

# BRITAIN



IN HONG KONG

The Official Magazine of The British Chamber of Commerce in Hong Kong Issue 43 July - August 2016

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Discovery College: [www.discovery.edu.hk](http://www.discovery.edu.hk)

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# BRITAIN

IN HONG KONG

The Official Magazine of The British Chamber of Commerce in Hong Kong

July – August 2016

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Mark Greenberg  
*Jardine Matheson Ltd*

### Vice-Chair

Anne Kerr  
*Mott MacDonald*

### Vice-Chair

Peter Burnett  
*Standard Chartered*

### Treasurer

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*Asia Spa & Wellness Limited*

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### Environment & Energy Committee

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### Small & Medium Enterprises Committee

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*International Study Programmes (HK Ltd)*

### Strategic Supply Chain Forum

Dominic Jephcott

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### Women in Business Committee

Sheila Dickinson

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## The British Chamber's Sterling Members





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Dear Members,

I am honoured to have been elected as Chairman of the British Chamber, and am delighted that Anne Kerr and Peter Burnett have agreed to become Vice-Chairs. We, the new General Committee, and the Chamber Executive look forward to working with you to further develop the Chamber and its activities in the coming months and years.

I would like to put on record my sincere thanks to the outgoing Chairman, Andrew Weir, who was an outstanding leader of the Chamber over the past two years, and who made a great contribution to the Chamber over a much longer period.

I am pleased to note that the Chamber continues to be well respected in Hong Kong, and more widely, as one of the leading and most active business organisations in the city. The range of its events, and the strength of the Chamber's committee network, which brings together industry practitioners to provide real sectoral knowledge and expertise, all contribute to the Chamber's role as a highly effective platform and voice, and a source of valuable information for its members.

As I write, we have just learned the outcome of the referendum on the UK's EU membership. The Chamber decided not to take a position on the in/out question. The decision clearly brings additional uncertainties to the economic and business context. The Chamber

will be arranging events and providing information to members to help you consider the implications of the referendum results for your business.

It is at times like these that the network, connections, and collegiality that the Chamber provides are all the more important and all the more valuable to your business. I therefore urge you to become even more involved in the Chamber – attend events, join one of our excellent committees, or use our platform. Do please contact myself or the Chamber Executive if you would like to discuss this further.

To finish on a lighter note, I also urge you to sign up for the Annual Chamber Ball on 2 September. This is one of the highlights of the calendar. This year's theme is "Swinging 60s London", and it should be a tremendously fun evening

I look forward to meeting as many as possible of you in the coming weeks and months.

“  
***I therefore urge  
you to become even  
more involved in the  
Chamber – attend  
events, join one of our  
excellent committees,  
or use our platform.***  
”

A handwritten signature in black ink, appearing to read 'Mark Greenberg', with a stylized flourish at the end.

Mark Greenberg



## AXA joins under Sterling status



The Chamber is delighted to announce that AXA Hong Kong has joined as a Sterling member. AXA Hong Kong, a member of the AXA Group, prides itself on serving more than 1 million customers in Hong Kong and Macau. In addition to being one of the largest

health protection providers in Hong Kong, it is also the number one general Insurance provider and a market leader in motor insurance. AXA is present in geographically diverse markets such as Africa, North America, Central & South America, Asia Pacific, Europe and the Middle East through its global network of operations.

## Mark Greenberg elected as new Chairman

The Chamber held its Annual General Meeting on Wednesday 1 June 2016 at the Hong Kong Club and Mark Greenberg of Jardine Matheson, was elected as the new Chairman of the Chamber for 2016-2017. In the Chairman's report, Andrew Weir, KPMG, looked back on a busy and successful year for the Chamber and thanked members for their continued support over the last two years of his chairmanship.

The meeting also saw Anne Kerr, Mott MacDonald Hong Kong, and Peter Burnett, Standard Chartered Bank Hong Kong, selected as Vice-Chairs. Mr Greenberg said, "I am honoured to have been elected as Chairman of the Chamber and also delighted that Anne Kerr and Peter Burnett have agreed to become Vice-Chairs for the next two years. We, together with the newly-elected General Committee and the Chamber Executive, look forward to serving in our roles."

A ballot was held to elect the new members of the General Committee and Chairman. The results are announced as follows:

**Chairman:** Mark Greenberg, Jardine Matheson Ltd

**Vice Chairman:** Anne Kerr, Mott MacDonald Hong Kong Ltd

**Vice Chairman:** Peter Burnett, Standard Chartered Bank Hong Kong Ltd

**Treasurer:** Simon Donowho, KPMG Corporate Finance Limited

### Elected Directors:

David Dodwell, Strategic Access Ltd

David Haigh, EY

Duncan Abate, Mayer Brown JSM

Jason Brockwell, Asia Medical Specialists

Jeremy Sheldon, JLL

John Slosar, John Swire & Sons (H.K.) Ltd.

Stephen Kitts, Eversheds

Timothy Peirson-Smith, Executive Counsel Limited

William Lau, B.S.C. Group Limited



**Mark Greenberg**



**Ann Kerr**



**Peter Burnett**

## New Chairman for the Hong Kong Association

After 15 years as Chairman of The Hong Kong Association, Baroness Dunn has resigned, and Douglas Flint, Group Chairman of HSBC Holdings, has been unanimously elected to succeed her. To the great pleasure of all members, Baroness Dunn has agreed to become the Association's President.

Lady Dunn has provided authority and direction to an organisation that, under her chairmanship, has worked hard at its mission, to "act as champion in the UK for UK-Hong Kong business exchange".

The Hong Kong Association has 120 company members and organises a good programme of membership lunches and seminars. It works closely with the British Chamber and its colleague organisations in London – CBBC, UKTI, as well as the Hong Kong Economic and Trade Office and the Hong Kong Trade Development Council.



A seminar 'The current business climate in Hong Kong' was hosted in early 2016 by Clifford Chance, featured a keynote speech by Andrew Seaton, Executive Director of the British Chamber, and was attended by about 150 people. The Association has also recently welcomed Gregory So, Hong Kong's Secretary for Commerce and Economic Development (see photograph) and will host shortly a lunch for Mr Willie Walsh, Chief Executive of IAG, to mark the 80th anniversary of the arrival in Hong Kong of the first scheduled commercial airliner.

---

## The lead up to Brexit

The final few weeks in the lead up to the much-debated EU Referendum proved very busy for the Chamber. Andrew Seaton, Executive Director, participated in interviews with Thomson Reuters, Bloomberg, RTHK, South China Morning Post and the Foreign Correspondents' Club. During this series of events, Seaton discussed the implications of both a leave / remain result on business in UK and globally.

In a statement released to its members on the day of the result Seaton said "The result of the UK referendum on its EU

membership clearly has major implications for British companies in Hong Kong, and for the many Hong Kong companies with operations in the UK and the EU. The British Chamber will be providing information and support to its members to help them consider the impact on their business, and the wider implications, as the process of the UK leaving the EU moves ahead." Visit our Brexit Hub for more information and event updates [www.britcham.com/publications/brexit-hub](http://www.britcham.com/publications/brexit-hub)





## Thank you to the Berkeley Group, for Shaken not Stirred sponsorship!

This year's Shaken not Stirred monthly networking events



will take you to a host of exciting bars and venues around town so that you can network and do business in an informal environment. Keep your eyes peeled for our Garden Party later in the year!

## Gender equity: Retaining and returning female talent



FLEXImums and Back to Work Hong Kong will bring together international gender equity

experts and senior representatives of organisations for the first Gender Equity Conference in Hong Kong on Thursday 29 September 2016, at Butterfields, Tai Koo Place, in Quarry Bay. Research has proven how gender-diverse companies outperform their peers not just financially, but creatively and through increased collaboration. At the event, sponsored by Swire, experts will openly discuss and debate on how to improve gender-balance and women in leadership in Hong Kong. Visit [fleximums.com](http://fleximums.com) for ticket details.

## The Fry Group renew Networking Series sponsorship

The hugely popular Women In Business networking series kicked off with a delicious lunch at Tartine, and coming up next is a wine tasting event with wine guru and entrepreneur Debra Meiburg on 21 July. The Chamber would like to thank The Fry Group for their sponsorship, and the Women In Business committee for their continued support in making this one of the Chambers most popular series. Check out [britcham.com/events](http://britcham.com/events) for details of upcoming events.



## JLL to sponsor the 5-Aside Football for twelfth year!

Thank you to JLL for their continued sponsorship of our popular corporate football tournament. This is an energetic night with masses of cheers, laughter (sweat!) and excitement that should not be missed. Supported by the Emerging Leaders Committee, the night starts with a competitive series of matches with beverages at pitch side. It is all followed by a delicious dinner buffet with unlimited wine, beer and soft drinks, and a prize presentation. To find out more about participating as a team, please contact [heily@britcham.com](mailto:heily@britcham.com)



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## Captains of Industry Breakfast with Sir Mike Rake, Chairman, BT Group plc

20 May 2016 –  
Island Ballroom,  
Island Shangri-La,  
Supreme Court Rd, Admiralty

On May 20, Sir Mike Rake, Chairman of BT, joined us to speak at a special Captains of Industry Breakfast on the subjects of business and Brexit. Sir Mike talked to more than 100 British Chamber members about the global and regional crises facing business, including the (then) potential for Brexit. He also shared his views on how corporates can re-build trust in business at a time when it is declining. Knighted in 2007, Sir Mike has received countless awards recognizing his leadership and achievements in the business community.



## Captains of Industry Luncheon with Carlson Tong, SBS, JP Chairman, Securities and Futures Commission

27 April 2016 –  
Victoria Suite,  
The Hong Kong Club,  
1 Jackson Road  
Hosted by Andrew Seaton



At this Captains Luncheon, Mr Carlson Tong, Chairman of the SFC, spoke about recent volatility in Hong Kong's stock markets and addressed some recently debated regulatory reforms, discussing question as to whether listing rules are too lenient. In tackling this issue he shared the regulatory response to controversial corporate conduct such as backdoor listings, reverse takeovers and shell companies. He also discussed the implications of listing regulatory reform on companies and infrastructure. Carlson Tong was appointed the Chairman of the Securities and Futures Commission by the HKSAR Chief Executive, effective 20 October 2012 and reappointed for another 3 years from 20 October 2015.

*The Chamber would like to thank KPMG once again for sponsoring the hugely popular Captions Of Industry Series, we look forward to welcoming more global business leaders in 2016.*

## New British Chamber Members for April

### STERLING

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Chai Wan, Hong Kong.



## New British Chamber Members for May

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# Brexit: The Economic Consequences

**As governments, businesses and households scramble to respond to the unexpected decision by the UK to leave the EU, what are the immediate political consequences and economic implications that they should be expecting?** – By Yael Selfin

## **What we can expect in the UK over the short term**

A key player in this first act to watch out for is the UK consumer – the spending power of the UK consumer is going to be squeezed. The combination of the large degree of uncertainty, pressure on earnings, a weaker pound and higher inflation biting into purchasing power, and potential falls in house prices could all combine resulting in a freeze in spending. Given that consumer spending represents about 60% of the economy, its direction over the coming months will be crucial to determine the path of the overall economy.

Another important component will be investment performance. Following Q2, when anecdotal evidence pointed at many businesses having put on hold investment and hiring decisions until the referendum result, things are now expected to be put on ice for longer while companies reassess priorities and plan for the many implications an exit would mean for them.

On a positive note, a weaker sterling should boost exports and restrain imports, providing support for UK GDP growth in the coming months. We have therefore revised our forecasts for UK GDP to 1.5% in 2016 and 0.5% in 2017, down from the 2% projection prior to the referendum results.

The sectors that seem to have taken the initial hit are travel, banking, insurance, and real estate. In the

immediate, public spending is less clear. We expect Whitehall to be focused on the impact of Brexit so it is inevitable that the pace of decision-making will slow and so it is probably safe to conclude that public spending will be affected. Major decisions that are needed on long term infrastructure programmes and major contracts could also be delayed, putting further pressure on investment and growth.

It will be October (at the latest) before the UK has a new government. A Day 1 action for a new Prime Minister will be to work out their non-Brexit priorities and how to deliver the Conservative manifesto on which they were elected in a much more politically and economically constrained environment. So the earliest fiscal moment in the calendar will likely be the Autumn Statement, in autumn this year. No significant changes to fiscal policy, including public spending commitments and tax policy, will be announced before then.

The Bank of England should provide more clarity on the direction of monetary policy and interest rates before then. Any surge in inflation, as a result of the slump in exchange rate, may be short-lived in a weak domestic economic environment.

The Bank of England may largely ignore such a temporary blip and focus instead on the fundamental need to support the economy. We could, therefore, see further loosening of monetary policy in the form



of rate cuts and a new programme of quantitative easing if it proved necessary to ensure market liquidity. Over the medium term, the more fragile state of the economy could see rates starting to rise later and more slowly, with yields perhaps 0.25 to 0.5 percentage points lower.

The prevailing view at the moment seems to be that companies whose exposure is more limited to the UK are to be hit more harshly than those which are more internationally diversified, but that could prove deceptive.

### Meanwhile, over on the continent

The implications of the UK vote are already starting to be felt across Europe and beyond, so our larger clients are looking to understand the implications beyond Britain. Fearful of a prolonged period of political and economic uncertainty, European leaders are eager for the UK to make a swift start on its exit arrangements by triggering Article 50 as soon as possible. The current government favours starting informal talks with the bloc, but European leaders have ruled out that option, saying “no notification, no negotiation”.


So the two main questions circling around Europe are what position European governments will take in future trade negotiations with the UK, and whether the UK's exit will trigger further instability on the continent.

General elections are taking place around spring and autumn next year in the Netherlands, France and Germany. This is significant because the results of these elections in the big European project countries will inevitably influence the position that their new or returning governments will take towards the UK and its exit negotiation. The UK referendum result could

potentially have a contagion effect in Amsterdam, Paris and Berlin, something that has been the source of much speculation in Brussels and in the respective capitals. But the results of the Spanish elections held shortly after the referendum showed a shift back towards the establishment rather than the other way round.

There was never any doubt that the shocks emanating from the UK referendum would touch the Eurozone economy. But the impact so far looks less dramatic than in the UK and we now expect GDP growth to fall to about 1.5% in 2016 and a bit lower in 2017, compared with earlier expectations of a slight improvement on 2015 with 1.7% GDP growth over the next two years.

Implications of the UK's exit will go further than the European Economic Area, however. US dollar strengthening is doing the job for the Fed in terms of tightening monetary conditions, and the Fed is likely to proceed with more caution when looking at raising interest rates, given market turmoil. President Obama has already started to use soothing tones. The flight of capital to perceived safe havens is also pushing up the yen and complicating policy there to revive the Japanese economy, while those countries whose currencies are linked to the US dollar, like China, are also impacted. The uncertainty and flight to safety will put pressure on other emerging markets too, with a stronger US dollar and capital outflows further destabilising their economies.

These are early days, and we will release further analysis to support our clients over the coming weeks. The full picture is unlikely to become clear for some time. With every twist and turn, brace yourself for further volatility. 

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***Fearful of a prolonged period of political and economic uncertainty, European leaders are eager for the UK to make a swift start on its exit arrangements by triggering Article 50 as soon as possible.***”



**Yael Selfin**  
Director, Head  
of Macro-  
economics, UK

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# Brexit, Property and Currency

**Following the UK's referendum to leave the EU, many headline writers were quick to highlight the potential dangers that now faced the nation. Fortunately their hyperbole and melodrama remain largely fiction.**

– By Gina Miller

**A**lthough the aftershocks of the Brexit vote are still being tallied across political, economic and social platforms, one thing swiftly became clear: plenty of foreign investors are willing to leap into a shopping spree on the back of the weakened pound sterling and subsequently reduced property prices.

Initially, the press was trumpeting doomsday stories: on 24 June, The Telegraph was reporting that housing prices would tumble 5% (citing KPMG) and that according to Property Vision, an independent buying agency in the UK, at least one Singaporean buyer had pulled out of buying a £35 million property in central London due to fears of Brexit.

However, for Asian investors with an appetite for risk and currency exchange, a meaningful drop in the value of sterling would effectively offset stamp duty and tax adjustments and make prime London property a canny investment.

Some Chinese property companies remained steadfast in their UK-centric investment advice. On 24 June, Juwai.com, a Chinese online property website claiming to be the “largest and most authoritative source for global property in Chinese, with over 2.4 million property listings spanning 58 countries”, posted an article called “4 reasons Chinese investors still love UK property”. The company cited China-friendly policies, first-rate educational offerings, connectivity convenience, and lifestyle sophistication and prestige, as it's primary reasons, adding a less subtle note that the plunge in the pound to a 30-year low means “Chinese investor demand for UK property has a solid outlook for the coming years.”

Andrew Bridges, Managing Director of London-based estate agents Stirling Ackroyd, was widely quoted following his pre-vote comment that “European buyers can now snap up real bargains across London. Overnight London has become a more affordable global property hotspot – particularly for those paying in Euros.” Bridges' comments were made in response to the depreciation of sterling in June – and he forecast that European buyers may leap in even greater numbers into the market if a “Brexit” was the actual result of the vote.

For many investors, sterling's fall signalled property bargains.

On 29 June, Russell Quirk, Founder and Chief Executive of eMoov.co.uk said eMoov had a “very busy weekend” with a 50% increase in the number of buyers from China and Singapore compared to a weekend earlier.

By 1 July, however, the FT was reporting that more than £650 million of commercial property deals in the City of London collapsed following the vote, following a trend that has seen investment in UK real estate halved in the first six months of 2016 from a year earlier, according to Cushman & Wakefield, as investors spent £7.5 billion in the period, down from £13.3 billion a year earlier, with institutional funds in particular drawing back.

Was it a sign of serious trouble?

## **Mortgage mess**

Precisely a week following the vote, Singapore's UOB temporarily suspended its loans programme for London properties as a result of what it called

uncertainties post the UK referendum. DBS, Singapore's largest lender, did not suspend lending but warned clients to be cautious on investing in London property.

According to a report from Knight Frank, Singapore was the top Asian investor in UK, US and Australian commercial property in 2015. Since 2009 Singaporean investors have been significant buyers in overseas markets, including London residential projects. Singapore's cautious approach may be only that: a temporary withdrawal until the market settles.

In a report from the UK's EstateAgentToday news site, Lucian Cook, Head of UK Residential Research

at Savills, noted that there have been contradictions across the market since the vote.

"Falls in sterling have prompted some international buyers to re-enter the market, while there has also been a fair share of speculative bids from those hoping to secure a bargain. Against this context, sellers have generally taken a pragmatic approach around pricing without having to slash their expectations", he said.

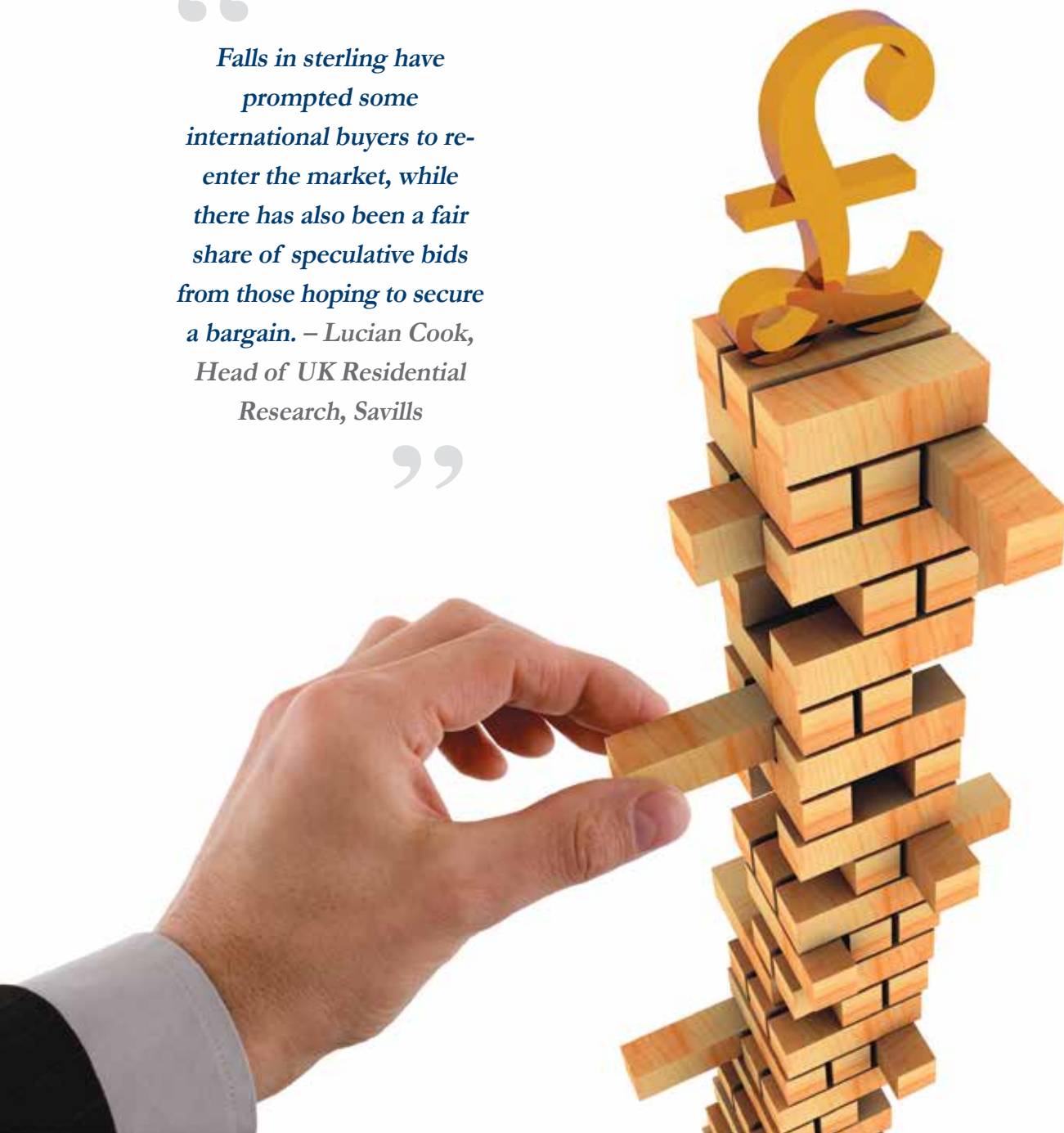
### Hedging for security

CBRE Research covering the APAC position on the UK, was generally positive. Dr Henry Chin, Head of Research, CBRE Asia Pacific, said: "In the short term,

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*Falls in sterling have prompted some international buyers to re-enter the market, while there has also been a fair share of speculative bids from those hoping to secure a bargain. – Lucian Cook, Head of UK Residential Research, Savills*

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we expect APAC investors to adopt a wait-and-see approach while they receive more clarity on the future developments arising from the UK's decision to leave the EU. CBRE expects some hesitancy from investors, however, the UK, especially London, will continue to remain attractive for Asian investors driven by the inherent attractiveness of the market, including its transparency, political stability, market liquidity and the openness of its legal framework for foreign investors, which includes their tax structure."

"The long-term leases, particularly in the office sector should also ensure the market remains especially attractive to Asian institutional investors," reported CBRE's research group.

CBRE also noted that the decline in the value of sterling could act as a catalyst for increased foreign investment in the UK. "A decline in the value of the sterling could also be a catalyst for increased foreign investment in the UK due to attractive returns," said Dr Chin.

Likewise, JLL noted that the weaker currency would naturally draw investors aiming to strike while the iron is "hot".

Adam Challis, Head of Residential Research at JLL, said, "... the London housing market will feel the effects of the Vote Leave decision more deeply. The interconnected trading relationship between London and the rest of Europe means the implications are more complex. ... Paradoxically, investors may well identify opportunities in this market over the short-term, particularly international purchasers that can benefit from the currency arbitrage that has opened up by a weaker pound sterling".

For homeowners worried about their property values, JLL noted that protracted political infighting poses a longer-term threat to the UK economy and any chance of a timely recovery from the expected economic slowdown.

"While the focus leading up to the Referendum has been on the UK's international trading relationships,

we are deeply concerned that domestic politics will now be the key risk to the housing market. Regardless of the Referendum outcome, the UK has a deep housing supply imbalance and concerted attention from politicians to deliver credible, lasting solutions to the supply conundrum is desperately needed. Protracted infighting within the UK's political parties will only harm the UK economy and any chance of a timely recovery from the expected economic slowdown," said JLL's Challis.

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 Head of Research, CBRE  
 Asia Pacific**  
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### Other affects in Hong Kong and China

Hong Kong's close economic relationship with the UK is bound up in years of shared history with strong and well-established business and investment ties.

China, on the other hand, may be negatively affected as the weaker economic growth in the UK and EU may negatively affect exports, while the luxury retail sector may weaken if becomes cheaper to buy such products in Europe, said CBRE.

### The aftershocks

There is no question the results of the vote blindsided many. The Economist reported that four out of five hedge fund managers had expected Britain to remain. Of course, many funds did in fact "hedge" and found profits in the fall out.

Not all the news is bad, though uncertainty rarely pleases anyone but hedge fund managers.

"Even if it is effectively 'business as usual' for the UK in terms of trade and legislation until 2018, such a major change will inevitably create uncertainty in the economy and real estate markets," said JLL's UK CEO, Chris Ireland.

However, he says that the impact will be largely confined to the UK in the event of a well-managed exit.

Now, all that is left is to manage the situation to come. **B**

# Why make a will?

Let's face it, death is not a particularly jovial topic, it's not one that many of us would choose to engage in or delight in sitting down to talk about. But it is one of life's certainties and, believe it or not, only requires a bit of forethought and a few simple steps to ensure that your financial affairs and, most importantly, your children are adequately, financially provided for and cared for in a manner that reflects your wishes.

We are of course talking about making a will. A will is the instrument by which money, real estate, and personal property are distributed after your death, and it also allows you to decide who will look after your children. Hong Kong's legal system is a common law system adopted in countries like the United Kingdom, Australia, etc. That said, foreigners living in Hong Kong will be governed by the laws of their country of domicile (usually their country of origin) on all assets in Hong Kong except real estate or land, which is governed by Hong Kong law. As a resident in Hong Kong, your estate must be probated locally, whether you own real estate or not, and it is therefore often recommended that you have a separate will for Hong Kong, which can be processed alongside your home country will.

## What happens if I die and don't have a will?

In the absence of a will, which must also fulfill the legal requirements of clarity, pristine condition and correct attestation (signing and witnessing), the Rules of Intestacy are brought to bear. These are imposed by the government and vary from country to country.

One assumption many people make is that if you die without a will, the surviving spouse gets the entire entitlement. Unfortunately, this is far from the truth. If there are surviving children, then the estate must be divided between the spouse and the children, possibly forcing the spouse to leave the matrimonial home so the children can be paid their inheritance. Or, if there are no children, and the deceased has surviving parents or dependant siblings, they can be beneficiaries of up to 50% of the estate alongside the spouse.

For parents, one of the most alarming aspects of not having a will is who looks after the children. Unless a guardian has been legally appointed through a will or a deed, the courts in the country in



which the children are physically located at the time of death takes charge of appointing guardians. This can be a lengthy affair, as all members on both sides of the family must be considered, and if there are any disputes between family members, then the courts will not be able to assign guardianship to any of the involved. People assume that a relative can jet in and pick up the kids. This is not the case and there are formalities to go through, and until these are resolved in the courts, the child or children may be taken into care.

- Your children are appointed a guardian by the state and may be taken into care until the courts decide who to appoint as a guardian
- Assets are frozen and distributed according to intestacy laws of state (which may not be distributed as you would expect!)
- Court cases may delay the appointment of a guardian for children, or distribution of your assets, meaning your loved ones suffer
- Pets may be placed in a shelter or euthanised if not adopted by an appointed person

## Seek professional advice

A will can be as simple as "Everything to surviving spouse" but it is critical that this is correctly structured, works with assets in all countries you touch and is signed by two witnesses who are not beneficiaries. Given the complexity of most expatriates' financial life even a well constructed will may not be enough.





If you have already made a will in your home nation, that is a good start, but it may not be enough. Even if it is accepted in Hong Kong, there are factors the Hong Kong probate office will consider when making settlements of local assets which may not be covered. Indeed, having one will to cover multiple jurisdictions can add significantly to the time it takes to settle assets (and therefore costs) in each location.

Before you instruct your professional adviser, take time to think who you want to put in charge of administering the will, who should be responsible for your children and what happens if your main beneficiaries die with you.

### Something I have been meaning to do for ages

Most people know that they probably should write a will but they put it off perhaps fearing their own mortality, or that it will cost a lot of money or be overly complicated. Make this year the year you get around to doing it. It doesn't have to be a painful

experience and the peace of mind that comes from knowing that this small but important job is finished is well worth the time and effort spent in completing the task.

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Advice relating to a will involves the referral to a service that is separate and distinct to those offered by St. James's Place.

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# How Green Are Our Buildings?

**Government incentives, including increased allowances for floor space, have influenced the promotion of green buildings in Hong Kong. In fact, according to statistics, the city has the largest number of certified green buildings in Asia.**

— By Jimmy Chow

Despite the city's notorious space constraints, Hong Kong is ahead of many other Asian cities in promoting green buildings. According to statistics from the World Green Building Council, Hong Kong actually has the highest number of certified green buildings in Asia.

This is in part thanks to government incentives, especially the granting of extra floor space in residential schemes pursuing a green building certification. In commercial real estate, the green building movement is primarily driven by multi-national companies' (MNCs) global sustainability policies, which require them to choose energy-efficient, eco-friendly space whenever such option is available.

## **What is a green building?**

By using less energy, materials and water than conventional buildings, green buildings are able to limit their greenhouse gas emissions.

"At Grosvenor, we tend to talk about 'sustainable buildings' more than 'green buildings'. By that we mean buildings that are fit for the future and able to be part of the solution to address city challenges such as air pollution, resource constraints and which

contribute to the enduring success of those cities," says Kate Brown, head of sustainability at Grosvenor, a UK-based international real estate group.

### Certification systems

There are a range of green building rating tools. LEED from the US, BREEAM from the UK, and BEAM from Hong Kong, are just a few names in the industry. Newer, performance-based assessment systems such as "Well Building Standard®" and "PassivHaus" place emphasis on improving indoor air quality and occupants' health and well being.

"Although they differ in small ways, they generally focus on the same topics, including energy and water use, greenhouse gas emissions, transport, materials (such as carpets, paints, furniture, etc.), ecology, air quality and so on," says Matthew Clifford, Head of Energy and Sustainability Services at JLL for North Asia.

Most increase their standards regularly, and have developed different versions to choose from, such as for different building sectors, whether it is a new build or retrofit, the designs that are certified or the building once built and in use.

"Essentially, their goal is to help us to design and manage buildings in ways that minimise environmental impacts – or in other words, make them as green as possible," Clifford explains. Of course, it is possible to design and manage a green building without these rating tools, but they act as a useful guide, and offer third-party verification of results.

### BEAM Plus

In Hong Kong, the certification system is based on BEAM Plus, an assessment system recognised by the Hong Kong government. The certification scheme is completely voluntary and is managed by the HK-BEAM Society, a non-profit organisation. The latest HK-BEAM standards (Version 4/04 and Version 5/04) cover all "new" and "existing" building types.

Hong Kong companies are increasingly aware that eco-friendly buildings improve their image, reduce energy bills and encourage greater productivity. For developers in particular, constructing buildings

certified by BEAM Plus is one of the prerequisites for earning a grant of 10% more gross floor area (GFA).

"The granting of additional GFA is undoubtedly one of the key incentives that motivate developers to pursue a BEAM Plus certification on their projects," says Nathan Lee, Chairman of the building surveying, project management and environmental professional group of RICS Hong Kong.

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***With proper energy-efficient air-conditioning and water recycling systems installed, hotel and shopping mall operators could see substantial savings on utility costs over a few years' time.***

***– Nathan Lee,  
RICS Hong Kong***

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"Landlords of green spaces will also realise the huge savings from more efficient use of energy and water. For example, with proper energy-efficient air-conditioning and water recycling systems installed, hotel and shopping mall operators could see substantial savings on utility costs over a few years' time."

### Latest trends

"One key trend, particularly in polluted markets, is the focus on indoor air quality. We know that many parts of Asia have poor quality outdoor air, and what we've seen is that unless buildings have a clear management plan in place, they often have poor indoor air quality too," says JLL's Clifford.

"This has a huge potential impact on the health of occupants and business productivity. The good news is that improving indoor air quality is actually quite simple – with the right combination of monitoring, filtering and purification, indoor air quality can be drastically improved," he continues.

"Health and well-being is also a huge trend, not just within buildings, but more broadly in the community. Beyond air quality, we are seeing more focus on nutrition, fitness, mental health, and so on. Given people spend a large amount of time indoors, buildings have a great potential to influence human behaviour in these few areas."

Tools like "Well Building Standard®" are aimed at delivering improvements in health and well-being, much like LEED and other green building ratings have done for environmental factors for many years.

Grosvenor's Brown notes that green building developers are trying to close the gap between the

expected environmental efficiency of a building from its master-plans and choice of technology, building materials, etc., compared to its actual energy, water and waste efficiency when in use.

There is also increased focus on how buildings relate to one another. Increasingly rating systems are being adopted to cater to entire communities. With this brings a greater focus on the spaces between buildings and the public realm.

On the technology front, Brown believes 3D printing will offer a really interesting alternative to traditional construction methods in the future.

"It could offer a far quicker and more cost effective method of building. Already full mansions have been built in China in 24-hour periods, many of these use a paste which is in part created from urban waste; so it could offer a really sustainable alternative."

### Implications of Paris climate deal

Since the Paris climate deal was signed in December last year, global governments are now working on a consensus to minimise the effects of climate change by reducing greenhouse gas emissions. As a major source of carbon emission, buildings can play a vital role in their efforts towards that goal.

International investors are already moving to divest from fossil fuel intensive assets, says Brown, hoping that this trend will have a positive impact in encouraging more green building development and looking forward to the upcoming Hong Kong government consultation with the private sector.

Though the signing of the global climate deal has prompted the Hong Kong government to intensify its efforts, such as requiring listed companies to measure and disclose their carbon footprint on a regular basis, that's only the beginning, and is far from enough.

"What about other companies that are not listed, or those listed abroad? The reality is that there's still a long way to go in driving the necessary reductions in greenhouse gas emissions, here in Hong Kong, across Asia, and globally," says JLL's Clifford.

"Governments have many levers to pull in addressing climate change and improving building performance, including legislation, incentives, and indeed how they operate the substantial number of buildings which governments themselves occupy. I would be pleased to see governments more proactively using these levers to drive greenhouse gas reductions from buildings."

### Long-term benefits justify upfront costs

"There has been a misconception that a green project, such as an upgrade to meet green building standards, is going to cost a lot more money. That's true in some sense, but the cost is only marginally higher, not significantly higher," says Gareth Barlow, Executive Director of Project Management at Colliers International.

He estimates that the fit-out of a green project is likely to cost about 5-10% more than a conventional building. That extra cost is absolutely worth it given the many measurable and health related benefits. But it could take more than five years, and sometimes up to 10 years, to realise the cost benefits of reduced energy and operating costs.

JLL's Clifford further demonstrates the cost-benefit analysis with figures: suppose a client is pursuing the very latest technologies, or the most ambitious green ratings, the upfront cost may be marginally higher, though this is usually offset by lower operating costs over the life of an asset.

"Let's say widget A costs \$100 to buy and \$10 per year to run. After 10 years you've spent \$200. Widget B might cost \$120 to buy, but only costs \$5 to run."

"After 10 years you've saved \$30 but if you only looked at the upfront cost, you would have bought widget A and ended up costing yourself far more over the long-run. Despite the fact that buildings are a long-term asset, that sort of short-term thinking is still very common in the building industry, and it perpetuates the false notion that green costs more."

"In view of a longer payback period, Hong Kong's office leasing cycle, typically on a three-year term, is too short for the occupier to get a payback," says Colliers' Barlow. "I don't think the short rental cycle is dealing with these initiatives favourably."

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B might cost \$120 to buy,  
but only costs \$5 to run.**  
– Matthew Clifford, JLL

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When explaining the actual cost savings to real estate clients, lack of data is an impediment to the promotion of green projects.

"The data out there in the marketplace to explain what the return on that investment will be after certain years is not adequate. But if we have to convince the client how much money he would save on electricity and water, more data is needed to support the claim," explains Barlow.

### **MNCs behind global drive towards sustainability**

In commercial real estate, it is mainly the large MNCs from North America or Europe driving the transformation of office or commercial buildings towards sustainability. They prefer occupying a space that complies with international green building codes, such as LEED.

"For leading firms like Bank of America Merrill Lynch or Goldman Sachs, they are happy to invest in green space now for return after ten years... they have a global CSR policy backed by the global CEO," Colliers' Barlow notes.

Therefore, to secure these global firms as long-term tenants, developers or landlords find it necessary to establish their portfolio's eco-friendly credibility by achieving the LEED or comparable standards, says Lee of RICS Hong Kong.

### **Lesson learnt from green rooftop's collapse**

In hindsight, the collapse of a green rooftop at City University Kowloon Tong campus in May 2016 suggests that more attention has to be paid to the safety aspects when it comes to making modifications to or retrofitting existing buildings, but all interviewees consider that the incident should not be a drag on the trend towards a greener, more sustainable built environment.

"There are many reasons to rapidly pursue green buildings. In doing so, trained people, right building codes and stringent safety measures are all required. Enforcement is also needed to ensure buildings meet these standards," JLL's Clifford says.

"These few things are true regardless of whether we pursue green buildings or not, so the green building movement shouldn't be slowed down because of some failure elsewhere in the system." **B**



# The Changing Face of Retail in Causeway Bay

**Russell Street: What was formerly a tram station is now a bastion of luxury.**

From humble beginnings as a transport hub, Russell Street overtook Fifth Avenue in New York as the world's most expensive shopping street in 2012. Fast forward four years to today and its array of luxury watch and jewellery stores are facing a slowdown in the Mainland Chinese economy and tumbling overseas visitor numbers.

"As a result of the changing tourist profile, Russell Street rents have reduced by 40-50%, with further corrections on-going. Overall, Hong Kong retail rents dropped 20-22% in 2015 and this year we are forecasting another 15% dip," says JLL Hong Kong's Head of Retail, Terence Chan.

"Rents at well-established shopping centres such as Times Square are expected to remain flat because they have a good tenant mix, hold many promotions and events to keep up the foot traffic, and offer retailers lower set-up costs than freestanding stores," explains Chan.

In recent days, Russell Street has settled back to earth from stratospheric heights in terms of sales, rents, and the prestige of the brands along the thoroughfare. It's still a bustling, prosperous shopping district, even with retail sales down in February for the 11th consecutive month.

Retail sales fell 6.5% in January 2016 compared to the previous year, after dropping 3.7% for the full year 2015.

### The shoppers

Chinese tourists still make up 70% of all arrivals in Hong Kong, but the mix of visitors is changing and with it, shopping trends. The "day trippers" replacing the flood of luxury shoppers, for example, are more likely to be in search of mid-priced watches such as Tissot, rather than Rolex, Cartier and Omega.

The new wave of mainland visitors are coming from a wide range of cities in China, often passing through Hong Kong on multi-entry visas for a day or two on their way to other destinations. Hong Kong offers them an attractive mix of familiar language, family visits, shopping and food.

This is far from the first retail revolution Russell Street has experienced however, and is unlikely to be the last. A Hong Kong Tramways depot until 1989, redevelopment transformed the road's dynamic, and in 1994 the Times Square shopping centre opened.

### Transport centre to retail elite

"Retailers included popular mango desert restaurant Hoi Lau San, as well as rising local brands such as City Chain and Bossini," remembers Chan, who has been working in Hong Kong retail real estate for 25 years.

"It was difficult then for new international brands entering the market, such as Sunglass Hut, to secure space in traditional shopping malls. So they opened street level shops with lower rents, and then moved into mainstream retail space later".

Over time, the stature and price points of the brands along Russell Street grew. Russell Street was turned into a pedestrian street in 2000, and by 2004 it boasted some of the world's highest retail rents.

The area prospered during the decade of seemingly ever-increasing luxury goods sales, with the influx of mainland tourists spurred on by the attractive renminbi/Hong Kong dollar exchange rate and the lack of sales tax in Hong Kong. At the height of the retail boom, major tenants were

jewellery and watch retailers and big brand names such as Prada. Chan says shoppers should expect more affordable local and international brands to expand their presence on Russell Street in the short-to medium-term, as the area evolves once more to cater for a more price-conscious clientele. **B**

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**JLL** is a professional services and investment management firm offering specialized real estate services to clients seeking increased value by owning, occupying and investing in real estate. A Fortune 500 company with annual fee revenue of \$5.2 billion and gross revenue of \$6.0 billion, JLL has more than 280 corporate offices, operates in more than 80 countries and has a global workforce of more than 60,000. On behalf of its clients, the firm provides management and real estate outsourcing services for a property portfolio of 4.0 billion square feet, or 372 million square meters, and completed \$138 billion in sales, acquisitions and finance transactions in 2015.







# The Rise of Flexible Office Space

**In a world where disruptive models are becoming the norm, traditional offices and leases are increasingly less relevant. Flexible office spaces are trying to bridge the gap and offer benefits both to new workers and landlords.** – By Jonathan Wright

**F**lexible workspace operators are on the rise. In Hong Kong, as at June 2016, flexible workspace operators have committed to over 250,000 sq ft of office accommodation in this calendar year, which is forecast to hit 475,000 sq ft by year-end. By comparison, PRC companies committed to approximately 400,000 sq ft in 2015, which was said to be the peak of PRC activity in Hong Kong.

## **Why is demand on the rise?**

With the rise of the millennial workforce, which is expected to make up 50% of the global workforce by 2020, and growth within the technology sector, more occupiers are seeking flexible, non-traditional solutions to meet the demands of their rapid growth. Conventional lease terms of three to five years, commonly offered in Hong Kong, do not fit in line

with the pace of their growth. Additionally, we are now seeing established MNCs seek flexible solutions and shorter lease terms to address the challenges they face within the current economic climate.

### What is the impact on operators?

Traditional serviced office operators are reviewing their growth strategies to ensure they remain profitable. Regus have recently acquired a co-working operator that they are rolling out globally and Compass Offices has scaled back their expansion plans for APAC.

### What is the impact on landlords?

There are positive and negative impacts for landlords. On the pro-side of the ledger, flexible workspace operators take up large amounts of space, and a benefit of negotiating a deal with a flexible workspace operator is that they do not need to align lease commencements to the expiry of their current premises creating pre-let opportunities.

Also, flexible workspace operators often act as generators of traditional tenants for the landlord if the client or member of the operator moves on to permanent space.

One of the negatives often cited is the impact on tenant mix. The selection of the operator that best compliments the existing mix is essential.

### Benefits for the end user?

There are now a range of concepts to select from. A company can choose from an operator such as Servcorp, (considered the global market leader in premium flexible office accommodation), with traditional serviced office accommodation in Hong Kong's most iconic development, such as Two IFC. Or, a company can choose to go with a local co-

working operator, such as Campfire, that offers space in a Grade-B building in Kennedy Town.

In between these two extremes lay a range of international operators – WeWork will soon open 90,000 sq ft co-working and serviced office space in Tower 535 Causeway Bay, and Regus offers a range of solutions across the market.

Start-ups often prefer the newer co-working operators, while these spaces often cost more per square foot in rent, the reduction in capital expenditure and the flexibility offered, usually on month to month "memberships" rather than leases, is enough to off-set the additional cost. Members are also offered both face-to-face and web-based networking opportunities, facilitated by the operators, that they would not normally have access to. Some even offer an online platform to exchange services. Often the operators provide access to VCs and mentorship.

MNCs are also increasingly attracted to co-working operators. With WeWork these companies sit side by side with an array of tech start-ups.

Large financial institutions typically occupy more traditional serviced offices for branch or project offices. Servcorp estimate 60% of their clients are MNCs. UBS, for example, occupies space in Servcorp's Doha office and, closer to home, Abu Dhabi Investment Authority, is located in Two IFC.

We foresee demand for flexible workspace to continue to rise. Aside from the obvious benefits of limited capital expenditure and flexibility, the new lease accountancy standards mean that office accommodation that is non-designated limits the initial impact on a company's balance sheet. **B**

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*Flexible workspace operators often act as generators of traditional tenants for the Landlord if the client or member of the operator moves on to a permanent space.*  
”



**Jonathan Wright**  
MRICS  
Associate  
Director

**Colliers International** is an industry leading global real estate services company with more than 16,000 skilled professionals operating in 66 countries. Colliers provides strategic advice and execution for property sales, leasing and finance; global corporate solutions; property, facility and project management; workplace solutions; appraisal, valuation and tax consulting; customised research; and thought leadership consulting.





# The Big Shake Up

**On April 29, the British Chamber and Australian Chamber of Commerce jointly gathered a panel of experts to discuss how the Asian insurance industry will evolve in response to the rise of insurtech and how potential offerings will affect customers.**

– By Lapman Lee

According to CB Insights data, insurance technology start-ups (and scale-ups) raised US\$2.65 billion in 2015, compared to the US\$740 million in 2014. The scale of this acceleration has compelled us to ask, “Who is actually investing in insurtech and what are the drivers”?

The threefold increase of global investment was pushed primarily by the incumbent insurers themselves looking for solutions to become innovative again, to establish more efficient business models, identify new growth opportunities, reduce customer acquisition costs, and improve customer experience.

In 2015, global fintech investment was US\$13.8 billion overall. Insurtech represented slightly less than a fifth of that total. There is significant room for growth, especially here in Asia where life and non-life insurance markets are expanding as a result of a significantly under-insured population.

People’s desire to better comprehend the future and promise of insurtech drove them to fill every chair at the Chamber’s Insurtech panel discussion on April 29. The event was a joint effort of the British Chamber (represented by Les Hales, Chairman of the BritCham Innovation & Technology Committee) and the Australian Chamber (represented by Peter Smith, Chairman of the AusCham Business Technology Committee) – and attended by more than 90 representatives from the insurance industry, investors, media, and start-ups.

David Schillmoeller, Chief Customer Officer of Prudential Corporation Asia, David Piesse, Global Chairman of the Ambassadors of the International Insurance Society, Niko Keramopoulos, Head of Global Connected Cars at Infinity, and Lapman Lee, BritCham Financial Markets Committee member and EuroChamber Financial Services Business Council member made up the panel, which was moderated by Gerard Byrne, COO AMEA BT Global Services.



## Insurtech drivers

Five years ago, the acronym “IoT” was still a nebulous concept to many insurance executives. Today, the Internet of Things has proven to be instrumental in sparking the insurtech flame. The panel discussed five factors driving insurtech:

1. IoT – evident in the widespread embedding of sensory and wireless technology within objects, giving them the ability to transmit data about themselves, their identity, condition, and environment;
2. The masses of digital information generated and stored, and Big Data Analytics;
3. The growing customer’s desire to enjoy a consistent experience across multiple channels, or omni-channel customer expectations;
4. Decreasing costs of sensory and wireless technology, data storage and data analytics; and
5. The increasing connectivity shared by the four precedents augers connected car, commercial, and life and (mainly) health insurance.

## The expansion dilemma and fintech bridges

If you were a fintech or insurtech scale-up in the United Kingdom looking for expansion in Asia, what would make you choose a particular city? You may consider factors such as availability of capital, availability of talent, competition and suppliers of similar products and services, demand from financial institutions, corporates, and end-consumers, and the broader supporting infrastructure. Finally, the regulatory environment toward fintech firms may persuade you.

The Financial Conduct Authority (FCA) introduced the “regulatory sandbox” where selected firms will be first



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authorised with restrictions, allowing them to test their ideas. Fintech or insurtech firms are looking globally for expansion and would benefit from collaboration

between financial services regulators globally. To achieve this objective, the FCA is building “fintech bridges” with other regulators such as the ASIC in Australia and the MAS in Singapore, which are regulatory cooperation agreements to share information on fintech development in their respective markets, and provide support to firms in their innovation hubs to expand into countries connected through a “fintech bridge”.

## The road ahead

The man on the street may perceive insurtech as a segment of fintech, but there is a fundamental difference. While you can debate whether fintech start-ups are more disruptive or

increasingly collaborative, insurtech start-ups operate in a more collaborative mode with insurers looking to decrease costs, improve efficiency, and the customer experience across the insurance value chain, from product development, underwriting, distribution, claims, to servicing.

Hong Kong has a potential window of opportunity to become a hub for insurtech if the key players in the eco-system continue the dialogue and build bridges within Hong Kong and with other countries. **B**

**Lapman Lee** specialises in Compliance & Regulatory Consulting (CRC) and has been working with banking, capital markets, and insurance clients over 18 years. He serves as a Financial Markets Committee (FMC) member at the British Chamber of Commerce responsible for fintech. As a Financial Services Business Council member (FSBC) at the European Chamber of Commerce, he is part of a think tank tasked with formulating recommendations to the European Commission to encourage European fintech firms to expand into Hong Kong.

# The UK's Modern Slavery Act

## What Hong Kong Companies Need to Know & Why

12 April 2016

Breakfast Briefing,  
The Hong Kong Club, Central  
Hosted by Andrew Seaton

– By Helen Ford

The British Chamber convened a diverse panel of speakers over breakfast on 12 April to examine the requirements of the UK's Modern Slavery Act and what this means for businesses in Asia. They discussed what actions are being taken by different business sectors to comply with the Act and provided practical advice for organisations looking for clarity on how to meet the requirements.

Dominic Jephcott, CEO, Vendigital and Chair of the Strategic Supply Chain Forum, and Simon Phipps, Partner, KPMG and Chair of CSR Steering Group co-chaired the session due to the requirement that this Act has for both goods and services industries.

The expert panel covered three different viewpoints on the implications of the Act: the legal requirements, civil society's likely response, and corporate opportunities to respond.

### Legal requirements

Michael Weaver, Senior Associate, Clifford Chance gave a clear overview of the letter and the spirit of the Act.



He outlined that Section 54 of the Act requires companies within scope to prepare a slavery and human trafficking statement for each financial year of operation. The statement can either detail what steps have been taken to tackle slavery and human trafficking with the company's supply chains within the past financial year, or can state that the company has done nothing.

The statement must be signed by a director or similar and be available on the website (or upon request within 30 days) within six months from the end of the organisation's financial year.

So which companies are within scope?

All of the following conditions must be met for the requirements of the Act to be applicable a) a body corporate or partnership, wherever incorporated; b) carrying a business or part of a business within the UK; c) providing goods or services; d) annual turnover in excess of £36 million.

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*This is not only the right thing to do, but is highly relevant to all business within the region.*

– Andrew Seaton

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The intention is that the statement covers the global operations of the organisation and guidance is given for the areas that could be covered, namely the structure of the business and its supply chains; policies in relation to slavery and trafficking and how these are communicated internally and externally; the due diligence process in relation to slavery and human trafficking; an analysis of the parts of the business where there is a risk and the steps taken to assess that risk; the effectiveness of the actions ensuring slavery and human trafficking is not taking place including performance indicators, and the training available to staff.

### Civil society

Archana Kotecha, Head of Legal, Liberty Asia commented that the Act opens companies to scrutiny, including those in the financial services sector, and that the duty is to disclose efforts taken. She noted that there have recently been several class action lawsuits brought in the USA and even though these cases were not followed through, the focus of the public is clearly moving to what companies are doing to assess and prevent slavery and human trafficking. Archana highlighted that

there are 36 million individuals in slavery, 68% of whom are in forced labour situations, and that turnover associated with these business is in excess of US\$51 billion.

### Corporate opportunities

Jeremy Prepiscus, Vice President of Business for Social Responsibility (Asia-Pacific), gave an overview of the conditions that must exist to indicate forced labour and reminded the audience that the area is likely to get more regulated in the near future. He recommended that companies know their supply chains, understand where the risk lies and work in partnership with other businesses to effect change. The focus of senior management should be “Measure, Manage and Mitigate”.

After discussion focussed on how the Act affects the financial services industry and how SMEs can truly penetrate their supply chains, all concluded that the Act is a positive step upon a journey to tackle an issue that has been in existence for a long time and that it is a further opportunity for business to do the right thing and work to ensure that money is not made through the suffering of others. **B**



The panel event included the following contributors:

Michael Weaver, *Clifford Chance*  
Archana Kotecha, *Liberty Asia*  
Dominic Jephcott, *Britcham Strategic Supply Chain Forum*

Jeremy Prepiscus, *Business for Social Responsibility*  
Simon Phipps, *Britcham CSR Committee*

This article was written by Helen Ford who is a member of the Britcham CSR Steering Committee and is Senior Executive Director Asia at the World Federation of the Sporting Goods Industry (WFSGI).





# My Hong Kong

**Having lived in Hong Kong for almost a decade, Letizia Garcia Casalino, Director, Sales and Leasing Division, Hong Kong Sotheby's International Realty, shares her experience of living in this city that never sleeps.**

As is typical of visitors, when I first arrived in Hong Kong, I spent most of my time gazing up. Even today, after so many years of living here, I have not yet grown tired of looking at our amazing skyline. Hong Kong is home to some of the most iconic skyscrapers in the world. From the tallest, International Commerce Centre (ICC), with its 118 floors of glass and steel, you can imagine coming eye-to-eye with pilots flying high. But Hong Kong is more than just a city of cement; the surrounding greenery is also simply stunning.

When I first moved to Hong Kong in 2003, we were housed in front of Times Square. Our flat was directly opposite the huge digital screen of the mall. It felt as if we were living inside a

scene from Minecraft, a world of never-ending city, with never-ending artificial light. Regardless of this strange environment, I fell for the city right away, to the point where I never relied on a map, preferring to discover the cityscape by adventure, allowing myself to lose my way and to become comfortable with being “lost in translation”.

My advice? The easiest way to move around Hong Kong is to learn the buildings by heart. Obviously, this takes time and, with my profession in real estate, you might say it goes with the territory, but Hong Kong taxi drivers know their building names as well as their street names and navigating the labyrinth of interconnecting bridges between Central's buildings will soon become second nature.

Of the city's most iconic buildings, I have many favourites. I am still awed by the diversity of architecture, the design, the interiors, and the old and the new, from either side of the harbour and hills.

Some commercial buildings stand out with their distinctive designs, like the Lippo Centre, which is said to resemble koalas hugging a tree trunk, inspiration from the Australian roots of its architect. Then there's the famous Jardine House or the “The Building of a Thousand Portholes”, which featured in James Clavell's movie version of Noble House, starring Pierce Brosnan.

Not far away, the Star Ferry is another favourite local icon on which to enjoy the scenic journey across one of the most-photographed harbours in the world. Another feature making Hong Kong special is its escalator concept: whoever dreamed of strolling through neighbourhoods without touching the ground?

Just as tempting are the tramlines; a sort of slow paced break from our high-speed city life. Still popular among locals, the “ding-ding” is a journey back in time through the centre of town and its bustling suburbs. Running the full length of Hong Kong Island from Kennedy Town in the west, to Shau Kei Wan in the east, with a side loop into Happy Valley, it's a great chance to see the city from a new perspective.

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And my favourite district? There are too many that are distinct and unique. Mongkok and Jordan, so colourful and lively; Causeway Bay, one of the most densely packed places in the world where it's all about moving with the crowd; Tsim Sha Tsui, the melting pot of culture; and Sheung Wan, for an eclectic blend of upscale and bohemian alternative where Hong Kong's hipsters hang out.

”  
A temple to finance, Hong Kong is also proving it is able to evolve in art. Have you noticed the number of art galleries across town? Then there's the full calendar of cultural events including Clockenflap, Kidsfest and French May, just to name just a few. The arts help take the edge off the serious business side of life and Hong Kong is fast becoming a regional hub for it.

It may be cliché but it's true: Hong Kong is the perfect example of East meets west; it's Asian, and it's European too. I now easily call Hong Kong home. Sure, it's overcrowded, hyperactive and highly focused. It's also a city of contrasts: luxury mall and street stall, tradition and high-tech, grey city and green countryside.

For all its compromises, Hong Kong strikes a surprising balance between opportunity and lifestyle that is hard to beat anywhere else in the world. **B**



**Letizia Garcia Casalino**  
Director, Sales  
and Leasing  
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International  
Reality

**Hong Kong Sotheby's International Realty** brings on the same commitment to exceptional service that characterizes the auction house. We take pride in presenting the world's most distinctive properties to be appreciated by only the most discerning. Combining the brand's global network, our access to high and ultrahigh net worth individuals and market knowledge, we offer our clients a comprehensive suite of sales, leasing, marketing and property consultancy services that are second to none.





# Tips for Successful Expatriate Agreements

**Hiring and relocating expatriates is an expensive and demanding undertaking. Make sure clear agreements are in place to avoid future conflicts or financial losses.** – By Ishali Patel

Having a suitably worded agreement helps to avoid lengthy legal battles and provides protection for both the employee and employer. Clear agreements minimise the risk of employer-employee conflict, and provide clarity about what the employee should be doing and where his or her responsibilities lie.

As part of any global assignment agreement, there should be clauses that clearly stipulate the new rate of pay, the currency in which the employee will be paid, how the payment will be made, how tax liabilities will be handled, what benefits will be provided, and the terms of any bonus payments (whether they are linked to personal performance, company performance or both). Clarity on these issues avoids misunderstandings and protects the organisation from overspend and unexpected liabilities.

## **Consider financial risks**

The cost of overseas assignments must not be underestimated. With employers paying for the

cost of relocation, accommodation, benefits and relevant insurance as well as taxes and pensions, – not to mention the cost in time and money for administration on top – insufficient expatriate agreements can be very expensive. When lacking such robust agreements, costs can quickly escalate if an employee becomes disgruntled or certain legal obligations are not met.

It is important to outline and agree upon budgeted amounts, reporting procedures and responsibilities. This mitigates risk and helps to ensure that each country's statutory reporting requirements are met. In addition, having an agreement that captures the details of who is responsible for all the relevant financial, tax and social security liabilities can put the employee's mind at rest as well as providing a safety net to both employees and employers.

With currencies changing in value on a day-by-day basis, some markets will not always be favourable. Consequently, it is critical that contingency plans



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*The law varies between jurisdictions and thus agreements must never be generic for all assignments, as this may not provide adequate legal protection for employees or employers.*

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are set out in the assignment agreement on which exchange rates will be used and how regularly exchange rates will be reviewed.

### Understand legal obligations


The law varies between jurisdictions and thus agreements must never be generic for all assignments, as this may not provide adequate legal protection for employees or employers. It is important that employers research and modify agreements according to the relevant country and tailor them to avoid conflict.

Further to that, while some agreements will generally have clauses that allow the law of the home country to be applicable, the host country legislation can actually render some provisions as unenforceable. Local statutes governing holidays, severance payments, mandatory notice periods and any restrictive covenants typically override any contractual provision to the contrary.

### Employer-employee communication

Agreements must commit employers to maintain a strong line of communication with employees. Employees who feel isolated will quickly become demotivated, which could lead to poor performance and poor return on investment. As such, adequate budgets must be set aside for coaching and transition training, which can help with understanding cultural

differences, as well as on-going communication. These programmes could be delivered face-to-face and/or via web-based support such as Skype.

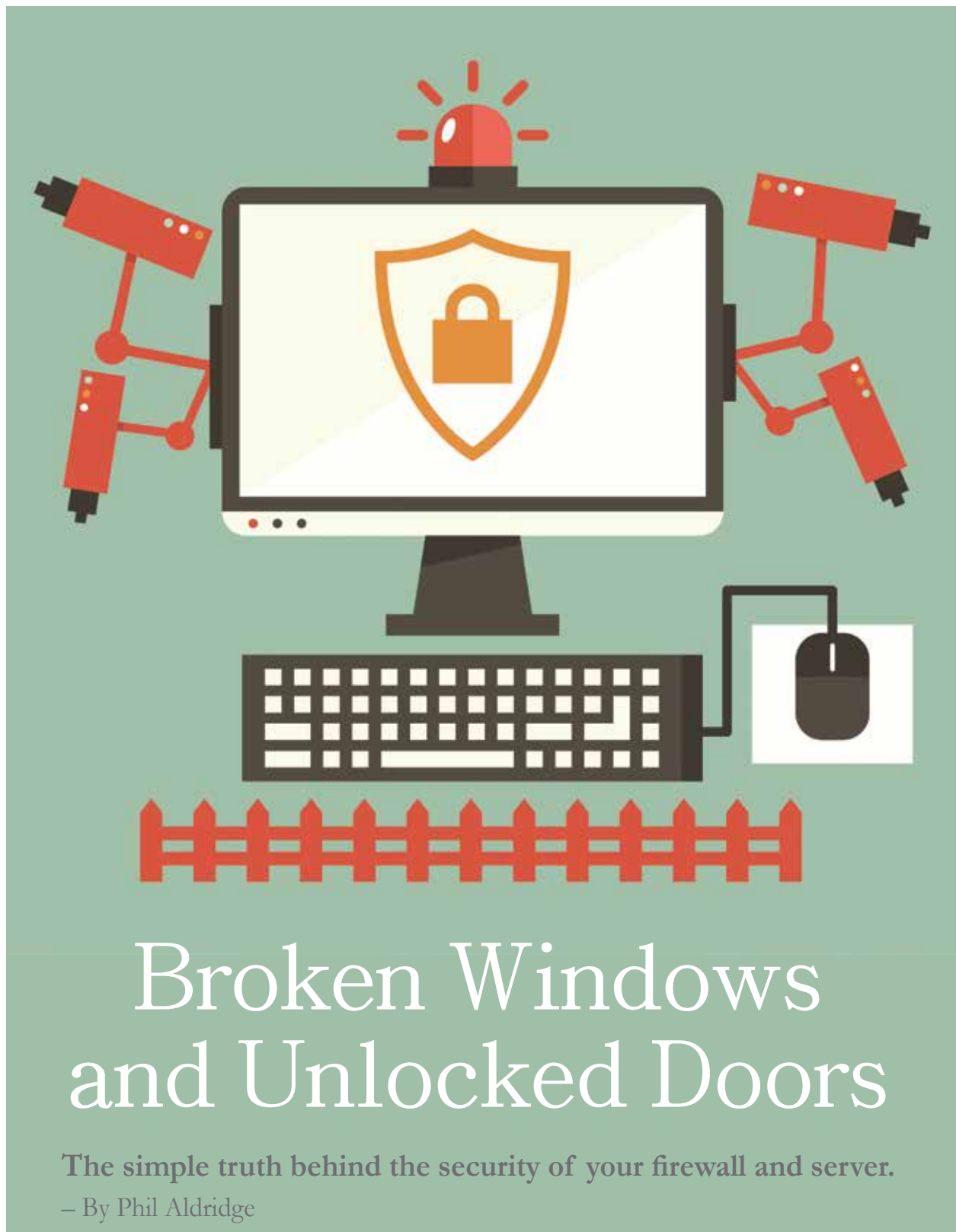
While the expatriation process can be time consuming and carry a number of risks, the benefits are plentiful if managed correctly. Inevitably, situations will crop up that may not have initially been envisioned, but drafting a well thought out and collaborative expatriate agreement helps all parties plan ahead and helps mitigate risks. 

### Tips for the employer

1. Expatriate agreements are easier to create and deliver when HR and Finance functions work together. This will also prevent misunderstandings or expensive errors.
2. The terms of the agreement must be clearly communicated. Spend time to prepare employees for assignment (to make a difference to the bottom line).
3. Employers must identify and understand the laws and jurisdictions that may apply to the expatriate agreement and compensation package in each country. Obtain the most up-to-date legislation available.
4. Income tax and national insurance requirements must be understood and compiled to avoid non-compliance issues and penalties.
5. In some jurisdictions, assignment timing is critical to home and foreign tax filing regimes.
6. Employers need to help employees adapt to the local culture; transition support could come in the form of a coaching program to foster integration.
7. Consistent, effective communication to employees so that they fully understand the situation and are ready to face their new environment.
8. Employees should have a named point of contact in their home country.

**Ishali Patel** is Senior Manager of the **Buzzacott Expatriate Tax Services** team in Hong Kong. **Buzzacott** is a leading accounting advisory firm based in London with an office in Hong Kong servicing the Asia Pacific region. We provide a comprehensive tax, accounting and audit service, bespoke to need. We have over 270 staff working with 33 partners in specialist teams. Buzzacott is an independent member of PrimeGlobal, a high profile association of over 350 public accounting firms and business advisors in 90 countries.

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INTERNATIONAL SERVICES



# Broken Windows and Unlocked Doors

**The simple truth behind the security of your firewall and server.**

– By Phil Aldridge

**A**s a company, you will undoubtedly have invested in a good quality firewall and server. You employ professionals to look after them, but do you really have any idea how secure your systems are? Have you had any third party security assessments done? If not, let's review – without jargon – the situation.

## **Your firewall**

All firewalls basically do the same thing (protect your IT from the outside world), and the size of your firewall is generally determined by how big your company is and how many users you support. A firewall should be configured to only allow the things

that the company needs to be open and everything else should be closed.

Each application a business uses requires one or more “ports” to be open to work properly. If we think of each port as a window in a house, an average business might require 50-100 windows in its “IT house”. If someone can break into one of the windows, they can get into the house and steal corporate possessions.

These windows need to be protected and the way this is done is that the firewall manufacturer regularly releases what they call firmware updates for the firewall (which are usually not automatically updated on your firewall). After missing a few firewall updates, the glass in your windows becomes weaker; it becomes easier for thieves to break-in.

A firmware update will replace the glass in your window with reinforced glass. More importantly, it will protect the new windows that have appeared in your house that you did not know about. Sometimes new windows appear and the risk of them being broken into is high. That is why firewall companies release hot fixes to the firmware to quickly install strong glass in these new windows.

The lesson here is that even though you have protected your house as much as you can, you may still be at risk. We highly recommend a third party be engaged to test the strength of your windows and ensure that all is ok.

### Your server

The big box that sits in your office, makes a lot of noise, and flashes incomprehensible lights is, in all likelihood, a Microsoft Windows Server. Hopefully it is a 2008 or 2012 version, but if it's a 2003, then you

need to take urgent action because support from Microsoft ended for that version a year ago.

The interesting thing about Microsoft servers is that an out of the box standard configuration is extremely insecure. Even if you have applied all the security patches and updates that Microsoft issue you are at significant risk. It can be explained this way: imagine your house has a front door and you want to ensure that everyone from your 12-year-old nephew to your 98-year-old grandmother can unlock the door and get in. You will have to deploy many different ways of opening the door. Your nephew will probably want to open the door using retina scanning technology and grandma by sliding the bolt across on the door.

There are lots of different ways to open the system, and each one provides a different level of security. The way a Microsoft Server works out of the box is that it provides all the different types of locks and mechanisms to lock the door so that everyone with the appropriate key can open it.

Microsoft believes in backward compatibility of systems. So when you install their server you have to then decide which family members and friends you want to access your house and for all of those who do not need access you need to block it. Imagine your grandmother is no longer with us, but you still have that old sliding bolt on the door. It is a significant unnecessary security risk and needs to be removed. The same applies for the Microsoft server. You do not need to support Internet Explorer 6 or 7 or Windows XP or Vista if no one you know uses those systems. Block them and enhance your security systems.

Testing how secure your Microsoft servers are is easy. We highly recommend this be done on a regular basis as new locking systems are developed all the time as others become obsolete. **B**

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***A firewall should be configured to only allow the things that the company needs to be open and everything else should be closed.***”



**Phil Aldridge**  
COO of  
FunctionEight  
Limited.

**FunctionEight** is a full-service technology company, providing outsourced business IT support, and bespoke advice, infrastructure and website development services to premium SMEs throughout Asia. Key services include IT needs assessments and network, file servers, change servers, firewalls / security and hardware setups. If your operations are in Hong Kong or Singapore and you would like to assess whether your windows and doors are at risk, please contact [phil@functioneight.com](mailto:phil@functioneight.com).

**functioneight** **F8**



# Transport Goes Green



**British innovation in technology and design is on the march, shaping the future of transportation to address societal challenges of population growth, climate change and the depletion of traditional energy sources.**

— By Rupert Seebohm

The pollution haze hanging over Hong Kong is a familiar site. Worse at certain times of year, it is a constant reminder that the air we breathe is contaminated. While not at the levels of Beijing or Delhi with their well-documented struggle with air pollution, it remains (or should be) a concern for all Hong Kongers. Hazardous levels of pollutants from industry, power plants, motor vehicles and marine vessels continue to pollute the air. Roadside pollution is a particular concern. Reported in the SCMP, a recent study by the University of Hong Kong and University of Birmingham found levels of cancer-causing PM2.5 reaching double the WHO limit during rush hour in Central.

The UK has struggled through its own air pollution problems for a number of years and this has encouraged a generation of engineers, technologists and designers to come up with innovative responses. How can this innovation in green and sustainable transport improve lives here in Hong Kong?

Well, a heady mix of UK know-how is shaping a more sustainable future. Perhaps the most exciting example in the short-term is emerging from the London Taxi Company's £250 million research and technology facility in the West Midlands, bankrolled by Chinese owners, Geely. The new TX5 zero-emission taxis will roll out of their Coventry plant in 2017 with the first deliveries in London by 2018. London's new mayor, Sadiq Khan, can expect to see 9,000 on the streets of his city by 2020. The new taxis are fully electric, but have a back up petrol engine just in case. With a significant roadside pollution challenge, perhaps time for a shakeup of the Hong Kong taxi industry?

Enthusiastic bus users here might not realise that there are six hybrid diesel-electric buses on the streets of Hong Kong. Designed by Scottish firm, Alexander Dennis, these are under trial to see how they cope with the challenges of Hong Kong's sticky climate and hilly landscape. The new generation of Euro VI (the world's greenest diesel standard) buses are due to be delivered to Hong Kong this summer. British companies are also working hard on new battery technology that will deliver electric buses to the world's markets.

Looking further ahead, the UK's Office for Low Emission Vehicles is at the forefront of international efforts and the Government recently launched a £38 million fund that will use Formula 1 technology to design greener cars. The glamour of motor racing will

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***Looking ahead, the UK's Office for Low Emission Vehicles is at the forefront of international efforts and the Government recently launched a £38m fund that will use Formula 1 technology to design greener cars.***

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be coming to Hong Kong this October with the (not so high octane) excitement of Formula E.

British designed and manufactured motors, batteries and gearboxes will propel the cars as fast as 140mph around the track in Central. UKTI are in discussion with the organisers about how we, and UK companies, can collaborate in the event.

Away from the automotive sector, the cycling future in Hong Kong is looking bright... and British. Simon Blore (a Brit), is doing exciting things for Hong Kong's waterfront. The Harbour Loop Project aims to transform 23km of harbourfront into an iconic urban cycle, running and walking network. Brompton bikes are new in town and have already won over Commerce and Economic Development Secretary, Greg So, as well as the UK's cycling minister, Robert Goodwill, who rode one on the streets of Hong Kong this month. Brompton's innovative folding bike is designed and hand built in their West London factory. Versatile for the flatter sections of the territory, the bike is MTR legal so why not make it part of your commute to work in the cooler months? **B**



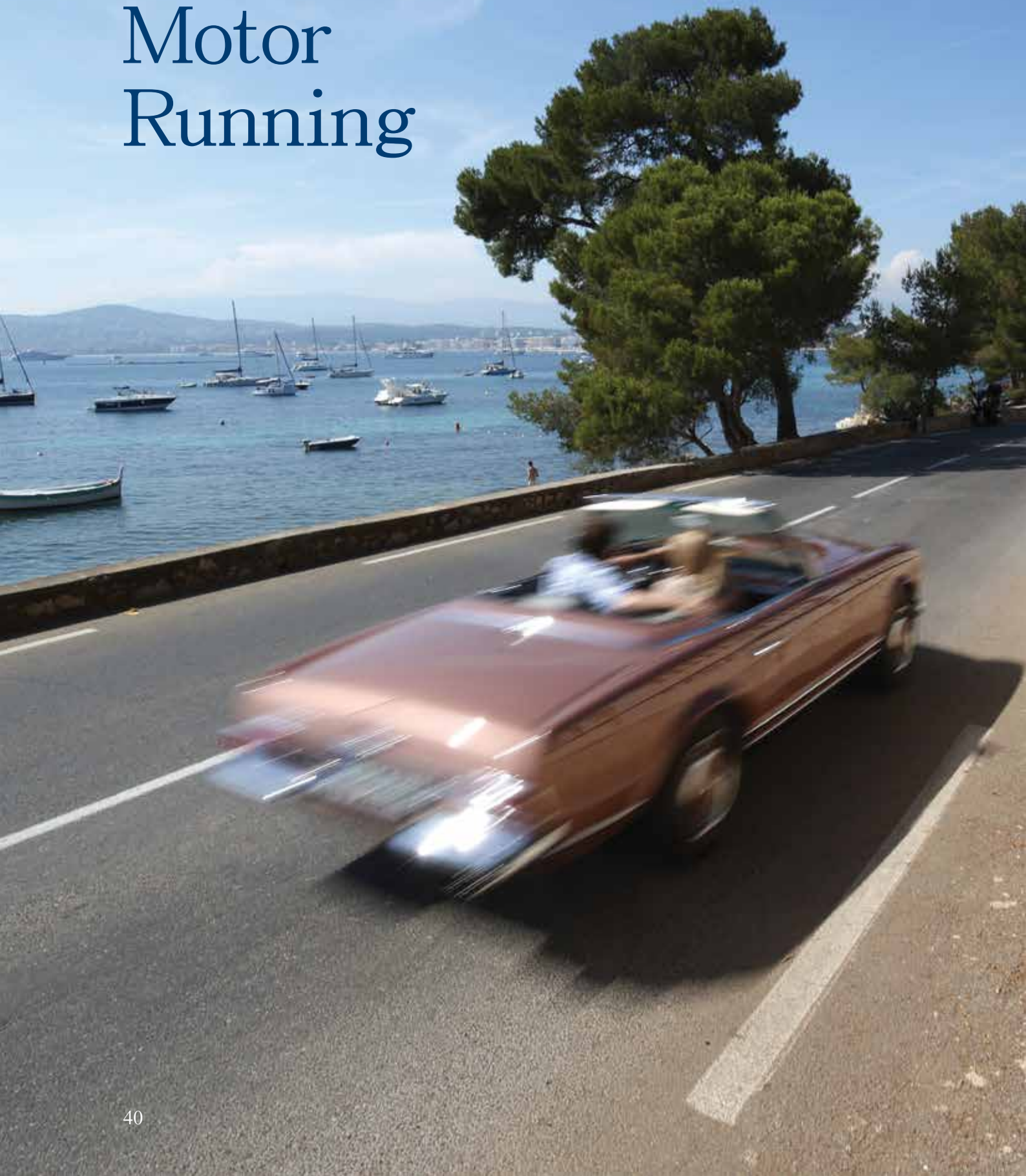
**Rupert Seeborn**  
Assistant Trade  
Commissioner

**UK Trade & Investment** is the part of the UK Government that supports British businesses to trade in international markets. They also encourage and support overseas companies to invest in the UK. Contact UKTI Hong Kong at [commercial@bcg.org.hk](mailto:commercial@bcg.org.hk) or on Twitter at @UKTIHongKong.





# Get Your Motor Running







**If you love classic cars, out-of-this-world scenery and gourmet dining, this epic journey through the South of France is the perfect autumn holiday for you!** – By Nikki Pang

**D**rive through some of the most charming regions of Provence and the Cote d'Azur in an exclusive open top Mercedes-Benz SL. Meander through the remote country roads of Grasse, enjoy the sea breeze in your hair along the Croisette Promenade in Cannes and visit the City of Popes in Avignon whilst sampling the area's exquisite cuisine.

#### Highlights:

- Enjoy a behind the scenes experience of perfume makers in Grasse
- Visit the magical Verdon Gorge and the Lac de Saint Croix

- Explore Medieval Avignon and charming Arles (UNESCO World Heritage Site)
- Cruise the Corniche d'Or – one of the most beautiful Cliffside roads in the Côte d'Azur

#### Day 1

##### **The coast of Corniche d'Or & Croisette Promenade**

Begin your trip in your classical car along the legendary Croisette Promenade, a place that is both striking and historical. Later, you will experience the breath-taking red rocks of the Massif de l'Estérel extending all the way into the sea as you drive along the Corniche d'Or, one of the most beautiful cliff



side roads in the world. Tonight you will stay at the swanky Bell Epoque Palace Hotel Carlton, a favourite amongst celebrities and politicians alike.

## Day 2

### The perfume capital & Verdon Gorge

Wake up early for an early start on the most exciting day ahead, beginning with the magical scents of mimosa, rose, lavender and jasmine lingering over the Provencal town of Grasse, the perfume capital of the world. You will visit perfume makers before you travel towards the massif of the French Maritime Alps, into which the Verdon River has carved out deep gorges. Enjoy the stunning views of the turquoise Lac de Sainte Croix as you drive along the palm fringed flood plains of the Durance, finally reaching the converted 18th century windmill, Hotel Moulin de Vernègues, your home for the next two nights.

## Day 3

### Experience Van Gogh & the City of Popes

Commence your penultimate day of authentic Provence as you head towards the idyllic village of Les-Baux-de-Provence before continuing on to Saint Rémy, the home to Princess of Hanover and the town



Cannes

that inspired Vincent Van Gogh's famous painting, 'The Starry Night'. Your route will then continue to Avignon, the city of the popes followed by the abbey of Norte-Dame de Sénanque close to the village of Gordes in Luberon, a fantastic spot to view some of Provence's magnificent lavender fields. Unwind after a tiring day at Hotel Moulin de Vernègues, a rustic auberge and the perfect setting to relax and enjoy specialty meat dishes.






Gordes



#### Day 4

##### Roman Arles & the Camargue

On your final day, choose to travel either to the Roman city of Arles, known for inspiring Van Gogh's paintings or cruise through the Camargue and enjoy the tranquility of natural beauty as well as the breeds of birds, bulls and horses. You will end your trip by returning to the hotel before a chauffeur-driven ride to Nice Airport and a time to say farewell to your fellow classic car enthusiasts, whilst reminiscing about your trip to this spectacular region.

Interested in this itinerary? Contact tailor-made tour operator Lightfoot Travel about Mercedes Classic Car journeys in September and October 2016. 

Bespoke travel company **Lightfoot Travel** ([www.lightfoottravel.com](http://www.lightfoottravel.com)) is an Asia-based tour operator specializing in tailor-made holidays, honeymoons, short breaks, boutique accommodation and private villas in Asia and beyond. For more information please email [info@lightfoottravel.com](mailto:info@lightfoottravel.com) or call +852 2815 0068.





# DESIRE MADE REAL

## Bridal



One of the UK's most successful and independent fashion brands with global recognition, **Jenny Packham** has become the design house of choice when it comes to evening dressing and bridal-wear. Jenny Packham has flagship stores in London, Paris and Hong Kong. Catering for bridal customers, with an exclusive edit of eveningwear, the store is located in Central Hong Kong on the city's popular Lyndhurst Terrace.

New in store this September is Jenny Packham's 2017 Bridal Collection, which encapsulates the essence of bohemian beauty. Many styles are available in petite sizing.

**Jenny Packham Hong Kong, G/F, 32 Lyndhurst Terrace, Central. Tel: 2772 2177**

**Links of London** is an iconic jewellery brand with an international presence that captures the wit, spirit and heart of London.

A vibrant and sophisticated addition to the Links of London iconic men's Cufflinks range, the Sterling Silver & Red Enamel Guilloché Cufflinks make the definitive accessory for the discerning gentleman.

**Available to purchase in store, visit [linksoflondon.com](http://linksoflondon.com) for locations**



## Fashion

## Wedding gifts



Find the perfect wedding gift to suit every taste at **Shanghai Tang**. Rich in auspicious symbols, the sleek design of the designer's stunning red jewellery box showcases the beautiful lacquer wood (developed during China's

Shang dynasty of 1600-1056 BC) and features the Chinese characters for Double Happiness.

The enamel design of Shanghai Tang's stunning red photo frame features the symbols of the dragon, phoenix, and Double Happiness: all symbols of a successful marriage.



Dragon chopsticks are sold in boxes of two pairs, and are designed with the five-clawed dragon as an emblem of imperial power and fortune.

**Various locations around Hong Kong. Visit [shanghaitang.com](http://shanghaitang.com) for more details**



## Travel

Nestled on a steep hillside overlooking Kamala Cove at the southern tip of Kamala Beach, the **Hyatt Regency Phuket Resort** offers ultimate indulgence in the heart of Phuket. Established as one of the leading Phuket hotels, the resort offers unobstructed views of the Andaman Sea with spectacular sunsets from most of its 199 rooms. The Regency Club rooms offer a large balcony, open-concept luxurious room and bathroom, and some have a private dipping pool. All club guests have access to the Regency Club featuring a large infinity pool overlooking the Resort and the Andaman Sea. The Hyatt Regency Phuket also features the Nahm Spa, where eight private spa suites provide Thai specialist massages and herbal and aromatic treatments.

**Book online** [phuket.regency.hyatt.com](http://phuket.regency.hyatt.com) or email [phuket.regency@hyatt.com](mailto:phuket.regency@hyatt.com)

## Fashion

Enjoy a 5-star shopping experience at affordable prices with **OnTheList**, which partners with luxury retail brands to offer the best deals in the city through a series of flash sales. Mark your diaries for the next "RUNWAY" pop-up sale, featuring Antepima and others on 20-23 July.

**Invitation only, subscribe at** [onthelist.hk](http://onthelist.hk)



## F&B

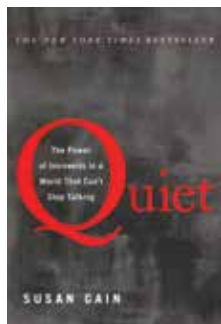


If you want to escape from the hustle and bustle of the city then the **Peak Lookout** is an ideal place for you. Situated on the top of the Peak, the restaurant has an intimate and peaceful setting for guests to relax and unwind after a busy day of work or sightseeing, and boasts a beautiful setting with a panoramic view of Aberdeen. The extensive menu features elegant Asian favourites, classic Western dishes, jet-fresh seafood items at the oyster bar and an open-flame charcoal barbecue.

**121 Peak Road, The Peak, Hong Kong. For reservations**  
**Tel: 2849 1000 or book online at** [peaklookout.com.hk](http://peaklookout.com.hk)

# Book Shelf

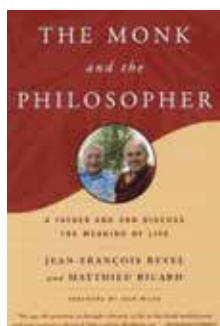
Book Shelf presents the favourites – new and old – of Chamber Members for your suggested reading pleasure.



## **Quiet: The Power of Introverts in a World That Can't Stop Talking** By Susan Cain

In *Quiet*, Susan Cain argues that we dramatically undervalue introverts and shows how much we lose in doing so. She charts the rise of the Extrovert Ideal throughout the twentieth century and explores how deeply it has come to permeate our culture. She also introduces us to successful introverts – from a witty, high-octane public speaker that recharges in solitude after his talks, to a record-breaking salesman who quietly taps into the power of questions. Passionately argued, superbly researched, and filled with indelible stories of real people, *Quiet* has the power to permanently change how we see introverts and, equally important, how they see themselves.

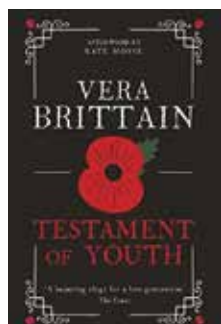
*Recommended by Paul Redmayne-Mourad, David Morris*



## **The Monk and the Philosopher: A Father and Son Discuss the Meaning of Life** By Jean-François Revel, Matthieu Ricard

Jean Francois-Revel, a pillar of French intellectual life in our time, became world famous for his challenges to both Communism and Christianity. Twenty-seven years ago, his son, Matthieu Ricard, gave up a promising career as a scientist to study Tibetan Buddhism – not as a detached observer but by immersing himself in its practice under the guidance of its greatest living masters. Utterly absorbing, inspiring, and accessible, this remarkable dialogue engages East with West, ideas with life, and science with the humanities, providing wisdom on how to enrich the way we live our lives.

*Recommended by Dominic Jephcott, Vendigital*



## **Testament of Youth** By Vera Brittain

Much of what we know and feel about the First World War we owe to Vera Brittain's elegiac yet unsparing book, which set a standard for memoirists from Martha Gellhorn to Lillian Hellman. Abandoning her studies at Oxford in 1915 to enlist as a nurse in the armed services, Brittain served in London, in Malta, and on the Western Front. By war's end she had lost virtually everyone she loved. *Testament of Youth* is both a record of what she lived through and an elegy for a vanished generation.

*Recommended by Lucy Miller, The British Chamber of Commerce in Hong Kong*



# After Angels

Each year, many businesses apply to the British Chamber's Business Angel Programme to seek mentors, advice and possible funding to get their dreams off the ground. Each issue, in a brief Q&A, *Britain in Hong Kong* will endeavour to reacquaint our members with the successful applicants of the Programme, and showcase who they are and where fortune and hard work has taken them.



**GAIFONG**  
Elliot Leung, CEO

## What funding or support have you received from the Chamber's Business Angel Programme?

We recently closed our first fundraising round, after meeting key investors from the Breakfast. Earlier in the Programme, we also received extremely helpful coaching from Connect Communications, which helped improve our pitch delivery by at least 40%. We're very grateful to be given the opportunity.

## What has your development been since then?


As a tech company, we ship new code to our 10,000+ members on a weekly basis. Just last week, we launched an online payments system, which allows item renters to pay our item owners directly through

the platform, much like booking a hotel online. The feedback has been great so far!

## What's next?

We're constantly experimenting to identify sweet-spots, since peer-to-peer rentals is a new way of life both for us and for our customers. For example, weddings season is approaching and we're seeing a lot of seasonal demand on that front. Reservations for suitcases are also picking up as summer approaches. There'll be some interesting data coming in.

## What are your thoughts on the Business Angel Programme?

I think it's the best programme of its kind. Investors at the Breakfast had a global perspective, which was very important for software companies like us. We're glad to have found long-term partners through the Programme, and encourage more investors and young companies alike to dive in. 

### About The Company:

*Gaifong, which means "neighbours" in Cantonese, is a peer-to-peer platform for consumer goods rentals. Rather than buying everything they need from stores, our members rent them from people in the same building or estate, saving \$8,600 per household per year instead. Gaifong is accessed mainly through iOS and Android mobile devices. Currently Gaifong has over 10,000 members in Hong Kong.*



### About the Business Angel Programme:

*The British Chamber's Business Angel Programme, launched in late 2007, was the first such initiative to be launched in Hong Kong. Since its inception, the Business Angel committee has reviewed applications from hundreds of enthusiastic Hong Kong entrepreneurs, introducing many of them to a wealth of Angel Investors and Professional Advisors drawn from the membership of the British Chamber. The Business Angel Programme runs a series of events every year, which allows shortlisted candidates to present their business plans in front of a panel of investors and enjoy the opportunity to network and make valuable contacts. The British Chamber Business Angel Programme is sponsored by Baker Tilly Hong Kong and supported by TiE HK and Connect Communication.*

For more information visit [angel.britcham.com](http://angel.britcham.com)

# SME 商

## MARKETPLACE

As part of the British Chamber of Commerce's SME Marketplace, we have a range of offers available to members, which are especially tailored to SMEs and start-ups. Here is a snapshot of the available offers as well as the member companies taking part in the programme. For more information please visit our website [www.britcham.com](http://www.britcham.com)

### Accounting



Baker Tilly Hong Kong offers accounting and payroll services. An exclusive customised service package is available, that includes professional

advice to enhance operational efficiency and achieve financial agility.



TMF Group knows a company's first forays into Hong Kong will most likely be on a strict budget, since start-up costs are many and can quickly spiral

out of control. That's why, they are offering to waive all start-up costs for their services, for SME and start-up members!

### Banking



HSBCnet is an online tool for commercial customers to manage accounts on a one-stop platform. HSBC are offering start-up members a preferential rate for HSBCnet setup and monthly fee.

### Business Coaching



Transitions Intl. Ltd. assists executives and professionals succeed in the business world by focusing on

behavioural change. This involves building executive presence in the three areas of gravitas, communication and appearance. Visit the Chamber's website to look at the packages that are exclusively available for SME and start-up members.

### Business Services



**DRAGON LAW**  
Legal tools for the 21st century

Dragon Law makes it easy, fast, and affordable for businesses of all sizes to access law in Asia. Through their subscription services, SMEs and start-ups can access their easy-to-use document builder which takes you through a series of simple questions to build a well-drafted legal document, which can then be downloaded or signed electronically.



Vistra is a leading corporate services provider offering international incorporations, trust, fiduciary and fund administration services. Vistra has created a unique start-up package, "Vistra Kick-start", exclusively for SME Marketplace.



Primasia are offering reduced prices on incorporation and assistance with bank account opening, as well as first-year accounting. They are also offering a free introductory period and free set-up for payroll services.

### Consulting



Vendigital is a specialist supply chain consulting and software company. Specialising in Asian supply chains and sourcing safely, Vendigital gives business owners confidence in knowing they enjoy cost leadership in the region. Vendigital is offering a number of discounted services, including Product Costing and Sourcing Strategy Advice for SME and start-up members.

### Financial Services



Bibby Financial Services is one of the world's leading Invoice Finance Specialists providing cash flow solution to support SMEs' businesses growth.

They are offering start-up members exclusive welcome offer to get factoring facility in place.



The CFO Centre provides high calibre Chief Finance Officers to US\$5m - \$100m turnover businesses on a part-time basis and for a fraction of the cost of a full-time CFO. They offer sole Chief Finance Officer within a company or in a support role to existing Chief Finance Officers on the high value projects within your business.

### HR



Tricor Executive Resources provide high quality executive search and human resources solutions backed by in depth specialist resources and expertise.

Through the SME Marketplace, members will receive special discounts on all recruitment, HR advisory, compliance and consulting services.

## Insurance



Mercer is a global consulting leader in talent, health, retirement and investments. Mercer will help save your money by finding the right insurance partner. Take advantage of the affordable health and benefits solutions that are available through the SME Marketplace.

## IT



FunctionEight is a full-service technology company, providing outsourced business IT support, and

bespoke advice, infrastructure and website development services to premium SMEs throughout Asia. Key services include IT needs assessments and network, file servers, change servers, firewalls / security and hardware setups. They are offering free registration of a domain name, basic website hosting, dns hosting and basic email for up to five users for 12 months for all SME and start-up members of the Chamber.



**CITIC TELECOM CPC**

CITIC CPC provides SmartCLOUD™ DaaS (Desktop-as-a-Service) solution. With this virtual desktop solution, SMEs and start-ups can set up or expand offices quickly and easily without purchasing any expensive hardware.



InfoScreen provides IT consulting and support for SME's and start-ups to upscale and streamline the operations

by deploying the best-fit and customisable Quorum solution, Quorum is offering start-up members a discount on their services.

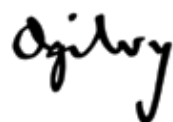
## Legal Services



Tanner De Witt offers a range of services that appeal to start-ups and established companies alike. From company formation to shareholder

agreements, and joint ventures to mergers and acquisitions, our Corporate and Commercial team works closely with clients to achieve desired results, offering commercial, practical and cost-effective advice.

## Marketing



Ogilvy is offering not just one special offer but four! As the Agency Of The Year, they've created four special offers – all highly-customisable and personalised – that will cover all

marketing needs from Strategy to Social, PR to Production. All priced exclusively for SME and start-up members to help their business grow.

## Serviced Offices



Compass Offices are providing SMEs and start-ups with cost-effective and time saving workspace solutions. To start their businesses, SMEs and start-ups can use virtual offices to benefit from a strategic business address as well as professional team support to manage calls and mail.



THE EXECUTIVE CENTRE

The Executive Centre is dedicated to the incubation of new start-ups and entrepreneurs by providing cost-effective and flexible office solutions.

They'll provide premium furnished offices on flexible lease terms from 3 to 36 months, with state-of-the-art conference meeting facilities and complete business administrative services supported by bilingual professional teams.



With 3000, locations globally, Regus operates in premiere business locations worldwide. Regus provide cost-effective and flexible workspace solutions with

difference solutions to meet any budget and requirement. They are offering an exclusive business solution to SME members of the Chamber.

## Travel



SME and Start-up Members can enjoy a free cabin upgrade from Hong Kong to London by enrolling onto the British Airways' On Business programme.



Serving a worldwide network of time-limited professionals, Halo Travel makes the business of travel stress-free and cost-effective. Halo Travel are offering SMEs and start-ups an exclusive

10% discount on the first hotel booking to any worldwide destination.



Virgin Atlantic is offering new SME clients' exclusive benefits to help their corporate ventures take off. With tailor-made fares, flexible ticketing and door-to-door limousines, doing business is now a whole lot smoother.



# Member Discount



## Food & Beverage & Accommodation



Members will receive a 10% discount on top of the lowest rates that Accor's Asian hotels are offering on the day. You will also receive a 5% discount on top of the best unrestricted rates for hotels including ibis (in specific countries), All Seasons & Hôtel Barrière. For more information please contact Regina Yip on 2868 1171 or email: [regina.yip@accor.com](mailto:regina.yip@accor.com)



Members of the British Chamber of Commerce can benefit from a 10% discount at this chic restaurant in Central. To make a reservation please call 2530 4422 or email booking: [alfies@keeclub.com](mailto:alfies@keeclub.com)



Members can enjoy a 10% discount on all à la carte dining at Gordon Ramsay's Bread Street Kitchen restaurant by Dining Concepts.

There are many great benefits of being a member of The British Chamber of Commerce.

One of those is the Member Discounts programme, an exclusive package of discounts that range from discounted car rentals, reduced hotel accommodation, airfares and even relocation costs.

Every six months we invite members to prepare a tailor-made offer to all the members of the British Chamber. You can find these benefits listed below and for more details please visit our website [www.britcham.com](http://www.britcham.com).



Members will receive a 15% discount off the bill. For more information please call 2810 6988 or email [dotcod@hkcc.org](mailto:dotcod@hkcc.org)



Members will receive 15% discount on food and beverage at the Grill and Tiffin and 15% discount on any 90-minute treatments: Monday - Thursday at Plateau Spa.



Members can enjoy a 10% discount on all à la carte dining at Gordon Ramsay's London House restaurant by Dining Concepts.



15% OFF total bill Rhombus International Hotels Group.

British Chamber members can enjoy 15% off the total bill at AVA Restaurant Slash Bar, Café Express and Azure Restaurant Slash Bar. Members can also enjoy 10% off the 'Best Available Rate' at Rhombus Group's Hotel Panorama, Hotel LKF, Hotel Bonaparte and Hotel Pennington when booking through the official hotel websites



## Lifestyle & Travel



As a member of the British Chamber of Commerce you can enjoy exclusive offers from British Airways. For more information please visit: [www.britcham.com/memberdiscount/british-airways](http://www.britcham.com/memberdiscount/british-airways)

## colourliving

As a member of the British Chamber of Commerce, you can enjoy a 10% discount on all normal price merchandise when shopping at colourliving in Wan chai. Please call 2510 2666 or visit [www.colourliving.com](http://www.colourliving.com)



Members may benefit from face-to-face meetings to discuss their requirements as well as 15% reduction in published lettings & management fees.

## sense of touch

Members will receive 20% off facial, massage, signature and technical treatments on their first visit, and 10% off the subsequent visit.



Virgin Atlantic Airways once again announces a special offer exclusively to members of the British Chamber of Commerce for travel until 31 August 2016. Please call 2532 6060 for more details or to make a reservation



British Chamber members can get a 5% discount on all purchases from VisitBritain's online shop at the checkout. Please visit [www.visitbritaindirect.com/world](http://www.visitbritaindirect.com/world) for further details



## Business Services



## COMPASS OFFICES

Compass Offices are offering all Britcham members a free, no obligation, one-month Virtual Office Address Package to help them get set up in Hong Kong as well as 50% off meeting room rentals. Please email [hksales@compassoffice.com](mailto:hksales@compassoffice.com) or call 3796 7188 to find out more



Britcham members can enjoy 50% off meeting room rentals in their first booking and 20% off in the following meeting room rental plus five days free business lounge visit. Plus members can enjoy a special rate of serviced office booking. Please contact 2166 8000 and email enquiry. [hk@regus.com](mailto:hk@regus.com) for details



Please remember to present your membership card to enjoy member rates.

Login to access full offer details at [britcham.com/membership/membersoffers](http://britcham.com/membership/membersoffers)

# Member Get Member

You'll be pleased to hear that prizes are up for grabs this year with the launch of our Member Get Member Campaign 2016-17.

So what are you waiting for? Successfully introduce a company to us before the end of March 2017 and receive one of these fantastic prizes. Contact [phillippa@britcham.com](mailto:phillippa@britcham.com) for member referrals.



## Three-course Super Lunch for four at Jamie's Italian

With locations in Causeway Bay and Tsim Sha Tsui, Jamie's Italian Hong Kong provides a casual dining experience for food lovers that share Jamie Oliver's appetite for simple, bold, honest and affordable food – using fresh, traceable and sustainable ingredients. Their incredible Super Lunch, created by Oliver himself, boasts an inviting array of fresh and vibrant dishes.



## Dolce Vita Afternoon Tea Set for two at AVA

Located atop of Hotel Panorama by Rhombus in Tsimshatsui, with spectacular panoramic harbour views over Victoria Harbour, AVA Restaurant Slash Bar introduces Dolce Vita Afternoon Tea Set, presented on a three-tier stand with classic Italian savoury treats and deluxe desserts. The set also comes with two glasses of Prosecco sparkling wine, and selections of beer, coffee or tea.



## Sky High Tea for two at Azure

Discover the best hideaway at the top of Hong Kong at Azure Restaurant Slash Bar. Perched atop of Hotel LKF by Rhombus in Central, Azure features amazing views of the city's skyline. Enjoy the Sky High Tea at Azure with a selection of delicious treats and desserts, paired with two glasses of sparkling wine, and unlimited refills of coffee or tea.

**Not only that, each new member will also receive a bottle of English sparkling wine.**



## Chapel Down Vintage Brut Reserve

Chapel Down is England's leading wine producer and one of the UK's most exciting drinks companies. Produced in Kent, Chapel Down offers a world-class range of sparkling and still wines. Chapel Down has quickly gained support from leading chefs such as Gordon Ramsay and Jamie Oliver, as well as receiving an impressive array of international awards.



### To enter:

- Consider who among your contacts might be interested in joining the Chamber
- Email [phillippa@britcham.com](mailto:phillippa@britcham.com) with the name and contact details of your suggested company
- If appropriate, contact your suggested company and let them know that the Chamber will be in touch
- The Chamber will follow up with each suggestion directly
- If your referral is successful, the Chamber will contact you with details of your prize

### Terms & Conditions:

- If you are a member of the Chamber, please note that the dining vouchers will only be provided if your referral results in a new member for the Chamber
- This offer is valid for all members whose referral results in a new Corporate, Overseas or Start-up member of the Chamber. It does not apply to Additional members or additional Emerging Leaders members
- The Chamber will allocate the restaurant vouchers. Members will not be able to choose which restaurant they visit and must adhere to the terms and conditions



# The Entrepreneur Series

## “Let it Fly” with Giles English, Co-founder of Bremont Watch Company

18 May 2016 – The HUB,  
1/F Fortune Building, Wan Chai



At the latest event, sponsored by Virgin Atlantic, we were very excited to invite Giles English, Co-founder of Bremont Watch Company, a British watch-making business to speak to our members about what it takes to start a retail business with no prior experience. Discussing everything from research and development, to fund-raising, to many of the ups and downs in between, Giles had guests captivated with his unique story.



Sponsored by

## The BIG Dinner with Olivia Giles



9 May 2016 – Main Restaurant, The Hong Kong Football Club,  
3 Sports Road, Happy Valley

Last month the Scottish Business Group hosted a BIG Dinner with the inspirational Olivia Giles, OBE.

Last year, the Scottish Business Group and friends contributed the single biggest donation to The Big Dinner, 500 miles's major fund-raiser of 2015. Close to HK\$200,000 was raised on the night through a live auction and individual donations. Funds raised will help approximately 100 people in need of prosthetics in developing countries.

A BIG thank you to Grant Property for sponsoring and to all of the other sponsors who came together to make this event happen. Thank you to those who attended for your support and generosity.



# In Conversation with Olivia Giles



**The founder of 500 miles talks about her experience and the drive and method behind creating her charity.**

Olivia Giles was working as a lawyer in 2002 when she caught meningococcal septicaemia and had to have her hands and feet amputated to save her life. In 2007 she founded the charity 500 miles, which supplies prosthetic limbs to developing countries.

**You have said that when you realised for the first time that you would be able to walk independently again, you felt like you had been granted "a whole new life". What did you mean by that?**

It was such a watershed moment. I suddenly grasped how independent mobility was so important. A whole dimension opened up in life and I think the freedom to be able to self mobilise is a form of expression. Being able to walk means you can make decisions for yourself.

People become very accepting of limitations; you adapt to the surroundings. Knowing I could walk again was like getting a reprieve – after being locked in, somebody had opened the door.

If I couldn't walk, I wouldn't be able to do 500 miles. I would have a fairly good quality of life (because of where I live), but the first time I actually did it was the first time I knew that I was walking out of there. I was thinking, "Yep, I am getting another chance." And that's why I do what I do.

**Following your illness and recovery in 2002, you started fundraising in 2004 with Leap for Meningitis. Tell us about that.**

Leap for Meningitis was a fundraiser for two specific charities: The Meningitis Research Foundation, to fund research into a vaccine for the Group B form of meningitis; and The Meningitis Trust, to pay for help for people suffering the after-effects of meningitis, such as artificial limbs or adaptations to their home.

**Tell us how you came to develop 500 miles.**

I thought I'd done my bit in fundraising for meningitis – we'd raised a half-million pounds, but by about 2006, I was ready to move forwards. I found that services for amputees are really good in the UK, but as I looked further afield, I became aware that in other places, being an amputee meant that you wouldn't survive. I would have been crawling on the ground, for instance, in an effort to get around.

So I started looking for places that had the greatest unmet needs in a non war-torn area. I found that in sub-Saharan Africa, the UK had already done good work, but it had subsided over time. So it was a good place to be.

People in Malawi and Zambia knew what the clinics were and what the prosthetics were for, and in Zambia they already a centre. So working in these





countries in Africa was more like fanning the embers than from starting from scratch.

Our research to discover what the barriers were for people coming to us showed that Africans' felt that white people come and go, and they didn't want to get used to something only to have it disappear again.

So that was a very strong message to me that whatever I do must last and be sustainable. 500 miles had to be something that had its roots in those countries, and that would be owned and maintained by in-country professionals. In Malawi, our whole staff is Malawian, and we have opened two clinics there. We also support activities in Zambia, but in that country we try to burrow in from the bottom and expand the services offered.

### **How did the idea of The BIG Dinner come about?**

I got the idea when I was having coffee with a friend on a late Saturday. She mentioned that she had to go get ready for some damned ball: squeeze herself into a gown and puff up her hair, smile and put money in a box. She said she'd rather have dinner at home with friends and just give the charity the money.

And I thought – "yes, I bet lots of people would prefer that." So what if you just provide the dinner –

and instead of having friends bring wine and flowers to a dinner party, you just ask them to put money into a pot.

After all, everyone has to eat. The idea was "sit down and eat in your country and someone in Africa will stand up."

“  
*Ask yourself: how can you use your privilege to help? You have the skills; everyone can do something.*  
”

### **Over the course of your work, have you met anyone in particular who has inspired you – or sharpened your desires to do the work you now do?**

Lorraine Kelly is a TV personality in the UK, and she has a morning TV programme. She is one of these people who always helps, and does it with a smile. She said to me once, that she was tired and spread too thinly, but she said that she felt so

privileged to be able to do what she does, that she owes it to do the work. That if a person is lucky that people even want you to help – how could you not?

I am so, so lucky to be walking around and breathing and alive in the first place. Recognising that is what keeps me going.

### **Given your experiences, before and after your illness, do you have any advice that you are able to share with our young and aspiring professionals?**

I think it would be to open your eyes and avoid

getting stuck in the silo of your own profession and have a look at what your translatable skills are. I was extremely blinkered about what was going on, even in my own country. Don't assume you can't help. Ask yourself: how can you use your privilege to help? You have the skills; everyone can do something.

We have so many opportunities. If you want to do something, you probably can. You have the opportunity to do almost anything that you want to do. It's a real waste of your life not to use every bit of the opportunity that is there.

### **Did you enjoy your first trip to Hong Kong? What was your impression of the city?**

It was a revelation to me; you cannot understand what it is like unless you go.

It is such a hub of activity, and a party city. I think Hong Kong gives you the impression that it is busy and full. Business people seemed to be very upbeat. Everyone seemed happy with what is going on.

### **What is next for 500 miles?**

I'm going to do another BIG Dinner in 2017, and it will be simplified. So I will do it again, and it will be "have the dinner, raise the money, send it in."

This year is about consolidation. There is a lot of underlying administrative work that needs to be updated.

### **How can our readers get involved with the 500 miles charity?**

They can donate – it's not about going to Africa to help, it comes down to money. There is one meaningful number in particular: £175 is the cost of an average prosthesis – it covers everything that goes into making the device and sending it to people who need them. That is a meaningful amount for a donation.

### **Any last words for our readers?**

I want to thank the British Chamber for inviting me to come, and also thanks very much to the people who were there who donated to 500 miles. 



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# Women in Business Networking Lunch

26 May 2016 – Tartine, 2/F,  
38 Lyndhurst Terrace, Central

The Women in Business committee was pleased to invite Lisa Hogen, Chief Development Officer of Kiva to speak at their networking lunch last month. Kiva is a lending platform that aims to support entrepreneurs around the world and alleviate poverty.

Guests enjoyed a delicious tasting menu of Tartine's best-selling open sandwiches whilst Lisa shared real-life stories about some of the female entrepreneurs that Kiva has helped around the globe.

*Women*  
**BUSINESS**





# Head of the Table with Mark Greenberg, Group Strategy Director of Jardines

23 June 2016 –  
Host's residence, Midlevels,  
Hong Kong

By Jack Masters,  
Associate at Standard Chartered

The Chamber's "Head of the Table" dinners are hosted by the Emerging Leaders Committee and are designed to provide an opportunity for young professionals in Hong Kong to spend the evening with an industry leader. The evenings facilitate lively debate and discussion, in addition to providing cross-industry networking opportunities over the course of a delicious dinner.

Our most recent Head of the Table was hosted by Mark Greenberg at his home in Midlevels. Having spent 16 years working in investment banking with Dresdner Kleinwort, Mark moved to Hong Kong in 2006 as Group Strategy Director of Jardines and has recently been appointed Chairman of the British Chamber.

It was the eve of Brexit – the calm before the storm – and the big debate was in full flow on Mark's balcony, as drinks were served alongside bacon-wrapped shrimp canapés that were almost as irresistible as the Hong Kong skyline that lay before us.

From the moment we sat down to a deliciously chilled beetroot soup, it was clear that the evening was not going to be a typical Q&A. Instead, Mark opened up the floor, stressing that it was our views he was interested in, before he effortlessly ignited discussions ranging from experiences living or growing up in Hong Kong, the 2014 Protests, the "bookseller" and Tesla's Hong Kong dominance.



It was the diversity in both age and industry amongst the diners, combined with the insightful experiences of Mark's decade in Hong Kong that allowed for a thoroughly interesting blend of opinion and healthy debate.

The evening concluded with a quite sublime summer-berry pie, paired with a light-hearted discussion of the European Football Championships and a "selfie" on the balcony. Although our two predictions for the evening – Britain to remain in the EU & England to play France in the quarter-final – have since been proven woeful, the evening itself was quite the opposite.

Thank you to Jamie Harris and Marian Lau for organizing the evening, and especially to Mark for hosting us and allowing us to learn a great deal from his experiences in Hong Kong.

# SHAKEN NOT STIRRED

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25 May 2016 –  
Isono Bar & Grill, 6/F Block B,  
PMQ, 35 Aberdeen Street, Central



Marco Ferreira (*Louvre Group*) and Tom Partridge (*Colliers International*)



Charmaine Yang (*Lewis Silkin*), Phil Rodd (*EY*) and Jia Xie (*Lewis Silkin*)



Winslee Buchan (*JLL*), Rob Serjeant (*Chazey Partners*) and Robin Sillars (*Giles Publications*)



Dominic Varley (*MEC Mining*) and Oliver Ashcroft (*Belgravia*)



Stephanie Rose (*The British Chamber of Commerce in Hong Kong*) and Prize Winner Anik Tremblay (*Equiom Group*)



Mary Shekerdemian (*Headstart App*)



Jeffrey De Varga (*Diadem*) and Gareth Parrington (*Fraedom*)





Sponsored by



30 June 2016 –  
Lily & Bloom, 5/F,  
33 Wyndham Street, Central



Sylvia Tsang (*UBS*), Rosa Fong (*UBP*), Mini Zhao (*The Executive Centre*) and Jesse Lee (*Mott MacDonald*)



Samuel Chui (*Pinn Work*), Pep Corr (*Velocity*) and Hugh Whitehill (*Velocity*)



Natalie Dupe (*Bank of America Merrill Lynch*) and Nelly Kim (*Telstra*)



Floriane Perrichon (*Sotheby's International Realty*), Anthony Madigan (*Write the Talk*) and Virginie Thibierge (*Liana Technologies*)



Leigh Chattington (*Bloomberg*) and Stuart Leckie (*Stirling Finance*)



Thomas Yung (*Invisible Kitchen*) and Tom Smith (*Oxford Oriental Language Programmes*)



Vanessa Ip (*HWB*) and Catherine Leung (*Baker & McKenzie*)



# Perspective

In each issue of *Britain in Hong Kong*, the Chamber checks in with one of its Sterling Members to get a fresh perspective on our local businesses, and a peek into the personalities of our captains of industry.



## Ian Mair

*Chief Operating Officer and  
Regional Finance Director at  
Grosvenor Asia Pacific*

### How's business?

Things are going well. We've been refocusing our strategy since our new Chief Executive, Benjamin Cha, took over in April 2015. We're now getting into a really exciting phase of implementing our plans, looking to invest more heavily into our three core markets here in Asia, namely Hong Kong, Shanghai, and Tokyo, as well as strengthen our development expertise across the region.

Performance wise, the last 12 months have been excellent: occupancy of our rental assets is up, our rental income is up, and our profits from sale of apartments is up, so our overall cash profits are significantly ahead of last year.

In terms of industry recognition, we recently received the MIPIM Asia Gold Award for the best refurbished building at one of our projects in Tokyo. This was The

Westminster Roppongi, a 99-unit residential building adjacent to Roppongi Hills. It's a great product and it was rewarding to receive such recognition for the work we've done.

### What are your plans in the region this year?

Grosvenor Asia Pacific's is a long-term strategy, in keeping with our way in Grosvenor. Of course the recent months have shown a certain amount of volatility in the markets, so we need to see what develops, but we've got some interesting projects going on right now. We have another residential project that we're now starting to sell units on: The Westminster Nanpeidai, in Shibuya, Tokyo. That's a 52-unit residential asset and, like The Westminster Roppongi, it's a great combination of high-quality international design and finishes, which have broad appeal across both Japanese buyers and international buyers.

We're also continuing to drive the integration of our offices in Tokyo, Shanghai and Hong Kong. How we integrate those, and how we make ourselves more efficient to get set up for the long term, is important.

### **What has been a critical element of Grosvenor's success over the years?**

Grosvenor has been in property for over 300 years, starting with the land now known as Mayfair and Belgravia in London. We've been in Asia for the last 22 years, and in addition to being a well-known brand that stands for quality and long-termism, we draw on a huge amount of knowledge and expertise right across the group. We're not short-term players; we look through property cycles and downturns don't spook us. When we invest in the region we invest for the long term, and that allows us to create real value.

A highlight of our business is our "Living cities" philosophy, and that is about creating, investing and managing properties and places that contribute to the enduring success of cities. That isn't just economic success; it's cultural success as well as environmental and social factors. This is Grosvenor's fundamental point of difference in this property market.

Cities are more than just a collection of buildings, so to stretch the possibilities of cities we need to look beyond the buildings and understand how people interact with their environment and each other. What creates vibrancy? What creates interesting places to live and work and dwell? These are important questions for us.

### **What does your own work involve?**

Strategy of course relies on building a great organisation – it isn't just as easy as investing in property. We need to do things in the right way, we need to have the right people, making the right decisions, so attracting and cultivating the right talent is critical and developing our ways of working to equip ourselves for that long term is important. That's what I am here to do: shape the business operationally and make sure we have the right processes and ways of working in place, and it's a part of the job that I really love. I've always had a passion and interest in driving that operational performance, and I'm lucky that I have this very broad mandate to

change and implement improvements, which is a lot of fun. So it's a great journey to be on.

### **What's the most exciting business-related news you've heard recently?**

I've always been tech-minded myself and, in the world we're living in, obviously things are changing at quite a furious pace. It's a real focus for us in Grosvenor to see how we can weave this digital thread into a physical asset such as property, and digital invariably will play a large part in "Living cities". After all, it's how people are connecting and interacting now – living their lives – so it will have a very big impact on property.

I've recently taken up the chairmanship of an internal digital transition group, and that's about shaping Grosvenor's response to the rapidly changing digital landscape and that's very exciting for me.

### **What is the biggest recent news in your industry?**

The VAT implementation in China is an interesting one for real estate companies, because China is moving at a phenomenal pace with its changes and policies and becoming a much more accessible place to do business. That, we are hugely positive

about; however, we also have to recognise that the pace at which China changes challenges us to also change and keep up. So I would say the VAT is the most significant recent news, because we need to adapt and change our systems and our way of billing and a whole host of other things in a very short time scale. That's the beauty of working in China, it's all positive change but you need to run pretty fast to keep up.

### **How does the British Chamber of Commerce add value to your business?**

Property is as much about people as it is about bricks and mortar; it's about how we connect with people, how we attract investors, how we understand what is going on in the business environment and how we respond to changes in that environment. All these things come down to having great partnerships and having great relationships and I think the Chamber really helps us to do just that.

Stakeholders here in Asia tell us that "Britishness"



By Ohconfucius - Own work, CC BY 3.0

is a strong part of our brand, so being part of the British Chamber also allows us to connect to and exchange ideas with companies that have a similar heritage to us.

### **How long have you lived in Hong Kong?**

Coming from the UK, my family has been here for two years, though I lived in Shanghai before, so I was a frequent visitor to Hong Kong then. Hong Kong is a wonderfully unique city. That ability to go from sea to city to mountains to beaches in a very small space is phenomenal. I don't know if there is anywhere else like it in the world.

### **What's your favourite spot in Hong Kong?**

It's difficult to narrow it down to one because Hong Kong does offer such a diversity of experience. Happy Valley is a really interesting spot for me, because it's almost a microcosm of calm, right on the doorstep of the chaos of Causeway Bay, so it's quite a funny thing: you can walk 100 metres away from Causeway Bay and life changes – it just calms down. And I quite like that contrast.

### **What's the biggest change you've noticed since you've been here?**

My experience of Hong Kong means my family and I have seen new things and explored new areas – so our perspectives of Hong Kong have changed since our arrival. That's the beauty of cities: your perspectives change far faster than the physicality of the city and it's what makes cities such exciting places to be. I haven't noticed any specific changes, but our experiences are very different now than they were when we first arrived.

### **What's something you've learned recently that you didn't know before?**

I just started reading a book called Rise of the Robots:

Technology and the Threat of a Jobless Future, by Martin Ford, and it describes Moore's law, which is that computing power doubles every 18-24 months. There is an interesting analogy that if you began driving a car at 5 miles an hour, and every minute thereafter, you doubled the speed, within 20 minutes, you'd be driving at 5.2 million miles an hour. That's the equivalent to how much computing and digital power has changed since its inception in the 60s and 70s. And it's kind of an overwhelming prospect.

### **Which words or phrases do you find most overused?**

Quite possibly the phrase "to put it simply", because I invariably find that people really struggle to put anything "simply".

### **What is your favourite (non-professional) occupation?**

I guess sports are quite a big thing for me, so if I didn't need to pay the bills I suppose I would be quite involved in sports. If I could coach my kids in sports, I'd be a happy man.

### **What is your most marked characteristic?**

In a positive sense it's probably drive and determination. I never shy away from a challenge, and it keeps me motivated and I sense I am at my best when I am under a bit of pressure.

### **If you had a motto, what would it be?**

I would say "feel the fear and do it anyway." I am a big fan of the idea that you can understand yourself and recognise the things that make you uncomfortable or nervous, but you should never let them get in the way of doing the thing you want to do. **B**





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