance Hong Kong's status as the regional hub, especially for trading and business. We will take this opportunity to partner with different stakeholders to build the best travel ecosystem in the region.”

According to Kwong, Mainland China will remain Finnair's focus market in Asia for its high volume of travellers and the enormous growth potential. In the coming years, the airline will also harness digital to boost revenue, system efficiency and customer experience. For example, Finnair has recently launched its official WeAir under WeChat account

that allows customers to book and purchase their Finnair flights.

Set up in 2002, Finnair's Hong Kong office has recently expanded the staff size by 60 percent. To support the fastest growth phase in its 95-year history with increased capacity, growing traffic, new services, and strong ambitions, the airline also plans to recruit more experts, digital professionals, customer service, mechanics and cabin crew.

## Finnair

- Founded in 1923, Finnair is one of the world's longest continuously operating airlines
- Hong Kong office current employs 15 staff members responsible for sales, cargo, airport counter servicing, business development and marketing

 [finnair.com](http://finnair.com)

# Unleashing the Power of Data Innovation

**Hitachi sees Hong Kong as a perfect launchpad to set up its first innovation center with an aim to offer smart city solutions to the city.**



Data is always a great asset to a company but how to use it effectively to increase revenue, enhance customer experience or lower business cost is a popular topic among many enterprises. In view of this, Hitachi Vantara, a wholly owned subsidiary of Hitachi Ltd opened an innovation center in Hong Kong in 2018 with the goal to co-create data-driven solutions and insights with its partners to drive business growth and foster social innovation development.

The innovation center in Hong Kong is a first-of-its-kind by Hitachi in Greater China region to carry out its new business concept. The HKSAR government released the Smart City Blueprint in end 2017 with a vision to develop Hong Kong into a world-class smart city by making use of innovation and technology. The company believes Hong Kong is an ideal place for the new rollout. "The government's emphasis on technology development creates a favourable environment for innovation in the city," explained Andrew Sampson, Vice President and General Manager, Hong Kong and Taiwan, "we are seeing a lot of potential for our center to grow here."

"Companies in Hong Kong also have a long history and good reputation of being creative and entrepreneurial, which makes the city an excellent base for our operations," he added.

The center is strategically situated in the Hong Kong Science Park, making it easy for Hitachi Vantara to collaborate with partners to develop different kind of smart city solutions for their clients.

Soon after its soft-launch, the center has partnered with a number of technology companies and startups in the Science



**The technology startup ecosystem is booming in the city and we are excited about the enormous opportunities to co-create smart city solutions with different partners.**

**Andrew Sampson  
Vice President and  
General Manager,  
Hong Kong and Taiwan  
Hitachi Vantara**

Park to develop widely applicable sensors and alert systems for healthcare, security and space management applications by utilising Internet of Things (IoT), cloud service, data intelligence, big data and analytics platforms.

At present, there are six staff based in the center, providing instant help to its

customers and partners. In addition, over a hundred employees including more than 70 technicians in Hitachi Vantara's Hong Kong office are ready to offer additional technical and marketing and sales assistance at any time.

Sampson appreciates the quality of talent in Hong Kong. "We are able to find very talented technicians here thanks to the high productivity and deep talent pool," he said. "As local universities are launching a range of innovation and technology-related programmes, I am very confident in finding high-skilled talent to join our venture."

With the assistance of InvestHK, Sampson and his team were connected to other government departments and organisations to broaden their business network.

"The technology startup ecosystem is booming in the city and we are excited about the enormous opportunities to co-create smart city solutions with different partners," Sampson concluded.

## Hitachi Vantara

- Hitachi Vantara's first innovation center and officially opened in October 2018
- Aims to co-create smart city solutions with partners to foster social innovation

 [hitachivantara.com/hk](http://hitachivantara.com/hk)



# Art for Everyone

**French entrepreneur brings leading gallery brands to Hong Kong with an aim to make art collecting more accessible.**



Art de Vivre Collection is a contemporary art platform under the Art de Vivre group founded in France by Arthur de Villepin, son of former Prime Minister of France, Dominique de Villepin. With a vision to propagate art in everyday life and making it more accessible for all, the company presents a number of leading art brands in Asia, and offers original artworks across all media with an affordable price.

De Villepin believes that art is for everyone. As an art collector himself, he sees Art de Vivre Collection as a platform to democratise art collecting, and at the same time to cultivate and promote French culture. "Our aim is to provide a place not only for established collectors, but also first time buyers to explore and discover new artists in a unique and friendly environment," said de Villepin.

In 2013, Art de Vivre began its journey in Hong Kong by bringing YellowKorner, a France-based limited-edition fine art photography gallery network, to the city. The encouraging market response to the concept of accessible art has inspired de Villepin to bring another leading art brand here- Carré d'Artistes.

Sitting on Hollywood Road, a renowned art district in Hong Kong, Carré d'Artistes showcases a wide range of styles from classical paintings to 3D Pop Art collages. According to de Villepin, the company will add more Asian artists as well as Hong Kong artists to enrich its diversity.

De Villepin thinks that the city offers great qualities for his art business. "Hong Kong is

a dynamic and energetic place. People here are very open-minded and welcoming," he said, "the city has provided me with a vibrant retail landscape with a hunger for new ideas and concepts. These qualities have allowed our brands to flourish in the market."

He added that the city's well-established financial and legal infrastructure also makes setting up a business easy and accessible.

Art de Vivre Collection currently has over 20 staff members and de Villepin plans to expand the team as their business grows. "There is an incredible pool of promising artists here," commented de Villepin, "and I look forward to the possibility of collaborating with local talented artists."

He also finds the assistance provided by InvestHK is valuable to the company.

"The networking events are very useful, and I appreciate their advice and support on administration, recruitment and legal matters," he concluded.

## Art de Vivre Group

- Carries two gallery concepts namely YellowKorner and Carré d'Artistes
- Under the two brands, the company now represents over 850 international artists with more than 100 galleries globally

 [www.artdevivre-collection.asia](http://www.artdevivre-collection.asia)



**Hong Kong has provided me with a vibrant retail landscape with a hunger for new ideas and concepts. These qualities have allowed our brands to flourish in the market.** ”

**Arthur de Villepin**  
**Founder and CEO**  
**Art de Vivre Group**

# From Xero to One

A global small business platform which offers cloud-based accounting software can enable SMEs to have better control of their business.



Managing cash flow is always a headache for small businesses. Finding a trusted accounting partner who understands cash flow and financial management is essential. Xero offers real time visibility of a company's financial position and performance in a simple, smart and secure method.

Established in New Zealand in 2006 and now with offices in Australia, Canada, Singapore, South Africa, United Kingdom and United States, the company set up their Hong Kong branch in 2018 after seeing an increasing trend in demand. "Hong Kong is home to about 330,000 SMEs. We see an abundance of opportunities arising, especially from the increased government-funded initiatives to nurture the small business economy," Kevin Fitzgerald, Regional Director - Asia, said.

Xero is connected to over 700 third party applications including some of the most in-demand business management tools such as inventory, time tracking, payroll and expenses processing. This effectively alleviates the daily administrative tasks so that SMEs can focus on running their businesses.

The requests they get from SMEs and accounting firms are very similar across the world, and Hong Kong is no different. "Accountants want to forge

trusted relationships with their clients by obtaining access to better insights and reducing administration hours spent on data entry. On the other hand, SMEs hope to get paid faster, be better informed and have better control and visibility on their financial health," Fitzgerald commented.

Through Xero's banking partnerships, users can also connect Xero to their banks to facilitate bank reconciliation, online invoicing and direct up-to-date bank feeds. In Hong Kong, SMEs who bank with Xero's partnering banks can securely get their bank transactions flowing seamlessly into Xero, saving up to 15 hours of administration time per month, according to Fitzgerald.

"We have proven that SMEs who use Xero are able to shorten the number of days in between invoicing and getting paid, from 42 days to 32 days. The cash flow cycle is also much shorter for our customers as compared to other SMEs (6 percent late payment vs 24 percent). That is effectively reducing the cash flow gap for small businesses," Fitzgerald said.

With more than 1.38 million global subscribers, Xero places a strong focus on nurturing a strong relationship with their existing and potential customers by creating a community through events, workshops and training sessions. The

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Hong Kong is home to about 330,000 SMEs and we see an abundance of opportunities arising, especially from the increased government-funded initiatives to nurture the small business economy. ”

**Kevin Fitzgerald**  
Regional Director - Asia  
Xero

company wants to play an instrumental role in pushing forward technological adoption in Asia.

Fitzgerald finds Hong Kong people smart, hardworking, eager to learn and adaptable to evolving market needs. A huge talent pool in the accounting sector is a critical success factor to Xero's business growth in Asia.

## Xero

- Established in New Zealand in 2006 and with offices in Australia, Canada, Singapore, South Africa, United Kingdom, United States and Hong Kong
- Offers a cloud-based accounting platform for SMEs, accountants and bookkeepers
- Xero is used in over 180 countries by 1.38 million paying subscribers and integrates with more than 700 add-on solutions

 [Xero.com](https://xero.com)

# Driving Korean Fashion Market in Hong Kong and Beyond

**Seoul-based fashion group starts regional expansion with opening five stores in Hong Kong within a year.**



Best known for its signature baseball caps and street-style ready-to-wear, MLB Korea is a brand under FnF, a Seoul-based fashion group owning over eight Korean fashion and cosmetic lines. Reinterpreting the heritage of Major League Baseball (MLB) with a contemporary fashion touch, MLB Korea has become a wardrobe essential for many Korea pop celebrities and street-style fashionistas in Asia. Last year, the brand recorded 3.5 million baseball caps sold in Korea alone.

Seeing fashion from Korea taking a more prominent role in the international fashion scene, FnF would like to ride on this trend and expand MLB Korea to a global level, with Hong Kong as its starting point. In 2017, MLB Korea's first overseas store was opened in Mong Kok, one of the trendiest neighbourhoods in the city. With soaring sales and popularity, FnF quickly spread the brand's footprint across Hong Kong in the following year, with new shops opening

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**Hong Kong is a well-known shopping mecca in Asia, providing excellent exposure to our brand.**”

**Jenny Tung**  
**Retail Director**  
**FnF Hong Kong Ltd.**

in the highest-traffic districts including Central, Tsim Sha Tsui and Causeway Bay.

Jenny Tung, Retail Director of FnF, considers that while MLB Korea's products and customer experience are vital, choosing the right location also plays a decisive part in the brand's success. "Hong Kong is a well-known shopping mecca in Asia, providing excellent exposure to our brand," Tung said, "we are also very careful in choosing the right location for our stores in order to elevate the brand image and maximise traffic."

According to Tung, Hong Kong is the top-of-mind destination for overseas expansion. "We chose Hong Kong to launch the brand's first overseas store as it is an international city with a great pool of talent. The city also has a very sophisticated retail market and ecosystem," Tung said.

"We decided to use Hong Kong as the first test point, and replicate the model to other locations in the region as we expand," she said, adding that more locations in Asia will be opened following the launch of its Taipei store earlier this year.

With the current 70:30 ratio between visitors and local customers for MLB Korea, FnF also plans to further build a local presence through continuous marketing efforts, such as using social media influencers and celebrities to build brand awareness and exposure.

InvestHK has been in contact with FnF group when it first set up in Hong Kong. Tung finds that the assistance offered by the department very helpful. She added, "the networking events organised by InvestHK helped to expand our network and establish business contacts, resulting in increased brand exposure at different levels."



## FnF Hong Kong Ltd.

- FnF Hong Kong Limited currently oversees five retail stores in Hong Kong and two in Macau
- Employs 15 office staff with functions such as marketing, visual merchandising, retail operations, logistics and finance
- Hires over 70 frontline staff in Hong Kong and Macao

 [www.fnf.co.kr](http://www.fnf.co.kr)





# Defining NewLaw Solutions

**As part of the NewLaw ecosystem, KorumLegal's solutions use models and tools not found in the traditional law environment. Its client-centric legal solutions are flexible, innovative, smart and tech-enabled.**

Founded with an aim of providing a wide range of innovative legal solutions, KorumLegal offers services ranging from on-demand legal consultants, legal process management to LegalTech solutions, whether it is a startup client or an established MNC. The law company brings a fresh approach to the delivery of legal solutions

Traditionally, the legal services industry might be seen as expensive, inaccessible and complex. At KorumLegal, they seek to present their clients with flexible, innovative, smart and value-driven solutions. The law company focuses on legal solutions delivery across its three business pillars of People, Process and Technology.

KorumLegal consultants come from experience in reputable international firms, in-house legal teams of Fortune 500 companies, listed MNC's as well as fast-growing startups. They sit with the client teams or work remotely, depending on client's needs or budget. For example, a KorumLegal senior consultant from Hong Kong worked remotely in Canada for a few months for a London-based client, supporting the client with its Asia legal operations. This was enabled by technology and a flexible mindset of both client and legal consultant.

Titus Rahiri, Founder & Director believes that technology is the key enabler to growth but people are still at the heart of the business. While technology in the legal realm is still in its relative infancy compared to other industries "at KorumLegal, we see technology as a key pillar to our business

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**Hong Kong was our starting base because it is a dynamic and entrepreneurial city with tremendous opportunities.** ”

**Titus Rahiri  
Founder & Director  
KorumLegal**

as it matures and starts solving some of the major pain points of our clients," he added, "We can tailor legal solutions to a wide range of clients, and this obviously includes startups with smaller budget."

## **Innovative legal solutions growth in Asia**

Identifying Asia as being a competitive hub in innovation and entrepreneurship, especially with the startup community growing in exponential rate, Rahiri explained why the law company chose Hong Kong as their operation headquarters. "Hong Kong was our starting base because it is a dynamic and entrepreneurial city with

tremendous opportunities. Also, the city has a strong and exceptional talent pool, and an innovation-friendly environment which made it a perfect spot for us to take off. The ease to establish a startup here is a plus."

At the moment, the law company has 12 staff in their Hong Kong headquarters and over 50 legal consultants in Asia. Looking ahead, Rahiri believes that the legal industry will be completely different in 10 years' time with NewLaw models becoming an integral part of the legal ecosystem. Data analytics, AI, blockchain and people in the gig economy will be key to the future of law.

InvestHK has been assisting the firm by providing update on relevant industry events and introduction of contacts through networking activities.

## **KorumLegal**

- KorumLegal provides legal solutions across People, Process and Technology
- The Hong Kong headquarters has a team of 12 and over 50 legal consultants in Asia
- Clients include law firms, financial institutions, Fortune 500 companies as well as SME's and startups.

 [korumlegal.com](http://korumlegal.com)



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