

InvestHK

Quarterly Newsletter

July 2019



Accelerating Transformation in Financial Services Industry

With the surging number of FinTech companies, launch of virtual bank licenses, Simple Bank Accounts Services and a wealth of smart banking initiatives, Hong Kong is propelling a new financial landscape.

This Issue 3 Special Feature: Annual RHQ Survey
4-5 Special Feature: Supporting Policies for Expanding into GBA
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Thriving FinTech Scene

InvestHK's 2018 study found that there are over 550 FinTech companies in Hong Kong, with 52 percent having founders from overseas - the remainder are from Hong Kong or Mainland China. The companies see Hong Kong as a regional base for business expansion, both globally (61 percent) and in Greater China (28 percent). World-renowned innovation labs and accelerator programmes such as the Accenture FinTech Innovation Lab APAC, Deloitte's Asia Pacific Blockchain Lab, and The Floor, a financial technology platform from Israel, have already set up in Hong Kong.

To learn more about this booming ecosystem, join us at the Hong Kong FinTech Week 2019 that will take place on 4-8 November at the AsiaWorld-Expo. Network with worldwide participants with a greater variety of programmes and business events. Tickets are now available:

 <https://www.fintechweek.hk/2019>

Smart Banking Initiatives

Faster Payment System (FPS) was introduced in September 2018 with an aim to provide consumers and merchants a safe, efficient and widely accessible retail payment service on a 24/7 basis. FPS offers individuals and businesses a new choice and experience for making payments in multiple currencies - Hong Kong dollar (HKD) and Renminbi (RMB) - in real time. Payments across different banks and stored-value facilities made possible.

In addition, the Open Application Programming Interface (API) Framework for the Hong Kong banking sector has taken effect that aims to facilitate collaboration between banking and IT industries. At phase one, 20 retail banks have already released 500 APIs, covering deposit, loans, insurance, investment and other banking products and services.

Virtual Bank Licenses

As of May 2019, the Hong Kong Monetary Authority (HKMA) granted eight virtual bank licenses and services are expected to be launched in six to nine months. These banks have no physical branches and will offer a more innovative and customer-centric approach to attract customers. This will certainly facilitate financial innovation, offering new customer experience and promote financial inclusion.

Simple Bank Accounts

On average, about 2,000 non-local SMEs and startups companies open business bank accounts every month. Since some businesses may not need the full range of banking services offered by traditional bank accounts, particularly at the initial stage, HKMA launched "Simple Bank Accounts" (SBAs) earlier this year to provide an additional option for business customers that require only basic banking services and less customer due diligence is required. Now, SBAs service is offered by the three Hong Kong's note-issuing banks.

InsurTech

The pace of change in insurance in Hong Kong has been accelerating in recent years. As of 31 December 2018, there were 161 authorised insurers in Hong Kong, of which 93 were pure general insurers, 49 were pure long-term insurers, and the remaining 19 were composite insurers. Hong Kong is one of the key insurance hubs in the world.

The Insurance Authority (IA), the insurance regulator in Hong Kong, launched an InsurTech Sandbox in September 2017. The sandbox provides a platform for authorised insurers to run pilot trials of innovative InsurTech applications, enabling them to obtain real market data and information on user experience before the launch of any formal product.

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Support and Participate in the Annual Survey on Companies in Hong Kong with Parent Companies Located Outside Hong Kong

The Census and Statistics Department (C&SD) and Invest Hong Kong are conducting the 2019 Annual Survey of Companies in Hong Kong with Parent Companies Located outside Hong Kong. The survey aims to collect information useful to the Government in formulating strategies for cultivating a favourable environment for conducting business in Hong Kong and further developing support services for existing and prospective investors from outside Hong Kong.

Such information will help us have a better understanding of the needs of foreign companies in Hong Kong and tailor our promotions, both locally and overseas, to market Hong Kong as a leading destination for foreign direct investment.

The survey covers companies in various economic sectors that represent their parent companies located outside Hong Kong. A questionnaire has been sent to each of the relevant companies. To assist these

companies in providing the information as required, an electronic template of the questionnaire is available upon request to the C&SD.

Information being sought in the survey includes general information relating to these companies and opinions of the management of these companies about conducting business in Hong Kong.

The survey is conducted under Part IIIA of the Census and Statistics Ordinance (Chapter 316) and was notified in Government Notice No.2816 in the Government of the Hong Kong Special Administrative Region Gazette of 27 April, 2018, as a voluntary statistical survey. All collected information which may enable identification of individual companies will be kept in strict confidence and not be released to any unauthorised parties. Such data will solely be used for compiling statistics which will not enable information relating to individual companies to be revealed.

Your views and opinions are important to the survey. We will make use of the survey results to further develop support services for existing and prospective investors from outside Hong Kong.

Read more : https://www.censtatd.gov.hk/press_release/pressReleaseDetail.jsp?charsetID=1&pressRID=4576

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Supporting Policies for Expanding into the GBA



The promulgation of the outline development plan of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) has generated a lot of interest in the business community. The Hong Kong Government is keeping close contact with various sectors of the community to gauge their views on ways to effectively take forward the development of the GBA and measures needed to facilitate Hong Kong people to work, study and reside on the Mainland so that the measures introduced would better suit the needs of the business community and the people of Hong Kong.

The Hong Kong Government is working tirelessly with its counterparts in Guangdong and Macao and the Central Government to create and implement innovative policies. As a result of these efforts, the Central Government recently introduced eight policy measures for taking forward the development of the GBA. These new measures could facilitate Hong Kong residents to develop, work and reside in

the Mainland cities of the GBA, as well as strengthen the convenient flow of people and goods within the GBA.

Specifically, the eight measures are:

- on the method for calculating “183 days” for paying individual income tax on the Mainland: any stay of less than 24 hours on the Mainland will not count as a day of presence
- providing tax relief by municipal governments to non-Mainland (including Hong Kong) high-end talents and talents in short supply by offsetting the tax differential between the two places
- supporting the open recruitment of Hong Kong and Macao residents by public institutions in the GBA
- encouraging innovation and entrepreneurship in the nine Mainland cities of the GBA by the youth of Hong Kong and Macao

- supporting higher education institutions and scientific research institutes from Hong Kong and Macao to participate in projects under Guangdong technology programmes
- introducing immigration facilitation reform pilots schemes in the GBA
- facilitating vehicles from Hong Kong and Macao entering and exiting Mainland ports
- expanding the implementation scope of the connection with the speedy customs clearance between customs administrations

At the 21st Plenary of the Hong Kong/ Guangdong Co-operation Joint Conference in May, further details of the new policies were announced. The new method of calculating individual income tax on the Mainland enables much greater flexibility for companies based in Hong Kong in serving their clients or customers within the GBA. Shenzhen recently proclaimed



that the effective tax rate of selected high-end talents is only 15 percent and other cities are considering related measures. To further improve the startup ecosystem, two new funding schemes under the Youth Development Fund were launched, namely the Funding Scheme for Youth Entrepreneurship in the GBA and the Funding Scheme for Experiential Programmes at Innovation and Entrepreneurial Bases in the GBA. The first batch of 10 entrepreneurial bases to further promote youth innovation and entrepreneurship in the GBA have been set up.

The Department of Science and Technology and the Department of Finance of Guangdong Province have announced a new policy allowing tertiary institutions and scientific research institutions in Hong Kong and Macao to apply for research funding granted by Guangdong Province and to use them across the boundary in Hong Kong. This new policy, coupled with the Guangdong-Hong Kong Technology

Co-operation Funding Scheme which has been in effective operation, will enable research institutions of both places to have access to more resources to carry out research and development work and develop closer co-operation.

The accessibility policy of the Hong Kong-Zhuhai-Macao Bridge will be further relaxed by allowing organisations such as business associations, universities and scientific research institutions being the priority group of study for granting of quota. The Single E-Lock Scheme (SELS) will be extended to Zhongshan, so that clearance points under the SELS would cover all nine Mainland cities of the GBA. The Guangdong Province is studying and formulating the details on allowing the open recruitment of Hong Kong and Macao residents by public institutions, which is expected to be issued in the second half of this year.

All of the above new measures allow all companies based in Hong Kong to take advantage of all the benefits Hong Kong

has to offer while seizing the tremendous growth potential of the GBA. Better vehicle quotas and the new individual income tax arrangement makes one-day business trip within the GBA even more convenient to business professionals. Improved accessibility to research funding and the establishment of more entrepreneurial bases mean that the startup ecosystem in Hong Kong is ever more vibrant and attractive. The expansion of the SELS allows smoother flow of goods from Hong Kong to the rest of the GBA. With the Hong Kong Government continues to improve business environment, more innovative measures can be expected soon.

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2	<p>The Greater Bay Initiative: A Rival to Silicon Valley and Wall Street?</p> <p>This seminar features an impressive line-up of speakers from Hong Kong and the Netherlands who will give insights in the current developments, innovations and opportunities for Dutch companies in Hong Kong and the Greater Bay Area, followed by a cocktail reception and a dinner celebrating the 22nd anniversary of Hong Kong SAR Establishment.</p> <p><i>Location: Mainport by Inntel Hotel, Rotterdam</i></p> <p><i>Organiser: Netherlands Hong Kong Business Association (NHKBA)</i></p> <p><i>Co-organisers: InvestHK, HKETO, HKTDC, Rotterdam Partners</i></p> <p>■ nhkba.nl</p>	10	<p>12th Annual Capital Link Shipping & Marine Services Forum</p> <p>This forum is a meeting place for C-level executives and finance and investment communities from the shipping industry, examining the macroeconomic issues that are shaping and transforming the international shipping market today.</p> <p><i>Location: London</i></p> <p><i>Organiser: Capital Link</i></p> <p>■ forums.capitallink.com/calendar/</p>
8-11	<p>RISE 2019</p> <p>People from the world's biggest companies and most exciting startups will come to Hong Kong to share their experiences. They'll be joined by major global media and investors for this event. Visit InvestHK's booth at E183.</p> <p><i>Location: HKCEC</i></p> <p><i>Organiser: Web Summit</i></p> <p>■ riseconf.com</p>	11-12	<p>Belt and Road Summit</p> <p>The Summit gathers senior government officials and business leaders from countries and regions along and beyond the Belt and Road to exchange insights on multilateral co-operation and explore concrete business opportunities.</p> <p><i>Location: HKCEC</i></p> <p><i>Organisers: The Government of the HKSAR, HKTDC</i></p> <p>■ beltandroadsummit.hk</p>
11-13	<p>Forbes Under 30 Summit Asia</p> <p>Themed "A Lasting Impact", the Summit will bring together some 300 entrepreneurs and game-changers from across Asia, as well as CEOs, mentors, industry leaders, investors and change-makers for motivating panels, tech demos, networking, food and music festival and more.</p> <p><i>Location: Conrad Hong Kong</i></p> <p><i>Organiser: Forbes</i></p> <p>■ forbesunder30summitasia.com</p>	17	<p>Tourism and Hospitality Networking Reception</p> <p>The networking reception is to thank the companies from the Tourism and Hospitality sector for their contribution to Hong Kong.</p> <p><i>Location: Hong Kong</i></p> <p><i>Organiser: InvestHK (by invitation only)</i></p>
17	<p>Hong Kong FinTech Seminar in Tokyo</p> <p>This event will help audience to gain a better understanding on FinTech in Hong Kong and how to expand their FinTech business in Mainland China and Asia via Hong Kong.</p> <p><i>Location: FINOLAB, Otemachi</i></p> <p><i>Organiser: InvestHK</i></p>	19-20	<p>Think Asia, Think Hong Kong</p> <p>The mega promotion aims to attract overseas companies to use Hong Kong's service platform to tap into the Mainland and Asian markets.</p> <p><i>Location: JW Marriott Los Angeles L.A. LIVE</i></p> <p><i>Organiser: HKTDC</i></p> <p>■ hktdc.com/ncs/thinkasiathinkhk2019/en/main</p>
		24-25	<p>18th Annual Marine Money Week Asia</p> <p>Being the largest shipping finance event in Asia, the conference invites industry leaders to discuss on "Changing Winds & Fortunes" and provide insight into managing risks, assess new business opportunities, navigate the shipping finance options available with clarity and accessibility and the future plan.</p> <p><i>Location: St. Regis, Singapore</i></p> <p><i>Organiser: Marine Money</i></p> <p>■ marinemoney.com/forum/SIN19</p>
8-11	<p>China International Fair for Investment & Trade (CIFIT) 2019</p> <p>Themed on "Introducing FDI" and "Going Global", CIFIT focuses on nationality and internationality, investment negotiation and investment policy promotion, coordinated development of national and regional economy.</p> <p><i>Location: Xiamen International Conference and Exhibition Center</i></p> <p><i>Sponsor: Ministry of Commerce, People's Republic of China (MOFCOM)</i></p> <p>■ chinafair.org.cn</p>		

SEP

See more events at





Starting the **Virtual Bank Journey** in Hong Kong

One of the first virtual banking licensees in Hong Kong, ZhongAn Online taps on online banking business for the first time and uses the city as a springboard to go global.

Established in Hong Kong in December 2017, ZA International was founded by ZhongAn Online, the first online-only insurer in Mainland China, to explore international business development, collaboration and investment opportunities in FinTech and InsurTech in the global market.

The company was granted a virtual bank license in March 2019 via its subsidiary ZA Bank Limited, marking a milestone for ZA International of entering Hong Kong market for the first time. On the same day of licensing, ZA International announced a new brand "ZA" with idea of "Be Different, Together", aiming to better serve customers in Hong Kong.

"When we began looking at international market, we found that Hong Kong is the perfect place to get us started," said Wayne Xu, President of ZA International, "we hope to use the city as a gateway to access international market."

"With the vast development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), there is still a lot of potential for virtual bank business and online business to grow in Hong Kong," Xu added. "Being based here also gives us a good access to the rest of Asia, so we can cover business not only in Hong Kong, but also the wider the international market."

Building a User-led Distinctive FinTech Product

ZA Bank's next step is to build the backbone of its core service in the coming months, as well as to develop its own product. The user-led platform, to be launched in late 2019, will be a co-creation of ZA and its users which not only solves customers' pain points, but also meet their needs.

"This is the first time for ZhongAn to enter

the online banking business," said Xu, "we think it's a great opportunity for us to bring the experience gained in Hong Kong back to Mainland China in terms of product design, user behaviour as well as online operation."

World-class Professional Services That Support Businesses

According to Ken Lo, Head of Strategic Partnership, Hong Kong has a great potential in FinTech arena, thanks to the city's deep and diverse talent pool as well as its world-class infrastructure. "Hong Kong is renowned for its professional services including legal, accounting and financial

sector," Lo said, "we are glad to have such an abundant resources when we land in Hong Kong."

ZA International holds a long-term commitment for serving Hong Kong, including the wider community. In September 2019, the company will power up a local NGO Cancer Information Hong Kong on a charity run by providing a free online funding platform. "We are also planning to announce an initiative to support charity by partnering with NGOs for different community needed, leveraging our know-how of technology, and making difference together with our partners and friends," Lo added.

"InvestHK has been helping us in terms of recruitment and connecting to different stakeholders such as the government and other enterprises," Lo concluded, "we are grateful to have InvestHK's support as we start our international journey in and via Hong Kong."



When we began looking at the international market, we found that Hong Kong is the perfect place to get us started. We hope to use the city as a gateway to go global. ”

**Wayne Xu
President
ZA International**

ZA International

- ZA International's parent company ZhongAn Online was founded in Shanghai in 2013 by Ant Financial, Ping An and Tencent. It was listed on HKEX in September 2017 (6060:HK)
- ZA Bank currently has 100 staff members in Hong Kong and plans to expand as it rolls out the virtual banking platform

 **za.group**

One Stop for All Business Needs

Open source business app developer Odoo grows its regional headquarters in Hong Kong to grasp opportunities in local, Mainland China and Asia markets.



Founded in 2005, Odoo is a Belgium-based software company providing business applications that form a complete suite of tools to cater business needs. By offering easy to use, time-saving and all-in-one management software, Odoo helps businesses minimise time spent on administrative tasks while enabling them to focus on creating value for their customers.

Targeting SMEs and startups, Odoo has over 30 main applications that suit different business functions, from sales management (CRM, quotations), finance (invoicing, accounting) to operations (HR, project management). These open source, fully integrated applications are developed, maintained and regularly upgraded by Odoo's global community of over 1,500 active members. A premium service is also available with its consultants to train customers on how to use their applications to grow their business.

Full Expansion Mode

Odoo set up its Hong Kong office in November 2013 with only a couple of desks inside the Belgian Chamber of Commerce. Steering all business activities in Asia, the Hong Kong office has become Odoo's regional headquarters (RHQ). The office is expanding rapidly and will be moving into a 15,000 sq. feet premise this year.

"Currently we are in full expansion mode. We sustained a growth of about 80 percent in revenue and in people," said Matts Fievez, Director APAC. "The strategic location of Hong Kong and especially the proximity to Mainland China, a country with the most internet users in the world, are the most important factors for us to set up RHQ in Hong Kong."

Targeting the Right Market

According to Fievez, Odoo's products are especially strong in the SME segment. "While Hong Kong has around 340,000 SMEs, which represents 98 percent of the businesses in the city, the local market has always been a significant part for us," Fievez said. "Since Odoo has a concrete establishment in Mainland China, Odoo is keen on expanding its opportunities in Hong Kong by offering inspiring new ideas for the new generation and opening new gateway for all kinds of industries."

Opportunities and benefits also emerge for Odoo with the government's strategic

development on the innovation and technology sector, such as the Guangdong-Hong Kong-Macao Greater Bay Area (GBA). "A lot of companies now realise the lack of technology support in their business, so they start searching for innovative solutions like Odoo's applications to help them operate more efficiently."

"We can also see there are more and more young talent hoping to build a career in the tech industry, leading to more supply of tech talent in the near future which will help us to grow."

Fievez finds InvestHK's service particularly useful for their expansion in the city. "Attending events invited by InvestHK assists us to connect with other local businesses and enhance our market awareness. At the same time they allow us to gain up-to-date market intelligence resulting in better marketing strategy deployment for the Hong Kong market itself," he concluded.



The strategic location of Hong Kong and especially the proximity to Mainland China, a country with the most internet users in the world, are the most important factors for us to set up RHQ in Hong Kong.

Matts Fievez
Director APAC
Odoo

Odoo

- Odoo currently has nine offices across Europe, the US, Middle East and Asia
- Has more than 1,800 resellers and partners spanning over 151 countries
- Odoo is the most installed management software worldwide with more than 4 million users

 [odoo.com](https://www.odoo.com)



The Greater Bay Area enjoys a comprehensive set of business-friendly policies and boosts the flow of people, goods and capital, which will facilitate our global expansion from our base in Hong Kong. ”

Mike Poon
Chief Executive Officer
Aircraft Recycling International Limited

Building a **Global Aviation Ecosystem** from Hong Kong

ARI plans to develop a data platform for mid-to-end-of-life aircraft and establish a global aviation ecosystem from Hong Kong.

Founded in 2014, Aircraft Recycling International Limited (ARI) provides a comprehensive range of solutions for mid-to-end-of-life aircraft for the global aviation industry. It is a member company of CALC (China Aircraft Leasing Group Holdings Limited), first listed aircraft lessor in Asia and one of the top five global aircraft lessors based on its strong order book. Headquartered in Hong Kong, ARI's services do not limit to used aircraft trading and leasing but also include aircraft disassembly and recycling, engine and component sales, aircraft asset management and MRO (Maintenance, Repair and Overhaul), with a mission to provide tailor-made solutions that support a sustainable aviation industry.

ARI owns two aircraft recycling facilities, one in Harbin, Mainland China and another in Tupelo, USA. The Harbin base is Asia's first large-scale aircraft recycling facility and has commenced operation since June 2018.

Leveraging Hong Kong's Unique Advantages to Expand into New Markets

According to ARI's CEO Mike Poon, in addition to effective financial solutions, the company's recycling and sales operations also require thorough due diligence with large number of contracts and paperwork. Hong Kong's high efficiency is one of the reasons why ARI decided to establish its headquarters in the city. "With a simple

tax regime, sophisticated legal system and diversified financing solutions, Hong Kong is an ideal base for us," he said.

"The city's strategic location in a favourable time zone with multiple friendly policies implemented here makes it easier for us to manage our global business. Being based here also means that we have priority to attract talents from both Mainland China and overseas," Poon added.

ARI is also developing a new data system for the aviation industry. "Our new data system is designed to create an internationally recognised platform that will benefit the entire industry," Poon explained, "Hong Kong is the ideal place for us to work on this pioneering project with an excellent reputation for innovation and cutting-edge technology."

Tapping into the Greater Bay Area

Poon believes there is a huge potential for recycled aircraft components around the world, while ARI plans to focus on the Greater Bay Area (GBA) for the time being. The *Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area* issued by the State Council in February 2019 has provided an important framework for the company. "GBA enjoys a comprehensive set of business-friendly policies and boosts the flow of people, goods and capital, which will facilitate

our global expansion from our base in Hong Kong."

InvestHK has been working closely with CALC and ARI in exchange of the latest developments. "InvestHK has been promoting Hong Kong as a global hub for aircraft leasing and aviation financing. We hope to work more closely with the department to promote the future growth of the industry," Poon enthused.

Aircraft Recycling International Limited

- ARI's shareholders include China Everbright Limited, Friedmann Pacific Asset Management Limited and Sky Cheer International Limited
- Staff of Hong Kong's headquarters are responsible for financing, accounting, legal, marketing and transaction support etc.

 ariaero.com

Brand Shoppers' Delight

From pop-up flash sales to taking up a permanent space, OnTheList found a winning formula combining brands with exclusive deals and exceptional customer experience.

OnTheList is the brainchild of French entrepreneurs Delphine Dultzin and Diego Dultzin Lacoste, both Co-founders & CEOs, who set up the company in 2016. The French couple were working in Hong Kong in the fashion industry and saw the opportunity of bringing a new business model to the city: offering exclusive access to luxury brands' past season products at highly discounted prices to members.

Registered members are invited to flash sales which usually last for only three to four days. These sales offer a variety of products ranging from fashion to cosmetics, wine, furniture, sportswear and more. Brands provide their products on consignment while OnTheList takes care of operation, logistics, display and sales.

"Stores and outlets are not enough to sell all the off-season stock, so we provide an additional channel for brands to clear inventory, reduce wastage and generate extra revenue," the Co-founders said, "it will also help the brands expand their customer base."

Entrepreneur-friendly

One of the pioneers in membership based flash sales, this model is already popular in Paris and New York. To test the market, the Co-founders started the idea with a series of pop-up events at different locations. "We did not have any entrepreneurial experience before and had a very steep learning path," said Dultzin, "but in Hong Kong there is a vibrant entrepreneurial environment to start a company, and the administration is relatively easy. People are also easy going and open to new ideas."

The Co-founders added, "when we had this idea to start OnTheList, we met with a number of parties to brainstorm the ideas. The process was very encouraging, so we were able to start our venture very soon."

After 18 months of proven success, the couple decided to commit a longer lease in a permanent venue in Central, a prime location for luxury brand stores. Some of the flash sales are supported



by its eCommerce site, which currently represents 15 percent of its total revenue.

OnTheList has already expanded outside Hong Kong - the company has launched in Singapore and Taiwan few

months ago, and will continue to grow the operation there. Eyeing Mainland China, the couple has also been meeting potential partners in the last two years and planning to launch in Shanghai.

For those who would like to start their entrepreneurship in Hong Kong, the founders' advice is to contact InvestHK for their support. "It might be challenging for new companies to get contacts for professional services. InvestHK's help at the beginning is hence really helpful as they can refer the right contact and provide valuable feedback," he concluded.

“ In Hong Kong there is a vibrant entrepreneurial environment to start a company, and the administration is relatively easy. People are also easy going and open to new ideas. ”

**Delphine Dultzin
Co-founder & CEO
OnTheList**

OnTheList

- A members-only flash sales provider set up by a French entrepreneurial couple in 2016
- OnTheList organises flash sales in Hong Kong, Singapore and Taiwan
- Planning to organise more flash sales in Kowloon or New Territories

 onthelist.hk



China's Law Firm Taps into **Abundant Opportunities** in Hong Kong and the Region

Headquartered in Shanghai, China's commercial law firm Fangda Partners is expanding its Hong Kong team to cater to the growing demand for top-quality legal services in the region.

Founded in 1993, Fangda Partners operates five full service offices in Shanghai, Beijing, Shenzhen, Guangzhou and Hong Kong. The firm advises Chinese and international clients in all the principal areas of commercial law, including general corporate, dispute resolution, project finance, banking, regulatory, investment protection, anti-trust and IP. Fangda is meeting the growing demand for legal services delivered by a strong Chinese law firm with an international perspective and a long track record of cross-border deals and cases.

Peter Yuen, Managing Partner, stated that the decision to open an office in Hong Kong in 2012 was part of the firm's strategic objective to be able to assist clients in all their Mainland-related business. "Trying to establish a legal practice in Mainland China with global footprints has become extremely challenging without a strong Hong Kong office," he said. Fangda's Hong Kong team has grown significantly in the past seven years, and there are now more than a hundred lawyers advising on the full range of commercial matters.

Fangda's dispute resolution team in Hong Kong alone has 15 fee earners, making it one of the largest such teams in the city. "Hong Kong's jurisdiction is recognised as the Rolls Royce of dispute resolution in Asia, for a number of reasons," Yuen added. "First, Hong Kong is the world's leading international dispute resolution centre. Second, Hong Kong's judiciary is consistently recognised as being one of the leading sets of judges experienced in arbitration. Third, the city has a sophisticated and dynamic legal community that includes a large pool of local and foreign registered lawyers."

Opportunities from Mainland China's Latest Economic Initiatives

The Belt and Road Initiative has generated a high level of Chinese outbound investment activity. In order to advise clients on how best to protect their investments, last year Fangda Hong Kong launched a dedicated investment protection practice. "With our dedicated team, including lawyers with many years' experience of advising on international investment issues, Fangda is ideally placed to design, structure and service investment projects out of Hong Kong," Yuen said. The Ministry of Commerce of China has included

Fangda Partners on its panel of investment law experts for Chinese outbound investment in recognition of Fangda's expertise in this area.

In addition, Fangda is one of the very few law firms that has a large Greater Bay Area (GBA) presence through its offices in Hong Kong, Shenzhen and Guangzhou, with lawyers specialised in the full range of commercial practice areas, including project finance, banking, corporate, dispute resolution (including IP litigation), regulatory and investment protection.

Since its establishment in 2012, Fangda Hong Kong office has participated in several international events and legal conferences organised or supported by InvestHK on topics including investment, trade and dispute resolution. "InvestHK has been very successful in highlighting the benefits to business of Hong Kong's jurisdiction. Fangda's development and expansion owes a lot to InvestHK's initiative on this score," says Yuen.

**“
Hong Kong's
jurisdiction is
recognised as the
Rolls Royce of
dispute resolution
in Asia.”**

**Peter Yuen
Managing Partner and
Head of Dispute Resolution
Fangda Partners,
Hong Kong**

Fangda Partners

- Founded in 1993 with full service offices in Shanghai, Beijing, Shenzhen, Guangzhou and Hong Kong
- Fangda's dispute resolution team in Hong Kong has 15 fee earners - one of the largest such teams in the city

🌐 fangdalaw.com

Bringing the Best of Scandinavian Design to Asia

Architecture and design firm Snohetta further expands its project business across Asia with Hong Kong as its regional office.



Founded in 1989 in Norway, Snohetta is a global design powerhouse specialising in architecture, landscape architecture, interior architecture, product and graphic design. From the Oslo Opera House, to San Francisco Museum of Modern Art and the recent Shanghai National Opera, Snohetta has built some of the most seminal cultural buildings around the world, as well as a variety of other architectural and design projects in all sizes.



A veteran architect, Robert Greenwood, Partner and Managing Director Overseas, said that “dialogue” is the heart of Snohetta’s design. “We do not wish to impose a particular style or design philosophy to all of our projects,” he explained. “Each project is unique, because they are from different places and for different functions. One can only create a building by having dialogue with many stakeholders, and the project is a result of all these dialogues.”

With offices based in, amongst others, Oslo, New York and Paris, Snohetta set up its first Asia office in Hong Kong in 2018 in view of the growing number of projects in the region. “We establish the Hong Kong office so that we can have a foothold in Asia,” said Greenwood. “We believe that it is important

to be here as we need to be close with our clients in the region, and we will also be able to follow our projects in Asia closely.”

“As there are more and more upcoming high profile projects in Asia, we are confident that our brand will organically spread in the region, and more interesting projects and new opportunities will come along,” he added.

“**To start a business in Hong Kong is easy. The commercial, financial and legal structures are similar to those we know from Europe, which also help business to set up and further expand.**”

Robert Greenwood
Partner and Managing
Director Overseas
Snohetta

Currently there are around 12 staff members in Snohetta’s Hong Kong studio with a majority of architects, a lot of which has cross-disciplinary profiles. As more projects are coming, they also plan to hire more interior architects as well as product designers.

“We can see a really skilled and talented workforce in the design and architecture field in Hong Kong,” Greenwood said, “not only are they well-educated and have an expansive international exposure, especially in amongst the younger generation, their language ability is also one of their greatest strengths.”

Greenwood also finds Hong Kong very business-friendly. “To start a business in Hong Kong is easy. The commercial, financial and legal structures are similar to those we know from Europe, which also help business to set up and further expand,” he concluded.

Snohetta

- Snohetta has offices in Oslo, New York, San Francisco, Innsbruck, Paris, Adelaide and Hong Kong
- Over 240 staff members worldwide
- In Hong Kong, the firm is currently working on a commercial and mixed used project in Kai Tak

 snohetta.com



Hong Kong is a leading international financial hub. For Mainland Chinese companies, the city will continue to act as an important window to connect to the overseas capital markets.

Dr Wang Chen
Executive Director of CDHK and CCSHK

Hong Kong – the Ideal Conduit Linking Mainland China and International Capital Markets

With its international development and new open business model, Changchun Urban Development & Investment Holdings (Group) hopes to help more Jilin enterprises explore overseas markets.

Chang Development (Hong Kong) Ltd. (CDHK) is a wholly owned subsidiary under Changchun Urban Development & Investment Holdings (Group) Co. Ltd (CCDG). Incorporated in December 2014, CDHK aims to assist the group to broaden its financing channels, diversify business development and to provide a launch pad to the international markets.

CDHK and its subsidiary Changchun Securities Ltd. (CCSHK) are responsible for the management and fund raising of the overseas bonds issued by the group; facilitating financial cooperation as well as achieving industry synergy between Hong Kong and Northeast China; and attracting investments as well as talents. CDHK acts as the window for CCDG to access to the international capital markets and serves as CCDG's overseas financial services headquarters. As of 2018, serving also as CCDG's treasury centre, CDHK issued US\$1.2 billion of overseas bonds for the group. Some of the funds raised from these bonds retain in Hong Kong not only to support the group's overseas developments, but also to maintain sufficient capital flow.

CCSHK has been granted type 1 (securities dealing), type 4 (securities advisory services) and type 9 (asset management) licences by the Hong Kong Securities and Futures Commission since June 2018. According to Dr Wang Chen, Executive Director of CDHK and CCSHK, CCSHK will closely entwine with bond issuing, asset management, and assisting more Mainland enterprises to develop, invest and finance in Hong Kong. Through establishing different types of funds, the company will focus on participating in infrastructure

projects under the Belt and Road Initiative, assisting pre-IPO companies in Changchun to set up in Hong Kong, and exploring business opportunities which have synergy effect with the Group's industrial layout.

Window to the World

"In recent years, Mainland China's rapid economic growth has attracted increasing amount of overseas capital. Hong Kong is the ideal channel for this capital to enter the Mainland Chinese market. The city enjoys a strategic location that attracts many global financial institutions and financing platforms to establish their presence here," said Wang.

"Hong Kong is a leading international financial hub. For Mainland Chinese companies, the city will continue to act as an important window to connect to the overseas capital markets," he added.

According to Wang, CCDG will leverage Hong Kong's unique geographical advantage and enhance its role as CCDG's window to identify new opportunities created by the Belt and Road Initiative. CDHK will continue to strengthen the group's presence in overseas markets, and to enhance the image of local state-owned enterprises.

In addition to helping the group grow its overseas business, CDHK works with the Hong Kong University of Science and Technology to develop new FinTech applications, including trading models and quantitative models, data visualisation technology and artificial intelligence. It also collaborates with FinTech companies

to develop new media platforms and interactive intelligent systems.

"We are very grateful for the support from InvestHK, and we hope to leverage its worldwide offices and networks to better promote the group and the company," Wang concluded.

CCDG

- CCDG is the largest local state-owned enterprise in Jilin province
- In 2015, CCDG was awarded a Baa1 rating (stable outlook) by the international credit rating agency Moody's
- CDHK and CCSHK employ a team of 10 staff and plan to create at least 20 new positions in 2019 and 2020
- Currently, the fund under the management of CDHK and CCSHK is hundreds of million US dollars, safeguarding the liquidity for overseas investment and financing as well as enhancing international investors' confidence in CCDG

 ccdi.com

Patient-First Approach

Eying the increasing demand for specialist medical services in the Greater Bay Area, Virtus Medical Group set up medical centres in Hong Kong to provide personalised total health solutions.



Launched in January 2018, Virtus Medical opened in July their first Hong Kong integrated medical tower occupying 15 floors in the heart of Central. With the vision of developing an evidence-based healthcare practice with a patient-first culture, Virtus offers multi-disciplinary medical approach to people of different ages and at different stages of their health cycle, from wellness and prevention to treatment and rehabilitation.

The Company's concept of offering an integrated, all-rounded service was demonstrated by its launch of *Virtus Paediatrics* at its tower in Hong Kong covering many sub-specialties in the paediatric space to take care of all aspects of a child's well-being. In addition, Virtus recently opened another medical centre in Tsim Sha Tsui, a bustling shopping district with various means of transportation to cities in Mainland China, housing *Virtus Orthopaedics* with in-house MRI and X-Ray facilities and *Virtus Women Health* offering comprehensive medical care to female patients including mammogram and DEXA scan services.

According to Samuel Poon, Co-Founder and Chief Executive Officer, there are some key reasons why the group decided to set up in the city. "The demand for private specialist care is rising in the city continuously due to a number of factors including rising population, wealth, aging, advancement in medical treatments and people getting more health conscious," Poon added, "Hong Kong is one of the most efficient



Geographic proximity with improved transportation links, speaking the same language, plus reputation of high quality healthcare service offerings, all these make Hong Kong an ideal healthcare and medical hub in the region. ”

Samuel Poon
Co-founder and Chief
Executive Officer
Virtus Medical

markets in the provision of healthcare services in the world and is known for the availability of advanced medication and treatment. These attributes help attract patients in the neighbouring cities to come to Hong Kong for serious illness treatments."

Poon believes that the development of the Greater Bay Area (GBA) offers many business opportunities. "Geographic proximity with improved transportation links, speaking the same language, plus reputation of high quality healthcare service offerings, all these make Hong Kong an ideal healthcare and medical hub in the region."

At the moment, around 20 to 30 percent of their clients are from Mainland China, mainly by referrals. "We expect with the rapid development of the GBA, there will be a great business potential in the region," Poon enthused.

Virtus Medical

- Launched in July 2018, Virtus Medical now has two medical centres in Hong Kong
- Offers multi-disciplinary medical approach to people of different ages and at different stages of their health cycle

 virtusMedical.com

Bringing the Best of Argentinian Tastes to Hong Kong

Argentinian food trading company plans for retail stores in the city to enter Mainland China market.

“

We prefer doing business in Hong Kong where rules are transparent, and that's why we made the decision to come here, and we never regret that. ”

Romulo Gonzalez Johansen
Managing Director
Global Sight International



Founded and headquartered in Hong Kong, Global Sight International (GSI) operates in the field of trading, distribution, import and export, supplying restaurants, hotels, supermarkets with Argentine and South American premium food products.

GSI was founded by two childhood friends, Romulo Gonzalez Johansen and Hernan Caetano das Pedras, who came to Hong Kong 10 years ago. "We did a lot of research about where in Asia to start our business. We found that Hong Kong was listed as one of most business-friendly places in the world in terms of setting up a business, talent, and taxation," said Romulo Gonzalez Johansen, Managing Director, "we also prefer doing business in Hong Kong where rules are transparent, and that's why we made the decision to come here, and we never regret that."

Pioneer of Argentine Food Import

With a small warehouse, a portable fridge and some beef samples, the two founders started their business in 2009 by knocking door at restaurants around the city. "Argentina has long been renowned for its excellent beef and wine, we were confident that we

had great opportunity here as we are the pioneer of bringing Argentine food to the city," said Hernan Caetano das Pedras, Commercial Director. "Today, we are proud to say that we have accumulated some really high-end customers, and have successfully built up our reputation in Hong Kong's food and beverage scene."

GSI currently imports not only premium chilled cuts directly from Argentina serving Michelin-starred restaurants, five-star hotels and high-end supermarkets, but also frozen loafs for other distributors in Hong Kong. It also brings other Argentine specialties, such as wine, Dulce de Leche (a milk-based confection from Latin America) to the Hong Kong epicureans.

"We want to be the top company of Argentine food products in the city, and we believe that we will continue to grow and develop locally and regionally," said Gonzalez Johansen.

Eyes on Retail and China Market

After ten years of development, GSI's next move is to open its first retail shop in the city which will boost its brand in the region, especially Mainland China market. "Hong Kong is the

'shopping mall' of Mainland China; if a product works here, it will also work in Mainland," he said, "however, there is still a lot to do in terms of market penetration and market education of Argentine products in the region."

He concluded, "we strongly recommend companies which are planning to set up business in Hong Kong to contact different institutions here, such as InvestHK, consulates or chambers of commerce as they are an excellent information source. Their network is also of big help to expand your business and contacts."

Global Sight International

- Recently expanded the team to support the plan for a new retail shop
- With Argentina government support, the two founders also set up the Argentina Chamber of Commerce in Hong Kong in 2010

 gsiltd.com



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