

InvestHK

Quarterly Newsletter

April 2020



2020/21 Budget Supports Enterprises and Stimulates Economy

The Financial Secretary of the Hong Kong Special Administrative Region Government, Paul Chan released the 2020/21 Budget on 26 February 2020.

This Issue 3 International Forward Calendar 4-5 Special Feature: Supporting Startups and SMEs
6-7 Special Feature: Belt and Road Initiative 8-15 Case Studies

Looking back in 2019, GDP growth was -1.2% while the GDP growth forecast for 2020 is -1.5 to 0.5%. The focus of this year Budget is on supporting enterprises, safeguarding jobs, stimulating the economy and relieving people's burden.

Key initiatives to develop and diversify the economy include:

Support Enterprises

- **\$10,000** cash payout to Hong Kong permanent residents aged 18 or above
- Introduce a concessionary low-interest loan with **100%** guarantee for enterprises, which will be open for application for six months. Maximum loan of **\$2 million** with repayment period up to three years. Moratorium on principle repayment for first six months
- Reduce profits tax for 2019/20 assessment year by **100%** subject to a **\$20,000** ceiling
- Waive business registration fees for 2020/21
- Waive registration fees for company annual returns for two years

Innovation and Technology

- Earmark **\$3 billion** to take forward Phase 2 of the Science Park Expansion Programme
- Explore the establishment of a third InnoHK research cluster
- Increase the grant ceiling under the Technology Voucher Programme to **\$600,000** and raise the Government's funding ratio to **75%**
- Inject **\$345 million** for a pilot subsidy scheme to encourage the logistics industry to enhance productivity through the application of technology

Financial Services

- Issue inflation-linked retail bonds and Silver Bonds totalling not less than **\$13 billion**
- Issue green bonds totalling **\$66 billion** in next five years

Tourism

- Additional funding of over **\$700 million** for the Hong Kong Tourism Board to step up external promotion after the epidemic

Professional Services

- Earmark about **\$450 million** to implement the "Vision 2030 for Rule of Law" project to strengthen the Hong Kong community's understanding of the concept of the rule of law and its implementation

Trade

- Additional funding of **\$150 million** for the Hong Kong Trade Development Council to assist Hong Kong enterprises in exploring business opportunities

Nurture Talents

- Expand the Researcher Programme and Postdoctoral Hub to cover all technology companies conducting R&D activities in Hong Kong

Cultural and Creative Industries

- Additional **\$900 million** to the Art Development Matching Grants Scheme to further promote sponsorship of culture and arts from all sectors



MAY

TBC	<p>The 6th HKIRA Investor Relations Awards 2020</p> <p>It is an annual campaign that aims to encourage, recognise and reward the excellence in investor relations practices by individuals and companies listed in Hong Kong Stock Exchange.</p> <p><i>Location: Hong Kong</i></p> <p><i>Organiser: Hong Kong Investor Relations Association (HKIRA)</i></p> <p>■ hkira.com/awards</p>
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JUN

4-5	<p>Fin2020</p> <p>Part of the project called "3 Events, 3 Continents in Portuguese", this is a global networking event which already has three successful editions. InvestHK will have a booth and a speaking session at the event.</p> <p><i>Location: OCC-Portuguese Professional Accountancy Organisation's Building, Porto</i></p> <p><i>Organiser: Young Entrepreneurs Association Portugal-China (AJEPC)</i></p> <p>■ finportugal.com</p>
5	<p>The Hong Kong Institute of Chartered Secretaries (HKICS) Annual Corporate and Regulatory Update Conference (ACRU)</p> <p>This annual event of HKICS provides a unique forum for company secretaries, directors, governance professionals and senior management to learn of the latest corporate and regulatory developments.</p> <p><i>Location: Hong Kong Convention and Exhibition Centre</i></p> <p><i>Organiser: HKICS</i></p> <p>■ app.norrayhk.com/acru2020/event-details.html</p>
10	<p>Silicon Dragon NY 2020</p> <p>Tech chats with leading executives and entrepreneurs of emerging companies and startups.</p> <p><i>Location: 757 Third Ave., New York</i></p> <p><i>Organiser: Silicon Dragon Ventures</i></p> <p>■ www.silicondragonventures.com</p>
15-17	<p>33rd Annual Marine Money Week</p> <p>An annual event in the US, the Marine Money Week will bring along a mid-year review of the global shipping industry.</p> <p><i>Location: The Pierre Hotel, New York</i></p> <p><i>Organiser: Marine Money</i></p> <p>■ www.marinemoney.com/forum/MMWeek20</p>
16-18	<p>Money20/20</p> <p>Europe's biggest FinTech event where industry leaders come to seize new business opportunities, strengthen partnerships and discover the latest disruptions. InvestHK will have a booth at the event.</p> <p><i>Location: RAI, Amsterdam</i></p> <p><i>Organiser: Ascential Group (Europe)</i></p> <p>■ europe.money2020.com</p>

17-18	<p>The Aviation Finance Festival</p> <p>The event covers infrastructure opportunities whilst maintaining a core focus on commercial aviation investment. InvestHK will have a speaking session to introduce dedicated tax regime for aircraft leasing companies.</p> <p><i>Location: InterContinental Dublin, Ireland</i></p> <p><i>Organiser: ISHKA</i></p> <p>■ www.ishkaglobal.com/Events/Event/83/The-Aviation-Finance-Festival</p>
18-19	<p>TNW - The Next Web</p> <p>A two-day technology festival that brings together international technology executives, top-tier investors and promising startups for two days of business, knowledge sharing. InvestHK will have a booth and a speaking session at the event.</p> <p><i>Location: NDSM, Amsterdam</i></p> <p><i>Organiser: TNW</i></p> <p>■ thenextweb.com/conference</p>

JUL

6-11	<p>StartmeupHK Festival 2020</p> <p>To celebrate and showcase the startup ecosystem, the week-long programme will delve into the future of entrepreneurship and disruptive innovation with keynotes, interactive how-to-sessions, hackathons, powerful lessons with seasoned founders and investors in FinTech, HealthTech, smart city technologies, IoT, retail and logistic innovation, EdTech and much more.</p> <p><i>Location: Hong Kong Convention and Exhibition Centre and the Mills</i></p> <p><i>Organiser: InvestHK</i></p> <p>■ startmeup.hk/startmeuphk-festival-2020</p>
10	<p>RICS Hong Kong Annual Conference 2020 - A Vision for Tomorrow</p> <p>The Conference themed "A Vision for Tomorrow" to define, analyse and take action to capitalise the challenges and opportunities brought by worldwide phenomena.</p> <p><i>Location: W Hotel, Hong Kong</i></p> <p><i>Organiser: The Royal Institution of Chartered Surveyors</i></p> <p>■ rics.org/hkconf2020</p>

See more events at



Supporting Startups and SMEs

The startup ecosystem in Hong Kong has been flourishing in recent years. Innovation and technology (I&T) is an important growth engine for future economic development. The Government has been supporting startups through various channels and measures, including strengthening the support of Cyberport and the Hong Kong Science Park for their tenants and incubatees.

Cyberport Incubation Programme

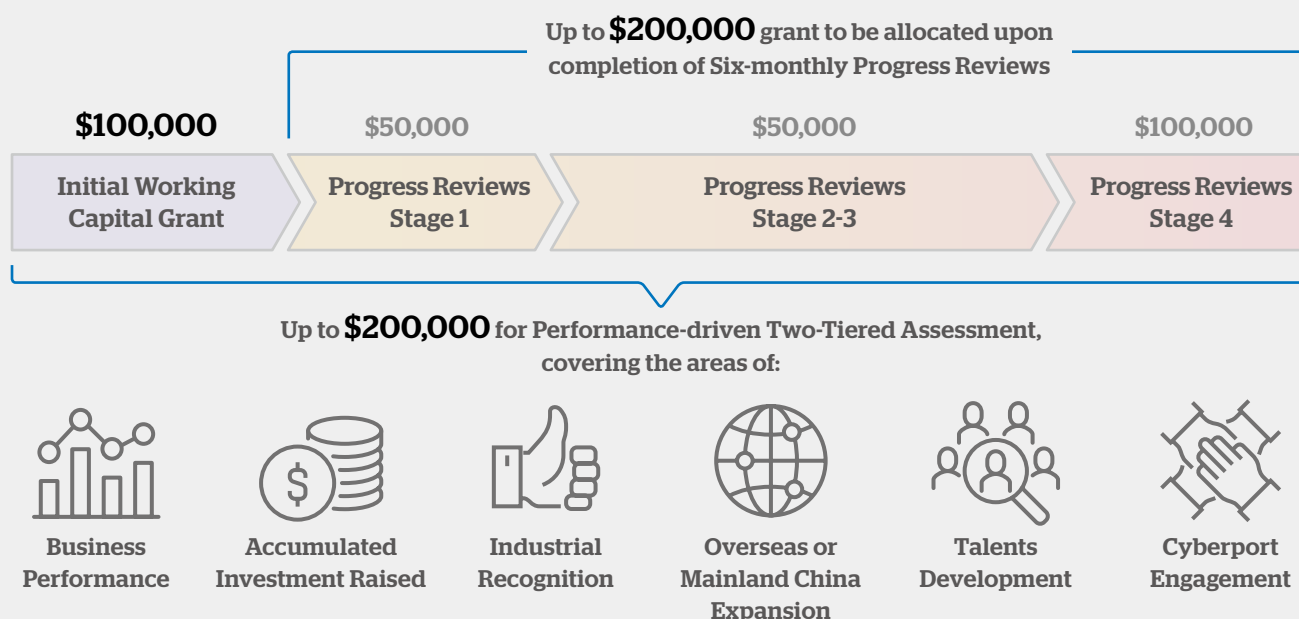
Cyberport Incubation Programme (CIP) supports entrepreneurs and startups with resources that aim to accelerate their growth.

Incubatees can get up to \$500,000 support over 24 months to jumpstart their business. They can participate in the programme on-site at Cyberport, or off-site at their own premises.

Programme benefit

The following support is available to successful applicants:

- Up to **\$500,000** financial assistance including:



- Rent-free working space (only for incubatees who choose to work on-site at Cyberport)
- Free use of Cyberport shared meeting rooms, conference rooms, co-working spaces and other facilities
- Meetings with entrepreneurs and investors, and networking opportunities

Eligibility:

- A digital tech related company registered and incorporated in Hong Kong with the date of incorporation less than seven years upon application deadline
- A viable business plan for a product / service to be ready for marketing in 12-18 months

Other support programmes by Cyberport:

Cyberport Creative Micro Fund

\$100,000
seed funding

Cyberport Accelerator Support Programme

\$300,000
financial assistance

Market Development Support Scheme

\$200,000
financial assistance

Cyberport Macro Fund

up to
\$200 million
co-investment fund

**The currency is in HKD*

Rental Support

In light of the impact to the economy caused by the epidemic, along with severe macroeconomic challenges, the Government has approved the funding for a six-month full rental waiver effective from 1 April to 30 September 2020:

Cyberport

This applies to all Cyberport commercial tenants, Smart-Space users in Cyberport's main campus and those in Tsuen Wan, as well as retail tenants in the Arcade.

Hong Kong Science Park, InnoCentre and the Industrial Estates

The full rental waiver covers incubatees, partner companies, professional services companies and merchant outlets with valid leases.

For more information:

Cyberport

🌐 cyberport.hk

Hong Kong Science and Technology Parks Corporation

🌐 hkstp.org

Contact:

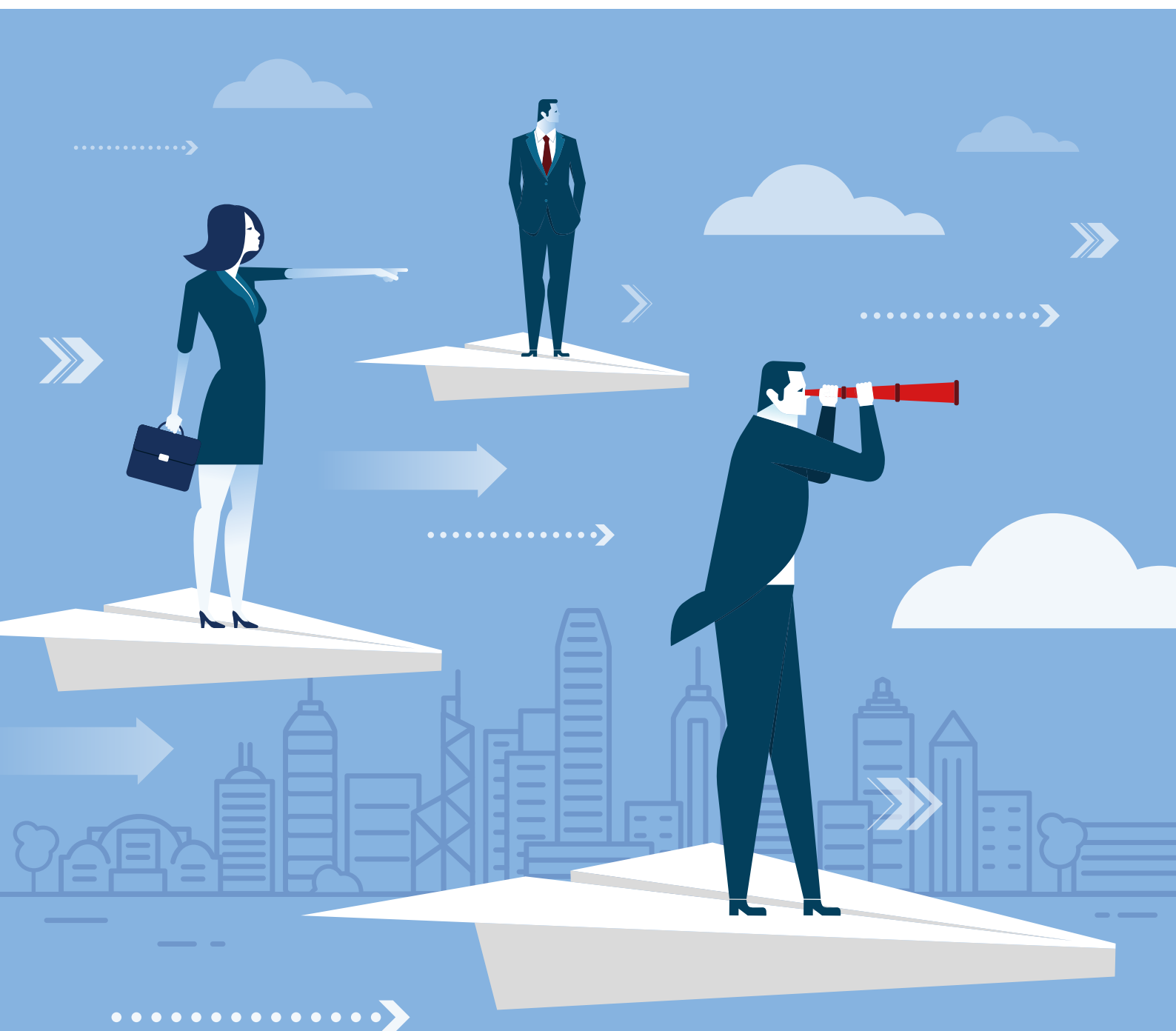
StartmeupHK

✉ startmeuphk@investhk.gov.hk

Leveraging Hong Kong for your Belt and Road Ambitions

The Belt and Road Initiative (BRI) is a far-sighted vision for inclusive international co-operation in the 21st Century unveiled by President Xi Jinping in end 2013. It comprises the land-based Silk Road Economic Belt and the ocean-going 21st Century Maritime Silk Road, spanning countries across different continents. The core principles of the BRI are five areas of connectivity: namely policy co-ordination, facilities connectivity, unimpeded trade, financial integration, and people-to-people bond.

Hong Kong is perfectly positioned to serve as the gateway to the Belt and Road and its manifold prospects and possibilities. The Government has adopted a whole-government, five-pronged strategy, covering enhancing policy co-ordination, fully realising Hong Kong's unique advantages, maximising Hong Kong's position as a professional services hub, establishing partnerships and collaboration, and promoting Hong Kong's project participation.



To help you understand how to leverage Hong Kong for your expansions along the Belt and Road, we have listed some of the key areas below.



Green Finance

Green finance, with an emphasis on sustainable development, is an area in which Hong Kong can contribute as an international financial centre. The Government have also been rolling out measures to develop Hong Kong as a regional hub for green finance. They include the successful offering of the inaugural green bond under the Government Green Bond Programme in May 2019. The initiative was developed to encourage more issuers to finance their green projects through the capital markets. The borrowing ceiling is about US\$13 billion. The Government will continue to connect the flow of green finance with the Mainland and the world.



Professional Services

More than a global financial, trade and logistics centre, Hong Kong is a professional services hub. Our pool of talent is deep and diverse, covering construction-related services, as well as legal and financial concerns. These are benchmarked against international standards and practices to turn your Belt and Road plans into commercial ventures. The Professional Services Advancement Support Scheme is designed to help the professional services sector capitalise on Belt and Road opportunities and funded the one-year "Belt and Road Cross-Professional Advancement Programme" launched by the Hong Kong Polytechnic University.

Hong Kong has long been a cultural exchange centre between East and West, and is perfectly placed to do more in terms of capacity building. The Government has embarked on a programme for interactive exchanges with the Mainland on practices and experiences on various fronts including finance, commerce, foreign-related legal matters, dispute resolution, city management, aviation and transportation, professional services and anti-corruption. The programme will enhance professionalism on both sides, ultimately realising Belt and Road projects that are both green and sustainable.



Infrastructure Financing

Hong Kong's deep liquidity, outstanding financial infrastructure and wide-ranging options for raising capital - from initial public offerings and loan syndication to bonds and Islamic sukuk - can meet the financing needs of any Belt and Road project. The huge demand for infrastructure investment has also stimulated innovation in infrastructure financing to expand lending capacity. Apart from providing financing for greenfield projects through the Infrastructure Financing Facilitation Office under the Hong Kong Monetary Authority and allowing brownfield infrastructure projects to be listed on the stock exchange, the Hong Kong Mortgage Corporation Limited is pursuing the proposition of securitising infrastructure loans to provide banks with the opportunity to offload their loans to long-term investors. After offloading, banks can then have more capacity to finance new infrastructure projects.

Hong Kong is also an ideal choice for setting up a corporate treasury centre (CTC) and offer an extremely tax-friendly environment for CTCs, taxing their qualifying profits at a concessionary rate of only 8.25 percent.



Risk Management

Investing in and financing complex projects in emerging markets involve a multitude of specialty risks. Hong Kong, a global risk-management centre and regional insurance hub, is home to an array of multinational insurers and reinsurers. They provide professional risk management services and insurance coverage that Belt and Road project owners can count on. They also offer reinsurance services to underwrite and manage project risks. In 2018, Hong Kong reached an agreement with the China Banking and Insurance Regulatory Commission to lower the capital requirements of Mainland insurers who cede businesses to qualified Hong Kong reinsurers. The agreement will reinforce Hong Kong's competitiveness as a risk management centre, enabling local reinsurers to take on Mainland reinsurance for Belt and Road projects. The Belt and Road Insurance Exchange Facilitation organisation promotes the exchange of intelligence, encourages alliances and facilitates networking.



Business Matching

The right partners are essential in navigating your Belt and Road journey. The Government is working hard to facilitate business-matching and will continue to explore overseas markets. To assist local enterprises and professional services to explore the overseas markets, the Government will organise delegations and invite Mainland and Hong Kong enterprises to conduct joint promotional activities in the relevant economies; and seek the policy support of the relevant Central authorities to extend the incentives and facilitations currently enjoyed by Mainland enterprises to Hong Kong enterprises intending to set up businesses in the Mainland's overseas Economic and Trade Co-operation Zones.

The Hong Kong Trade Development Council's Belt and Road Portal can also help by providing comprehensive information on the Belt and Road, enabling business matching between overseas project owners and investors and professional services providers in Hong Kong.

The opportunities mentioned above are just some of the many ways businesses of all sizes from around the world can expand into Belt and Road countries via Hong Kong. Invest Hong Kong stands ready to provide you with free, custom-made and confidential services.

Five Guys Expands in Asia, Following Hong Kong Success

America burger brand Five Guys continues its Hong Kong growth while planning more debuts in APAC.



“

Hong Kong is the right place for us to put our regional headquarters, supporting the whole Asia Pacific operations. ”

Danny Lee

**Vice President Operations APAC
Five Guys**

Famed for its fresh beef burgers, hand-cut fries and customisable milkshake, Five Guys debuted in Hong Kong in November 2018. With overwhelming response, the US premium burger brand opened two more stores in Central and Tsim Sha Tsui within a few months, and more locations are in the pipeline in 2020.

Founded in Virginia in 1986, Five Guys currently owns over 1,600 restaurants worldwide with both franchise and direct-owned stores, spanning across the US, Europe, Middle East and Asia. Hong Kong was the first Asian city that the company chose to open an outpost, followed by Singapore.

In a place like Hong Kong where international restaurant brands strive to stay ahead of the game, Five Guys' strategy is to stay authentic to its brand and values. "We are very proud of what we are doing so far as we constantly exceed our customers' expectation," said Danny Lee, Vice President Operations APAC. "We want to make sure that every burger we serve is perfectly cooked with juicy beef, and our service is uncompromised."

Asia expansion with Hong Kong as RHQ

Five Guys chose Wanchai to start its Hong Kong venture where it can serve a blend

of commercial and residential community. According to Lee, finding a strategic location is crucial for Five Guys. "It's very important that we find the right place, the right neighbourhood and with the right demographics," he said, "if a good location comes along, we move very fast. That's why within the last quarter in 2019, we opened two more stores in Hong Kong."

"Hong Kong is a transit hub, a very transacting city in Asia. It is therefore a good place for us to start in this part of the world," he added. "This is a showcase to the other markets in Asia region."

As its business becomes mature with an established support structure, the company plans to expand further in Asia Pacific with Hong Kong as its base. "The city is well-placed in its geographical location, it's only a short flight to support our new markets in Singapore, Malaysia, Korea, and Japan. Hong Kong is the right place for us to put our regional headquarters, supporting the whole Asia Pacific operations."

"There is also a big talent pool here while English is widely spoken everywhere, so it serves as a great platform for us to expand outside of Hong Kong," he added.

Lee sees InvestHK as an important partner in Five Guys' expansion journey. "I would

like to thank InvestHK who has been a really good partner. They provide very useful contact and market updates and we are very grateful for their support," he concluded.

Five Guys

- Currently runs three outlets in Hong Kong, with plans to open two more stores in 2020
- Expansion in APAC includes new openings in Malaysia, Japan and Australia

 fiveguys.com.hk

Watch the video:



“

Hong Kong is a great middle ground, very multi-cultural, lots of mixed influences and plenty of fashion lovers! ”

Fanny Moizant
Co-founder
Vestiaire Collective



Global Luxury Fashion Resale Platform Dedicated to a Sustainable Future

With the city's large and sophisticated consumer base and excellent logistics infrastructure, Vestiaire Collective, a leading global online marketplace for authenticated pre-loved luxury fashion and accessories, sets foot in Hong Kong and eyes Asia Pacific expansion.

In a new era of smart shopping, Vestiaire Collective, a global resale platform for pre-loved luxury fashion, is the answer to the evolving attitude towards fashion consumption and the circular economy, giving customers the opportunity to extend the lifespan of their fashion items. "Resale is one of the best ways to promote sustainability and circular economy," said Fanny Moizant, Co-founder of Vestiaire Collective, "it reduces waste by not creating more but reusing what's already made."

Founded in 2009 and based in Paris, Vestiaire Collective encompasses a carefully curated catalogue featuring over 1.5 million brand items from handbags, clothes, shoes, to watches and jewellery, with 5,000 new items submitted daily. "Our platform is unique because it connects over nine million members on a global scale and allows them to inspire one another regardless of their location," said Moizant.

An open-minded and receptive market for innovative business

In 2016, the company started preparations to open an office in Hong Kong, as the largest regional base of followers was located here. "Hong Kong is an international city with different cultures. This works in our favour because that means our customers are also more open-minded and receptive of new ideas and businesses," she said.

According to a survey conducted by Vestiaire Collective in ten key markets,

Hong Kong ranks top three with the highest interest in sustainable fashion, while the city also has the highest awareness of the concept of "circular fashion".

"There is a growing acceptance in pre-owned fashion and accessories in recent years, thanks to the younger generation and social media," she said. "Also, Hong Kong has huge potential for supply as the appetite for luxury consumption is very high, the basket size on average is twice that of France."

Seamless and efficient business environment

Hong Kong's favourable business environment is also a winning factor for Vestiaire Collective to set a foothold in the city. "The infrastructure and general environment for us to operate a business here is seamless and efficient," Moizant remarked. "The city is very tech-savvy with high internet and mobile penetration, so setting up our online business here has been smooth."

"Logistics is at the heart of our business model, and from that standpoint, Hong Kong has a strong edge over neighbouring cities," she added.

While growing the Japanese market, Vestiaire Collective's priority is to continue strengthening its strong presence in the two existing major markets in Asia Pacific - Hong Kong and Singapore. With its soon available Chinese mobile app and

website, they are also committed to further expanding its business in the Greater China region. The company is actively recruiting professional sellers in Hong Kong and other markets.

Moizant regards InvestHK as an important partner along their business expansion journey in Hong Kong. "InvestHK is a key player in the ecosystem and helps opening more doors, connecting us with relevant business partners. They can also advise the latest macro trends in the city and provide key market data," she concluded.

Vestiaire Collective

- Headquartered in Paris with global offices in Berlin, London, Milan, New York and Hong Kong
- Currently has over 400 employees worldwide with 30 people in the Hong Kong office
- Functions of Hong Kong office includes logistic hub, authentication, marketing, business development, as well as a dedicated VIP team offering consignment services

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

A Marriage of Convenience - Brands and Events

Magnetic Asia sets up a new full-service marketing and creative agency focused on events, branded experiences and innovative customer engagement.



“ Hong Kong was the logical place for us to base our operations. ”

Simon Bratt
Managing Partner
arcc

Established in 2019, arcc is a new division of Hong Kong-based live entertainment powerhouse Magnetic Asia, the company behind Clockenflap Music & Arts Festival. Bringing together experience in event marketing and mainstream advertising, arcc was established to help event owners and brands better connect with audiences through innovative creative solutions across all media channels as well as experiential activations.

“We see more and more brands wanting to get involved in the event and experiential space,” said Martin Lever, Creative Partner, “our understanding of how to position and market events, brands, products and experiences - as well as our ability to create ownable and relevant roles for brands within events - is fast becoming a signature service.”

arcc offers a full spectrum of brand, marketing and creative strategy services with application of a proprietary process of Audience Insight, Market Research, Focussed Creativity, and Effective Content. To ease brands' common pain point in measuring return value, arcc also focuses on implementing real-time campaign tracking and post-event analysis.

“Events are in our DNA - but our creative marketing services go beyond purely

events. We are very positive about the opportunities for our unique mix of skills and insights,” added Simon Bratt, Managing Partner.

Hong Kong - home to regional headquarters of global brands

Headquartered in Hong Kong, the company grew out of a desire to change the way events and experiences are marketed, with effectiveness as a driving principle. “Hong Kong was the logical place for us to base our operations,” said Bratt, “our partner companies Magnetic Asia and Asia Ticketing are headquartered here and Hong Kong is the regional base for many multinational and regional brands.”

Bratt added that arcc's strategy is to build its customer base in Hong Kong and Singapore, and from there to expand regionally in Asia. “While our existing customers are primarily based in Hong Kong, we are already delivering regional and international campaigns.”

With experience in implementing multi-regional projects, arcc is open to opportunities across different regions, including the Guangdong-Hong Kong-Macao Greater Bay Area. “Currently, we are looking to work with brands across the region - including our neighbours Macao,

too often an overlooked opportunity,” said Lever, “we believe our approach and service offering is well-suited to supporting integrated resorts, which are already experimenting with experiential activities to attract patrons.”

In less than a year since its launch, arcc has grown its headcount to 11 people, and will continue to expand. Bratt remarked that setting up and conducting business in Hong Kong is a straightforward and efficient process. “We also appreciate the highly competitive nature of business in Hong Kong, which keeps our potential clients on the hunt for ways to better connect to their audiences and customers” he said. “This is the opportunity space arcc is focused on.”

arcc

- Providing services include brand positioning, event concept development, PR, media planning and content strategy

 arccasia.com



“

Hong Kong is the most open and international city in the region which has a unique social, economic and legal system under ‘One Country, Two Systems’.”

Jianxin Zong
Chief Executive
Chong Hing Bank

Accelerating Digital Transformation with Eyes on Greater Bay Area

Chong Hing Bank formed digital transformation teams to extend its tech advantages and further penetrate the Mainland China market.

Started as a local Chinese-funded bank in 1948 and having been a public listed bank since 1994, Chong Hing Bank has adopted a business approach characterised by steady growth and development. Together with its subsidiaries (including Chong Hing Securities Limited and Chong Hing Insurance Company Limited), Chong Hing Bank provides comprehensive commercial banking and financial services, including deposits in local and foreign currencies, credit, foreign exchange, wealth management, investment, securities and insurance.

With a solid foundation in Hong Kong for over 70 years, Chong Hing Bank has flourished in the local market thanks to its extensive experience in finance and wealth management. In 2014, the Bank became a member of Yuexiu Group, a Guangzhou based state enterprise, and has continued to actively expand its business in the Mainland riding on its strong local foundation. In recent years, the Bank has brought in new strategic shareholders including Guangzhou Metro and Guangzhou Automobile Group to strengthen its capital base, cater for the needs of its development and enhance its diversified connections in the Mainland.

According to Jianxin Zong, Chief Executive of Chong Hing Bank, with the support of its main shareholder Yuexiu Group in both Guangdong and Hong Kong, the Bank has been focusing on its network expansion in the Mainland China market. Digital

transformation teams were established in Hong Kong and Shenzhen to develop cross-border collaboration and FinTech development application in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA).

“With the continuous demand for FinTech applications, we will integrate our traditional business with technology by continuously optimising our eBanking services and improving customer experience,” Zong said.

Seizing opportunity in the GBA with Complementary Advantages

As part of its expansion strategy, the Bank has set up a GBA Development Office. Zong remarked, “Hong Kong is the most open and international city in the region which has a unique social, economic and legal system under ‘One Country, Two Systems’. Complemented by the systems in Mainland China, this will help unlock the potential in the GBA.”

“Hong Kong has an open business environment; a sound and independent legal system; a flexible labour market; a simple and low tax regime; solid regulatory systems that comply international standards; and convenient facilities,” he said. “All of these can facilitate foreign companies to set up regional headquarters and office in the city, driving a vibrant development for industries of all kinds.”

He added that the city's advantages can also attract and retain high quality professionals. The Bank has been enhancing its internal talent pool by restructuring and reengineering, optimising the values of each working unit. Chong Hing Bank will continue to build up its talent and resource pool in online banking and other business areas.

Zong concluded, “companies that are keen to set up in Hong Kong need to understand the local regulatory systems, setup costs and competitive advantages. Besides, they may take advantage of the availability of local talents and leverage on the unique strengths of Hong Kong as a gateway to enter the Mainland market.”

Chong Hing Bank

- Chong Hing Bank currently has more than 30 branches in Hong Kong, and branches in Guangzhou, Shenzhen, Shanghai, Shantou and Macao
- Chong Hing Bank currently has around 1,500 employees in Hong Kong

 chbank.com



“ We see plenty of overseas companies coming into the GBA, selecting Hong Kong as a base and looking to partner with companies that already have local presence and market knowledge. ”

Yvette Yanne
General Manager, APAC
Appnovation

Driving Digital Transformation Success

Canadian digital consultancy sets to expand in Hong Kong with high demand for tech transformation across all industries.

Since 2007, digital consultancy firm Appnovation has helped hundreds of businesses advance and keep up the pace in the rapidly changing digital landscape. Housing a team of experts from a diverse background including digital agencies, consulting and IT, and experiences ranging from in-house development, experience design, delivering management to change management and technology consulting, the company's strength lies in its unique insights in solving clients' business problems and objectives with immersive user experience, powered by the right technology solutions.

The Vancouver-based company set up its regional headquarters in Hong Kong in 2015 to leverage on the city as the financial and business hub of Asia. "Hong Kong is an obvious choice for our APAC headquarters. It offers us opportunities to grow our business and develop long-term relationships with a variety of clients, including MNCs, regional conglomerates and local companies," said Yvette Yanne, General Manager, APAC.

"With the city's and the region's embrace in digital technologies and experiences, whether this is eCommerce, Internet of Things (IoT), wearables, mobile apps, omnichannel, mobile payment, AI or smart

home devices, the city offers tremendous opportunities for us to help businesses enable their digital strategies and initiatives," she added, "this demand is driving our continuous growth and expansion."

Ample tech talent supply

Yanne also saw the market demand for full service digital consultancies, such as Appnovation, who has a local team on the ground to meet client's unique requirements in a nimble way. In Hong Kong, the company has already worked with a number of clients on various projects, including website development, digital strategy, user experience research, Agile enablement and change management.

According to Yanne, the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) development has attracted a lot of interest from the tech industry as well as talents. "We see plenty of overseas companies coming into the GBA, selecting Hong Kong as a base and looking to partner with companies that already have local presence and market knowledge," she said.

She added that Hong Kong has a diverse talent pool with a mix of local and overseas professionals. While the city has always attracted overseas talent thanks to its

position as Asia's business hub, the local talent pool has also become stronger in the past few years.

Appnovation's next step is to expand its Hong Kong office in order to strengthen the value they offer. "We are already very strong with delivery and technology solutions. We are now adding more expertise in strategy and experience design, while continue to grow our technology teams, as well as client service and business development teams," Yanne concluded.

Appnovation

- Offers six service areas including digital strategy, experience design, development & engineering, data & analytics, corporate agility & readiness and managed services & support
- With worldwide offices in 15 locations in the US, Europe and APAC

 appnovation.com

Gaming up for Esports in Asia

Hong Kong based esports technology company CAPSL Entertainment launches tournament platform to nurture gaming talent in the world's fastest growing gaming market.



Esports has undergone tremendous growth over the past decade. Not only the number of gamers has skyrocketed, esports tournaments have also become a new form of entertainment for both gamers and spectators, coupled with an enormous marketing opportunity for brands targeting the hard-to-reach Gen Z audiences.

"Global market share for gaming industry has gone from 90 billion US dollars about five years ago to 130 billion dollars today, and the absolute center of that growth was generated by esports and mobile competitive gaming," said Paddy Markham, founder of CAPSL Entertainment, a Hong Kong-based esports technology company.

"There is a massive mobile penetration and gamer community in Hong Kong," he added, "and now it's about translating that passion into professionalism."

CAPSL recently launched BAASH, a mobile-only competitive gaming platform. BAASH enables anyone, including grassroots tournament organisers to set up and launch their online league on mobile devices in less than 30 seconds, generating revenue in a safe, scalable manner. BAASH uses its unique set of proprietary technologies to automatically extract match results in real-time without dependency on game developers and publishers providing that data. The platform aims to serve as a launchpad for gamers looking to grow a career in esports, just like any world's legendary athletes.

Esports industry development supported by Government

CAPSL set up its headquarters in Hong Kong based on its proximity to target markets. "Hong Kong provides a strategic location for us in Asia, which is the heart and soul of the gaming industry," said Markham. "We are on the doorstep of Mainland China which records the highest esports revenue globally, plus only a few hours flight away from Southeast Asia which is one of the fastest growing markets in the

“
Hongkongers are massive gamers especially with mobile devices. We get to employ multi-lingual, gaming enthusiasts with international experiences to support regional business activities from Hong Kong.”

Paddy Markham
Founder
CAPSL Entertainment

games industry." Markham is pleased to see that the local Government is putting more resources to support and grow the esports industry in Hong Kong. This helps to create more awareness for esports, and the potential of raising funds from institutional investors. Markham prefaced this with some caution, "this push, including gaming events and conferences, needs to be maintained. Consistency and continuously aiding the many other initiatives are key to ensuring growth in the local games ecosystem," he added.

According to Markham, Hong Kong has been historically a launchpad for many international game titles. "A lot of companies choose to soft launch their game titles here in Hong Kong before entering the Mainland China market. Hongkongers are massive gamers especially with mobile devices. We get to employ multi-lingual, gaming enthusiasts with international experiences to support regional business activities from Hong Kong. We are still expanding the team."

He added that the city also amasses many MNC headquarters, which makes a big pool of potential esports sponsors. "There is an increasing number of brands wanting to capitalise on the growing gaming market. Our platform offers an entry point for brands to access Gen Z audiences with an extremely engaging platform," he remarked. "Being in Hong Kong allows us to easily access these brands and have face-to-face conversations about collaboration opportunities."

CAPSL has recently expanded its office premise which houses different functions of staff including UX and UI specialists, marketing, graphic design, business development and administration. The Hong Kong office also manages its engineering team based in the Philippines. After the official launch of BAASH in the Philippines in the first quarter of 2020, the company is looking to further expand penetration into other Southeast Asian markets, while at the same time scaling over 30 esports game titles in the platform by the end of the year, before eventually introducing the platform to the China market. The company is also eyeing the opportunities arising from the Greater Bay Area and is exploring the potential of setting up a development studio in Shenzhen.

CAPSL Entertainment

- BAASH is a mobile-only gaming tournament platform developed by CAPSL, an esports technology company headquartered in Hong Kong
- An incubatee of Cyberport Incubation Programme since late 2019

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Bright Future for Virtual Legal Training

Legal Beagle provides continuing education by offering innovative and engaging courses to law professionals virtually anywhere.

Hong Kong's legal profession may be traditional, yet it is just as susceptible to changing tides as any other profession. To get lawyers up to speed, Legal Beagle offers high quality on-demand, interactive online legal training that is both convenient and affordable.

"When we founded the company in 2017, the market for legal training was 99 percent live classroom learning," recalled David Schaus, Legal Beagle's Director. "We decided that Hong Kong's legal market was ready for innovation and disruption, with solutions for professionals working at the world's largest law firm or practising on their own."

Hong Kong is home

Schaus felt that Hong Kong was a natural place to launch Legal Beagle. "I came to Hong Kong in 2004 and stayed because I recognised that this is a place where if you have a dream and work hard, you can make anything happen," he affirmed. "This attitude is the norm here. Since our establishment, we have been approached by a number of different clients asking us to expand to more jurisdictions in Asia and beyond. We plan to do this in the very near future."

With growing demand of people working from home, Legal Beagle's services have

benefited its growing client base. "While there will be a market for live training, e-learning is becoming the new normal rather than the disrupter," Schaus stated. "Also, with challenging rent prices and more companies moving towards gig, remote and flexi-work arrangements, e-learning is not a 'nice to have' but a 'must have'. Law firms need to train their teams around the changing economic environment. We are here to help."

Currently, Legal Beagle offers the largest video-based online training library accredited by the Law Society of Hong Kong. Its expert speakers are almost exclusively based in Hong Kong. For those customers new to online training products, Legal Beagle offers service support 24/7 via phone, WhatsApp, email or chat.

Tailor made training for international law firms

Alongside risk management and continuing education training, Legal Beagle can build customised platforms for international law firms. "All they need to do is tell us the launch time of the training programme, and our content, production and IT teams handle everything else," Schaus explained.

"Law firms can have their product ready to go in a very short period of time."

Schaus is currently working on bringing its Core Course product to market, which allows Hong Kong legal professionals the option of attending necessary training when they are away or otherwise unable to attend classes. As Legal Beagle continues to grow, he intends to expand his team with new hires and increase content offerings.

"We are thankful to be part of InvestHK's portfolio of companies," he said. "It has allowed us to get our name out to the larger business community and opened many doors for us in the finance, legal and government sectors. The resources provided have also been a tremendous asset to helping us grow. Hong Kong is the most resilient, hard-working and exciting city in the world, and we are proud to call it our home."

“ I came to Hong Kong in 2004 and stayed because I recognised that this is a place where if you have a dream and work hard, you can make anything happen. This attitude is the norm here. ”

David Schaus
Director
Legal Beagle

Legal Beagle

- Founded in 2017 in Hong Kong, Legal Beagle offers on-demand, interactive online risk management education and continuing professional development training accredited by the Law Society for the legal profession
- It provides custom platforms for international law firms to provide online accredited training for its lawyers, clients and alumni through bespoke content productions

 legalbeagle.com.hk

Moving Money Internationally is Easy with OFX

OFX provides transparent global money transfer services that make use of technology to get the best rates for its customers.



As the world is increasingly globalised, transferring funds across international borders has become as common as air travel. For decades, though, the foreign exchange industry was relatively opaque, dominated by big banks. Originally founded in a garage in Sydney 22 years ago with the goal of offering a better and more transparent way to transfer money to global destinations, OFX today has seven offices around the world, including an Asian footprint in Hong Kong and Singapore, offering 24/7 customer service with Chinese language services.

In Hong Kong, where it has been operating for nearly a decade, the demand for real-time global payments has seen OFX

implement the homegrown Faster Payment System (FPS) technology, developed by the Hong Kong Monetary Authority, to move funds across different banks. The way it works is simple: from a Hong Kong bank account, personal customers can use the FPS facility to transfer HKD to OFX, and the funds will be received almost immediately. In addition to being regulated by Customs and Excise Department in Hong Kong, OFX's global network of 115 bank accounts means even during times of high currency volatility the company can process customer transfers in a timely manner.

"Our value proposition to customers is very much around combining human and digital," said Yung Ngo, President, Asia Pacific. "We aim to deliver the best foreign exchange (FX) experience through digital tools with expert support. We know there is a lot of anxiety when moving money internationally, so we're committed to helping businesses and individuals in Hong Kong with a timely and secure money transfer experience."

Hong Kong as key financial hub

"We chose Hong Kong as one of our international offices, thanks to its simple tax system, solid infrastructure, and business stability. It also provides a good base for exploring opportunities in Mainland China," Ngo added. "As a key global financial hub, Hong Kong's customer base is aligned with the OFX portfolio: global citizens, international professionals, businesses trading internationally and

eCommerce sellers." Its booth at the FintechHK Start-up Salon co-organised by InvestHK during the Asian Financial Forum 2020 in Hong Kong provided invaluable exposure for OFX. "Thanks to InvestHK, we had the opportunity to better understand how to position our services within the Hong Kong market."

Hong Kong clients are not only tech savvy and knowledgeable, but the city itself is very fast paced with a high expectation in terms of service and turnaround time. OFX's offering means they are uniquely positioned to provide competitively priced FX services and smart currency management tools, coupled with around-the-clock service from a team of experts. "We have over 20 years of currency expertise and hire local talent in Hong Kong to support Asian businesses and international professionals," Ngo stated. "Having local talent is crucial to ensuring we are constantly offering an authentic human touch, and is also an excellent way to get context and feedback from customers on the ground."

“ As a key global financial hub, Hong Kong’s customer base is aligned with the OFX portfolio. ”

Yung Ngo
President, Asia Pacific
OFX

OFX

- Founded in 1998, the Sydney-headquartered foreign exchange services company is a publicly listed company that offers competitive exchange rates, 24/7 specialist support and currency management tools to help mitigate risk
- In 2011, OFX expanded to Hong Kong and consists of international and local professionals specialising in partnerships, corporate sales, customer service and operations

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