

HK Foreign Direct Investment

Hong Kong FDI ranks 2nd in the world 香港外來直接投資名列全球第二



Director-General of Investment Promotion, Dr Simon Galpin (right), and Dean of the School of Business at Hang Seng Management College, Professor Raymond So, announced the results of the United Nations Conference on Trade and Development's "World Investment Report 2015" on 25 June 2015.

Hong Kong Comes Second in Global FDI Inflows

For the first time ever, Hong Kong is ahead of the US and just behind the Mainland, according to the World Investment Report 2015 released by the United Nations Conference of Trade and Development (UNCTAD)

According to the UNCTAD report, Hong Kong registered FDI inflows of US\$103 billion in 2014, a year-on-year increase of 39 percent. It puts Hong Kong second only to Mainland China (US\$129 billion) and ahead of the US (US\$92 billion), the UK (US\$72 billion) and Singapore (US\$68 billion).

Dr Simon Galpin, Director-General of

Investment Promotion at Invest Hong Kong, and Professor Raymond So, the Dean of the School of Business at Hang Seng Management College, announced the results on 25 June 2015.

In terms of outflows, Hong Kong also ranks second (US\$143 billion), following the US (US\$337 billion) and ahead of Mainland

China (US\$116 billion), Japan (US\$114 billion) and Germany (US\$112 billion). The report said that the increase of outflows from Hong Kong in 2014 was partly a result of booming cross-border merger and acquisition activity.

Globally, inflows fell by 16 percent to \$1.23 trillion in 2014, as a result of fragility of the

investhk.gov.hk

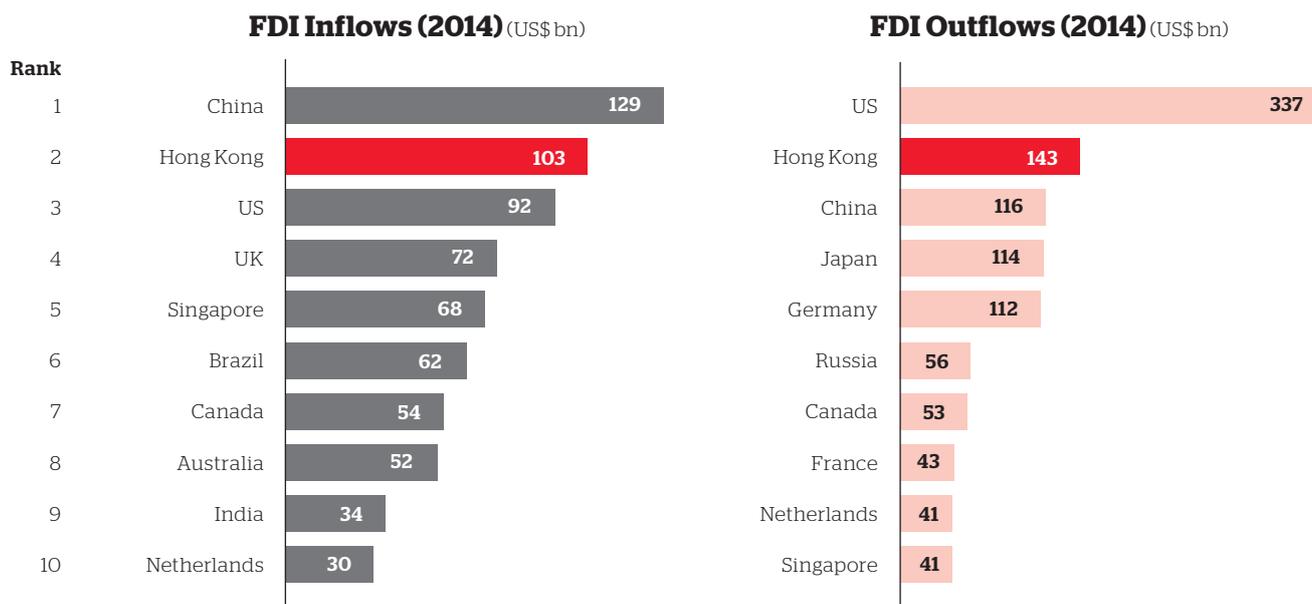
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Prime Conduit for FDI



Source: World Investment Report 2015, UNCTAD

global economy, policy uncertainty for investors and elevated geopolitical risks. Looking beyond 2014, the report says that a sustained recovery is in sight with global inflows projected to grow by 11 percent to around \$1.4 trillion in 2015, rising further to \$1.5 trillion in 2016 and \$1.7 trillion in 2017.

"The numbers highlight Hong Kong's role as a 'super-connector' and a conduit for direct investment. Foreign investors use Hong Kong as a base to then invest in the rest of China and the region. Mainland companies increasingly use Hong Kong as a platform to make global investments and acquisitions," Dr Galpin said.

Mid-Year Results

In the first six months of 2015, InvestHK has completed 260 projects from 32 places. Mainland China remained the largest single source of investment into Hong Kong for this period, with

a total of 52 projects, followed by the US (36), UK (26), Japan (20) and France (16). In terms of jobs created, these 260 companies planned to employ around 2,624 people in Hong Kong within their first year of set up or expansion.

By sub-sector, Hong Kong's opportunities in the first half of 2015 proved most attractive to companies in software solutions, electronics, food and beverages (restaurant/bar/retail and food trading), garment, footwear and fashion accessories, as well as logistics and supply chain management industries.

"The result is very encouraging as it represents a 17 percent rise compared to the same period last year. Looking ahead, we will also put more focus on emerging sectors such as financial technology (fintech), Internet of Things (IoT), e-retail and maritime sectors," Dr Simon Galpin, Director-General of Investment Promotion, said.



Chief Executive C Y Leung (second right) hosts the annual reception to thank new foreign investors for their contributions to Hong Kong. Joining him are Dr Simon Galpin, Director-General of Investment Promotion (first left); Greg So, Secretary for Commerce and Economic Development (second left); and Philip Yung, Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (first right).

2015

JULY

Qinhuangdao

Investment Promotion Seminar in Qinhuangdao

The seminar is held for enterprises in Qinhuangdao city to have a better knowledge of the business advantages in Hong Kong and InvestHK's services to help them "go global".

Organiser: InvestHK, HKSARG Beijing Office, Commercial Office of the Economic Affairs Department of the Liaison Office of the Central People's Government in HKSAR

Tokyo, Japan

Hong Kong Seminar in Tokyo

A seminar in Tokyo to promote Hong Kong as the ideal platform for SMEs.

Organiser: InvestHK

Fuzhou

Investment Promotion Seminar in Fuzhou, Fujian

The seminar aims at promoting Hong Kong's business advantages and InvestHK's services to Fujian enterprises.

Organiser: InvestHK, Hong Kong Economic and Trade Office in Guangdong, Department of Commerce of Fujian Province

Quanzhou

Investment Promotion Seminar in Quanzhou, Fujian

The seminar aims to encourage the Quanzhou enterprises to use Hong Kong as the platform to "go global" by introducing the investment environment and various business advantages of Hong Kong.

Organiser: InvestHK, Hong Kong Economic and Trade Office in Guangdong, Quanzhou CCPIT and Quanzhou Federation of Industry and Commerce

AUGUST

Hong Kong

ClickZ Live Hong Kong 2015

World-renowned speakers deliver an action-packed, educationally-focused agenda on the latest digital marketing tips, tricks and tools.

Location: The Mira Hong Kong

► www.clickzlive.com/hongkong

Lanzhou

Investment Promotion Seminar in Lanzhou, Gansu

The seminar aims to share with Gansu enterprises the investment environment and business advantages of Hong Kong, with a view to encouraging them to "go global" through Hong Kong.

Organisers: InvestHK, HKSARG Beijing Office, The Office of the HKSAR Government in Beijing, Department of Commerce of Gansu Province, and Hong Kong and Macao Affairs Office of Gansu Provincial People's Government

Beijing

Investment Promotion Seminar for Innovative Startups in Beijing

The seminar aims to share with innovative startups in Beijing the investment environment and business advantages of Hong Kong, with a view to encouraging them to "go global" through Hong Kong.

Organiser: InvestHK, Administrative Committee of Zhongguancun Science Park, China Investment Promotion Agency

AUGUST

Hong Kong

Natural & Organic Products Asia

An important event to promote natural, sustainable and healthy lifestyles, natural and organic products, and an all-in-one trading platform for Asian buyers to source quality products from four main categories: natural living, natural beauty and spa, natural food and health and nutrition.

► www.naturalproducts.com.hk

SEPTEMBER

Hong Kong

China Conference 2015

The annual conference will house more than 200 senior business leaders from Hong Kong and the region to assess trends in China's economic development. The theme this year is "New Normal".

Organiser: The American Chamber of Commerce in Hong Kong

► www.amcham.org.hk

Hong Kong

Seafood Expo Asia

Held at Hong Kong Convention and Exhibition Centre, this year's Seafood Expo Asia is expected to attract more than 8,600 professionals from around the world. Over three days, seafood buyers connect with exhibitors offering a variety of live, fresh, frozen and value-added seafood products and seafood-related services and equipment.

Organiser: Diversified Communications

► www.seafoodexpo.com/asia

Shanghai

Asia Hedge China Forum

This hedge fund conference will focus on the developing China hedge fund industry.

Organiser: Euromoney Conferences

► www.hedgefundintelligence.com

Hong Kong

Tourism and Hospitality Reception

This networking reception is organised by InvestHK to thank the companies from the Tourism and Hospitality sector for their contributions to Hong Kong.

Organiser: InvestHK

Hong Kong

Super Return Asia

Over 800 leading players in private equity globally will discuss the hottest issues affecting private equity and venture capital investment in Asia.

Organiser: ICBI

► www.superreturnasia.com

Manila

Hong Kong Seminar in Manila

InvestHK organises a business seminars in Manila to promote Hong Kong as the ideal platform for SMEs.

Organiser: InvestHK

Hong Kong

HKIB Annual Banking Conference

This year's conference will look at how banks should prepare themselves for new challenges and identify a new formula for sustainable and resilient growth.

Organiser: Hong Kong Institute of Bankers

► www.plus-concepts.com/hkib2015

ASEAN

Free Trade Expanding in ASEAN

ASEAN is a major regional platform from which new business and investment dynamism will spring



Director-General of Investment Promotion, Dr Simon Galpin (second right), and the Deputy Secretary General of the Thailand BOI, Ajarin Pattanapanchai (second left), signed the Memorandum of Understanding on 25 June 2015, in the presence of the Secretary for Commerce and Economic Development, Greg So (first right), and the Deputy Prime Minister of Thailand, Pridiyathorn Devakula (first left).

Hong Kong's strategic location at the heart of Asia makes it the natural gateway to Mainland China. Foreign companies incorporated in Hong Kong can take advantage of our trade agreements with other economies. For example, ASEAN investors can also enjoy the benefits accorded under CEPA, the Mainland and Hong Kong Closer Economic Partnership Arrangement.

The ASEAN-Hong Kong Free Trade Agreement (FTA) is being negotiated. The FTA aims to facilitate the flow of goods, services and investment among all parties concerned. Once the FTA is up and running, it will further boost Hong Kong's role as the super-connector between Mainland China and ASEAN.

The One Belt One Road initiative recently announced by the Central Government will bring even more business opportunities to the ASEAN economies situated along these land and maritime silk roads.

On 25 June, InvestHK and Thailand's Board of Investment (BOI) signed a Memorandum of Understanding pledging mutual cooperation on investment promotion exchanges and best practices.

The MOU provides a framework for building a close, mutually beneficial relationship in the promotion of both inward and outward investment in the two economies. Both sides will exchange information on the investment environment and investment opportunities and share their experiences in attracting foreign investment, as well as best practices regarding investment promotion. Each agency will encourage interested local companies to set up or expand businesses in the other's jurisdictions.

"I would like to call upon both Hong Kong and Thai enterprises to seize this new chance to team up with one another. By doing so, they will be able to make the best of the market opportunities that will undoubtedly emerge as Asian economies return to more positive and more sustainable growth," Greg So, Secretary for Commerce and Economic Development, said.

On 30 June 2015, Hong Kong, Macao and Guangdong organised a joint promotion seminar in Singapore to update companies there on the latest investment opportunities in the Greater Pearl River Delta region. The event attracted more than 150 senior business executives.



From left: Head of Corporate Clients Asia and Managing Director Hong Kong of Amicorp Singapore Pte Ltd, Brian Elders; Acting Director of Hong Kong Economic and Trade Office in Singapore, Joyce Chan; Counsel of Department of Commerce of Guangdong Province, Luo Lianjin; Director-General of Investment Promotion, Dr Simon Galpin and Senior Manager of Investor Service Department from Macao Trade and Investment Promotion Institute, Agostinho Vong attended the "Guangdong, Hong Kong and Macao: Your Business Partners in China" seminar on 30 June 2015 co-organised by InvestHK, the Department of Commerce of Guangdong Province and Macao Trade and Investment Promotion Institute.

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Internet of Things



Hong Kong – Asia's Hub for Internet of Things

With its advanced infrastructure, excellent global connectivity and proximity to the manufacturing base in the Pearl River Delta, Hong Kong's position as a hub of innovation and technology can enable the growth of the IoT business

The Internet of Things, or IoT, is the next evolution of the Internet. IoT was conceived between 2008 and 2009 to describe a system in which objects in the physical world could be connected to the Internet via sensors. A growth engine of the information and communications technology sector, IoT opens up tremendous opportunities for sensors, cloud services, data analytics, social networking, mobile networks and devices. It also transforms the traditional sectors – manufacturing, energy supply, healthcare facilities, logistics and transportation – and gives rise to emerging sectors like smart cities and wearable technologies.

According to the McKinsey Global Institute, the projected economic impact of IoT applications could be as much as US\$7 trillion by 2025. Another report, by Gartner, also predicts that IoT vendors will earn more than US\$309 billion by 2020, and most of those earnings will come from services. Gartner also estimates that by 2020, the IoT will consist of 26 billion devices.

IoT is taking centre stage in the vibrant startup scenes globally, and Hong Kong is no exception. Hong Kong has been a quick adopter of sensor and IoT technologies in warehouse management, trade and logistics, and luggage handling, among others. With its many advantages of technology and location, Hong Kong is well placed to help IoT companies jumpstart and to grow their business for global applications.

Hong Kong Internet of Things Centre of Excellence (IoT Centre), set up by GS1 Hong Kong at the Hong Kong Science Park in 2013 and supported by the Innovation and Technology Commission (ITC), is a showroom to provide live demonstrations of IoT technologies. These "live demos" share the best practices of applying IoT-enabling technologies that span from sensors, M2M (machine to machine), cloud computing, big data, data analytics, to storage, security, mobility, business intelligence, and so forth. The ultimate aim is to encourage IoT collaborations and adoption by the industry.

In addition to the educational showcase at IoT Centre, Hong Kong's IoT scene is also highlighted by the **Internet of Things (IoT) Symposium**, an annual event co-organised by Hong Kong Science

and Technology Parks Corporation and a few local R&D institutions. As one of the IT Fest events initiated by ITC, the Symposium aims at promoting the development and application of IoT as well as fostering collaborations in Hong Kong, overseas and Mainland China. The first **Internet of Things (IoT) Awards** by GS21 were also rolled out in 2014 to recognise successful IoT applications.

In recent years, InvestHK has helped a number of IoT businesses to set up or expand in the city. Brinc, an IoT accelerator that opened here in April 2015, has started to provide practical, one-stop services to IoT startups from all over the world that have been admitted to its acceleration programme. Sierra Wireless, a Canadian expert in wireless M2M devices, is seizing the opportunities in IoT, bringing intelligent wireless solutions to Asia through Hong Kong. It has recently expanded its office in Hong Kong Science Park.

"As Hong Kong takes on smart-city initiatives, we see a great opportunity for us to work with partners providing innovative solutions that meet the city's needs. Hong Kong will continue to be our regional headquarters, with major R&D presence and all corporate functions represented, including marketing, finance, human resources, quality control and operation," Pierre Teyssier, Regional General Manager, APAC, Sierra Wireless, said.

Visit StartmeupHK's website (www.startmeup.hk) for the latest development about IoT in Hong Kong.

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Startmeup.hk – A New Look

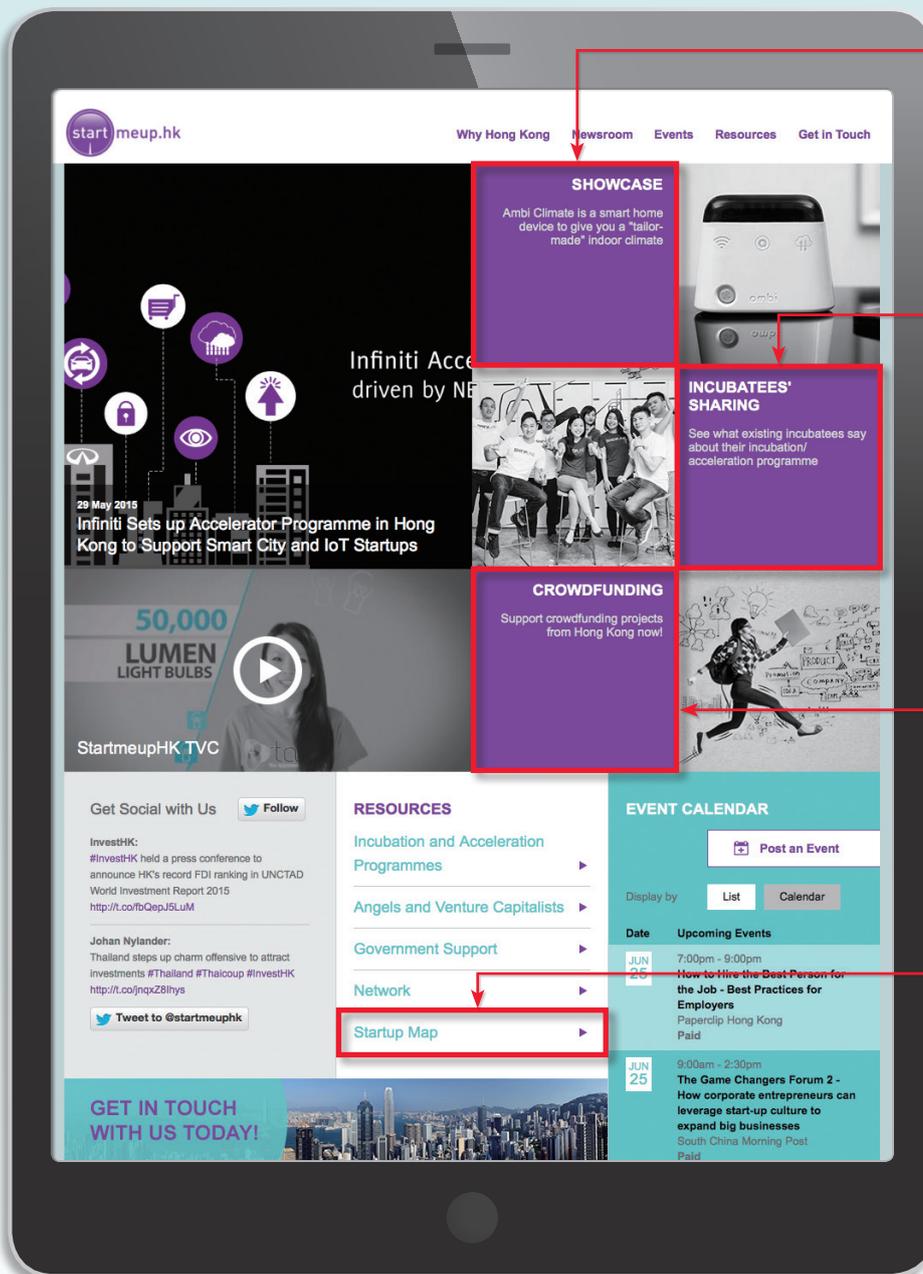
Raising Startmeup.HK to the Next Level

To reinforce Hong Kong’s super-connector role, StartmeupHK’s website has a new look and new features to help you launch your entrepreneurial journey

StartmeupHK is more than an initiative by InvestHK to attract startups from overseas to establish themselves and grow in Hong Kong. It is also the gateway for any startups – even if they have not yet arrived in the city – to get the information they need.

The revamped Startupme. HK is a one-stop portal for the startup community, listing the latest startup events and various resources available, including government incentives and incubation schemes, accelerators, angels and venture capital. It also serves as a platform for local and overseas startups to share their success stories.

Let’s take a look at the website’s new features:



Showcase:

The aim of this section is for startups to showcase their best ideas, products and services, or the fruits of R&D. You can submit your projects with photos and videos online. Each project showcased will be listed in this section for one year.

Incubatees’ Sharing:

With an increasing number of incubation/acceleration programmes in Hong Kong run by the public and private sectors, some startups may find it difficult to select which programme they should join. The testimonials shared by existing incubatees in this section will help improve your understanding of each programme from an insider’s point of view. Each article is categorised, and by using the filter function, you can select the programme you want to see.

Crowdfunding:

The Crowdfunding page rounds up the latest innovative projects from Hong Kong on major crowdfunding platforms such as Kickstarter and Indiegogo, etc. Just click the thumbnail to sponsor these Hong Kong startups and help them begin realising their dreams.

Startup Map:

Whether you are familiar with Hong Kong or new to the city, the Startup Map is a don’t-miss. The map shows the locations of co-work space, venture capital firms, incubators/ accelerators, investor networks, supporting bodies, universities’ entrepreneurial centres, and more. It also tells you how to get there.

Be part of Hong Kong’s vibrant startup community.
 Tell us about your presence and share your exciting events and stories!
 Visit: www.startmeup.hk



“With its strategic proximity to the Pearl River Delta, Hong Kong has all the elements that IoT startups need to thrive.”

**Manav Gupta, CEO
Brinc**

New Accelerator Brings Global IoT Startups to Hong Kong

Brinc, an Internet of Things (IoT) accelerator, determined to take global IoT startups from ideation to commercialisation, launched its IoT accelerator programme in Hong Kong recently

Formed by an international team of experienced practitioners in technology, startups, crowdfunding, sourcing/logistics, manufacturing, distribution and venture capital, Brinc is a unique IoT accelerator based in Hong Kong built to accelerate connected technology hardware product startups from the ideation stage through business development, consumer validation, manufacturing support and distribution.

Manav Gupta, CEO of Brinc, said, “We are proud to plant a flag in Hong Kong as our headquarters. With its strategic proximity to the Pearl River Delta, Hong Kong has all the elements that IoT startups need to thrive. Coupled with the advantages of the dynamic and growing technology ecosystem, the city’s rule of law, intellectual property protection, ease of setting up a business, low-tax regime, rich heritage in manufacturing and access to engineering resources all combine to offer the right ingredients for the growth of IoT startups.”

With Brinc’s international network, the IoT accelerator programme brings in the best IoT startups from all over the world to Hong Kong, and offers them the platform they need to quickly accelerate their go-to-market strategy and become a viable business beginning with a three-month acceleration programme. Selected teams will progress to receive a mix of cash, business consulting services, plus a hands-on team at Brinc and a unique ecosystem of partners in production, sourcing, logistics and distribution to ensure on-time delivery of orders for customers. The comprehensive package is aimed at providing a competitive advantage for any IoT startup looking to successfully launch

its business, manufacture to scale and distribute globally. The accelerator programme is supporting seven IoT startups at the moment, and is expected to accept up to 10 additional startups by the end of 2015.

With offices in Shenzhen and Guangzhou, Brinc hopes to empower IoT entrepreneurs by leveraging the resources in the Pearl River Delta and its comprehensive acceleration programme and investment fund.

“We are glad to know that the Hong Kong SAR Government is firmly committed to supporting the development of IoT in Hong Kong and transforming the city into a centre of excellence. Hong Kong has the unique capability to integrate design, software and hardware and turn ideas into commercially viable IoT products. Our programme aligns with the Government’s commitment to develop Hong Kong into a world-leading IoT hub,” Gupta said.

Brinc

- Launched its IoT Hub along with its IoT accelerator programme in Hong Kong in April 2015
- Located at PMQ, Central
- Provides acceleration services and funds for IoT startups

www.brinc.io

“The ecosystem here has already got a lot of major players, a pro-entrepreneur environment with a focus on collaboration, access to incubators and accelerators, and a transparent regulatory environment – all these advantages put Hong Kong at the forefront as an Asia-Pacific hub for fintech.”

**Vikash Thanki, Head of Hong Kong Operations
LMAX Hong Kong**



Primed To Become a Fintech Hub

Hong Kong: The ideal location for LMAX's strategic global expansion

LMAX Hong Kong is a Securities Futures Commission (SFC)-regulated broker for foreign exchange (FX) and a part of LMAX Ltd. It offers professional investors the ability to trade on firm limit-order liquidity. Clients benefit from a level playing field regardless of status, size or activity levels – and with complete pre- and post-trade transparency, no “last look” rejections and exchange-quality execution.

Vikash Thanki, Head of Hong Kong Operations for LMAX HK, calls Hong Kong the obvious choice for the firm's head office in Asia.

“The city is one of the largest global financial centres,” he said. “The World Bank has recently rated Hong Kong the third easiest place to do business out of 189 economies. It has a long-standing tradition as a financial centre, to go with a transparent regulatory framework and easy access to our client base in the Asia Pacific region. The company is fully staffed with nine team members covering client services, information security, market and technical operations, sales and compliance. Most of them are local recruits, thanks to Hong Kong's deep pool of financial talent.”

“The startup environment here is very good,” Thanki said. “There are plenty of highly educated individuals who are not just focused on major banks or corporates, but ready to look for new challenges within disruptive business models like LMAX Exchange, and to become part of these companies' success stories. We must continue to encourage these individuals and support their development to enhance innovation in the industry.”

Fintech Space

The Hong Kong SAR government has recently set up a Steering Group on Financial Technologies, or fintech. Thanki sees fintech as still relatively new, and believes Hong Kong has great potential to become a regional fintech hub. “Secretary for Financial Services and the Treasury Professor K C Chan's recent visit to London to understand fintech further galvanises Hong Kong's commitment to providing a conducive environment to facilitate fintech development,” he said.

“The ecosystem here has already got a lot of major players, a pro-entrepreneur environment with a focus on collaboration, access to incubators and accelerators, and a transparent regulatory environment – all these advantages put Hong Kong at the forefront as an Asia-Pacific hub for fintech,” he added.

Hong Kong also benefits from its symbiotic relationship with Mainland China. “The Hong Kong Shanghai Connect, and soon the Hong Kong Shenzhen Connect, are all steps toward opening up the Mainland market and internationalisation of the RMB. As the market becomes more open, we are positioned to start attracting business from the region,” he added.

Thanki has been in Hong Kong for only eight months and finds the city fantastic. He said he had expected a culture shock but was pleasantly surprised at how easy it's been to integrate into society. He's also developed a new-found love for hiking and fitness. “People are friendly,” he said. “They are busy but still have time for genuine conversation. Hong Kong is not just a great place for business, but for a social life as well.”

Thanki appreciates the help from InvestHK in helping LMAX Hong Kong establish its presence here. “The networking opportunities, and the doors being opened, are a massive assistance for us,” he enthused.

LMAX Hong Kong

- Incorporated in Hong Kong in 2014 and licensed by SFC in 2015
- A SFC-licensed broker for foreign exchange

hk.lmax.com



“I seriously think the Hong Kong market has surpassed New York, and even Tokyo, in terms of existing business opportunities.”

**Manabu Yoshitomi, President and CEO
ICHIRAN**

ICHIRAN's Indulgence Factors

ICHIRAN's confidence in Hong Kong matches its commitment to authentic Japanese noodles

In 2013, ICHIRAN brought 50 years of experience in producing high-quality classic ramen to Hong Kong. When opening its first overseas store in Causeway Bay's prime shopping district, ICHIRAN quickly realised the secret to running a successful food business in this cosmopolitan city: authenticity, and an innovative restaurant experience and ordering system – fill out an order form to customise your ramen, press a button to call staff, and then concentrate on flavour.

“Hong Kong people's craving for Japanese cuisines creates traction on both supply and demand sides,” Manabu Yoshitomi, President and CEO of ICHIRAN, said. “The performance of the Causeway Bay store is phenomenal, beyond our expectations. Hong Kong is a very sophisticated market with plenty of business opportunities. I seriously think the Hong Kong market has surpassed New York, and even Tokyo, in terms of existing business opportunities.”

Yoshitomi was particularly thankful to the support from InvestHK and the Kyushu Economic Federation, which together gave the company the confidence to set up in Hong Kong. The undiminished popularity of ICHIRAN's Causeway Bay store, evidenced by long queues of customers outside the restaurant, led to the opening of a second branch in Tsim Sha Tsui in June 2015.

Operating around-the-clock, ICHIRAN hired 90 local staff initially, and the new opening expanded its staff to 300. Located near the iconic K11 Art Mall, the Tsim Sha Tsui store has a larger gross area than its Causeway Bay counterpart. It provides a total of 182 seats in two different settings – “Yatai” (a classic 1960's Japanese food stall) and separate “compartments” for individual indulgence.

With increasing customer satisfaction, repeat customers and excellent staff quality, ICHIRAN plans to open a third branch, possibly on Hong Kong Island or in the New Territories. It eventually aims to enter the Mainland market.

“There are challenges ahead, but the key is to maintain quality and taste, and keep customers coming back to our shop. Our menu always has the signature noodles but we constantly develop new ideas and new products. For example, the dessert menu is changing to meet female customers' tastes,” Yoshitomi said.

Before and during ICHIRAN's inception in Hong Kong, InvestHK provided various means of support, including market information and recruitment advice, assistance in visa applications, public relations services and networking opportunities to facilitate the firm's smooth setup in Hong Kong.

ICHIRAN

- Founded in 1960 in Hakata, Fukuoka, Japan
- Operates more than 50 restaurants in Japan

hk.ichiran.com



“Hong Kong is a new digital trading gateway for financial products and services, as well as for other global eCommerce services. It will be our building block for broader expansion into the Asian markets.”

Jock Percy, CEO
Perseus



Perseus Selects Hong Kong As Its Base for Asian Growth

StartmeupHK's Venture Programme Grand Award Winner finds its new home here

Perseus is a leading provider of managed services for high-precision, high-speed, high-performance applications. With clients spanning the financial services and capital markets, media, eCommerce and iGaming sectors, Perseus offers a fully managed suite of services across the trade lifecycle and along many of the world's fastest market-to-market routes.

The financial vertical is the company's largest customer group, and includes the world's banks, hedge funds, market-makers, exchanges and traders.

“Since the company's launch in 2009, Hong Kong has been a location that I wanted Perseus to grow into. The Asian markets are expanding rapidly, and foreign investors are steadily pouring in to capitalise in the Mainland marketplace. Hong Kong is at the core of this rapid growth and Perseus wanted to ensure that we seized the opportunities. Our aspiration moved closer to reality in November 2014, when we won the StartmeupHK Venture Programme Grand Award,” Jock Percy, CEO, Perseus, said.

Perseus set up its regional headquarters in Hong Kong in March 2015, and is actively recruiting eight initial team members covering engineering and sales in the Asian markets. As the company continues growth in this region, Perseus will add additional personnel on the ground and plans to triple the number of team members in the first few years.

“Hong Kong has proven to be a very healthy atmosphere for startups, particularly in the financial sector, because so many firms are realising the growth potential that this market offers. InvestHK's StartmeupHK Venture Programme provided some excellent exposure for Perseus and for our move into this region. The relationship with InvestHK and the StartmeupHK team has been fantastic, and has played a big part in Perseus's ability to establish early traction in the city,” Percy said.

Percy also said he found Hong Kong a lively and enthusiastic location for startup businesses across a number of industry verticals, and the company has already identified a number of new opportunities in this market, including gaming.



“We also see Hong Kong as a new digital trading gateway for financial products and services, as well as for other global eCommerce services. The city will be our building block for broader expansion into the Asian markets,” he said.

In April 2015, Perseus announced that Goldman Sachs had made a \$20.5 million minority investment. The firm will soon announce delivery of its global network expansion, which will include 28 new points of presence around the world, 16 of them in the Asia-Pacific region.

Perseus

- Established in 2009 and headquartered in New York

www.perseus.co



“Since Hong Kong is very close to major manufacturing hubs in Mainland China, we are able to move our conceptual designs to production much faster while minimising risks and cost.”

Kevin Ko
Managing Director, China Region
Radius Product Development

From Engineering to World-Class User Experience

Radius evolves from a precision engineering service firm to a user-centric product development one in Hong Kong, offering end-to-end services in the areas of user research, design, development and manufacturing implementation

Radius is a global innovation and product development company headquartered in Boston, Massachusetts, with additional locations in Chicago, Hong Kong, Shanghai and recently opened San Jose in the Silicon Valley. Radius creates unique product solutions which enhance people’s lives, create meaningful product experiences and increase brand loyalty, and services in diverse market segments, including healthcare, FMCG packaging, industrial, consumer electronics and emerging technologies. Radius recently moved from Tsing Yi to a 7,000-square-meter office at Hong Kong Science Park’s newly opened Phase 3 and considers Hong Kong a strategic location to provide solutions for leading multinational, local and emerging companies in the region.

“The advantage of Radius is our ability to pull together talent from our five global offices to work on a project best suited to the client’s needs and product requirements. Since Hong Kong is very close to major manufacturing hubs in Mainland China, we are able to move our conceptual designs to production much faster while minimising risks and cost. With an office in Hong Kong Science Park, commuting to the China border takes only 30 minutes!” Ko said.

In Search of “Hybrids”

As more companies think global, the importance of understanding the consumer needs across different geographies, particularly Asia, is critical. The traditional “one-product-fits-all” offering has proven to be less effective as the global market and consumers have evolved. The Radius team provides research capabilities which they utilise to gather key insights into the user experience and critical design aspects to enhance the product’s potential for success in any market.

Some eye-opening projects include a trendy, foldable mouse that is now exhibited at the US Museum of Modern Art; a waterproof mechanical jacket for industry-use tablets with advanced features for use by doctors and nurses in hospitals, and an instant water-filtering drinking bottle. To meet business needs, Radius plans to double their staff from 20 to 40 by 2016.

“We are constantly looking for experienced staff with both engineering and design background, whom we call ‘hybrids’ – people having broad skill sets that span the product development process and facilitate the overlapping of the research/design/engineering functions, which in turn spark innovation. We hire both local and overseas candidates to create diversity in our team,” Ko said.

By leveraging InvestHK’s services and Hong Kong Science Park’s network, Ko’s ambition is to increase the firm’s capacity as one of Asia’s top design firms, providing thought leadership and world-class product development solutions.

Radius Product Development

- Headquartered in Boston, Massachusetts, US
- Provides consulting and product design innovation services from concept all the way to manufacturing implementation



Optics Valley Union Seeks Long-Term Collaborations

“With Hong Kong’s status as an international financial and business centre – along with its robust legal framework, excellent local workforce and government services – a presence here will help raise our profile among local investors, the government and business communities.”

**Michael Jiang, Chief Financial Officer
Optics Valley Union Holding Company Ltd**

Hong Kong is the ideal financing, international collaboration and brand-building platform for the Wuhan-based, privately owned Hong Kong-listed business parks developer and operator

Optics Valley Union (OVU) develops, sells and operates more than 10 large technology and business parks in Mainland China. Each has a distinctive theme and they cover a broad spectrum of services, including software and ICT outsourcing, financial back-office, R&D, creative industries, energy conservation, marine tech, biotechnology and healthcare. Established in Wuhan in 2004, OVU has grown into a strong company hiring over 4,000 employees with subsidiaries and business parks across Mainland’s important second-tier cities, including Wuhan, Hefei, Shenyang and Qingdao.

In March 2014, OVU successfully listed on the Hong Kong Stock Exchange, and the market capitalisation supports its development in the Mainland. To help fuel the country’s future economic growth, OVU is committed to transforming itself into a comprehensive service-provider for new industries, with core businesses around four major areas: space and clustering services; business operation services; DHC (district heating and cooling systems) energy conservation services, and venture capital services.

“Energy conservation and management services in the business parks are the key areas that we are focusing on. In particular, our DHC system and service model will help companies reduce around 30 percent of energy consumption, save 40 percent of investment on equipment, and significantly reduce carbon emission,” Michael Jiang, Chief Financial Officer, Optics Valley Union Holding Company Ltd, said.

“With Hong Kong’s status as an international financial and business centre – along with its robust legal framework, excellent local workforce and government services – having a presence here helps raise our profile among local investors, the government, and the business communities,” he added.

Jiang said the company’s actively seeking collaborations with

Hong Kong Science Park, Cyberport and the West Kowloon Cultural District through sharing of knowledge, experience and resources. And he appreciates InvestHK’s referral and introduction to the right person in each of these organisations.

Recently, the vibrant startup ventures grew rapidly in Hong Kong. OVU also set up an investment fund in Mainland China, focusing on high-tech investment for optics, renewable energy, smart manufacturing and green tech-related startups, both within and outside of the country. The initial capital under management is RMB100 million. Jiang said the investment fund will invest in Hong Kong’s high-tech startups and the company looks forward to future collaboration opportunities with Hong Kong Science Park.

With Mainland China’s “One Belt, One Road” policy, Jiang said the company is fully aware of the business opportunities as arisen from coastal cities and the strategically important western cities, and is ready to consider collaborations with the local companies in Hong Kong in this regard.

“Wuhan is a highly educated city with a tier-one city’s infrastructure. Our company’s goal is to expand further into tier-one cities in the Mainland, and to springboard into the international market through Hong Kong,” Jiang said.

Optics Valley Union

- Employs more than 4,000 staff in Mainland China
- Founded by Huang Li Ping in 2004

www.ovuni.com

Mamma Mia, Mayarya!

Founded by a husband-and-wife team, the multi-brand, maternity fashion concept store Mayarya is expanding quickly in Hong Kong and very soon overseas



“InvestHK is our true partner.”

**Reika Shetty, Co-founder
Mayarya**

“We started Mayarya because we saw a genuine opportunity in the maternity fashion market. We both came from different retail backgrounds. So marrying both our complimentary skill sets and the niche idea of maternity multi-brand fashion, we set out to conquer the market,” Reika Shetty, Co-founder of Mayarya, said.

After working in Hong Kong for several years, Sid Shetty and Reika Shetty decided to start their own business in Hong Kong. Since its establishment in November 2012, Mayarya has rapidly grown from a startup company to a maternity and nursing-wear retailer with an office and three stores, along with an online shop that supports global sales and delivery from Hong Kong. The newest store was recently opened in Mira Mall at Tsim Sha Tsui.

Mayarya carries everything that a fashionable pregnant or nursing mother may need, from lingerie to jeans, work wear to wedding gowns. The dresses and tops are designed so they can still be worn after giving birth. “We are maternity friendly, not maternity only. Our collection does not look like typical maternity wear, and our customers love the fact that they look like regular fashion brands,” Shetty said.

The couple travels around the world to source the most coveted fashion labels that can be worn both before and after pregnancy. Some are exclusively carried by Mayarya in Asia.

The company has grown into a full team, including the marketing and design director, retail manager, office manager, e-commerce coordinator, assistant buyer, designer and a few store staff. Additional headcount is planned.

“Our concept was tested and we learned a lot from our first two stores on Hong Kong Island, with both expatriate and local customers. We are confident of our knowledge in the maternity market, so we are ready to expand into Kowloon, where the customer base will be predominantly local and mainland shoppers. We are planning to open our fourth store in Causeway Bay next month. We have also developed our private label called PREDICT,” Shetty said.

Mayarya has identified franchisees in Singapore, Malaysia, Korea and the Philippines, and is planning to launch at least three-to-four overseas Mayarya stores within next year.

Good preparations must be done before starting a retail business, and Shetty shares some useful advice: “Do the right due diligence before signing a lease. Hire the right team and incentivise the staff to think like a business owner – that’s why we pay monthly commissions to key team members based on key performance indicators,” she said. “Last but not least, your suppliers and vendors need to believe in your growth story so that you can negotiate payment terms and favourable pricing.”

Shetty said Hong Kong is the most energetic of all the cities where her family has lived and is extremely international, with new ideas and people moving into the city all the time. They learned about InvestHK through other entrepreneurs. “InvestHK has helped us with all kinds of support and advice – from retail space introduction, investment visa, to day-to-day advice on Hong Kong-specific issues. InvestHK is our true partner,” Shetty said.



Mayarya

- Maternity fashion concept store established in Hong Kong in 2012
- Mayarya (pronounced ma-ya-ari-ya) is the name combination of Shetty’s two kids, Maya and Arya

www.mayarya.com

“Hong Kong is very transparent and open with little bureaucracy.”

Etai Dagan, Managing Director
Filtersafe



Filtersafe Sets up Maritime Facility for Cleaner Oceans

Filtersafe, Israel's global supplier of automatic self-cleaning filtration systems, has opened a 5,000 square metre assembly, sales and service centre for ships in the region after entering a strategic alliance agreement with Yiu Lian Dockyards

In the Chief Executive's 2015 Policy Address, measures were spelled out to reinforce Hong Kong's position as an international maritime centre for Mainland China and the Asia-Pacific region. Maritime services, which include ship management, brokering and chartering, finance, marine insurance, maritime law and arbitration and support services, have enormous potential for growth.

One area of maritime services that is about to get an overhaul is ballast water treatment. The International Convention for the Control and Management of Ships' Ballast Water and Sediments is expected to come into force soon, and is of particular interest to Filtersafe, an Israeli manufacturer and supplier of ballast water systems for industrial shipping. When the convention becomes law, ship owners will have to install equipment in their vessels and establish standards and procedures to control ships' ballast water and sediments. Accordingly, Filtersafe opened a 5,000-square-metre assembly, research, sales and service centre on 14 April at Yiu Lian's dockyards in Sunny Bay, New Territories. A subsidiary of China Merchants Industry Holdings, Yiu Lian is one of the two major dockyard companies in Hong Kong that provides a range of maritime repair and maintenances services.

Hong Kong as Asia-Pacific Headquarters

According to Etai Dagan, Managing Director of Filtersafe, the new service centre will significantly increase the range of services offered at Yiu Lian, improving its attractiveness to ship owners and operators. Filtersafe chose Hong Kong as its Asia-Pacific headquarters for several reasons.

“Hong Kong is very transparent and open with little bureaucracy. There is a large pool of English speaking professionals. It is easier for business to operate in Hong Kong because of its central location in southeast Asia. Globally about eight percent of the

total gross tonnage of commercial vessels are managed by Hong Kong companies. Its status as a free port and its excellent logistics network are also crucial for our business,” Dagan said.

“Israel is a small country but its innovation and technology is very strong. Filtersafe has made a significant and long-term investment in Hong Kong, which signifies our confidence in the city and the region. Our one-stop service centre here will help increase the competitiveness of the maritime services sector in Mainland China and the region,” he enthused.

The new facility will double the production capacity of Filtersafe, enabling the company to produce 15,000 ballast water sediment filters per annum in the plants in both Israel and Hong Kong.

Filtersafe approached InvestHK's Transport and Industrial team for business advice and to get help starting the negotiations with Yiu Lian Dockyards. InvestHK's business facilitation and government liaison services enabled the successful launch of Filtersafe's facility in Hong Kong. “InvestHK gave us very clear business direction and we are very satisfied with its services. We look forward to applying our technologies in other industries in future,” Dagan said.

Filtersafe

- Headquartered in Israel
- Specialises in the development and supply of intelligent automatic screen filters for ballast water, oil and gas as well as industrial markets

www.filtersafe.net



Private Luxury from Chauffeur to Pilot

Fortis Riders, a global provider of premium chauffeured-transportation services from the US, is capitalising on the growing demand for private jet services in Asia

Fortis Riders came to Hong Kong in 2012 to provide premium limousine services, primarily for private-jet owners and passengers, as well as for corporate roadshows. In recent years, many US companies in the high-end transportation sector, including Fortis Riders, have set up in Hong Kong to target the region's billionaires and bankers, who have a high cost of time and who require a high level of service when traveling.

"We see strong growth in the southeast Asian market over the next five years, while the US and Europe are slowing down. This provides us with growth opportunities as we diversify into another region, and it shows our clients that we are concerned with their international and cross-border business needs," Stephen Dick, Managing Director, Fortis Riders Asia, said.

Hong Kong attracts Fortis Riders for a couple of reasons. "The first that comes to anyone's mind is the low corporate taxes and the simplicity of the tax code. Beyond that, we appreciate the proximity to Mainland China, but without having to navigate all the red tape involved in actually setting up a business operation inside the Mainland," Dick said.

Founded in 2000 in the US, Fortis Riders has been working with some of the most highly qualified chauffeurs anywhere to provide high-level services for the most demanding clients around the world. "Our focus is on the quality of services. The chauffeurs we select are meant to act as a concierge on the ground – with the best knowledge of the city, knowing the quickest route from point to point, where to eat, what to see, where to stay. In order to provide the most seamless and confident service possible, we are in communication with all parties surrounding the passenger – his personal assistant, the pilot of his jet, and his chauffeur," Dick said.

The move to Hong Kong has proven to be the right decision. The company has grown from one staff to five within two years, and has moved to a larger office in Wanchai. The latest addition is a salesperson primarily responsible for most of the Asia-Pacific region. With both local hires and a couple of transfers from the head office, Fortis Riders believes it is ready to meet any challenge ahead as it continues to expand its service and network in the region.

Dick is particularly impressed by Hong Kong's lifestyle and InvestHK's support. "What we most appreciate is the business advisory role that InvestHK fills. The department introduced us to tax preparation firms and to recruitment agencies, and invited us to networking functions where we could meet like-minded companies investing in Hong Kong. I love the atmosphere and the people whom I have met. I hope to stay here long term and eventually obtain permanent residency," he said.

Fortis Riders

- Founded in the US in 2000
- Named to the Inc magazine's list of the 5,000 fastest-growing, privately-held US companies for the past six years in a row

www.fortisriders.com



"We appreciate the proximity to Mainland China, but without having to navigate all the red tape involved with actually setting up a business operation inside the Mainland."

**Stephen Dick, Managing Director
Fortis Riders Asia**

InvestHK recently facilitated the following companies to establish or expand their business presence in Hong Kong. We welcome them to our city and wish them a prosperous future.

Company name	Sector	Company name	Sector
Argentina		New Zealand	
Madmouse Toys	Toys Distribution	Active Components (HK) Ltd	Distribution of Electronic Components
Australia		Singapore	
Introtainer Ltd	Digital Marketing	eSynchrony	Online and Offline Dating
Tai-Pan Beer Co	Distribution of Australian Craft Beer and Cider	Cue Hotel	Hotel
Canada		Sugar Technologies (Hong Kong) Ltd	Advertising and Marketing
Munchies	Food and Beverage	VMSD HK	Retail Space Design
Denmark		Switzerland	
Mindzet Hong Kong Ltd	Information Technology Services	Finemetal Asia	Precious Metals Trading
France		IPGPAY Ltd	eCommerce Solutions
Calypso Trading Ltd	Trading of Manufactured Goods	Taiwan	
Harbour Rights	Media and Television	Accuvally Inc	Event Information and Ticketing
Jean Louis David	Hair Services	UK	
Ubudu Asia	Digital Agency for Offline Retailers	Eames Consulting	Recruitment and Executive Search
Israel		eicó hk Ltd	Paint Manufacture
Sarin Hong Kong Ltd	Scientific and Technical Instrument	First Derivatives	Financial Software Development and Consulting Services
Filtersafe	Automatic Self-cleaning Filtration Systems	LMAX Hong Kong Ltd	Foreign Exchange Services
Italy		US	
L'Immagine Ritrovata Asia	Film Restoration	Aivvy (HK) Co Ltd	Smart Headphones
Japan		Brinc Ltd	IoT Accelerator
Ichiran	Japanese Noodle Restaurant	Floship	SaaS Solution for eCommerce Logistics
Mayarya	Fashion Retail	Fortis Riders Asia	Premium Limousine Services
RIZAP Hong Kong Ltd	Personal Training Gym	GTT	Telecommunications
Shoeian Kyoto Bakery	Bakery	Perseus	Fintech
Sumitomo Osaka Cement Co Ltd	Cement Research	Little Adventures	Food Consultancy
Takara International (Hong Kong) Ltd	Financial Communications and Printing Services	Radius Product Development	Product Design Innovation Services
Korea		Sam the Local	Travel and Leisure
Jeju Air	Aviation	Yelp	User-generated Review Website and Application
Luxembourg			
Degroof Asset Management (HK) Ltd	Asset Management		
Mainland China			
CDP Group Ltd	Human Resources Outsourcing		
DJI	Unmanned Aerial Vehicles		
Hong Kong Yi Hung Industrial Group Ltd	Pharmaceutical Intermediates		
Optics Valley Union	Business Park Developer		



InvestHK 投資推廣署
The Government of the Hong Kong
Special Administrative Region

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