

InvestHK

Quarterly Newsletter

July 2020



Hong Kong is Reinventing Financial Services for the Digital Age

The FinTech development in Hong Kong has made significant strides since the first FinTech Week in 2016.

This Issue 3 International Forward Calendar 4-5 Special Feature: Business Support Measures
6 Sector Focus: Financial Services 7-15 Case Studies

The city is now home to more than 600 FinTech companies with over US\$1.5 billion investment between 2014 and 2019. With the solid support from the HKSAR Government and regulators, initiatives such as virtual bank and virtual insurance licenses were granted, the city is transforming to a new digital era.

The Booming FinTech Scene

The introduction of virtual banks in Hong Kong is a major catalyst to propel Hong Kong into the smart banking age. In 2019, Hong Kong Monetary Association (HKMA) granted eight virtual bank licenses. As of early July, two banks already fully launched their virtual services. The launch of virtual banks will certainly facilitate financial innovation, enhanced customer experience and financial inclusion.

In 2018, the Insurance Authority (IA) granted the first virtual insurance license. InsurTech is beneficial to both the industry and consumers as it stimulates innovation, enhances value proposition, improves customer experience and broadens financial inclusiveness.

At the moment, there are four licensed virtual insurers and each with a unique background and business model, offering the prospect of accelerated FinTech development in Hong Kong, thereby bolstering our competitiveness as an innovation hub.



The Future of FinTech Adoption

The Hong Kong Institute for Monetary and Financial Research (HKIMR), the research arm and subsidiary of the Hong Kong Academy of Finance (AoF), released a survey in May 2020. The report indicated that incumbent banks see FinTech development more as an opportunity than a threat to their business operations. The top three financial services with FinTech adoption are personal finance, investment and wealth management services, and brokerage services. And, in the next five years risk management services is having the greatest potential. Preliminary results also show that increased cost efficiency and improved profitability are associated with more extensive FinTech adoption by banks. Meanwhile, 86 percent of banks have adopted or plan to adopt FinTech solutions across all types of financial services.

Hong Kong FinTech Week 2020 (2-6 November)

The upcoming fifth annual Hong Kong FinTech Week will take place at AsiaWorld-Expo in Hong Kong as the hybrid of physical and virtual event. Building on the success of last year's event, a more business-oriented programme will be featured for the global FinTech communities, such as the FinTechHK Global Competition, Fast Track and Virtual Fairs. In addition, for the first time since its inception, the Hong Kong FinTech Week will have a B2C element where virtual banks will showcase their innovative consumer experience. The 2019 FinTech Week drew more than 12,000 attendees, up about 50 percent from the previous year, and attracted over 150 exhibitors and 18 trade delegations.

For more details about Hong Kong FinTech Week 2020, please visit fintechweek.hk



The FinTech Anti-epidemic Scheme for Talent Development (FAST Scheme) is now open for application to support the development of FinTech in Hong Kong. Cyberport is appointed to administer the Scheme, which is open for online application via the dedicated website (fast.cyberport.hk) from 2 July 2020 to 2 July 2021. Details of the eligibility criteria, application procedures and supporting documents required are available at the website.

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JUL

11	MarineTech 2020 Shipping industry stakeholders will join the forum to network, discuss and debate market developments and industry trends. This year, the event will explore across the implications of digitalisation. Jointly organised by the shipping industry and the internet community in Mainland China. Location: Shanghai Organisers: MarineX, Beyond Shipping www.ship.sh/news_detail.php?nid=39417
21	Innovate Textile & Apparel (ITA) Americas An annual event that brings together strategic decision-makers determined to implement digitalisation in the textile and apparel sector. Location: Boston, United States Organiser: World Textile Information Network (WTiN) events.wtin.com/event/d97dc83a-b208-4c5b-bf71-7b53a4e7bee1/summary

AUG

28	The 19th China Private Equity Summit 2020 Recognised as a leading practitioners' conference, this virtual summit features in-depth discussions on the latest developments and trends in the private equity market in Mainland China. Organiser: Hong Kong Venture Capital and Private Equity Association cpes.hkvca.com/hk
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SEP

2-3	ReThink Sustainability The event focuses on answering one of the most crucial questions for companies in our city: how to help businesses in Hong Kong accelerate change towards a more sustainable future. Location: K11 ATELIER King's Road, Hong Kong Organiser: EnviroEvents HK Limited rethink-event.com/
3	13th Hong Kong Ship Finance Forum This annual event provides a forum for shipping and shipping finance-related companies across the region to network, discuss and debate market developments and industry trends. Location: Renaissance Harbour View Hotel, Hong Kong Organiser: Marine Money www.marinemoney.com/forum/HK20
9	The Art Business Conference Leading experts from the art world, together with business leaders and technology experts, will share their insights in today's art market. Location: Church House Conference Centre, London Organiser: Art Market Minds Ltd www.theartbusinessconference.com/the-event

22-24	Money20/20 Europe's biggest FinTech event, it is where industry leaders come to seize new business opportunities, strengthen partnerships and discover the latest disruptions. Location: RAI, Europaplein 2-22, 1078 GZ Amsterdam Organiser: Ascential Group (Europe) Ltd The Prow, 1 Wilder Walk London W1BAP. europe.money2020.com
23	Marine Money UN Climate Week New York The annual event organised during the Climate Week NYC provides a forum for the shipping industry stakeholders across the region to network, discuss and debate climate actions and industry trends. Location: The Yale Club, New York Organiser: Marine Money www.marinemoney.com/forum/NYCUN20
28	HKIB Annual Banking Conference Under the theme "Innovation and Transformation: A Brave New World of Banking", the conference will offer a platform for industry leaders to explore new frontiers of smart banking and delve into the issues that are reshaping the banking industry. Location: Hong Kong Convention and Exhibition Centre Organiser: The Hong Kong Institute of Bankers bankingconference.hkib.org/hkib2020
29-30	Airfinance Journal China Conference 2020 The two-day conference will give audience an opportunity to gain market updates, connect with over 500 industry elites and identify business opportunities in the Chinese aviation market. Location: Shanghai Organiser: AirFinance Journal www.euromoneyseminars.com/china-airfinance/agenda.html
30	Asia Pacific Maritime (APM) 2020 A three-day premier exhibition and industry-led conference in Asia showcasing an overview of the vessel sectors including services and solutions, technology, vessels equipment, machineries, supplies, etc. The event anticipates 15,000+ visitors, 1,500+ exhibitors and 18 official pavilions. Location: Marina Bay Sands, Singapore Organiser: Reed Exhibitions www.apmaritime.com/en-gb.html

OCT

1-2	TNW - The Next Web 2020 TNW Conference is a technology festival that brings together international technology executives, top-tier investors and promising startups for two days of business and knowledge sharing. Location: NDSM, NDSM-Plein 28, 1033 WB Amsterdam Organiser: The Next Web thenextweb.com/conference
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See more events at

Visit investhk.gov.hk for details

Business support measures amid economic challenges

The COVID-19 pandemic has a huge impact on global economies, including Hong Kong. To assist enterprises to cope with the pressure brought about by the economic downturn and alleviate their burden, the Government has announced various measures to support enterprises and safeguard jobs.

The Government has pledged around \$287.5 billion, about 10 percent of GDP, to help offset the economic fallout from COVID-19, including the \$120 billion relief package in the 2020-21 Budget, the first round of \$30 billion Anti-epidemic Fund and \$137.5 billion relief package announced on 8 April.

Support for business in 2020-21 Budget

- Reducing profits tax for 2019-20 by **100 percent**, subject to a ceiling of **\$20,000**
- Waiving rates for non-domestic properties for four quarters in 2020-21, subject to a ceiling of **\$5,000** per quarter in the first two quarters and **\$1,500** per quarter in the remaining two quarters
- Waiving business registration fees for 2020-21
- Waiving registration fees for all annual returns charged by the Companies Registry for two years
- Providing a subsidy to each eligible, non-domestic household account for four extra months to cover **75 percent** of their monthly billed electricity charges, subject to a monthly cap of **\$5,000** per account
- Waiving **75 percent** of water and sewage charges payable by non-domestic households for four extra months, subject to a monthly cap of **\$20,000** and **\$12,500**, respectively, per household

The one-off proposals in the Budget also include a **\$10,000** cash payout to Hong Kong permanent residents aged 18 or over, with a view to stimulating the local economy by encouraging local consumption.

Anti-epidemic Fund

In February, the Government announced the establishment of a **\$30 billion** Anti-epidemic Fund to ease the burden on businesses and the community during the fight against COVID-19. Key initiatives include:

- One-off subsidy of **\$80,000** to each licensed travel agent
- One-off subsidy of **\$200,000** to each eligible licensed restaurant and factory canteen
- One-off subsidy of **\$80,000** to each eligible licensed light refreshment restaurant, food factory, bakery, fresh provision shop, and siu mei and lo mei shop
- One-off subsidy of **\$5,000** to each eligible licensed hawkers
- A subsidy of up to **\$80,000** to each licensed guesthouse
- Setting aside **\$5.6 billion** to provide a one-off subsidy to each eligible retailer
- Setting aside **\$3.23 billion** to provide comprehensive and continuous financial support to the various transport trades
- Setting aside **\$1.02 billion** to support the convention and exhibition industry by providing subsidies to participants and organisers of major conventions and exhibitions
- Allocating **\$150 million** to support the arts and culture sector by providing subsidies to arts and cultural groups
- Setting aside **\$380 million** to provide a six-month rental waiver for tenants and startups at Hong Kong Science Park, Cyberport and industrial estates to support the innovation and technology sector

\$137.5 billion relief package to support businesses and preserve jobs

In April, the Government announced a package of economic relief measures worth **\$137.5 billion** to help individuals and industries affected by the COVID-19 outbreak. Key initiatives include:

- **\$80 billion** Employment Support Scheme under which wage subsidies will be provided to eligible employers, capped at **\$9,000** per month (i.e. **50 percent** of median monthly wage in Q2 2019 of **\$18,000**) per employee for six months
- **\$21 billion** to provide 16 types of support for specific sectors, including catering, education, transport, tourism, construction, etc.
- Enhancing the Small and Medium Enterprise (SME) Financing Guarantee Scheme – additional expenditure of around **\$11.69 billion** and additional guarantee commitment of **\$30 billion**

Co-ordinated support from banking industry

In February, the Hong Kong Monetary Authority and local banks launched the following support strategies to assist SMEs, including:

- Continue to offer to delay repayments or extend loan tenors, and to reduce fees to reduce the cash flow pressures facing SMEs. Some banks also provide unsecured loan products for SMEs to help improve their cash flow and have made special arrangements to expedite loan approvals
- For the import and export sector, banks have extended the repayment period of trade financing facilities to align with the prolonged trade cycle and allowed customers to convert trade financing lines into temporary overdraft facilities
- Introducing a series of measures aimed at increasing the banking sector's liquidity and encouraging banks to deploy their liquidity buffers more flexibly to support lending and other business activities
- Reducing the current level of regulatory reserves by half to release a total of **\$200 billion** of lending capacity, providing banks with more room on their balance sheets to cater for future financing needs
- Asking banks to consider arrangements to automatically offer extensions of loan tenor or principal repayment holidays to qualified SMEs without requiring them to make an application
- Banks say they will allow SME customers in the import-export and manufacturing sectors facing cash flow pressure due to delays in shipments to further extend the repayment period of trade financing facilities. They will also consider allowing more customers to apply to convert trade financing lines into temporary overdraft facilities so that customers can manage their cash flow more flexibly





Hong Kong: A Leading Hub for Family Offices

In the last decade or so, there is a strong growth in Asia Pacific high-net-worth-individuals (HNWIs) population. The number of HNWIs increased from 3.3 million in 2010 to 6.1 million in 2018 and the financial wealth has increased from USD10.8 trillion to USD206 trillion. This has contributed to an acceleration in the establishment of family offices in the region.

Hong Kong is already the largest cross-border private wealth management (PWM) hub in Asia and the second largest in the world. Both single and multi-family offices can leverage Hong Kong's unique advantage of being the dominant gateway between Mainland China and the rest of the world and tap on the tremendous asset and wealth management opportunities.

Unique access to Mainland China investment and business opportunities

Hong Kong accounts for the largest inbound and outbound direct investment of Mainland China. In terms of portfolio investments, since the introduction of the Qualified Foreign Institutional Investors scheme in 2002, Hong Kong has worked closely with Mainland China in developing new channels, including Shanghai-HK Stock Connect, Shenzhen-HK Stock Connect, Bond Connect and Mutual Recognition of Funds, to facilitate cross-border investment flows. International investors have been increasing their participation in the China market through Hong Kong. In 2019, international investors' trading of Mainland stocks through

Stock Connect more than doubled while their trading of Mainland bonds through Bond Connect tripled. Growth momentum continues this year. In the first five months of 2020, average daily turnover of Mainland stocks and bonds through Stock Connect and Bond Connect further increased by over 60 percent and 200 percent respectively compared to the same period last year.

Family offices seeking investment and business opportunities will benefit from establishing a presence in Hong Kong which offers easy and convenient access to the Guangdong-Hong Kong-Macao Greater Bay Area (GBA). The number of unicorns in the GBA is growing, and the valuation of unicorns in GBA increased from RMB335 billion in 2017 to RMB614 billion in Q3 2019. Under the GBA, Hong Kong is also working with Mainland China to explore the establishment of the "Wealth Management Connect" scheme, which will allow two-way access of a wider spectrum of wealth management products in both jurisdictions.

Unparalleled access to ample PE investment opportunities in Asia Pacific

Being Asia's number 1 hub for international fund management, Hong Kong is Asia's second largest private equity (PE) market after Mainland China. As at the end of 2019, approximately 520 PE firms operating in Hong Kong managed about HKD1.21 trillion of capital, including 15 of the top 20 global PE managers. Family offices can utilise Hong Kong as a springboard to gain unparalleled

access to around 40 percent of the PE deal flows in Asia Pacific.

Regional philanthropy and sustainable finance centre

The HKSAR government is supportive of the financial industry's vision to further cement Hong Kong's position as a green finance hub in the Asia Pacific region. To support such initiative, the government has launched the Pilot Bond Grant Scheme, the Green Bond Grant Scheme and the HKD100 billion Government Green Bond Programme to support green finance development in the city. Also, the city has a mature and extensive network for philanthropy activities. Hong Kong tops in Asia in terms of philanthropic asset as a percentage of GDP and tax exemption is available for charitable institutions and trusts.

To learn more about the advantages and market opportunities that Hong Kong offers, please visit the newly launched dedicated family offices website familyoffices.hk. InvestHK has a dedicated team to provide one-stop services to support foreign and Mainland investors to set up their family offices in Hong Kong.

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Japanese Retail Giant Shares Tips to International Success

Hong Kong hosts one of the stores that have recorded the best sales figures among all Don Quijote locations around the world.



“ Hong Kong is a beacon for Japanese manufacturers, and we regard the city to be a considerable facilitator of new investments or ventures from Japan. ”

Mitsuyoshi Takeuchi
President & Director
Pan Pacific Retail Management
(Hong Kong) Co., Ltd.

Pan Pacific Retail Management (Hong Kong) Co., Ltd., the subsidiary of Japanese discount retail chain Don Quijote's operating company Pan Pacific International Holdings Corporation, opened the first Hong Kong DON DON DONKI store in 2019. Having achieved tremendous success, the chain unveiled its much-bigger second store in the same year, spanning across over 27,000 square feet in Tsuen Wan. The second store houses over 15,000 types of products, from fresh and packaged food, to home products, cosmetics, toys and pet products, plus a dine-in food court with palate-pleasing menus.

Mitsuyoshi Takeuchi, President and Director of Pan Pacific Retail Management (Hong Kong) Co., Ltd., said that the Hong Kong stores are among the best performing outlets in the Don Quijote network worldwide, showing strong consumption power of the Hong Kong domestic retail market.

“We have received very positive responses and great support from Hong Kong consumers. Our first store in Tsim Sha Tsui is popular among office workers, whereas in our second store in Tsuen Wan are frequented by families living in the neighbourhood,” said Takeuchi, adding that Japanese Wagyu beef, tuna, salmon and cosmetics are especially popular among Hong Kong consumers.

An excellent base for overseas expansion

There are more reasons to DON DON DONKI's rapid expansion in the city besides the

market demand. “Hong Kong is the largest importer of Japanese food in the world; its zero tariff and free port status also makes it a great location as a distribution hub. “Hong Kong consumers are knowledgeable and informed about Japanese products. In other words, Hong Kong is a beacon for Japanese manufacturers. We regard the city to be a considerable facilitator of new investments or ventures from Japan.”

DON DON DONKI employs a large number of staff members in Hong Kong and most of them are local hires. Takeuchi said that its local employees are key pillars in its operation and strategy planning. “Localisation is our key to success. Whilst there are Japanese staff based here, it is our management style to give full authority to our local employees, allowing them to make important decisions and take the lead in developing our store concept and store management. That is what we call the art of delegating authority - giving authority to the frontline staff. We believe this is the secret of our success.”

He also mentioned that he appreciates the Hong Kong staff's strong work ethics and proactivity in using their own initiative to produce brilliant outcome on a variety of matters. This is one of the strong advantages when opening stores or launching new types of businesses in Hong Kong.

Takeuchi also appreciates the support from InvestHK. “When we opened new

stores in Hong Kong, we received dedicated assistance from InvestHK thanks to their extensive experience and knowledge. I still remember InvestHK's assistance in visa application, as well as the abundance of support, care and useful tips provided, for which we are sincerely grateful.”

Pan Pacific Retail Management (Hong Kong) Co., Ltd. / Pan Pacific International Holdings Corporation (PPIH)

- PPIH group operates over 600 stores including 12 DON DON DONKI stores in Thailand, Singapore and Hong Kong
- Two Hong Kong DON DON DONKI stores were opened in 2019, and the third store was opened in July 2020

🌐 dondondonki.com/hk

Advancing Global Health Through Collaboration

Hong Kong serves as a Roche R&D incubator for bringing innovation to the worldwide healthcare system at large.



“ Hong Kong has positive influence on the global level. Research investments are made here, and once these are proven effective, they can increase patient benefit elsewhere around the world. ”

Daniel Thurley
General Manager - Hong Kong and Macau
Roche

A global pioneer in healthcare and innovation, Roche established its presence in Hong Kong back in 1971. Over the last 49 years, Roche Hong Kong has maintained its status as a leading pharmaceutical company in the region. With the combined strengths of pharmaceuticals and diagnostics under one roof, Roche has brought hundreds of medicines and formulations to Hong Kong, benefiting patients locally and globally.

“From the very beginning, we wanted to do now what patients need next. Our vision is to deliver better outcomes for more patients, faster,” said Daniel Thurley, General Manager - Hong Kong and Macau at Roche. “Our 10-year ambition is to deliver three to five times more medical benefit to patients at half the healthcare cost of the society. This can be achieved through prevention, cures and personalised healthcare to ensure the right medicines are given to the right person at the right time.”

A recent example is Roche's support to launch HealthMatch in Hong Kong, an Australian-based HealthTech startup specialising in clinical trial matching. HealthMatch launched a free Global COVID-19 clinical trial tracker earlier this year, which is publicly accessible and designed to inform researchers and general public about the latest development and progress in global clinical trials, covering not just Roche medicines but also other pharmaceutical companies. The company is also running a project with the Hong Kong Association of the Pharmaceutical Industry

(HKAPI) to explore ways to better track medicines with blockchain technology.

“We are keen to bring innovation forward faster than ever before through these collaborations with Hong Kong healthcare stakeholders, including the government, the Hospital Authority, universities, startups and so on,” Thurley remarked.

Local research, global impact

Thurley believes that Hong Kong holds a special role for pharmaceutical research and development that can benefit the whole world. “Hong Kong has the capacity to generate huge insight and become a trusted place to work with data and discover medicines faster.”

According to Thurley, in R&D of new molecules, data generated here is shared with Roche's global office. “Hong Kong has positive influence on the global level,” he said. “Research investments are made here, and once these are proven effective, they can increase patient benefit elsewhere around the world.”

With a growing number of global and regional roles following a strategic transformation to enhance agility, Roche Hong Kong has recently expanded and relocated their office to a premise in Kowloon Bay, which has been WELL-certified. The company has also newly hired a real-world data scientist in Hong Kong. They will offer to help expand the value of existing data owned by the

Hospital Authority, as well as the data that Roche has, to help patients in Hong Kong.

Thurley thinks that InvestHK plays a key role in facilitating Roche's collaborative projects in Hong Kong. “InvestHK supports us to make connections with people and organisation at the right time and at the right place. They have also supported us in terms of having more opportunities around the new patent law launched in December 2019,” he concluded.

Roche

- Roche was founded in 1896 and headquartered in Basel, Switzerland
- Its Hong Kong office houses over 120 staff members with functions ranging from finance, human resources, research & development, marketing, as well as a large medical team
- With the majority of its workforce investment going toward R&D, Roche is looking to launch 11 new molecules in the next three years

 roche.com.hk

A Go-To Legal Adviser for Life Sciences and Technology Leaders

For the past century, US law firm Cooley has counselled the world's leading technology and life science companies and their financial backers.

Every growing business could use some help from adept counsellors for financing, expansion, protection and peace of mind. When the nature of the business is in the realm of innovation and technology, a reputable law firm with a proven track record is paramount. California-headquartered Cooley's core client base includes the world's leading life sciences and technology companies, from startups to global giants, along with the investors and financial institutions that support them. The firm shares its clients' passion for innovation, excellence and collaboration, and it helps transformational companies to prosper and benefit society at large.

Hong Kong - a tech and life sciences hub

In Asia, Cooley has offices in Singapore, Beijing, Shanghai and Hong Kong. Its Shanghai and Beijing offices opened in 2011 and 2018 respectively, and focus on fund formation in venture capital and private equity. Cooley launched its Hong Kong premises in 2019, following a new listing rule for pre-revenue biotech companies introduced by the Hong Kong Stock Exchange in 2018, and opened in Singapore in January 2020.

"We felt that the time was ripe for us to open in Hong Kong," explained Will Cai, Hong Kong-based partner and head of Cooley's Asia capital markets practice. "Given Hong Kong's pre-eminence as a global business and financial hub, we had already been

advising some of the region's most dynamic tech and life sciences companies on their financing, joint venture and other strategic transactions for some time. It was a natural extension to open an office there."

Cai added, "Our Hong Kong and Singapore office launches build on our very well-established presence in Mainland China, where we have helped more than 80 fund managers form over 100 Chinese venture capital and private equity funds."

Since Cooley opened in Hong Kong, it has advised several local companies on floating on international stock exchanges, including biotech company Legend Biotech, the autonomous aerial vehicle technology company EHang Holdings and the real estate online platform Fangdd.

"Hong Kong's culture and infrastructure make it a focal point for some of Asia's most exciting startups and emerging companies, and we expect that to continue," Cai stated. "Alongside our affiliated Hong Kong firm, Cooley has four partners, seven associates and other professional staff, as well as a team that supports us and our other offices in Asia."

Strong team spirit

Cai feels that the Hong Kong office's strength draws from its strong relationship with colleagues from all over the world. "Close collaboration across our 16 offices throughout Asia, the US and Europe is fundamental to our success and greatly valued by our clients," he explained.



"With our global clientele and cross-border deals, our ability to work very closely across different geographical boundaries is core to Cooley's DNA."

Going forward, Cooley is planning to build upon its prowess through consolidating its position in Asia as the law firm of choice for technology and life science companies. "We will be focusing on startups, venture capital, private investment funds, financial services, M&A, private equity, capital markets and intellectual property," Cai said.

“ Hong Kong's culture and infrastructure make it a focal point for some of Asia's most exciting startups and emerging companies, and we expect that to continue. ”

Will Cai

Partner and Head of Asia Capital Markets Practice

Cooley LLP

Cooley LLP

- Established a century ago in San Francisco, Cooley LLP is an international law firm with 16 offices and more than 1,100 lawyers across the globe
- Cooley is known as an elite firm for technology and life sciences companies and the investors and financial institutions that work with them

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



Unleashing InsurTech Potential in New Markets

InsurTech startup OneDegree strives to redefine insurance service standard with technology.

OneDegree is among the first batch of virtual insurer authorised by Insurance Authority (IA) in Hong Kong. With its proprietary digital platform, customers can browse and buy insurance products without going through an agent. They can also file claims and get customer support online. "Our mission is to set new standard for insurance industry," said Alvin Kwock, Co-founder and Group CEO of OneDegree. "Insurance claiming often takes weeks or even months to complete, but we are working on shortening the claiming time. We hope to offer a seamless, hassle-free experience to our customers while keeping up with the highly digital world."

A guarantee of confidence

"Hong Kong is well regarded as an international financial centre, getting a virtual insurer license here has given us a high credential as a reliable operator. When we obtained the license, several insurance companies around the globe have immediately contacted us for collaboration," Kwock recalled.

"We are at the start of InsurTech era and we are excited to be at this juncture. Having a strong tech background, we focus on harnessing technology to transform insurance and delivery the best value to our customers, with an aim to level up the industry," he added.

According to Kwock, while pet insurance is its first product launched to the market, OneDegree is keen to develop products to cater both B2C and B2B markets, including health and medical insurance, as well as products that focuses on cybersecurity for SMEs. Demand induced from digital economy such as eCommerce or online food ordering services has also offered new opportunities. "It is still a fragmented market, but we are working on addressing protection gaps and designing products well-suited for the market," Kwock remarked.

Top-notch global FinTech talent

Talent is one of the major pull factors for OneDegree to set up its headquarters in

Hong Kong. "Currently we have over 40 staff members with strong FinTech background, including risk management expertise," Kwock said, "our team comes from around the world, and we are happy to be able to find top-notch talent. Hong Kong is a cultural melting pot that gathers a world class workforce, a lot of people are very eager to work and live here."

OneDegree appreciates the government's support in tech sector. Backed by Cyberport Macro Fund, the startup was also introduced to investors via InvestHK. "We are grateful for the support by the department; not only did they help us to successfully channel major investment, we can also leverage its extensive worldwide network of connections," Kwock concluded.

“ Hong Kong is well regarded as an international financial centre, getting a virtual insurer license here has given us a high credential as a reliable operator. ”

Alvin Kwock
Co-founder and Group CEO
OneDegree

OneDegree

- Founded in 2016 and headquartered in Hong Kong, OneDegree has offices in Taiwan, Thailand and is planning for expansion in Mainland China
- The company launched its first product of pet insurance on its digital platform in April 2020
- Backed by BitRock Capital, Cyberport Macro Fund, and Cathay Venture, with partners including Munich Re and Scor Re for reinsurance

🌐 onedegree.hk

The Design Storyteller

Luxury design and architecture magazine Design Anthology expands beyond Hong Kong and sets up a new agency to help clients develop branded content strategy.



(Photo by Jeremy Smart)

Founded in 2013 by Suzy and Phil Annetta, Design Anthology is a Hong Kong-based publication focusing on interiors, product design, architecture and urban living across the Asia Pacific region. With the founders' backgrounds in publishing and interior design, the magazine is one-of-a-kind in its curation and attention to detail. Recently, the quarterly has expanded out of Asia and launched a UK/Europe edition in 2018, as well as an Australia edition in 2019. The publication is also available digitally via platforms such as Zinio and PressReader, as well as providing regular content on its website and through a new podcast series.

Using their strength in crafting design-focused content, the founders set up content agency Fifth Black in 2016 to help brands create custom content. The company is growing continually and now incorporates a branding identity and strategy service, offering a one-stop solution for clients looking to engage with savvy urban dwellers.

"Design is at the centre of everything we do, and while we create and publish content about multiple subjects – such as art, food, fashion, travel and luxury lifestyle-related topics – design and architecture are our core passions," said Suzy, Fifth Black's Creative Director and Design Anthology's

“ The city is strategically situated within the region, and in fact the world, which allows creative talent access to everything that Hong Kong, Mainland China and the rest of Asia have to offer. ”

Suzy Annetta
Editor-in-chief
Fifth Black

Editor-in-Chief. "As we work regularly with property developers, our expansion into branding and identity design offers another communication vehicle tailored to those clients that complements our established print, digital and multimedia offerings."

Easy access to Asia market for creative industries

Originally from Melbourne, Suzy feels that Hong Kong is the right place to be for Fifth Black, with its clientele ranging from property developers and hotels to luxury retailers. As Hong Kong is currently the company's head office where most of its staff is based, editing, quality control and design are all done from this office. With a growing market demand, the company also plans to provide more services and grow its team in the city. "We hope to continue to work with the best in the industry and expand our presence regionally. Hong Kong is unique in the world being small and compact but at the same time big and international. It's fast-paced, dynamic and full of opportunities," she said.

"The city is strategically situated within the region, and in fact the world, which allows creative talent access to everything that Hong Kong, Mainland China and the rest of Asia have to offer," she added. "We have access to great quality and well-priced printing and shipping, and access to factories in Mainland China. Depending on what creative sector you're in, there are

many benefits to being based here. I've also found the community here is tight knit. Creatives are supportive of each other and very social."

Suzy said that InvestHK's support has been very helpful in various ways. She concluded, "InvestHK has been helpful so far in helping to get the word out about our company and has advised us about potential grants and funding schemes in the past which we are very grateful for."

Fifth Black

- Design Anthology and Fifth Black were founded in 2013 and 2016 respectively
- Design Anthology magazine is published quarterly in Asia and the UK, and biannually in Australia starting from 2019
- While Hong Kong remains the company's headquarters, the company set up a new office in Melbourne in 2019 to support the new publication in Australia

 **fifth.black**

Marine Eco Guardian

Cleanship helps ship owners and operators achieve a cleaner marine environment.



Reducing environmental impact is one of the many challenges that ship owners face, as shipping regulations are often stringent and changing extensively. Cleanship is a Glasgow-based company specialising in provision of industry compliance services and technology for projects such as ballast water treatment, scrubbers and inventory of hazardous materials, assisting ship owners and operators to improve maritime environment impact.

"Our expertise is in marine engineering and design. We aided many ships to design exhaust gas cleaning scrubbers, we also have ballast water treatment system - a technical process to remove micro-organisms in ballast water before disposal to reduce marine pollution - being designed and installed on two of our own ships specifically for this purpose," explained Dave Breakey, Design Engineer of Cleanship. "We are not biased towards any system or technology; we only do what's best for the ship owner clients."

Proximity to Mainland China with vibrant shipping industry

Cleanship have projects in various shipyards across Mainland China, including Shanghai, Nantong and Chengxi. When it comes to setting up a business hub in Asia, Cleanship knew that Hong Kong was the obvious choice. "Hong Kong is a vibrant and good shipping market plus a great supporting community. We think that it is a natural progression to expand into Asia through Hong Kong and this is an ideal place to come and begin the expansion."

Being in Hong Kong has also facilitated Cleanship to supervise the job in Mainland China closely. "Overseeing the project by a design engineer like myself has become

possible only because we are in Hong Kong working in the same time zone with the shipyards in Mainland. If there is any big issue, I can jump on a flight and be in the shipyard the next day," he said.



Hong Kong is a vibrant and good shipping market plus a great supporting community. We think that it is a natural progression to expand into Asia through Hong Kong and this is an ideal place to come and begin the expansion.

Dave Breakey
Design Engineer
Cleanship

A tight knit maritime community

Soon after Cleanship setting up its Hong Kong office in 2019, the company immediately joined the Hong Kong Ship Owners Association. "We have already met a lot of business partners in the community

when we first came here, and participated in many industry events, which have given us great access and expanded our contacts tremendously with the marine industry in Hong Kong," Breakey said. "The city has a large and tight knit community and everyone seems very welcoming to see our presence here."

As the business is scaling up, Cleanship is looking to hire more engineering roles in Hong Kong, targeting local graduates in structural engineer, mechanical engineer, civil engineer as well as electrical engineer.

Breakey finds the experience of setting up a company in Hong Kong smooth and simple. "The support we have had was phenomenal. Once you are ready to open a business in Hong Kong, the support is there every step of the way. InvestHK has been assisting us to set up, to market our service, as well as to expand our network, which is very helpful to our growth here," Breakey concluded.

Cleanship

- Established in 2017 and headquartered in Glasgow
- Has eight employees in Hong Kong and Mainland China including design engineer, project manager and site supervisors. Planned to expand the engineering team by end of 2020

cleanship.co



Keeping Business Rolling

Popular conveyor belt sushi chain Sushiro seeks continual expansion in Hong Kong and Asia following opening of four outlets in the city.

With over 35 years of experience, Sushiro transformed from a traditional sushi shop in Osaka to one of the leading Kaitenzushi (conveyor belt sushi) restaurants in 1984 with over 550 branches in Japan. Famous for its budget-friendly sushi with fresh ingredients directly imported from Japan, Sushiro began its overseas expansion in 2011, and currently operates close to 40 outlets out of its home country, including Korea, Taiwan and Singapore.

High population creates opportunity for F&B

Sushiro arrived Hong Kong in 2019 and shortly within one year, the chain has expanded to four outlets in the city. Kazuo Aratani, President of Sushiro Hong Kong, said that the city has offered a huge market opportunity for Sushiro. "When we were looking for a place for expansion, we would pick regions that share the common rice culture with Japan," Aratani said. "Therefore, we come to Hong Kong."

He added, "the city is densely populated with a high eating out frequency. While

sushi is extremely popular in Hong Kong, we also realise that Hong Kong consumers are very willing to spend on high quality food. That's why this place is a top choice for our expansion."

High quality consumer base and sophisticated logistics hub

Aratani has also noticed that Hong Kong market is highly sensitive to dining trends, and such market characteristic is beneficial for Sushiro. In order to attract and retain customers, Sushiro offers new or limited edition dishes on a monthly basis in addition to its extensive regular menu with over 80 items. "Moreover, Hong Kong's low tax and excellent logistics has made food import very convenient. We can easily import fresh ingredient from our headquarters and maintain the same authentic taste from Japan," he added.

According to Aratani, Sushiro's sales in Hong Kong is relatively high among other overseas shops. "We have already reached

our maximum capacity in our current outlets, and we are looking to open more shops in the city," he revealed. "We hope to keep up with this momentum, establish a strong sushi brand in the market, and grow steadily in Hong Kong. Our target is to open four to six outlets per year here for the next five years."

Sushiro currently employs 13 back office staff in Hong Kong with around 440 frontline employees. Aratani is impressed with the talent quality here: "we never had hiring problem in Hong Kong. The talent is of high quality with great work ethics and professionalism, and I am very satisfied with their performance."

Aratani is also happy with the support from InvestHK. "When we were starting out, InvestHK has offered great help to connect us with different service providers. Their services have been very useful for business owners from helping us to understand the local market and culture, to providing market information and expanding our network," Aratani concluded.

“

Hong Kong's low tax and excellent logistics has made food import very convenient. We can easily import fresh ingredient from our headquarters and maintain the same authentic taste from Japan. ”

Kazuo Aratani
President
Sushiro Hong Kong

Sushiro Hong Kong

- Founded in 1984 and has over 550 dining outlets in Japan
- Currently has four shops in Hong Kong located in Jordan, Whampoa, Lai Chi Kok and Wong Tai Sin
- Targets to develop business in Thailand

 sushiroglobalholdings.com/hongkong

Secured Cyber Solutions for SMEs

Securli offers businesses peace of mind with multi-layered solutions to combat cyber-attacks.

In today's increasingly virtual world, cyber-attacks pose higher risk to any company. Yet what to do when a business is an SME without the resources to invest in costly crime prevention? Securli Limited is a subscription based platform to offer SMEs the right products to reduce cost, time and risk, with customised solutions to prevent, detect, resolve and recover. It established its Hong Kong presence in 2005 originally targeting the city's prestigious hotel groups. Since then, it has expanded from a service provider to an R&D company with a focus on SecOps Automation.

Hong Kong - a natural choice to setup Securli's regional headquarters

For Securli's CEO Stanley Li, Hong Kong was the natural choice for Securli's regional headquarters. "Hong Kong has the versatile financial market and dynamic landscape for business requirements facing cyber-attacks with enormous financial risks," he stated. "Also, the city's Smart City initiatives with 5G, IoT, blockchain and AI create new cyber-security challenges and market opportunities."

Numerous factors make Hong Kong the perfect base for Securli's target markets in the Guangdong-Hong Kong-Macao Greater Bay Area. "After two years of evaluation, we selected Hong Kong," he noted. "The reasons include its government funding schemes supporting R&D startups; its taxation and legal structure; and its local and regional growth opportunities." He added that the city's simple and low tax rate plus its respected legal structure for intellectual property and business cemented Securli's decision.



Securli's Hong Kong office houses primarily engineering and business development functions, and Li has plans to double its staff count in the medium term. "Globally, it is difficult to find expertise in cyber-security, so we are bringing in a training programme from our non-profit partner to recruit traditional IT experts and cross-train them to manager cyber-security," Li elaborated.

Government's support to business

In 2019, Securli became a Cyberport incubatee; this drives the company's R&D direction. "We needed a partner to guide us with practical experience," Li explained. "Ultimately, we believe that Cyberport has all the right ingredients to nurture our journey from incubatee to a successful exit."

Li has also relied on the support offered by InvestHK throughout the years, "From

arriving from the US to operating in the city, InvestHK is always the first organisation we reach out to with any question or challenge. We are very appreciative of its quick response and tremendously useful information to get us through the day."

Hong Kong, too, is a place that Li has grown to appreciate: "It has a vibrant character: what I refer to as Manhattan on steroids to my American friends. It is a wonderful place for business because of its intensity for success. Then I discovered Cyberport's tranquility and beautiful nature trails, which offers a different aspect to the city."

Securli Limited

- Founded in the US, Securli Limited offers multiple layers of integrated cyber-security managed detection and response solutions for SMEs utilising a subscription model
- With Hong Kong as its Asia Pacific headquarters, Securli was admitted as a Cyberport incubatee in 2019 and will base its upcoming R&D efforts there to research regulation on metadata

 securli.com

“ Hong Kong has the versatile financial market and dynamic landscape for business requirements facing cyber-attacks with enormous financial risks. ”

Stanley Li
CEO
Securli Limited

A Unified Voice for Building Professionals

Chartered Association of Building Engineers set up its first overseas office in Hong Kong to further grow its largest member base out of the UK.

“Hong Kong’s building professionals are often challenged by the lack of space due to the high population, but they have unrivalled skills and ability to come up with world class buildings and infrastructure design to maximise living and working space. They are a truly valuable asset.”

Kyran Sze, MH, FCABE

Chairman

Chartered Association of Building Engineers Hong Kong Chapter



Chartered Association of Building Engineers (CABE) is an international recognised professional body and a global network that gathers and supports building professionals around the world. Its members work across the life cycle of the building environment specialising across a wide range of disciplines, including architects, surveyors, engineers and construction managers.

Founded in 1925 in London as Incorporated Association of Architects and Surveyors, CABE expanded to Hong Kong where the largest group of members outside the UK and Ireland reside. The Hong Kong office is also its very first overseas office in its 95 years of history. “We have over 1,000 members registered in Hong Kong, which comprises our biggest membership base outside of the UK,” said Kyran Sze, Chairman, Hong Kong Chapter. “While the city has approximately 400,000 people in the building engineering workforce, there is a huge potential for us to expand and mature.”

“Our membership size has grown significantly in the past five years with notable increases in student and international members, especially in Asia Pacific regions such as Hong Kong, Malaysia and Singapore. It is essential for us to set up a local office in this important market to drive membership recruitment, raising more awareness of our work locally and internationally,” he added.

Unrivalled talent pool of building engineers

Sze thinks that building engineers in Hong Kong are highly competent and experienced. “Hong Kong’s building professionals are often challenged by the lack of space due to the high population, but they have unrivalled skills and ability to come up with world class buildings and infrastructure design to maximise living and working space. They are a truly valuable asset.”

Hong Kong is CABE’s Asia Pacific headquarters managing its activities in Singapore, Malaysia, Macao and Mainland China. To support its members’ career growth, the organisation regularly hosts Continuing Professional Development (CPD) events to uphold members’ standard. Moreover, CABE members can access its extensive worldwide network in the industry to share experience and exchange ideas.

“Besides providing support to our members, we will also continue to build connection with government departments, private companies and employees, with an aim to raise CABE’s reputation in the industry, and connect with allied institutes to create synergy and enhance our credibility in the field,” Sze said.

With the development of Belt and Road Initiative and Guangdong-Hong Kong-Macao Greater Bay Area (GBA), Sze sees a gap that building engineers can fill. “This is

a great opportunity for building engineers to unleash their potential and strengthen in providing sound professional services. We also hope to encourage more young people to engage in our industry and sustain the talent pool. With Hong Kong as a base, we will strive to put more effort to cover Singapore as well as Belt and Road countries and GBA, radiating our experience in Hong Kong to these regions,” Sze concluded.

Chartered Association of Building Engineers Hong Kong Chapter

- CABE was founded as the Incorporated Association of Architects and Surveyors (IAAS) in 1925 in London, and was renamed to Association of Building Engineers in 1993 and then the Chartered Association of Building Engineers in 2014, its current name
- It has 8,400 members worldwide and around 1,000 members in Hong Kong

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