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The Official Magazine of The British Chamber of Commerce in Hong Kong **Issue 42 May - June 2016**

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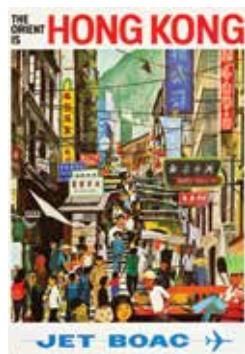

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BUSINESS UPDATE: CHAIRMAN'S MESSAGE



Dear Members,

This is my final Chairman's message, as I will stand down at this year's Annual General Meeting on 1 June.

Having been Vice-Chair and Treasurer, I have had the pleasure of working with the British Chamber of Commerce for a number of years. From my perspective, the Chamber is in good shape: It is seen throughout Hong Kong and abroad as one of the most active and engaged Chambers, and it is a respected and serious voice for business.

I would like to thank Christopher Hammerbeck and Andrew Seaton as Executive Directors, as well as the terrific Chamber executive team for all their hard work. The outstanding support and commitment the Chamber receives from its members is absolutely central to its success and I am very grateful for this as well.

Public debate in Hong Kong is becoming increasingly complex. It is more important than ever that the voice of international business is part of that debate. In this, the Chamber looks forward to your continued support.

Turning to the magazine, this edition focuses on Hong Kong's thriving start-up scene. This is an exciting area and it is encouraging to see the Innovation and Technology Bureau has started to work, and to see the extra government support for the sector in the last Budget. The Chamber itself has been involved in the start-up area for a number of years, through its own Business Angel Programme. The financial and business services sector is a real strength of Hong Kong's economy. But there is no room for complacency and it is vital that Hong Kong continues to stay at the leading edge in this area.

April was certainly a busy month for the Chamber! The Chamber & KPMG Rugby dinner was a great success, and one of the highlights of the Rugby Sevens week. We were also delighted to host Willie

Walsh, CEO of IAG, at a sold-out Chamber lunch. Congratulations to British Airways on 80 years of serving Hong Kong: a remarkable milestone.

I was also pleased that the Chamber was involved, for the first time in many years, in the annual China-Britain Business Council China Business Summit in London, speaking in one of the plenaries and at a Hong Kong session. This is the largest annual China business conference in the UK and the Chamber's participation was a result of the work we have done to build up our links with key business organisations.

Also in the UK, June will see the historic vote on Brexit – with potentially huge consequences for business in the UK and internationally. The Chamber will be providing members with information on the issues, including through a number of events in the run-up to the vote.

Finally, I would like to thank you again for all the great support and friendship Chamber members have shown me as Chairman. That collegiality is a great source of strength for the Chamber. It has been a pleasure and a privilege to serve as Chairman. I wish you and your business every success.

A handwritten signature in black ink, appearing to read "Andrew Weir".

Andrew Weir



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CLP Power Wins Prestigious IT Leadership Award



CLP Power Hong Kong Limited Director of Information Technology Mr Andre Blumberg has received the Chief Information Officer (CIO) Award in the Large Enterprise category at the Hong Kong CIO Awards 2016, an event co-organised by Computerworld Hong Kong and CIO Connect. The award recognises his contributions in the innovative application of technology, and his success in helping deliver business value for customers. Mr Blumberg, who is the Vice-Chair of the Chamber's Innovation & Technology Committee said, "CLP Power continuously expands our customer service offerings and improves operational capabilities. Digital technologies play an increasing role in this journey, so I am very honoured to receive the 2016 CIO Award in the Large Enterprise category and thank the judging panel to recognise CLP's achievements."

DTZ Cushman Wakefield Merger



Cushman & Wakefield, a global leader in commercial real

estate services, announced the completion of the merger between Cushman & Wakefield and DTZ. In China, the firm has more than 2,000 staff operating in 20 offices, set up in all the gateway cities including Beijing, Hong Kong, Shanghai, Shenzhen, Guangzhou, Taipei, and many second and third tier cities in mainland China. Cushman & Wakefield will be led by Chairman and Chief Executive Officer Brett White and Global President Tod Lickerman. Cushman & Wakefield is owned by an investor group composed of TPG, PAG, and OTPP. Edward Cheung assumes the title of Chairman APAC Board and Chief Executive Greater China and oversees the business in the Greater China region.



St. James's Place Wealth Management – Renewed to Sterling Status



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St. James's Place Wealth Management, a FTSE 100 company with £58.6bn (HK\$651.9bn) of client funds under management,

is one of the largest wealth management companies in Asia specialising in the provision of face-to-face financial advice to individuals and businesses. The group attributes their success to two fundamental principles that underpin their business: the strength of the relationship between Partners and clients, and a distinctive approach to investment management. The Chamber looks forward to strengthening the partnership through their new Sterling status.

Cheung Kong Infrastructure – New Sterling Member



Cheung Kong Infrastructure

The Chamber is delighted to welcome new Sterling member company Cheung Kong Infrastructure (CKI).

CKI is the largest publicly listed infrastructure company in Hong Kong with diversified investments in Energy Infrastructure, Transportation Infrastructure, Water Infrastructure, Waste Management, Waste-to-energy and Infrastructure Related Business. Operating in Hong Kong, Mainland China, the United Kingdom, the Netherlands, Portugal, Australia, New Zealand and Canada, it is a leading player in the global infrastructure arena.

St. James's Place gains new Asian drive



Tim Proudlock is a new addition to St. James's Place Wealth Management.

Tim will be based in the Hong Kong office and as Partnership Development Manager his role is to provide support to the growing Asian Partnership covering Hong Kong, Singapore and Shanghai. He brings with him over nine years' experience within financial services and is a permanent resident of Hong Kong.



Marianne Davis has worked for St. James's Place Wealth Management for over eight years.

She recently joined the Hong Kong business to drive St. James's Place's expansion into the Asian market. Marianne brings with her significant experience in professional and financial services, beginning her career as a consultant for KPMG before building a varied career at St. James's Place encompassing audit, finance, operations, project management and investor relations.

Barclays continue to support Inspirational Women Series

The Chamber is delighted to announce that Barclays have renewed their annual sponsorship of the Inspirational Women's series. In this series, the Women in Business Committee invite successful female

professionals from an array of industries to share their career stories and discuss the challenges and hurdles that they have faced in their professional pursuits as well as their personal milestones and achievements. The Chamber hosted an array of top speakers over the past year, including Annabelle Bond OBE, Belinda Greer – ESF, Yana Peel – Intelligence Squared, and Joanne Ooi - Plukka. We would like to thank Barclays for their on-going support and look forward to welcoming members to the next series.



Chamber represented at China Business Summit



For the first time, the Chamber took part in the UK's biggest China business conference in March. The Annual China Business Summit is organised by the China-Britain Business Council (CBBC). This year's conference, held at London's QE2 Centre, attracted more than 500 delegates. Speakers included Lord Sassoon, Oliver

Letwin MP, Chancellor of the Duchy of Lancaster, and the Chinese Ambassador to the UK. A delegation of more than 100 senior Chinese provincial and city government and business representatives attended the conference. Andrew Seaton, Executive Director of the Chamber, spoke at a plenary session on the implications for UK business of the five-year plan, and at a special session on Hong Kong's role as a platform for business.

"It is excellent that for the first time there was a Hong Kong session at this major UK-China business event, and that the Chamber was invited to speak at and take part in the conference. It also reflects the strong relationship the Chamber is developing with the CBBC", said Seaton.

Meet Your Global Business Network

On 16 June the Chamber will take part in the "Meet Your Global Business Network" event, being held at the Exhibition Centre in Liverpool. This all-day conference promises to help British companies increase their presence on the global stage through an agenda packed with key note speakers, panel discussions and 1-2-1 breakout sessions with representatives from the Middle East, South East Asia, Central/Eastern Europe, Africa, Latin America, India, 'One Belt, One Road', the Liverpool Commonwealth Association and the Liverpool Consular Core. Phillipa Lennox-King will represent the Chamber at the event and will be able to offer advice to companies looking to enter the Hong Kong market. For more information about the conference please contact phillippa@britcham.com.

A New Year; A New Budget

Financial Secretary, John C Tsang, delivered his ninth Hong Kong Budget speech in late February. In it, there was no change to the Profits Tax rates and allowances for 2016-17; and as in previous years, a "one-off" reduction of 75% of Profits Tax for 2015-16 was proposed, with a ceiling of HK\$20,000. The Profits Tax rate for corporations will remain at 16.5% for 2016-17, and for unincorporated businesses it will remain at 15%.

The Financial Secretary also proposed a one-off reduction of 75% of Salaries Tax (and tax under personal assessment) for 2015-16, subject to a ceiling of HK\$20,000.

In property tax, the standard rate remains at 15% for 2016-17. Rates on properties remain at 5% of the rateable value, and no changes were proposed to the Stamp Duty rates and banding on property transactions in the Budget.

Most interestingly, the Financial Secretary proposed helping SMEs by introducing measures that include:

- Extending the application period for the "Special Concessionary Measures" under the "SME Financing Guarantee Scheme" to 28 February 2017;
- Reducing the annual guarantee fee rate for the measures by 10%;
- Waiving the business registration fees for 2016-17; and
- Launching a Pilot Technology Voucher Programme under the Innovation and Technology Fund to subsidise their use of technological services and solutions to improve productivity and upgrade or transform business processes.

BREXIT: Potential Outcomes for Business in Asia

As polls for "Brexit" increase, talk of Britain departing the European Union has become a hot topic within the Chamber, triggering much discussion on the implications of this major shift. The Chamber held a thought-provoking panel on 24 February 2016 with a diverse panel of five speakers who discussed potential impacts of the outcomes for the Asian market, focusing on the financial services sectors in Hong Kong and China. Speakers included Alicia Garcia-Herrero – NATIXIS, Andrew Henderson – Eversheds, Mitul Kotecha – Barclays, and Ros Kellaway – Eversheds.



PwC Retail and Consumer Series: Regaining Consumer Trust

Shirley Xie, Assurance Markets Leader at PwC spoke at the Chamber's latest Retail and Consumer Series breakfast on 18 February 2016. Her session, sponsored by PwC, covered the business implications of China's new food safety laws and the topic of regaining consumer trust. The new laws grant regulatory bodies more authority, set harsher penalties for violations, and introduce more guidelines for consumer product manufacturing and production. Coupled with other recent measures, the new laws will have a significant impact on both domestic and foreign firms involved in the food business in China. "Great to have Chinese regulations distilled into a manageable bite-size presentation" said Alice Chan, Head of Consumer Sector, British Consulate-General.



The Flat White Economy – BT Innovation & Technology Series



The Chamber was pleased to welcome Dr Richard Sykes as a guest speaker at a recent breakfast about London's Flat White Economy. Dr Sykes, Research Director, Cloud and Executive

Advisor for Bloor, discussed how the Flat White Economy has spawned four times more jobs than the City lost in the crisis. The City is now growing one and a half times faster than Hong Kong, and a driving force behind this triumph of lifestyle and economics is the opportunity seen in starting a new business, with instant and "on tap" IT services made available in The Cloud. Coffee bars and converted warehouses in East London are becoming a prototype for digital cities in the rest of the country and around the world. The event was part of the Innovation & Technology Committee's BT sponsored series.

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Captains of Industry Luncheon with Willie Walsh, CEO of International Airline Group (British Airways)

7 April – Poolhouse, Grand Hyatt,
1 Harbour Rd, Wan Chai

For this month's segment of Captains of Industry, we had the privilege of inviting Willie Walsh, CEO of International Airlines Group, to come and speak to us about the aviation industry and latest developments at British Airways. Mr Walsh expanded on the short and long term goals for the airline; with an immediate focus on further improving the customer service experience, and in the long term, to reduce net carbon emissions by 2018.

Coinciding with the celebration of British Airways' 80th Anniversary in servicing Hong Kong, we would like to extend our congratulations for the airlines' success, and thank you to Willie Walsh for joining us at the Chamber.

Thank you to KPMG for sponsoring the Captains of Industry series and giving us the opportunity to hear from business leaders around the world.





New SME Enthusiasts

Hong Kong SMEs employ more than 1.3 million people. In an effort to support these successes and inspire more investment in the economy, the government is throwing its weight behind technically innovative companies, and digital and fintech companies in particular.

– By Gina Miller

Once upon a time, Britons were offended by the phrase “a nation of shopkeepers”, which was believed to be uttered by an offensive Napoleon, besmirching Britain’s military might. In today’s world, however, a nation made up of shopkeepers is envied – given that in the modern world, the “shop” is an SME, and the more SMEs an economy has, the more vibrant, self-sustaining and economically viable the nation.

On that basis, Hong Kong is in fine fettle: According to the government’s Trade and Industry Department, there are 320,000 SMEs in Hong Kong, accounting for more than 98% of the SAR’s total business units and providing jobs for as many as 1.3 million people – or 46% of Hong Kong’s private sector employment. The vast majority of these SMEs are in the import/export retail industry (employing 448,529 and 143,097 people respectively), though professional and business services (with 149,179 employees), Finance and Insurance, Social and Personal services and Accommodation and Food services are not far behind.

Given the scope of SMEs’ contribution to the economy, it was a forgone conclusion that the Financial Secretary would include support measures for SMEs in Hong Kong’s 2016-17 budget. The extension of the

application period for Special Concessionary Measures under the SME Financing Guarantee Scheme and the business registration fee waiver, for instance, were welcome, if unsurprising measures.

What truly captured public attention was the government's promise of HK\$5 billion to the Innovation and Technology Fund; new measures to encourage private enterprises to invest in R&D and applied technology; and the announcement of an HK\$500 million Pilot Technology Voucher Programme to subsidise businesses' use of technological services and solutions. The government's clear of support of innovation and technology is clear on one thing: If SMEs are good; SMEs in tech, using tech and innovating with tech are even better.

All roads lead to tech

In PwC's 19th Annual Global CEO Survey, released in early 2016, the professional services network noted that 77% of its respondents cited technological advances as a top trend that would transform wider stakeholder expectations of businesses within their sector over the next five years.

In particular, PwC noted that, "As a leading international financial hub, Hong Kong stands to benefit from the boom in fintech, or the opportunities that can arise when finance meets technology. In this regard, the Enterprise Support Scheme under the Innovation and Technology Fund (ITF) will be helpful in providing financial support to fintech start-ups and financial institutions."

"Also heartening is the move to enhance the long-term competitiveness of SMEs in their use of technological services and solutions through the launch of the Pilot Technology Voucher Programme under the ITF to improve their productivity," reported PwC, clarifying the belief of the day: SMEs using tech are more successful.

In a 2014 report by Ipsos Hong Kong, the research company measured the Digital Engagement of 311 SMEs and found that "High digitally engaged SMEs, i.e. those making full use of the internet, are more likely to enjoy better business outcomes, have better growth prospects, create more job opportunities and have more diversified sources of revenue."



High digitally engaged SMEs, i.e. those making full use of the internet, are more likely to enjoy better business outcomes, have better growth prospects, create more job opportunities and have more diversified sources of revenue.

– Ipsos Hong Kong



If it's tech and it makes money, why isn't it called fintech?

By Investopedia's definition, the term "fintech" originally meant technology "that applied to the back-end of established consumer and trade financial institutions. Since the end of the first decade of the 21st century, the term has expanded to include any technological innovation in the financial sector, including innovations in financial literacy and education, retail banking, investment and even crypto-currencies like bitcoin."

But while the current government agenda, InvestHK and professional service networks like PwC may vocally promote fintech, actual fintech SMEs are not necessarily experiencing a red-carpet entry to the market.

"Many fintech companies struggle to open bank accounts in Hong Kong, especially if they are from the USA or offshore; as the banks are worried about regulatory issues," says Chris Sykes, the Client Services Director of the legal software company Dragon Law. "Many of our clients are hamstrung by not being able to open accounts."

High digitally engaged SMEs have e-commerce capability to capture leads online, and actively use online marketing tools, such as search engine marketing (SEM) and search engine optimisation (SEO), noted Ipsos.

"Digital engagement is a low-hanging fruit for SMEs to grasp the market opportunities and to enhance competitiveness", said the report. Of the companies surveyed by Ipsos, 52% had high digital engagement.

While statistics make it clear that not all SMEs are e-commerce, tech, or fintech related, it is equally clear that these are industry darlings that the government is now pursuing.

In InvestHK's "Report of the Steering Group on Financial Technologies", released in February, the group reported that it considers Hong Kong an international financial centre with a strong ICT sector; an ideal place for developing fintech. Hong Kong has a "vibrant fintech ecology – comprising existing financial institutions, start-ups, co-working spaces, incubation and accelerator programmes, innovation laboratories, professional service providers as well as a decent mix of public and private funding".

Sykes' view is that most banks in Hong Kong are too conservative to take a risk on unknown fintech SMEs, and that the region's local banks are big enough that they don't care about missing those clients. Sykes admits however that the potential for fraud in digital currency (in particular) is enormous. And while many perceive fintech to be a disruptive technology that is expected to cut out middlemen and move the goalposts in the world of banking, Sykes says he expects people in fintech and digital currency to recognise that the cost of increased market entry will be increased regulation.

How does fintech help other SMEs?

For any start-up or SME, control of P&L is critical. The potential for any reduced costs, then, is appealing. Leonhard Weese, President of the Bitcoin Association Hong Kong says that using digital currency, for instance, could meaningfully lower an SMEs transaction costs. Using bitcoin as a payment system, rather than systems such as PayPal, which charges a transaction fee of 4-8%, could represent sizable savings.

For SMEs in retail, digital currency payments also allow customers more privacy. For instance, there are many companies in Hong Kong that offer sales of "adult entertainment" items that they may not wish to appear on their credit card bills. Digital currency allows customers the flexibility of anonymity.

Although digital currencies are technically considered an aspect of fintech, the Hong Kong government doesn't often discuss their viability in the market.

"The government doesn't mention it publicly apart from saying 'it's risky, it's not official, beware', " said Weese. "The police deals with digital currency the most right now, but for them it's just another tool they don't understand, like Tor. As the fraud volume on digital currency is low compared to credit card and wire transfer fraud, they don't bother with it much."

"The HKMA has a huge cultural aversion to it, but can you blame them? They are a central bank, and bitcoin's main message is 'central banks are redundant'. Meanwhile, the rest of the government doesn't understand it and associates it with drugs and money laundering. But they also don't think much about it", says Weese.

He argues that the differentiation between digital currency and a recent focus on technology such as blockchain¹ is disingenuous.

"My favorite quote is 'blockchain is an efficient transfer of value between banks and fintech consultants', " said Weese. "Everyone wants to do blockchain. They have no idea what that blockchain means, but are willing to pay a lot of money to find out".

"Blockchain is a distraction from what is really happening, which is disintermediation. Middle-men are cut out and business models are being reshuffled, much at the expense of the big guys", says Weese, who argues that Hong Kong really offers little to SMEs.

"I doubt the Hong Kong government ever considers the average business person. Legislation, licenses, they are all tailored to tycoons. The Stored Value Facility Regulation (under the HKMA's Payment Systems and Stored Value Facilities Ordinance) that was passed last year is also

a good example. The government only grants you a license for an SVF if you have a paid-up share capital of HK\$25 million."

Weese's argument is familiar: many small businesses find financial barriers to entry in Hong Kong; whether in opening a bank account, or gaining access to loans – despite the government's numerous supports and guarantees.

Weese's frustration stems from the fact that while there are some SMEs operating with digital currencies, their numbers remain small, despite the reputed cost benefits.

Cautious, not backwards

A recent report on fintech in Britain, "The Evaluation of International Fintech" by accounting firm EY, found that regulators in Hong Kong were viewed as complex, conservative and in some cases opaque, but Charles

¹ Blockchain is a database that maintains a continuously growing list of records hardened against tampering and revision; originally it was seen as the main innovation of bitcoin, where it serves as the public ledger of all bitcoin transactions. To use conventional banking as an analogy, the blockchain is like a full history of banking transactions.

Ng, Associate Director of InvestHK said Hong Kong still offers considerable room for companies to innovate.

At face value, the Hong Kong government is striving to be open-handed in its offerings to SMEs and ambitious in its aims to woo fintech SMEs to the marketplace. But offering gifts and delivering them are two different tasks, and some argue it is delivery that is delaying Hong Kong's progress.

Ming Wong, co-founder & CEO of Asia Community Ventures, wrote in the Hong Kong Financial Post "... the HK\$2 billion Innovation and Technology Venture Fund proposed by our Chief Executive Leung Chun-ying is destined for failure".

"The problem lies not with the undoubted good intentions of Mr. Leung but with how these funds are administered", charged Wong, listing the traditionalist nature of the various task force members assigned to fund allocation as the chief culprit.

"Creating the funds is the easy part," said Wong, who urges the government to wrest the

dispersal out of the hands of traditional task force members and consult with the public on endowment execution.

To this end, local stakeholders, such as Accenture (offering the FinTech Innovation Lab Asia-Pacific); Swire (blueprint Accelerator); Standard Chartered Bank and search engine Baidu (SuperCharger FinTech Accelerator); DBS Bank (Fintech Accelerator program with NEST); and hands-on incubator leaders like Cyberport, would be ideal sources of informed suggestions. Moreover, chambers and associations such as the British Chamber of Commerce – which champions SMEs and has provided Hong Kong's original Angel Investor Programme – are invaluable knowledge banks.

Hong Kong has a great vision of the future, and SMEs have great expectations of the promise of the market. What appears to be needed now is a smoother path between ideas and accessibility; allowing our current investors to flourish while inspiring new investments in local economy. Hong Kong wants more shopkeepers. **B**

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The Shortlist: An SME Resource Guide

Investigating what resources are available to SMEs in Hong Kong can be daunting. Here is a guide to information portals and programmes and funding schemes.

Primary Portals

- InvestHK is the starting spot for those considering a business in Hong Kong. Find more information at www.investhk.gov.hk
- Startmeup.hk is portal to the startup community in Hong Kong. For details, visit www.startmeup.hk

Incubators and Accelerators

Incubators and accelerators in Hong Kong provide support to entrepreneurs. A short list of these includes:

- AIA accelerator powered by NEST
- blueprint
- Brinc Ltd
- Cyberport Incubation Programme
- Cyberport Creative Micro Fund (CCMF)
- DBS Accelerator
- FinTech Innovation Lab by Accenture
- Hong Kong Design Centre's Design Incubation Programme
- Hong Kong Science and Technology Parks Corporation Programmes
- INFINITI Accelerator
- NEST

Bodies Supporting Startups

There are many government-funding schemes available to support SMEs, including:

- Invest Hong Kong
- Create Hong Kong
- Cyberport
- Hong Kong Productivity Council
- Hong Kong Science and Technology Parks Corporation
- Hong Kong Trade Development Council

Financing Loan or Insurance Opportunities

- Export Credit Insurance
- Microfinance Scheme
- SME Financing Guarantee Scheme
- SME Loan Guarantee Scheme

Market Development Funding

- BUD Fund (Enterprise Support Programme)
- BUD Fund (Organisation Support Programme)
- General Support Programme
- Patent Application Grant
- SME Export Marketing Fund

R&D Funding

- Guangdong-Hong Kong Technology Cooperation Funding Scheme
- Innovation and Technology Support Programme
- Internship Programme
- Research and Development Cash Rebate Scheme
- Enterprise Support Scheme
- The Social Innovation and Entrepreneurship Development Fund
- SME Development Fund
- University-Industry Collaboration Programme

Training Funding

- New Technology Training Scheme

Angel Programmes

The opportunity to access funding is vital to most startups. Business angels can offer cooperation, networking, investment opportunities and even mentorship.

Investor Networks

- Business Angel Programme – British Chamber
- Angels Den
- Hong Kong Angel Investment Network
- Hong Kong Business Angel Network
- Hong Kong Venture Capital and Private Equity Association

Professional Services

Accountants, lawyers, tax advisors, company secretaries. Please review our SME Marketplace on page 56 for a list of offerings available to Chamber members. B

Digital but not Fintech

What does digital engagement look like for other SMEs

There are plenty of SMEs in Hong Kong that work with software and services but are not fintech related, despite the media rage to focus on all things fintech.



Dragon Law, a legal services technology provider, operates a "do-it-yourself" cloud-based industry that offers affordable legal tech services. Dragon Law is the only legal tech services company currently operating in Hong Kong.

Chris Sykes, Client Services Director of Dragon Law, explains that Dragon Law is not a law firm; rather, it is a software provider that helps businesses do legal jobs themselves, via their software.

"We can do incorporations and we have created HR bundles and other bundles that cover policies with additional information. We provide everything a company will need to run a business – all the different functions," Chris explains. "And we expect to expand rapidly. We'd like to be a verb – like Uber or Airbnb... we want to hear someone say 'I'd like to Dragonlaw that'."

Dragon Law was founded only three years ago, and the company started marketing its software in January 2015. With a staff of 35 people across Singapore and Hong Kong, the company has roughly 2,000 clients who are taking advantage of Dragon Law's electronic services, and pocketing the sizable difference to spend on other capital investments.

"We are cheaper than the law firms," says Sykes, "It costs roughly five to ten times less to create legal

documents through our services than to go to a law firm for the same products. The average document costs about HK\$15-20,000 at a smaller firm in Hong Kong, and about \$30,000 at a medium-sized firm," he says.

And the benefits are clear: "Our services allow our clients to be more competitive because appear more professional. It means something if a small business arrives on the scene all 'legalled up'" he said. And the legal coverage is put in place to provide companies with the protection they need, allowing them to focus on their core business.

Dragon Law uses client accessible cloud technology to make complex tasks simple. And for its own business, Dragon Law uses the e-payment service stripe (from Singapore), as well as Xero – a New Zealand-based online accounting and bookkeeping software program for SMEs that has gained a loyal following in Australia, NZ, the US, and Europe.

Sykes notes that the software that Dragon Law uses in its own business practice, and sells to clients, are examples of the trend toward disruptive business models that take more software into the cloud. "We are creating a professional community with other services," he said. ■



The Competition Ordinance and SMEs

The Ordinance is an important measure to protect businesses – SMEs in particular – from anti-competitive practices.

– By the Hong Kong Competition Commission

The Competition Ordinance (Ordinance) aims to promote promoting a level playing field in the marketplace by prohibiting anti-competitive conduct by businesses. A competitive market leads to better prices, products and choice for consumers, including business consumers, and greater opportunities for businesses, especially SMEs, to enter and expand in new markets. Competition drives business efficiency and cost savings, provides incentives for continuous innovation and raises companies' competitiveness.

The Ordinance is an important measure to protect businesses in particular SMEs from anti-competitive practices and to ensure they are able to grow and flourish while competing on a level playing field. While enjoying this protection, SMEs must ensure that they do not engage in conduct that may harm competition. Regardless of size, there are four things businesses should never agree with their competitors to do: price fixing, output restriction, market sharing and bid-rigging.

Price fixing

Price fixing occurs when competitors agree on pricing rather than competing against each other. This includes agreeing on actual prices, a formula to calculate prices / margin or elements of a price such as discounts, rebates, promotions or credit terms. Price fixing can occur verbally or in writing – agreement can be made over a drink; it can occur at an association meeting or at a social occasion.

Market sharing

This occurs when competitors agree to divide or allocate customers, suppliers or geographic areas among themselves rather than making independent decisions as to where to operate, who to source from and which customers to pursue. Market sharing includes allocating customers by geographic area, agreeing not to compete for each other's customers (non-poaching agreements) and agreeing not to enter or expand into a competitor's market.

Output restriction

When competitors agree to prevent or restrict the volume or type of particular goods or services available on the market, output restriction is the result. Competitors should make their own independent decisions as to their product output.

Bid-rigging

When two or more competitors agree they will not compete with each other for tenders, allowing one of the cartel members to "win" the tender they are guilty of bid-rigging. The most common form of bid-rigging is when competitors agree on who should win a tender. To support the designated winner, the other bidders may agree to refrain from bidding, withdraw their bid, or submit bids with higher prices or on unacceptable terms.

The above arrangements, which are known as cartels, undermine the competitive process and are considered as "Serious Anti-competitive Conduct" under the First Conduct Rule of the Ordinance.

Other arrangements that can harm competition

SMEs should also watch out for other arrangements between businesses that in some circumstances can harm competition, such as

- Information sharing: Businesses often share information. This is normal commercial behaviour that rarely has anti-competitive impacts. However, sharing commercially sensitive information or commercial secrets such as future prices, quantities and customers can harm competition.
- Agreements with suppliers and customers: Agreements with suppliers and customers –

known as vertical arrangements – generally do not harm competition. However, a vertical arrangement that restricts a business' ability to compete (in particular pricing freedom) can harm competition.

- Resale Price Maintenance: When one business tries to set the price at which its customer can sell an item, undermines pricing freedom and restricts competition. It is more likely to have an adverse impact as compared with other vertical arrangements.



Regardless of their size, there are four things businesses should never agree with their competitors to do: price fixing, output restriction, market sharing and bid-rigging



How do Businesses Comply?

The Competition Commission (Commission) has been reaching out to the public and businesses by rolling out advocacy and education programmes. Businesses are encouraged to take proactive steps to understand the Ordinance, identify risk areas and set up self-compliance programmes in time.

In addition to the Guidelines outlining its interpretation of the Ordinance, the Commission has produced a number of publications

to help businesses understand and comply with the Ordinance, including a practical self-assessment toolkit to assist businesses especially SMEs to review their business practices and develop a compliance strategy.

Remember, SMEs are also potential victims of anticompetitive conduct. Take the opportunity to consider whether other businesses may be engaging in anti-competitive conduct that is impacting your business. If you identify such conduct, consider reporting it to the Commission. **B**

Please visit the Commission's website www.compcomm.hk for the above materials.

The Competition Commission is an independent statutory body established to enforce the Competition Ordinance (Cap. 619). The objective of the Competition Ordinance is to prohibit conduct that prevents, restricts or distorts competition and mergers that substantially lessen competition in Hong Kong. The Competition Ordinance was fully implemented on 14 December 2015.



Naomi Climer

First Woman President of the IET

The Chamber interviews the first woman President of the Institution of Engineering and Technology about influences, role models and inspirational challenges ahead.



19th April 2016, Barclays,
Cheung Kong Center, Central

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How did you first become interested in a career in technology and engineering?

I hadn't always known that I wanted to be an engineer. My father recommended engineering, which as a grumpy teenager meant that there was no way I was going to pursue it! It was only after I was accepted onto a BBC training scheme and introduced to broadcast engineering that I began to be exposed to the potential it offered. And I never looked back.

I have always been interested in how things work and the possibilities of technology for shaping the future – now I get to do what I love all day!

What was the career path to your current Presidential role?

I worked my way up from broadcast engineering through project work and into senior management working at BBC, ITV and Sony. While at Sony, I was running a very large business across Europe and I joined the Board of Trustees of the Institution of Engineering and Technology (IET) as a form of

continuing professional development. I was able to bring my technology, commercial, and leadership experience to the IET and learn new approaches from the other members of the Board. While still on the IET Board of Trustees, I moved to California as President of Sony's global division, Media Cloud Services and finally became President of the IET in October 2015.

Can you tell us a bit more about your work at the IET?

The IET is working to engineer a better world by inspiring, informing and influencing our members, engineers and technicians, and all those who are touched by, or touch, the work of engineers. One of my big aims as President of the IET is to be more effective at inspiring the next generation of engineers and technicians. It's no secret that the UK engineering and technology sector is facing a significant skills shortfall. Engineering employers are projected to need 1.82 million people with engineering skills from 2012 to 2022, so there is a big job to be done.

Did you have role models and mentors along the way?

My role models and mentors come from everyone I meet, especially my family, friends and colleagues. For inspiration, I'm a big fan of Ada Lovelace because she was such a visionary – she saw the potential for computers and the importance of computer programming at a time when it was far from obvious. I also think Amy Johnson was an extraordinary woman because she just got on and did things that women just didn't do at that time (like fly solo from England to Australia!).



I'm a big fan of Ada Lovelace because she was such a visionary – she saw the potential for computers and the importance of computer programming at a time when it was far from obvious.



What has been your biggest challenge as a woman leader?

I am the first female to become president of the Institution of Engineering and Technology, something I'm very proud of. I have had to face different issues because of my gender but I have managed to reach some senior roles and there have been times when being a very visible minority has been an advantage. I have always tried to do the best job I can, to learn from everything and to act with integrity. I do think that being in the minority brings some challenges – particularly being able to be yourself – so it is important for organisations to make sure that their workplace is as inclusive as it can be so that everyone has the chance to contribute and thrive

Diversity on boards is a hot topic in Hong Kong. What is your view?

Diversity on boards remains a hot topic in most countries. It's good that subjects like this and equal pay for women are generating so much interest and awareness. One of the things that I find surprising is why more companies aren't highly motivated to improve diversity on boards. There's so much evidence from studies by McKinsey, Harvard Business Review, World Economic Forum and others showing that companies with better diversity achieve better EBIT.

What do you see as the biggest barrier for women entering technology and engineering?

I think it's down to a combination of things, including careers advice girls are given in schools. Schools have a role to play and need to do more to instil girls with the confidence to opt for science and maths, and employers need to do more to make their approach to recruitment and retention and their company

image more inclusive. As an industry, we all need to be considering how to showcase technology and engineering as a place where women can thrive.

The IET runs its annual Young Woman Engineer of the Year Awards. These awards recognise the achievements of female talent in engineering and the main aim is to encourage and inspire others to enter the profession.

What's the most exciting industry-related news you've heard recently?

I'm excited to hear that artificial intelligence has beaten a champion Go player. I thought this would take much longer to achieve and I do think AI has the potential to improve lives throughout the world and maybe to free us all up to live much more fulfilling and productive lives.

What do you think the industry in Hong Kong can learn from the UK?

The UK has unique strengths in areas such as combining creativity and technology to come up with innovative or unexpected solutions. We have fantastic academic establishments and long history in areas like security (such as The Government Communications Headquarters) where we are applying long-acquired wisdom to new areas such as cyber security.

How do you strike your work / life balance?

I have always considered family and friends to be a really important part of my life and have worked hard to make sure I gave them sufficient priority even at the most demanding times of my career when work always seemed urgent and endless. From experience, if you are consistent and reasonable at work about the importance you give to family and friends and careful about sometimes prioritising life over work, I've found that it is generally accepted.

What do you do to relax?

In my spare time, I love sailing, I ride a motorcycle and I cycle, swim and run. I also like to play the cello, sing in a choir and hang out with family and friends. Finally, I like to laugh as often as possible...

What are three key words you would say describe you?

Integrity, Collaboration and Energy. **B**

“Remain” Vote Barely Ahead

The “Remain” vote has a single-point lead over “Leave” in YouGov’s latest EU referendum polling – with no movement among don’t knows and wouldn’t votes.

YouGov research released in end-April showed a small lead for “Remain,” but neither side has managed to stir up enough interest to break the impasse.

After the initial media flurry over David Cameron’s EU reform package, followed by various letters from the business world offering economic arguments for their chosen side, excitement over the EU referendum has settled. The government got back to business on the budget, Iain Duncan Smith resigned and Labour got a lease of life from the Panama Papers.



With less than two months to go, “Remain” leads with 39% while “Leave” is on 38%. The latest scores are within one point of their average for 2016 so far. Thus far, neither side has made a breakthrough, although younger voters appear more inclined to stay in the EU.

Around a quarter of voters are still undecided (18%) or say they wouldn’t vote (5%), which is again in line with this year’s average. This suggests there are enough votes up for grabs to propel either side to victory – if the momentum can be found. **B**

If there was a referendum on Britain’s membership of the European Union and this was the question, how would you vote:	2 - 3 March	29 March - 4 April (weighted sample)		Results by Demographic Group																		
		Total	Total	Vote in 2015						Gender		Age				Social Grade		Region				
				Con	Lab	Lib Dem	UKIP	Green	Male	Female	18-24	25-49	50-64	65+	ABC1	C2DE	London	Rest of South	Midlands / Wales	North	Scotland	
Should the United Kingdom remain a member of the European Union or leave the European Union?		3754	1059	878	225	359	116	1817	1937	435	1607	923	788	2140	1614	450	1246	807	905	345		
		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%		
Remain	40	39	29	59	58	4	73	40	38	57	41	36	29	45	31	53	37	33	36	51		
Leave	37	38	51	23	22	86	12	41	35	16	32	46	54	33	45	28	41	41	39	32		
Would not vote	5	5	1	2	0	3	1	6	5	6	8	3	2	4	7	5	4	6	7	2		
Don’t know	18	18	19	16	20	7	15	13	22	20	19	16	15	17	18	14	18	20	18	15		

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THE ORIENT IS **HONG KONG**

JET BOAC 

80 Years of Flying

British Airways celebrates its heritage in Hong Kong.

– By Noella Ferns

On 24 March 1936, British Airways' predecessor Imperial Airways became the first commercial airliner to land at Kai Tak Airport. Back in 1936, a trip from London to Hong Kong would take 10 days and a one-way ticket would cost £175, which is equivalent to £11,113 (HK\$127,800) in 2016.

And 80 years ago, the entire trip – from London to Hong Kong – involved 23 stops to change aircraft and refuel. Passengers would stay overnight in hotels in Alexandria (Egypt), Baghdad (Iraq), Sharjah (UAE), Jodhpur and Calcutta (India) and Bangkok (Thailand).



Over the years, the route has seen many pioneering aviation developments and has been served by various revolutionary aircraft, such as Imperial Airways' Short C Class Empire flying boat in 1936, and De Havilland DH86 in 1937. In 1940, the merger of Imperial Airways and British Airways Ltd created the new airline, British Overseas Airways Corporation (BOAC). BOAC, started flying Canadair Argonaut (land planes) in 1949 to Hong Kong and from the 1960s the airline started operating Boeing 707s. In 1974, British Airways was formed following the merger of BOAC and British European Airways (BEA). British Airways currently operates 14 non-stop flights a week between Hong Kong and London. It is also the only airline to fly the Airbus A380, the largest commercial plane in the sky, on the route.

British Airways celebrated 80 years of flying to Hong Kong in style with a VIP gala on 7 April 2016 and a unique heritage fashion photo-shoot in Mong Kok – featuring supermodel David Gandy wearing a vintage 1920s sheepskin flying jacket with cabin crew as they turned the hustle and bustle streets of Hong Kong into a runway. Meanwhile, top model

Imogen Waterhouse and Lizzy Jagger marked British Airways' 80th celebrations by donning vintage cabin crew attire for a shoot against the backdrop of Hong Kong's iconic skyline.

Other stars that joined the gala celebrations with IAG's chief executive Willie Walsh included renowned actor David Hasselhoff, singer-songwriter Jessie Ware and Two Michelin-Star Chef, Tom Aikens. Singer Jessie performed an exclusive live set on the night for the audience of more than 250 distinguished guests.

The evening was also the premier of the British Airways film "Love of two homes. Then and Now", a short film that highlights the heritage of British Airways and the changes in Hong Kong through the personal stories of a British Airways long-serving cabin crew member.

On 6 May 2016, British Airways' specially created pop-up HK80 Exhibition will be launched at the University of Hong Kong. The exhibition will showcase artefacts and memorabilia that tell the vivid story of how British



Airways has been connecting Hong Kong and the United Kingdom for 80 years. This is the very first time British Airways has brought the artefacts overseas and set up a pop-up heritage museum.

The British Chinese Heritage Centre of Ming-Ai Institute curated the exhibition, and materials were provided by the British Airways' Heritage Museum (both are located in the UK). British Airways has also collaborated with students from the Department of Sociology of the University of Hong Kong to help research and interview British Airways' loyal customers and long-serving staff about their experiences and memories of the airline over the years.

The HK80 exhibition will be open for the public for free from 6 May until 30 June 2016. It is located in the MC³@702 Creative Space, Level 7 of the Jockey Club Tower, The University of Hong Kong.

Members of the British Chamber of Commerce in Hong Kong can enjoy a 5% discount on British Airways return flights from Hong Kong to London,

“

For the past 80 years, British Airways has been proudly connecting Hong Kong and the United Kingdom. This year marks the 80th anniversary of British Airways as one of the pioneers of Hong Kong civil aviation, and the airline is launching a series of celebratory events to showcase its heritage.

”

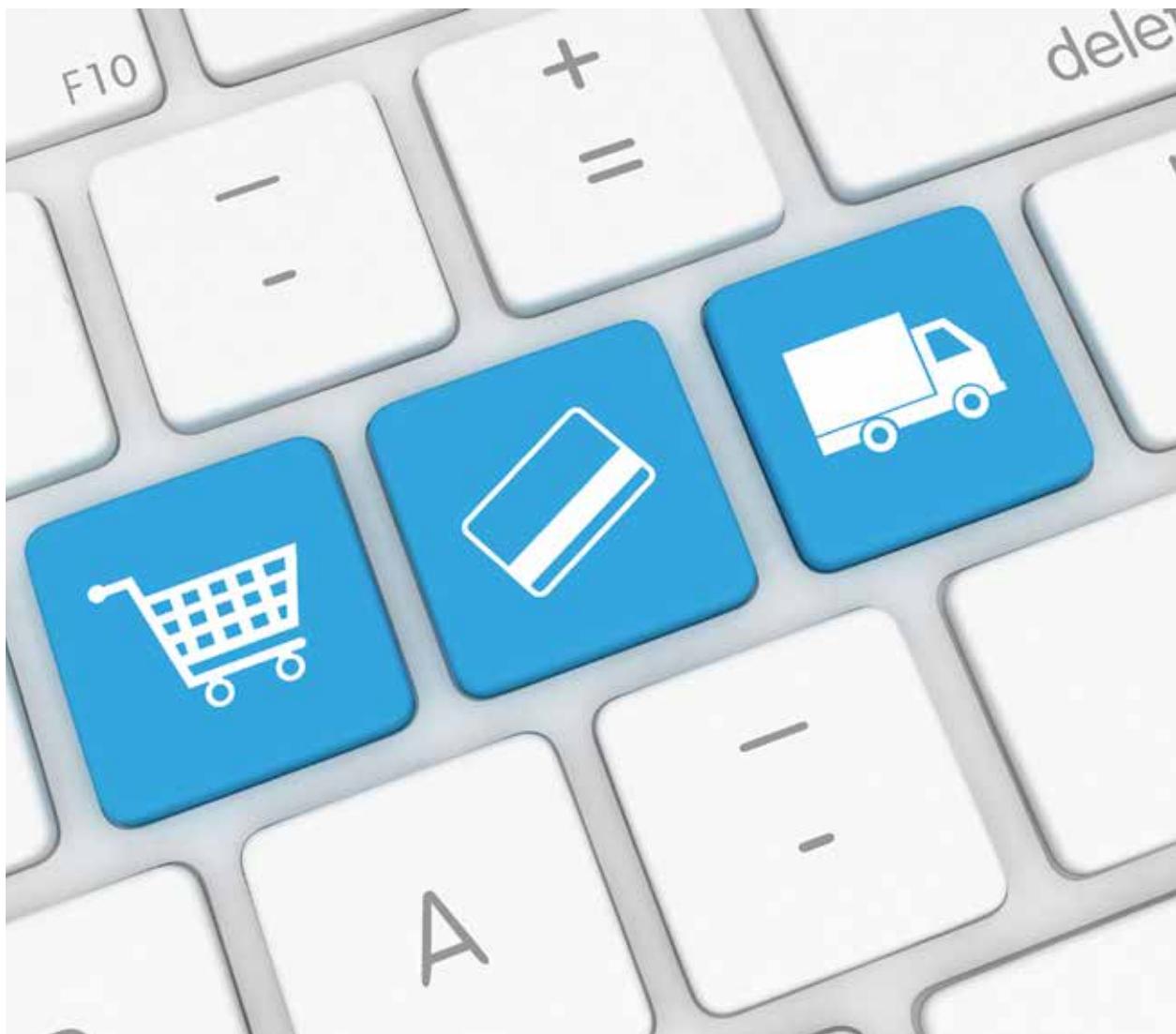
other destinations in the UK and Europe in premium economy class and economy class. Members can also choose to fly on to any one of their selected destinations in the UK and Europe for free whenever they book a flight to London. **B**



Noella Ferns
Regional
General
Manager
for Greater
China and the
Philippines

British Airways' route network currently serves more than 200 cities in 75 countries. It has been flying to Hong Kong for 80 years and currently operates 14 non-stop flights a week between Hong Kong and London. British Airways is the only carrier to operate an Airbus A380 on the route. The airline operates from the state-of-the-art Terminal 5 at London Heathrow. In March, Terminal 5 was named the Best Airport Terminal for the fifth year running by Skytrax.





Taxing Times

How Will China's New E-Commerce Tax Policy Impact Your Business?

New rules governing cross-border e-commerce in China came into effect on 8 April 2016. Related to this is a so-called "Positive List" (issued jointly by eleven PRC government departments including AQSIQ, MOA and MOFCOM), which seems to determine those products that are permitted for sale on cross border ecommerce platforms.

Who benefits and who loses out?

Any item that would previously have been shipped free of duties will suddenly see a 12% hike in duties. This will mainly affect low value/high volume products, such as infant formula, diapers, mother and baby, health supplements and so on.

The big winners are those items that had higher personal parcel tax rates such as cosmetics and alcoholic drinks (effectively reduced from 50% duty to 33%). Fashion items in the £100-£200 price range should benefit from the new rules, incurring a flat VAT charge of 11.9% rate rather than the 20% duty previously levied.

Some food and drink categories will be affected by the positive list but there remains a lack of clarity about how the list will be monitored and how enforcement will be implemented. With further implementation guidelines expected soon in relation to China's new Food Safety Law (2015),

CBBC and the market access team at UKTI in Beijing anticipate further specific regulation in relation to e-commerce, labelling as well an obligation on importers to audit more closely suppliers of food and drink products.

What does the change mean for UK retailers?

It represents an attempt to better regulate the sector and improve consumer safety. It will also benefit any foreign retailers with a presence in China or selling through traditional retail channels (offline or online).

That said, for companies whose products fall outside the "Positive List", the policy change represents a significant barrier. In particular, many companies that were previously able to sell via cross-border channels may be prevented from doing so in the future due to being excluded from list or the need to be registered locally. We anticipate this will most impact suppliers of certain food categories and non-registered cosmetics brands. **B**

For more details on this policy an in-depth version of this insight contact Mark Hedley at: mark.hedley@cbbc.org

The China-Britain Business Council (CBBC) is the leading organisation helping UK companies grow and develop their business with China. We help companies of all sizes and sectors, whether new entrants or established operations. CBBC has worked with China for 60 years and our team has extensive experience of doing business there.



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Making Friends and Influencing People

The rise of influencer social media marketing.

– By Justin Lim

There is a little USB-chargeable lamp that sits on my coffee table now. In the evenings, it flashes green every time I receive a social media notification from one of my power contacts, and turns an angry red when I've got an impending post deadline, usually on behalf of one of my lifestyle clients in Europe or the US.

If that sounds a little bit extravagant, then welcome to the fast-paced world of social media influencer marketing. The global shift to social media marketing means that brands cannot delay any further in

implementing a cogent strategy. Many brands, especially in Asia, have already been taken by surprise at the exponential growth of influencer marketing, and are already playing catch-up.

Forbes describes influencer marketing as the "Holy Grail" in terms of how it will shape consumers in 2016. Influencers are key leverage, an essential voice in moving product, shifting perceptions and getting something to be heard above the noise. So what are the key factors for identifying influencers and curating content to enhance your business?

Curate an audience

By finding people with the right "micro-audiences", you can find an influencer – someone with a credible voice in a market sector, with a history of good, engaging content. Look critically at a potential influencer's "circle of influence" – if they are friendly and interact with other influencers of similar rank and industry sector, this can lead to second and third level trickle of underlying influence in a campaign. Choose an Influencer who has the maturity to act independently, with a high degree of resources and input in terms of fashioning your bespoke content. Further, it is always prudent to ensure that an influencer you have earmarked for a campaign has a certain level of willingness to engage and answer the queries of their followers, to whom they are preaching the beauty of your wares.

Don't be swayed by large followings

Large followings are not always decisive. Sometime, a micro-audience might not be a customer. Consider a swimsuit model with a hundred thousand following mostly made up of adolescent men! An erudite, articulate blogger with half the followers but with great links to fashionistas and female purchasers might be a better fit if you have a new dress or cosmetic product you are trying to raise awareness of.

Research hashtags and campaigns

Research is essential if you are to run a campaign. Choose a hashtag that is original, catchy and directly relevant to your branding. Find out what competitor brands are doing, and don't be afraid to mimic aspects of their successful campaigns or engage influencers who have spoken about their wares before.

Compensate

Compensation is essential if you engage an influencer to create bespoke content for you. The unfortunate

consequence of a business world still struggling with this new form of marketing is that some brands still do not recognise that influencers need to be rewarded in a timely fashion (whether monetarily or in terms of product) for using their goodwill to produce original content. Having a good reward scheme in place to incentivise influencers will in turn build your reputation within the sector to which you are trying to appeal, and, perhaps, may lead to your brand's social media platform being known as an influencer in its own right.



Influencers are key leverage, an essential voice in moving product, shifting perceptions and getting something to be heard above the noise.



Nurture your influencers

Influencers are, by their very nature, unique in speaking to their audiences and followers in a very idiosyncratic way. It is essential to set parameters and find out what your influencer will or will not do. The best campaigns allow a little rope for the influencer to inject his or her own personal style.

Be aware of etiquette

It is considered good manners to inform a known content creator if you wish to use any of their existing content as repost on your own site. An email to touch base is always welcome and appreciated, and builds more solid foundations if you later decide to go forward with a fully-fledged campaign. As your brand goes, hiring a community officer or social media professional may prove beneficial.

In addition to enhancing your brand and boosting sales, influencer marketing can help with your search engine ranking. According to The Social Media Revolution, user generated social posts account for 25% of search results in respect of the world's 20 leading consumer brands. The more people who mention your brand on social media, the more likely you will climb the Google ladder. Engaging good influencers is the first step to making your brand visible. B



Justin Lim is a professional lifestyle and wedding photographer based in Asia. In 2014, he founded The Kandid, a bespoke social media consultancy and creative hub based in Hong Kong. With over 50,000 followers, he is one of "21 global photographers to follow on Instagram" (creativebloq.com) and is the January 2016 Emirates in-flight magazine *Entrepreneur*. He holds a LLB from the London School of Economics.

For more details on Justin's work, visit justlimphoto.com and thekandid.com

Blurred Lines

In a typical working day, and in a typical organisation, employees routinely use the Internet for both work and personal activities. Is your organisation prepared to deal with the implications?

– By Paul Haswell and

Jolene Reimerson



Technology in the workplace is changing; 25 years ago the use of the PC was starting to penetrate the workplace but the use of e-mail and electronic communications was very much in its infancy. Fifteen years ago the big move to harness technology in the workplace was all about outsourcing a company's IT and business processes in order to save costs and reduce risk. Technology was a tool, its primary purpose often seen as a way to simply store and process the large amounts of previously paper-based data that were associated with day to day business rather than replace, on a grand scale, the individuals within that business. Technology was designed to make our work lives easier.

Whether work has become easier is debatable, but there can be no doubt that it has become digital. With the rise of cloud computing, cheaper and more powerful mobile devices, and the increasing dominance of digital technologies in our daily lives, the use of technology is ubiquitous, affordable and faster. It has changed the way we work in a manner that few working in an office in the latter half of the twentieth century could have anticipated.

In a typical working day, and in a typical organisation, employees routinely use the Internet for both work and personal activities. They use cloud-based business management tools and services on their work laptops and phones. They have their own smart phones by their desk. They may be communicating by e-mail, phone calls, SMS or Whatsapp. They will have access to social media and increasingly are expected to use it as part of their work duties. Technology is the centre of everything.

However employers are unlikely to have control or power over this technology, and may not even be aware it's being used. Most employers do not wish to overly restrict the use of technology by their staff, since technology is usually required to gain a competitive advantage. So what risks should employers be aware of?

Security concerns

Given the use of multiple devices, whether owned by the employee or provided by an employer, employers should remind staff of the risks of accidental loss of data or devices. It is not just about keeping the

devices password-protected; a 2014 Cisco report suggests that 44% of employees share work devices with others without supervision and that 46% of employees transfer files between work and personal devices, often using unauthorised services.

Is your security policy up-to-date and does it warn staff of modern security risks (or does it still refer to 'floppy disks')? Does it deal with so-called "Shadow IT", the name for systems built and used by employees separate from those provided by their institutional and employer provided IT department? Do you have disciplinary procedures in place to deal with employees who deliberately misuse company data?

As for social media, if an employee uses it in the course of their employment, who owns the social media accounts? A number of court cases in the UK and US over the past few years highlight the problems of using, for example, LinkedIn accounts and the issues they pose over the ownership of company contacts.

Employers should have a social media policy in place but the policy should be proactive rather than simply covering what not to do. Companies need social media, so a successful social media policy should enable employees within a structured and communicated framework. It should cover how corporate social media accounts are used and provide guidance on how personal social media accounts should be used with care; there are plenty of cases of employees being fired for criticising their employer and their clients on Facebook.

Business or personal?

What about an employee who uses work devices excessively for personal matters? Companies seem to acknowledge that with employees having access to multiple mobile, connected devices and being available 24/7, it is inevitable that staff will access

work devices for personal use. But to what extent can employers monitor such use? The line between business and personal mobile technologies is becoming ever more blurred.

Employers should therefore inform employees about how they will monitor activities at work. But any monitoring carried out needs to be reasonable.

Is your security policy up-to-date and does it warn staff of modern security risks? Does it deal with so-called "Shadow IT"?

“

Technology is becoming more of an intrusive factor in our work and, by extension, our personal lives. We can expect more claims against employers; already we see sickness claims relating to over-use of technology, from traditional RSI injuries to stress-related illnesses for making work demands over too many devices at anti-social hours. Employers must ensure that there are clear rules in place for all technology and move quickly to adapt.

Of course within the next 20 years this could all be moot. It is predicted that we are advancing to the stage where the majority of existing jobs cease to exist and machines do everything for us, leaving us to either find alternative jobs or lead a life of "productive leisure". Many employees dream that their boss will be replaced, but if that boss is replaced by an artificial intelligence along the lines of Microsoft's chatbot then they may end up getting more than they bargained for! **B**



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Informed & Empowered

Knowledge management is a process supported by systems to capture, develop and share knowledge within an organisation – but how do we make it work?

– By Sophia Khimji

Knowledge management is a commonly misunderstood discipline in Hong Kong and the wider world. Over the years, I've heard many myths about the topic.

Pactus has worked with many clients on initiatives to improve knowledge management and these myths are a concern; they undermine the investment the organisation is making. By laying out some best practices, we aim to help to improve the effectiveness of an organisation's projects and programmes.

Culture, not technology

Perhaps the best place to start is with the most common misunderstanding: that knowledge management is a software solution. In a purely functional sense, knowledge management is a well-run process supported by systems to capture, develop and share knowledge within an organisation. It's easy to see the connection with technology.

However, this common definition misses a key point. Ultimately, it is people who need to obtain and share knowledge. The systems and processes are just a vehicle for knowledge management. Let me give you an example: one international business I engaged with that had an employee in its post room whose job was to receive reports and then decide who should receive them. What struck me was that there were hundreds of people writing reports with no particular person or decision-maker in mind. Moreover, there were perhaps just as many people who were receiving

“Living knowledge that resides in people’s heads cannot be removed from the equation.”



reports without having expressed any interest in them. I would argue that knowledge is not being managed in this scenario and anything learned by anyone was a fortunate accident.

The intentional willingness of staff to participate and a culture that delights in requesting and sharing knowledge is key in my mind. It would be more accurate to describe knowledge management as a culture. It may require the right supporting processes and systems to be effective but without the right purposefulness and attitude, it's all for nothing.

For employees in many businesses, there simply isn't the motivation to share knowledge. Indeed, it might run counter to their own personal agenda. Some hoard knowledge because they worry about their job security; others see it as the route to their own personal advancement. More simply still, they do not see the value in giving away hard-won knowledge without the certainty that it will be reciprocated in their own hour of need.

As such, management has an important role to play in making knowledge management effective. It needs to be sponsored from the top to ensure it is seen as acceptable; that the only genuinely stupid question



is the one that is not asked. It also needs to be managed from the top to ensure buy in at all levels of the organisation.

Not what you know; who you know

We've all been there – you need to find some information but have no idea where to look. Perhaps you haven't asked the right question, or the answer simply isn't there to find. You've no way to be sure through the system itself.

There's only one way to track down the information you need: you ask the person sitting beside you. Knowledge management is as much about who you know as it is about having access to the right systems.

How quickly you find the answer will depend on how readily people will help, attitudes to knowledge, how flat the culture is and the formality of its

hierarchy. If people are willing to openly share their knowledge throughout your organisation, then you could get your answer in minutes but if knowledge is jealously guarded then it could take anywhere from days to forever.

Social networking services used within a business can be a fantastic way of finding the right person with the answer. Knowledge management systems are becoming increasingly integrated with social networking services, making it easier to share knowledge and capture answers to unanticipated questions.

Living knowledge is key

Even when you can lay your hands on the right information, documents and systems will never be as informative as someone who knows the answer first-hand, can explain it, remove any misapprehensions and provide some quick pointers. Living knowledge that resides in people's heads cannot be removed from the equation.

Then there is knowledge that most companies won't ever capture in their systems. These are the small but important details, such as how people and business units like to be communicated with, that can make a massive difference to how effective a new employee will be.

I make these points not because I want to trivialise the role that systems play. Indeed, I think they're extremely important and a key enabler in an increasingly global marketplace with growing levels of flexible working. However, we need to address the whole picture around knowledge management if we want our investments to succeed.

In order to make the most of knowledge management, companies need to recognise that no amount of effectively implemented technology or processes will help unless the cultural challenge that comes with the practice is tackled at the same time. **B**



Sophia Khimji
Director
Asia, Practicus
Ltd.

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Shared Services Demystified

As businesses grow, expanding to new offices or geographies, administrative systems and services can become overrun, out-dated, or needlessly duplicated. In an interview with the Chamber, Phil Searle, the founder and CEO of Chazey Partners, explains how Shared Services realigns business needs to offer greater efficiency, improved services, and a tighter control environment.

What was the genesis of your Shared Services company?

Chazey Partners was founded in 2006 when I was living in England. Actually the name "Chazey" is from the name of the street that I was living in at the time: Chazey Road. I started the business after many years in various Finance and operational leadership roles such as Corporate Controller of 3Com in California and Business Unit CFO for one of the Cendant businesses.

During my time as a practitioner, I had leveraged Shared Services solutions with tremendous benefits. I had also spoken at conferences on the subject of Shared Services for many years. I felt it was a good time to move into consulting and release my entrepreneurial spirit!

In the past decade Chazey Partners expanded to the US, Canada, and Latin America. In November 2014 we opened our first business in Asia, in Hong Kong.

What does Chazey Partners offer?

Chazey's leadership team members have all been

practitioners and leaders prior to joining Chazey. None of us are "born consultants". Previous business leadership experience is essential, allowing us to advise on practical considerations of balancing the needs of the business.

We also have a team of project managers, and business process and systems analysts supporting the team. They are "hands on" professionals with deep experience in key functional areas (procure-to-pay, HR operations, IT systems, etc.).

Is Shared Services like outsourcing, or something completely different?

Shared Services is a solution that can deliver what we call the "triple benefit" of greater efficiency, improved services, and a tighter control environment. Organisations that have multiple divisions, business units, and geographic locations often have common needs for their "back office" support services. They can look to "share" and consolidate multiple finance, HR, IT, procurement, and other services. This consolidation and an integrated approach allow each part of an organisation to receive its support in a more cost effective and efficient manner.

It is true that there is a common misconception that "Shared Services equals outsourcing". It does not. While outsourcing can be complementary to Shared Services, it is distinct in that outsourced services are provided by a third party, external provider. Shared Services is an internal service provider and part of the organisation it serves.

What processes are integral to improved performance?

Shared Services traditionally has focused on the more transactional and administrative activities that can be more readily standardised, automated, and consolidated, such as accounts payable, fixed assets and general accounting within Finance and payroll and benefits administration, employee on-boarding and employee records management within HR.

Over time, Shared Services has "moved up the value chain" into more professional and technical areas, such as Financial Reporting within Finance and more specialised Recruitment within HR. The same sort of mix applies to other back office functions such as IT, Procurement, Legal, etc.

What are the unsung benefits of Shared Services?

Shared Services can deliver improved control, transparency, and governance. Many of the control-related issues foreign companies encounter in Asia (for instance) involve improper transactions. With a properly structured Shared Services solution in place, transactions are processed in a centralised, controlled and visible fashion.

So, along with greater efficiency and higher quality of service, there is an inherent architecture with Shared Services that can help protect the organisation from malfeasance on a day-to-day basis.

How does Shared Services improve or support "integrity issues"?

Whether it is bribes, embezzlement, improper awarding of contracts, theft of intellectual property, claiming of undue benefits, hiring relatives, or anything similar, some person is ultimately invoiced in the transactional machinery of a company. Funds must be transferred, or someone has to sign a contract, enact the terms of the agreement, and file the paperwork.

While most companies have policies, training, internal controls, and audit programs in place to prevent malfeasance from occurring, unscrupulous individuals just regard these as obstacles to avoid, as they typically take effect only after an action has taken place.

With Shared Services, an organisation can exert control directly at each point of transaction, before an action is taken. Shared Services is the frontline, observing how the organisation behaves relative to its policies and procedures.

What is the process used to develop a Shared Services plan for a client?

Perhaps the best example is transparency of operations within the organisation. Our first step in any engagement is to conduct a detailed assessment, resulting in a roadmap and business case. What is the state of affairs today, what are the realistic opportunities for improvement and what is the financial viability of the change?

Usually we find there are parts of the operation that are not understood and simply executed as a result of legacy rather than any thoughtful purpose. They are inherently inefficient, representing low hanging fruit for immediate improvement irrespective of whether there is a full transformation. So even from the outset there are opportunities from exploring Shared Services.

What customised approaches do you offer?

At Chazey Partners we tailor our support to meet the needs of each individual client. There is no "one size fits all" approach for us. We can say this with confidence as we have two key differentiators. First, our people have the experience of leading many different companies and operating across multiple regions, countries and jurisdictions, including here in Hong Kong. Second, we have tools and methodologies derived from our collective experience. So we can adapt to meet the needs of each client and innovate to ensure truly relevant support. We really do practice the mantra of "think global, but act local". B



Phil Searle
CEO, Chazey Partners

Chazey Partners Inc is a practitioners-led management advisory business. We bring together a wealth of experience, empowering our clients to strive for world-class excellence through Business Transformation, Shared Services & Outsourcing, Technology Enablement, Process Enhancement and Corporate Strategy Optimisation. Our experience encompasses Finance, HR, IT and Procurement and support services such as Real Estate, Facility Management, Communications and Legal Services.



**Chazey
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Older and Wiser

Recognising a burgeoning need, the Chinese government is encouraging domestic and foreign investment in senior housing.

– By Janice Yau Garton

China is encouraging investment in senior housing as it tackles a looming demographic crisis. However, potential investors will need to structure their business carefully to take advantage.

Almost four decades of a single-child policy has contributed to a significant decrease in China's annual birth rate, from 18.2 per 1,000 people in 1980 to 12.9 in 2015, according to the World Bank, causing a "4-2-1" phenomenon, where one child has to care for two parents and four grandparents.

At the same time, people are living longer. China's now has 220 million people over 60 years old (16.3% of its total population) and this is expected to reach 437 million in 2050, more than the total projected population of the United States.

The current supply of senior housing is minimal and mainly government-supplied. In 2012 there were enough facilities for less than 0.5% of the aged population, a stark contrast to 7% of over-55s who live in senior housing in the US. Estimates suggest China will need another 5.2 million elderly beds by 2020 to meet demand.

The Chinese government, sensitive to any potential disruption to social harmony, is encouraging domestic and foreign investment in senior housing.

Preparations for the aged

The Law on Protection of the Rights and Interests of the Aged has introduced preferential policies such as reverse mortgages, basic pensions and old age allowances to support development of social welfare institutions for the elderly.

Significantly, the 2015 update to China's Catalogue for the Guidance of Foreign Investment Industries (Catalogue) classifies elderly care institutions (ECIs) as an "encouraged" sector. Foreign investors are now allowed to operate through a wholly foreign owned entity (WFOE), rather than through the traditional joint venture required for most real estate assets.

In practice, however, many restrictions remain in place. At the time of writing, Shanghai requires foreign investors to approach the market through a Chinese-foreign joint venture, even though ECIs can be established as WFOEs in the Shanghai Free Trade Zone. Licence applications also require completed premises, complicating the build-to-operate model.



Incentives

The latest incentives for investment in the elderly care industry, however, are available to all investors regardless of nationality. For example, electricity, water, gas and heat fees should be charged at residential levels, and local authorities are encouraged to provide discounts of administrative levies.

Private elderly care services providers are also exempt from business tax, and the transfer of building ownership or land use rights during the restructuring of an ECI is exempt from value added tax and business tax.

The most recent guidance on land use also closes some loopholes to ensure that the approved ECI is actually used for its intended purpose, rather than a back door to develop high-end real estate projects. Room sizes are controlled, and local governments are not permitted to approve any subsequent changes in land use zoning or floor space ratios.

Despite the policy changes, foreign investors will still need to structure their investment carefully to obtain the required licence. The following investment models may help foreign investors approach the elderly care market:

Foreign-Invested Real Estate Enterprise

There is no restriction on foreign-invested real estate enterprises obtaining land use rights for undeveloped land. Once the development is completed, the ECI can be leased to a third-party operator. If, however, the foreign-invested enterprise wishes to self-operate the ECI, expansion of business scope, obtaining the requisite permit and license is necessary.

Foreign-invested ECI

As an encouraged sector, foreign investors into senior housing may establish a Chinese-foreign joint venture ECI. Investors may choose to outsource the operation of the ECI to an experienced operator, or hire employees to operate the ECI on its own.

*The 2015 update to
China's Catalogue for
the Guidance of Foreign
Investment Industries
classifies elderly care
institutions (ECIs) as an
“encouraged” sector.*

Joint Venture with Insurance Institutions

Insurance institutions benefit from state support for investment in medical institutions and elderly care. Taking advantage of upstream health, maintenance and elderly care insurance, sufficient capital and client resource could promote the sustainable development of downstream senior housing industry.

Public Private Partnership

The Ministry of Civil Affairs approves the Public Private Partnership model. Both government agencies and public sector ECIs are encouraged to involve private sector players through contracting, associated operations, equity joint ventures and general cooperation.

Franchises

Foreign investors are encouraged to scale up elderly care investment, develop franchises, cultivate quality elderly care brands and participate in the privatisation and restructuring of public ECIs. However, few regulations can be referred to in detail.

The Chinese government's recent legislative incentives provide a big opportunity for private and foreign investors in the significantly underfunded and publicly run senior housing market. However, investors must navigate the new supportive regulations carefully in order to benefit from the policy change. **B**


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Bucking the Trend

Once the darling jewel of luxury mega brands, Hong Kong is getting a bad rap as retailers continue to face an uphill struggle in the market. But for the smaller brands, the city can still mean big business. – By Alice Chan

There is not a week that goes by without the media slapping down doom-and-gloom headlines reporting on the sorry state of the retail market. This February saw retail sales plunge 21% to HK\$4.8 billion year on year, according to Hong Kong's statistics department, the biggest drop since January 1999. By now we all know the drill: lay the blame on the China slowdown, decline in Chinese tourists, weak stock market and stagnant property prices for the

plummeting numbers. It perhaps came as a surprise to some, then, that UKTI chose to stage a trade mission this March, and invited 23 fashion SMEs to visit Hong Kong to learn about the market and meet potential buyers and business partners.

It is undeniable that Hong Kong is no longer cashing in like it did in the Golden Decade of retail, dragging the once-booming luxury sector back to a time before the individual visit scheme for Mainland Chinese tourists was introduced in the city. With prestige brands shuttering stores to consolidate their operations, many were left asking what chances does everybody have when the big luxury players are pulling out.

It's a bleak picture, but as Mark Parker, Executive Chairman of International Lifestyle Brands Group Limited, reminded our trade mission delegates, when one door closes, another opens. "From the 1990s, there have been four great opportunity windows for SMEs to bring their brands, products and services to

Asia via Hong Kong: the first was just after the 1997 Asian financial crisis; the second was in the aftermath of the tech blowup in 2000; the third came as the SARS epidemic came under control; and the fourth followed the global financial crisis in 2008,” says Parker. “We can now add a fifth window, which is just now opening following the end of China’s luxury feeding frenzy.” It wasn’t just a quip to grab people’s attention, either; it was precisely during these economic crunches that he made brands such as Fossil and Jack Wills profitable businesses in Hong Kong and Asia.

Britain is proud to be home to the world’s leading creative and design talent, and London is one of the primary fashion hubs of the world. Students from around the world choose the UK to further their creative studies – many of the world-acclaimed designers took their first steps towards mastering their craft at celebrated institutions such as Central Saint Martins. Despite the abundance of talent, it hasn’t been easy to crack the Hong Kong market, especially for independent labels. Today, the average rents are still too high for retailers to earn a fair return on capital, but this is changing rapidly. A new Adidas store just opened in a space formerly occupied by US luxury brand Coach on Queen’s Road Central, at a widely reported cut in rent, too, and is just one sign of what’s to come. “This trend will continue and within the next 18 months rents will be at levels where a new entrant can prosper,” says Parker. “This specific transaction highlights a dominant trend away from luxury and toward affordable yet aspirational product which creates huge opportunities for brands from Great Britain.” It is precisely for this reason why UKTI sought to bring out a group of fashion SMEs to market now, not only to meet contacts in Hong Kong, but also buyers and potential partners from Taiwan and the wider Asia-Pacific region who flew in for the showcase.

Julia Gash’s Made By Talented, a British company that designs and produces sustainable tote bags and souvenir range, is one such SME that has jumped in with two feet to set up a presence in Hong Kong. Gash joined a trade mission out here two years ago, and the business has since grown significantly. Her range is currently stocked by the likes of Eslite, HMV and Page One. Says Gash, “Hong Kong’s can-do attitude and easy trading conditions have made it an attractive place to establish our new Asia Pacific office.”

British luxury fashion jewellery brand Monica Vinader shares Gash’s sentiments, and made a case for why Hong Kong is still relevant, especially for a small brand like hers, in an op ed in The Business of Fashion earlier this year. Reports of the downturn were already in full swing when Vinader opened her first store at IFC in November 2014, but the business has been nothing but a success, and she has since opened two further points of sale in Harbour City and Sogo.

“Hong Kong’s can-do attitude and easy trading conditions have made it an attractive place to establish our new Asia Pacific office.
– Julia Gash, Made By Talented.

This period of reflection and adjustment for retailers – and for landlords to be less bullish over rents – is a healthy one, even if it is at a painful cost right now. In both good and trying times, brands often forget that Hong Kong itself has a large enough domestic target, and all the plus points the city has going for it. Hong Kong’s free port status, open economy with very low taxes, the business infrastructure, rule of law, immense foot traffic of sophisticated consumers – locals and tourists – who still have high spending power, all in a very densely packed space, these are all characteristics of the city that are unparalleled anywhere in the world. Says Parker, “The China consumer story is only in its opening pages and there is no better window into the heart, mind and wallet of the Chinese consumer than having a compelling presence in Hong Kong.” We couldn’t agree more. ■



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The Benefits of Home

There are tax-efficient arrangements available for employees and directors with housing benefits. *HKWJ Tax Law & Partners Limited* explains how to manage tax benefits without losing rent subsidies.

Housing benefits received by directors or employees from employers or the employers' affiliated corporations are generally subject to salaries tax in Hong Kong unless an offshore-exemption claim on their directors' fees or employment income can be satisfied. However, the salaries tax can be potentially mitigated in most circumstances in case the housing benefits are provided in the form of a rent-free or rent-subsidised residence, instead of a basic cash allowance.

Provision of a rent-free residence is in general the arrangement that the employers or the employers' affiliated corporations purchase or lease a residence and provide that residence to the directors or employees for accommodation, whereas provision of a rent-subsidised residence is in general the arrangement that the employers or the employers'

affiliated corporations reimburse wholly or partly the rental incurred by the directors/employees.

The relevant tax rules

According to the Hong Kong Inland Revenue Ordinance, allowance including housing cash allowance is included as assessable income and the actual amount is added to salary in calculating the salaries tax liabilities in Hong Kong. However, if the directors or employees are provided with a place of rent-free or rent-subsidised residence, the housing benefits will be taxed based on a deemed rental value, which is calculated at 4%, 8%, 10% of the assessable income (after deducting the outgoings and expenses) earned from their employers/the employers' affiliated corporations, depending on the type of the accommodation.



Potential tax savings

In order to better understand the potential tax saving in respect of the housing benefits provided in the form of a rent-free or rent-subsidised residence, an example is given below.

Individual A's monthly salary is HK\$40,000 and his monthly housing cash allowance is HK\$10,000. Individual B's monthly salary is also HK\$40,000, but he is reimbursed by his employer with a rental of HK\$10,000 each month for his flat.

Assuming both individuals are taxed at the highest progressive rate of 17%, the assessable income under these two situations and the tax savings are calculated shown in the table above.

Relevant issues

In order to avoid the abuse of the potential tax saving arrangement, the Hong Kong Inland Revenue Department (HK-IRD) has been stringent in assessing the taxable housing benefits. In case the directors or employees claim with the HK-IRD that they are provided with a place of rent-free or rent-subsidised residence, the HK-IRD would probably examine the validity of the claim and usually look at, amongst others, whether or not:

- the employers have the intention to provide a place of residence to the directors or employees;
- the employers have established clear guidelines/policies regarding the provision of a place of residence to the directors/employees, and
- the employers have exercised proper control over how the directors or employees spend over the rental reimbursed by the employers.

For the purpose of entitling to the potential tax benefits, it is important to have the employment contract and company policy regarding provision of housing benefits well prepared and also have the relevant tenancy agreement, rental reimbursement claim form and rental receipt well maintained. **E**

	Individual A (Housing cash allowance) (HK\$)	Individual B (Rent-subsidised residence) (HK\$)
Annual salary (HK\$40,000 x 12)	480,000	480,000
Housing cash allowance (HK\$10,000 x 12)	120,000	N/A
Deemed rental value (HK\$480,000 x 10%)	N/A	48,000
Assessable income	600,000	528,000
Potential tax saving [(HK\$600,000 – HK\$528,000) x 17.5%]		12,240

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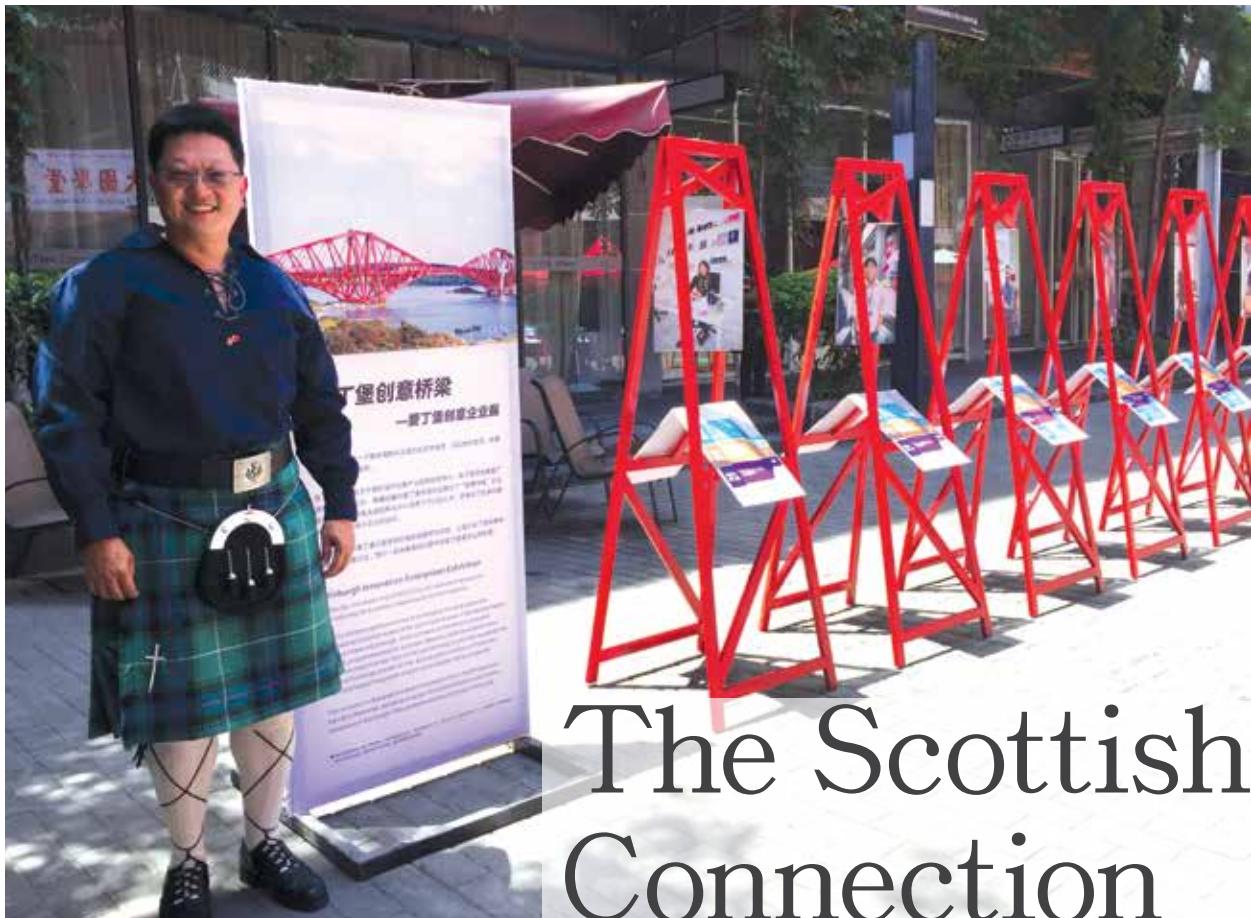
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HKWJ Tax Law & Partners Limited
provides international and local tax advice in Hong Kong.
This includes tax beneficial structures for corporations and private individuals/small & medium enterprises.



The Scottish Connection

The Edinburgh incubator, based in Creative Exchange in Constitution Street, was opened in September 2015. Nelson Yiu, a Partner with Whitelaw Wells, describes its beginnings.

I was born in Hong Kong and went to King's College for my secondary school. I went to Salford University in 1983 to study Accountancy and Finance, and from there I was attracted by the Scottish CA training, and went to Edinburgh in 1986 to start my training with a medium size firm. I was qualified in 1989 and have been a partner with Whitelaw Wells, an independent medium size firm in Scotland since 1999.

Whitelaw Wells is one of the top 20 independent firms in Scotland and we cover all areas of accountancy and audit work. We do a lot of charity audit and have a strong link with the Chinese community and we have two partners who speak Cantonese and Mandarin. We must represent roughly half the Chinese community in Scotland.

I travel to Hong Kong every six months to see my parents. I like to help Hong Kong clients who want to invest in properties in Scotland, or need help with the domicile rules, or understanding the resident test. However my real passion is assisting companies from China or Hong Kong start up businesses in the UK.

When I heard that one of our property developer clients, Chris Dougray, went to Shenzhen in November 2014 with the Edinburgh City Council, I contacted Wendy Liu (with the China British Business Council) who is now a senior Economic Development Officer with Edinburgh City Council.

A Memorandum of Understanding had been signed by Donald Wilson, the Lord Provost of Edinburgh and Humza Yousaf of Shenzhen in June 2013 to set up a joint International Creative Industry Incubation Centre in both cities. From that, the concept of Shenzhen Edinburgh Business Incubation was born.

The Shenzhen Incubation centre is located in BaoAn, F518 Idea Land, operated by the Shenzhen Creative Investment Group at the outskirt of ZhenShen. The grand opening of the centre was in May 2015 and I was invited to give a talk about the tax consideration of setting up a company in UK.

I arrived in Shenzhen and was warmly welcome by the staff and friends of F518. I was impressed by the setup: F518 Idea Land was formed five years ago to facilitate business start up in Shenzhen for the creative industries and the number of companies now located in the business park surprised me.

More than 200 people attended the Opening ceremony and Catherine from Edinburgh Palette did a fantastic job in showing the work of Scottish Artist in the centre. Little did the guests know that the art work had been only delivered to the Centre the night before and several people had burned the midnight oil to preparing for the next day. Six companies from Edinburgh signed up for the desk space in the F518 centre. Among them were firm of architects, high-tech companies and consultancy firm for Chemical industries.

The Edinburgh incubator, based in Creative Exchange in Constitution Street, was opened in September 2015. The Edinburgh City Council owns creative Exchange and its aim is to promote business start up

and provide practical help to buzzing entrepreneurs by providing fully serviced office space. Companies from Shenzhen can enjoy the use of office space and the facilities in the centre free of charge for two years.

The Council has continued its support to Edinburgh business by setting up a new event "Create in Shenzhen 2016 competition" in February 2016. The winner will be given an

opportunity to find a local partner or investors in Shenzhen who will help to promote its products and services in China. Coda Octopus, a specialist in underwater technology won the competition and they will go to Shenzhen in May 2016 to face the dragon den, Chinese style.

My real passion is to assist companies from China or Hong Kong to start up business in UK

– Nelson Yiu

I am very excited with this development and also pleased to see the support from the Scottish government in setting up the incubator to create real business opportunities in Edinburgh and especially help given to small business. It would be great if such initiative can be extended to other industries and go beyond Edinburgh and Shenzhen. B



Nelson Yiu
Partner,
Whitelaw Wells

Whitelaw Wells was established over 100 years ago. We have seven partners and have offices in Edinburgh, Glasgow and Dundee. We are one of the leading independent accountancy practices, employing around 50 staff. All of our partners are Scottish CAs. We provide a wide range of services including bookkeeping, annual accounts, audit, payroll, personal and corporate tax.



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Supporting Start-ups

Hong Kong is developing a track record for nurturing new businesses and you have a role to play in that venture

— By Adrian Seto

Members of the British Chamber of Commerce are well-placed to support start-ups in Hong Kong.

The regulatory environment is favourable for launching new businesses. Earlier this year, Chief Executive Leung Chun-ying announced a new HK\$2 billion Innovation and Technology Venture Fund, which aims to encourage increased funding from private venture funds in technology start-ups through a matching process. It is expected to help early-stage start-ups move from prototype to commercialisation stages.

While many start-ups dream of becoming a "unicorn" (a company with a US\$1 billion valuation), the reality is, most won't even become racehorses.

But many start-ups in Hong Kong become viable businesses and valuable additions to the business community.

I know this from first-hand experience. Since 2014, I have lead Accenture's FinTech Innovation Lab Asia-Pacific. This is an incubator program that calls for financial tech (or fintech) applicants from the global

start-up community. Then Accenture and more than a dozen participating financial services companies select candidates. Applications can be made at www.fintechinnovationlabapac.com and close on 31 May 2016.

C-suite level financial services executives evaluate their business ideas, focussing on a variety of factors. Is this business idea new? It might not necessarily need to be, but is it viable and implementable at scale? Is it useful to the customer? Can it help financial institutions streamline processes and/or cut costs? Does the tech make sense? These are just some of the criteria, but the executives spend several days pouring over the proposal and narrowing down the list, sometimes (truth be told) there are some intense debates regarding who is ultimately selected.

The finalists, have varied in number over the years, but usually include roughly seven start-ups. They have come from around the globe (as far flung as Israel and the US, to more regional start-ups from India, Australia, Singapore and, of course, Hong Kong). Cyberport provides them office space and for

12 weeks they receive intensive mentoring from the financial institutions and Accenture.

It's still early days, but since 2014 we have seen several start-ups from our lab flourish after taking part in our accelerator program, which is why it is clear to me that the business community here can definitely help foster and support new businesses.

Hong Kong-based AMP Credit Technologies met innovation-focused and SME banking executives from DBS at the lab in 2014 and shared its new approach to assess loan applications and manage credit risk. In January, AMP and DBS announced that the Singapore-based bank had launched a new working capital loan for small businesses, using AMP's technology of electronically verifiable cash flows, such as card payments, to do credit assessments.

The DBS mLoan pilot programme offers loans of up to S\$100,000 with no collateral required. DBS, as Singapore's largest bank, has a significant customer base that no start-up could expect to have while AMP brought tech to the table. Joyce Tee, regional head of SME Banking, DBS Bank said, "We are committed to constantly innovating and helping all our SME customers grow, irrespective of their industry or stage of growth. Leveraging AMP's advanced credit and data analytics, we are able to design a working capital loan for these small businesses that might otherwise be under-served."

Similarly, Finsuite, a Melbourne-based start-up that participated in our lab and met executives from HSBC has subsequently worked with the bank. Raymond Cheng, HSBC's chief operating officer for Asia-Pacific, said the bank's work with the fintech community has helped it provide more competitive products.



Adrian Seto is Director of FinTech Innovation and the Lead for FinTech Innovation Lab APAC. Accenture will be accepting applicants to the FinTech Innovation Lab Asia-Pacific 2016 as of mid-April.

Accenture is one of the world's leading organisations providing management consulting, technology and outsourcing services, with approximately 373,000 employees, offices and operations in more than 120 countries.

"Our collaboration with FinSuite, an Australian start-up, helped launch BizAnalyzer, an automated financial spreading product which improves our ability to make efficient lending decisions," Cheng said late last year.

“

While many start-ups dream of becoming a “unicorn”, the reality is, most won’t even become racehorses. But many start-ups in Hong Kong become viable businesses.

”

"The participation in the lab and our collaboration with HSBC on the back of the lab, has helped propel FinSuite from a small Australian start-up to a global fintech participant, currently expanding into MENA and the US," said founder and CEO Bart Jesman who will be speaking at a British Chamber of Commerce event on Fintech in Melbourne on April 7.

Meanwhile, Hong Kong has lured start-ups to stay here. The CEO of APrivacy, which was called I Think Security when it took part in our lab in 2014, decided to open an office here in August 2015.

"We were exposed to potential clients and came to understand the need for security and compliance in this region," said Cédric Jeannot, founder and CEO of APrivacy, which specialises in encryption and tracking technology for financial institutions. "We still have our head office in Waterloo, Canada, but we recognised that setting up an office in Hong Kong would allow us to tap into the Asia market."

The Canadian consulate helped APrivacy in that move, underscoring the value chambers bring to the table. But help, as readers of this publication would know, can be subtler. Referring start-ups to mentorship programs (like our lab) helps. If you're more senior in your field, take the time to have a beer with start-ups and offer some advice. The more we nurture new start-ups in Hong Kong the more we all benefit from the fact that they are often the most nimble and capable to bring new ideas to the table. **B**

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Mastering Millinery (and More)

Those who enjoy the strictures of rules and etiquette will adore the demands of the Royal Ascot.

– By Kate Targett-Adams

Ascot in the UK hosts 26 days of racing a year, but it is only when the royal party rides through the gates of Windsor Great Park in open carriages

through cheering crowds to the Royal Enclosure each June that it can be termed "Royal Ascot".

If one is to pass the silent nod of approval, one should at least be able to say the name correctly. Pronounced by those in the know as "Royal Ask-t", with the emphasis on the "Ask" and an almost silent vowel thereafter, mastering the phonetics is only the beginning. In fact these five special days are a gold mine for those with an inborn love of rules and etiquette.

Dress Decoding

If you are in the main Grandstand you are intended to treat the occasion as formal. For the ladies a hat, headpiece or fascinator, should be worn at all times. Strapless, or dresses with a thin strap, are not permitted. Even if you don a jacket or a pashmina, dresses and tops underneath should be in compliance with Grandstand Admission dress code. Midriffs are a definite no-no; and don't ever do the unthinkable and turn up in shorts.

Gentlemen, as usual, have it a little simpler: suit with a shirt and tie.

The real fun begins if you are invited to hobnob with royalty and celebs in the Royal Enclosure: dresses and skirts should be just above the knee or longer, and straps must be one inch or greater. Trouser suits must be full length and of matching material and colour. Hats should be worn, although in the Royal Enclosure fascinators are definitely out of fashion, and no longer permitted. Sporting a headpiece without a base that covers a sufficient area of the head (at least 10cm in diameter) will leave you in serious breach of protocol.

For the gents, black or grey morning dress is worn, which must include a waistcoat and tie (no cravats), accompanied by a black or grey top hat and black shoes. A gentleman may remove his top hat within a restaurant, a private box, a private club or that facility's terrace, balcony or garden. Did you catch all that?

The Bare Etiquette Essentials

A short recap of what not to do:

- Dress incorrectly. Dress for the Royal Enclosure is "morning dress", not to be termed as "morning suit". Ladies should not wear: spaghetti straps, halter necks, off-the-shoulder outfits or exposed midriffs.
- Wear a fascinator in the Royal Enclosure: The rules have changed in the last few years, and fascinators are out for the Royal Enclosure. Top hats for the gents, and elaborate hats for the ladies. If you are in the main Grandstand you may continue to "fascinate".
- Call it "horse racing"; it's just "racing", as it's the only type of racing that matters. Cars, yachts, motorbikes, dogs, why on earth race anything else?



Do remember to:

- Bring your man to Ladies' Day. Each year, the Thursday during Ascot is termed "Ladies' Day", but men are also allowed entry.
- Place a bet by informing the staff when in the Royal Enclosure. You don't do it yourself; you simply inform a functionary which horse you "fancy" and leave it to him/her to find you the best odds and place your bet.
- Find a good parking spot. You will be judged socially by your parking space: Number 1 Car Park is arguably the best, and most certainly the smartest spot for your luxury picnic. Number 7 Car Park is reserved for Royal Enclosure members only, so a perfect choice if you are VIP enough to be invited.

Keep an eye out on our events calendar as our Chamber's Women In Business committee are planning a fabulous day at the races our ladies with stunning prizes on offer for the best dressed!

On your marks, get set, go! **B**



SuperStyle is a Personal Branding & Etiquette consultancy, founded by internationally-acclaimed musician and artist, **Kate Targett-Adams**, in order to help others feel and project the confidence, presence and style that she gained through her Oxford education and experience as an on stage performer across Asia over the last eight years. Facilitating in English, Cantonese and Mandarin, SuperStyle provides solutions for individuals and corporations on communication, image and character. To contact, email info@superstyle.asia.



Multifaceted Maldives

Conrad Maldives



Cocoa Island



Whether you're after an exciting surf break or a luxurious, pampering retreat, Hong Kong-based luxury tour operator Lightfoot Travel has a comprehensive list of the top Maldives resorts for every type of holiday.

For Romance

Cocoa Island

This beautiful island resort exudes a simple-yet sophisticated charm, and each of the 33 suites has direct access to the lagoon. Every room is decked out with a private terrace, perfect for admiring the island's beautiful sunsets with a cocktail. The original dhoni-shaped overwater villas (essentially wooden vessels used by local fishermen) are unique to the Maldives.

Gili Lankanfushi

Said to have the "biggest overwater villas in the Maldives", Gili Lankanfushi promises a holiday away from it all. For the ultimate romantic stay, lock yourself up in the 250-square-metre Crusoe Residence, accessible only by private rowing boat or boat shuttle. The villa features a kitchenette, rooftop

sun deck, mini wine cellar and access to the sea, so you don't need to venture out if you don't want to!

For Diving

Maalifushi by COMO

Whale sharks, hammerhead sharks and manta rays are common in this area, making it an underwater paradise for diving aficionados. Maalifushi also has a unique system in place: if whale sharks are nearby, staff will call your hotel-appointed mobile phone and you can drop everything and head straight out to snorkel amongst them.

Conrad Maldives

Famed for its underwater restaurant where you can dine with shark and fish views, the Conrad Maldives is also a great pick for dive fanatics. More than 40 dive sites are within easy reach of the hotel, including

well-known Manta Point where whale sharks and manta rays are regularly spotted in the crystal clear Maldivian waters.

For The Best Surf Breaks

Six Senses Laamu

It's the only resort on the unchartered Laamu atoll, and straight across the Ying Yang surf break. There's no need for long transfers, too – just pick up your surfboard and paddle out.

Four Seasons Landaa Giraavaru

Master the waves at Four Seasons Landaa Giraavaru, which has a great surf school for kids and adults. Laying claim to six of the best point breaks in the Maldives, you'll find the perfect spot to take on the swells, whether you're a beginner or a seasoned surfer.

For The Wow Factor

One & Only Reethi Rah

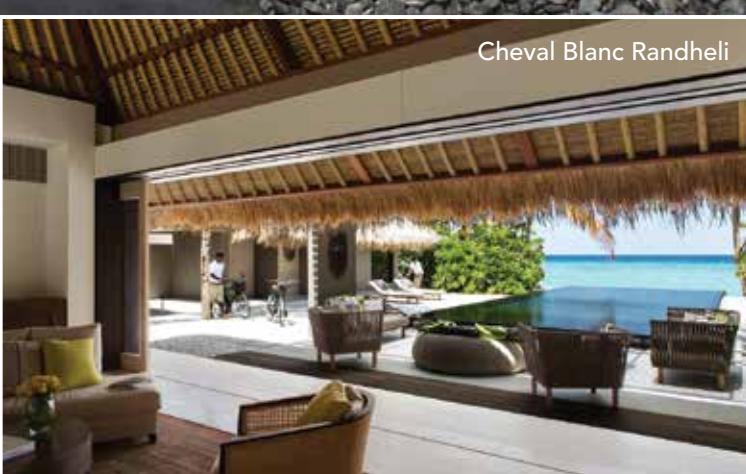
See and be seen at One & Only Reethi Rah, which has played host to many celebrities, including Tom Cruise, the Beckhams and Fergie. A personal concierge is on hand to take care of your every need, from drawing a bath and serving your meals, to procuring a bottle of fizz from the largest Champagne cellar in the Maldives.



One & Only Reethi Rah

Six Senses Laamu





Cheval Blanc Randheli



Soneva Fushi

Cheval Blanc Randheli

Before your arrival, Cheval Blanc Randheli's Alchemists (their version of a concierge) are already in touch with your Travel Designer to put together a wide array of tailor-made activities just for you: diving, massages and your favourite Champagne served at just the right temperature.

For Family-Friendly Holidays

Anantara Dhigu

Built with families in mind, Anantara Dhigu's one-bedroom villas sleep two little ones comfortably, while a handful of two bedroom family villas are available to accommodate larger families. Professional staff keep a watchful eye over children at the hotel's kids' club as they participate in a host of fun activities – think scavenger hunts, coconut painting and dodge ball – so parents can enjoy some peace and quiet!

Soneva Fushi

A real treat for kids of every age. The Den, their very own playground, is decked with everything of a child's dream: a pirate ship, two pools, a mocktail bar, lego room, dress-up area, cinema, sound-proof music room with instruments, and more. **B**

Bespoke travel company **Lightfoot Travel** (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 or call +852 2815 0068.


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Available to buy at various outlets in Hong Kong. Visit brompton.com for information.

Fragrance

Indulge yourself with **Jo Malone** London's latest venture: the Rare Teas Collection. These six colognes offer a new assortment of globally inspired teas, ranging from Silver Needle Tea, Darjeeling Tea, Jade Leaf Tea, and Oolong Tea, to Midnight Black Tea and Golden Needle Tea. They have been merged to create the ultimate essence in skin refreshment. This precious range of colognes showcases meticulously handpicked and prepared teas from the Japanese foothills to China and the Himalayas.

Sense of Touch, G211, 1/F, The Repulse Bay Arcade, 109 Repulse Bay Road, Tel. 2592 9668



Victoria Wines serve up a Classic Pinot Noir nose of strawberry and raspberry with a splash of creaminess. With ripe berry and rhubarb flavours, a clean finish and perfectly balanced acidity, this wine will propel you into summer. Chapel Down Winery has been quietly clocking up the awards for its grand selection of premier wines, which are all made at its winery in Tenterden, Kent. The Chapel Down Winery is home to the largest producer of English wines. Designed and built by local artisans, Chapel Down's vintners give English wine a home to be proud of.

Chapel Down Rose Brut NV, \$318.00, victoriawines.com.hk



Fe&B

Pampering



Sense of Touch offers a signature innovative facial that infuses collagen directly into your skin to minimise fine lines, combat the signs of ageing, and visibly improve the appearance of your skin. Transforming the skin from the inside out, this treatment uses a revolutionary triple liposome technology to deliver collagen and other active ingredients to every layer of the skin. As a result, your moisture level is doubled and skin elasticity is increased by up to 60%. Together with anti-aging hand and eye treatment, your skin is firmer, plumped up, smooth and looking younger.

Signature Fresh Collagen Infusion Facial, \$1180 for 80mins, senseoftouch.com.hk

F&B



Located on the 5th floor of Mira Moon, **The Champagne Bar** features a glittering décor with partial views of the stunning Victoria Harbor and the groundbreaking light show at ICC. Whether you plan to unwind with friends and colleagues after a long day, or throw a birthday bash or an intimate gathering, The Champagne Bar's intimate ambience offers a stylish hot spot on Hong Kong Island to enjoy a variety of exquisite champagnes. Immerse yourself in two hours of free-flow with three alluring champagne options.

Available daily, 6pm – 12am (Any two hours), from HK\$295pp. All prices are subject to a 10% service charge.

5/F, Mira Moon Hotel, 388 Jaffe Rd, Causeway Bay, miramoonhotel.com

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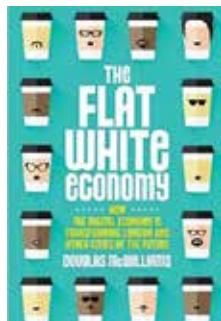
Old world inspiration meets modern aesthetics: add some grace and whimsy to your home with **Louise Hill's** limited edition print series "Chinoiserie in Aquamarine & Powered Blues". This gorgeous print includes the main 'Chinoiserie' botanical wallpaper and the birds, gold fish and butterflies in gold inks. Louise's designs are created using a mixture of her own photography, illustration and patterns, as well as vintage imagery and pictures of textiles she's collected over the years – all of which are layered upon each other to produce stunningly complex creations. "Chinoiserie in Aquamarine & Powered Blues" has a limited run of 100 prints. Unframed prints are HK\$6,000 and framed are HK\$8,000.

Orders can be placed at Louise Hill Design:
www.louise-hill-design.com



Book Shelf

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

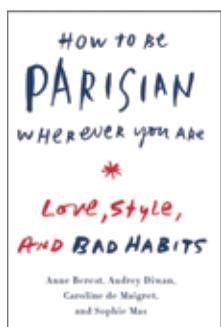


The Flat White Economy

By Douglas McWilliams

Since the financial collapse, the *Flat White Economy* (based on the media, digital marketing and retailing, communications and cultural industries) has spawned four times more jobs than the City lost in the crisis. London is now growing one and a half times faster than Hong Kong as a result, and a driving force behind this triumph of lifestyle and economics is immigration. Leading economist Douglas McWilliams describes how this meteoric success, named after its favourite coffee and centred on East London, has become the prototype for digital cities around the world.

Recommended by Les Hales, CIO Connect



How to Be Parisian Wherever You Are: Love, Style, and Bad Habits

By Anne Berest, Audrey Diwan, Caroline de Maigret, Sophie Mas

From four stunning and accomplished French women, a fresh and spirited take on what it really means to be a Parisienne: how they dress, entertain, have fun and attempt to behave themselves. You will be taken on a first date, to a party, to some favorite haunts in Paris, to the countryside, and to one of their dinners at home with recipes even you could do – but to be out with this quartet is to be in for some mischief and surprises. *How to Be Parisian Wherever You Are* will make you laugh as you slip into their shoes to become bold and free and tap into your inner cool.

Recommended by Phillipa Lennox-King, The British Chamber of Commerce in Hong Kong



One Night, Markovitch

By Ayelet Gundar-Goshen, Sondra Silverston

Captain Corelli's Mandolin meets *The Marrying of Chani Kaufman* in this cinematic novel about the birth of Israel and the true story of the marriages of convenience that were arranged to smuggle Jewish women out of Nazi-occupied Europe. Vital, funny, and tender, *One Night, Markovitch* brilliantly fuses personal lives and epic history in an unforgettable story of endless, hopeless longing, and the desperate search for love.

Recommended by Kate Kelly, K2PR Limited

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.



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

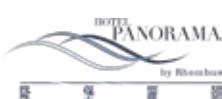
With locations in Causeway Bay and Tsim Sha Tsui, Jamie's Italian Hong Kong provides a causal dining experience for food lovers that share Jamie Oliver's appetite for simple, bold, honest and affordable food – using fresh, traceable and sustainable ingredients. Their incredible Super Lunch, created by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



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.



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.



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.



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- 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

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- 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

SME 高 • 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

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
Corporate Services Limited

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 a 30% discount on a variety of HR 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

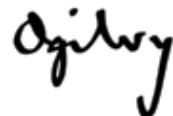
by deploying the best-fit and customisable Quorum solution, Quorum is offering start-up members a discount on their services.

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



or email booking: 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.



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



HONG KONG

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

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



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.visitbritainindirect.com/world for further details



Business Services



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 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 www.britcham.com/membership/membersoffers

British Chamber and KPMG Rugby Dinner 2016

7 April 2016, Hong Kong Football Club, 3 Sports Road, Happy Valley

Once more, the hugely popular British Chamber and KPMG Rugby Dinner returned for a night of fun and frivolity. This year's event featured keynote speakers former Welsh rugby union and British & Irish Lions player, Tom Shanklin, former Australian rugby union player, Nathan Sharpe, former Scotland International Barbarians captain, Al Kellock and of course the fantastic John Bentley, England Rugby international and British Lion as MC.

Guests enjoyed a night of curry and beer while enjoying hilarious tales of Rugby shenanigans from the four ex-Rugby stars. Thanks to guests generosity,

the event raised more than HK\$250,000 to support Plan International in their project to Empower Adolescent Girls in Rural China.

Thank you to everyone who contributed to the cash donations and to all the generous donors who bid on prizes in the auction. A big thank you to The Banyan Tree, Danang, who sponsored a three-night stay in their Angsana Lang Co resort.

This event would not have been possible without the ongoing support of KPMG.





Emerging Leaders Networking Lunch

The Emerging Leaders hosted their first networking lunch for 2016, sponsored by The Economist, on the 25 February at Jamie's Italian, Causeway Bay.

On an afternoon in a beautifully designed rustic, urban interior, the Chamber's network of young professionals were able to expand their contacts

25 February 2016 – Jamie's Italian, Soundwill Plaza II, Causeway Bay

in a casual, relaxed setting, over delicious food and great company.

We would like to take this opportunity to thank our sponsor, The Economist, for their generous support to our Emerging Leaders Networking Series.



Women in Business Easter Lunch

31 March 2016 – Azure,
30/F 33 Wyndham St, Central

The Women in Business Committee celebrated Easter with gorgeous views of the City at Azure for its first networking lunch of the year. Sponsored by The Fry Group, the event hosted Fern Ngai, CEO of Community Business. According to Community

Business' annual research, Women on Boards Hong Kong 2016 Report, representation of women on Hang Seng Index boards has stagnated at 11.1%. Ms Ngai presented the results and discussed steps Hong Kong can take to improve over the delicious three-course lunch.





S p o n s o r e d b y

 **Berkeley**
Group

25 February 2016 –
DiVino Patio, Causeway Centre,
No. 28 Harbour Road, Wan Chai



Mary Shekerdemian (Headstart App), Paul Wong (HKWJ Tax Law), Andreas Zimmermann, Andy Ma and Iris Sun (HKWJ Tax Law)



Winslee Buchan (JLL), Belinda Esterhammer (EY), and Adam Christian Nelson (BK Asia Pacific)



Robert Medd (Ere Property), Dr Paul R Boldy (Sotheby's International Realty Affiliates LLC) and Jeffrey de Varga (Diadem)



Charles McLaughlin (Times International Creation), Jonathan Cusimano (CurrenXie) and Henrik Qvist (DDS Logistics)



Michelle Nguyen (VG Media) and Jeff Smith (Karma Technologies)



Martin Abert (FunctionEight) and Janey Rogers (BK Asia Pacific)



Richard Vernon and James Shekerdemian (Societe Generale)

SHAKEN NOT STIRRED

Sponsored by

 **Berkeley**
Group

28 April 2016 –
Gaucho, LHT Tower,
31 Queen's Road, Central



Piotr JJ Szymanski (YouGov), Clare Hampton and Laurence Rotherwell (Hong Kong Institute of Languages) and Charlotte Hastings (WE-Worldwide)



Beatrice Ho (UBP), Lloyd Smith (Fry Group) and Andrew Seaton (British Chamber of Commerce in Hong Kong)



Sakura Nakayama and Kumiko Tanikawa (Sakura Beauty) Giselle Lai (City Credit), Theresa Tam (PrimAsia) and Scott LeBlond (Mr Steak)



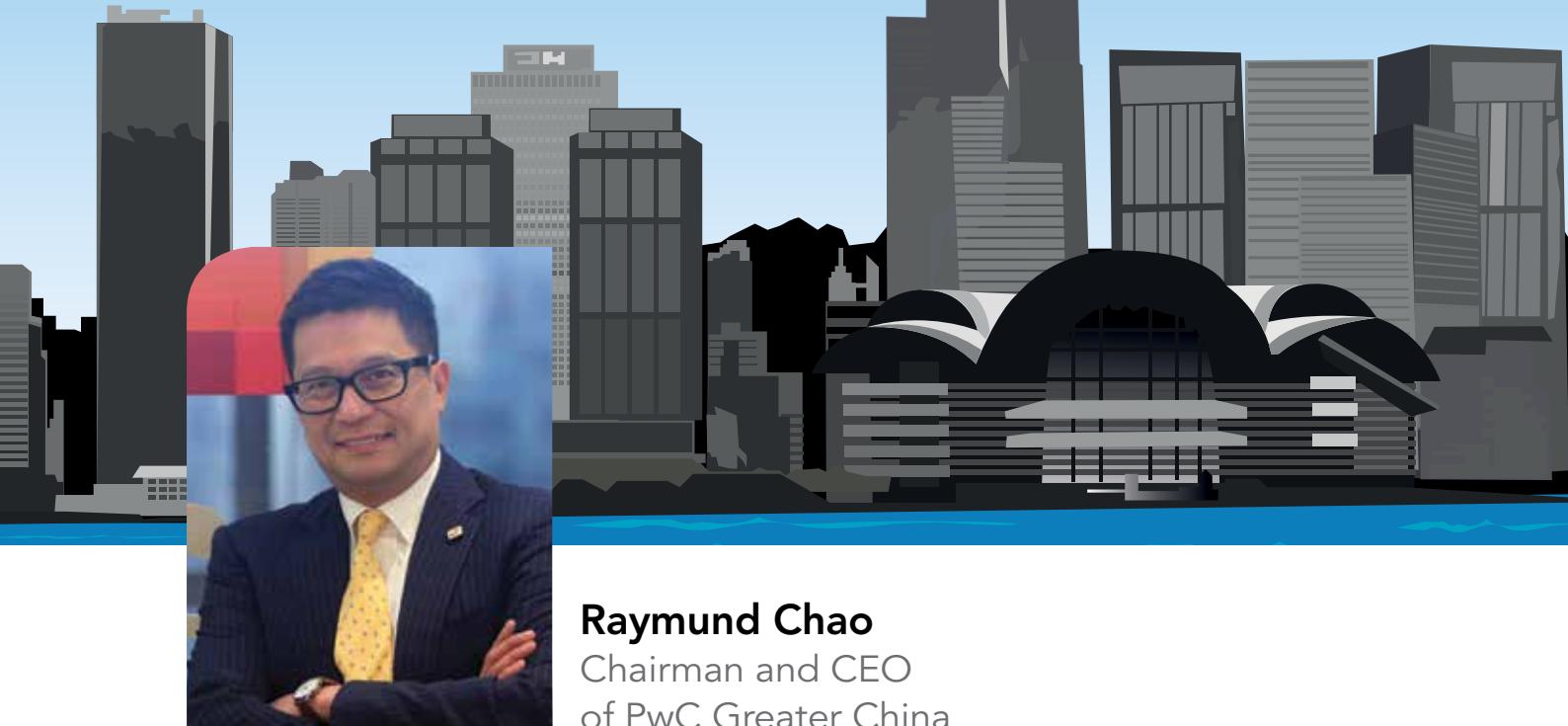
Theresa Tam (PrimAsia) and Cherry Wang (Compass Offices)

Steve Root (The Contracts Group Ltd) and Paul Wong (HKWJ Tax Law)

Kevin Ch'ng (St. James's Place Wealth Management) and Gareth Parrington (Fraedom)

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.



Raymund Chao
Chairman and CEO
of PwC Greater China

How's business?

Business is good; it's challenging, but good. Despite the news headlines, I'm optimistic about the Greater China region and about PwC as well. What is too often overlooked is that China is going through an intentional transition that is being managed to rebalance and develop a more sustainable economic growth model.

To me, this "new normal" is an opportunity to help bring about change for us. The new focus is on the services sector: for example healthcare and fintech, as well as on domestic growth in general. I see lots of opportunities for all kinds of businesses in these areas and particularly for PwC.

What are your plans for the firm in the region this year?

Our firm's Purpose will always remain the same –

to build trust in society and solve important problems. From this base, we want to grow. I want us to continue to innovate so that our people can provide world-class, market-leading services to our clients. We will also continue to invest in our people so that they, in turn, can help our clients grow their businesses.

What, to your mind, has been the most crucial element in the success of your company over the years?

I would point to three broad areas: firstly, we are committed to continually reinventing ourselves as China's economy develops and presents us with new opportunities. For example, we continue to grow our expertise in new areas such as cyber-security and data & analytics. I was also pleased to see that one of our PwC partners recently gave a PwC/British Chamber Breakfast presentation on

China's new food safety laws – the whole area of food trust is very important as a global trend.

Secondly, we are committed to the ongoing development of our young professionals, and constantly invest in their skills development. This has been vital to our success.

Last but not least, no matter what happens in the market, we always uphold our professionalism and integrity. I believe this is the foundation of the success of the firm, as well as of any individual who works here.

What does your work involve personally?

It is really important to me that I am not only the leader of the firm, but also our leader in the market. I try to spend most of my time with our clients and business leaders. Getting a better understanding of their needs and concerns means that my colleagues and I are able to help them to stay relevant and on top of the complex business environment we all find ourselves in.

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

The One Belt, One Road (OBOR) strategy is an exciting development. It will really change the face of business in Asia-Pacific and the flows of investment in the region. We are already seeing how this can help make better use of capital assets and excess capacity in other parts of the economy. In conjunction with the Asian Infrastructure Investment Bank and China's sovereign wealth funds, I think OBOR will have a transformative effect across the broader region.

Within PwC, one of the most exciting recent developments was the launch of our Experience Centres in Hong Kong, Shanghai and Beijing. These combine a physical and virtual space in which we bring together the best of consulting and the best of creative agency capabilities to offer new services to our clients, such as Customer Experience Management and rapid prototyping.

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

It's very important that our people take the opportunity to network with experts from other companies and industries – the Chamber gives us many opportunities to do just that. Listening to the challenges faced by people in a completely different business can give you really useful new perspectives on your own challenges.



Innovation and technology are the keys to success for Hong Kong and we have to keep focussed on moving from the old world to the new world to improve our competitiveness and be truly best in class.



How long have you been living in Hong Kong?

I was born and raised in Hong Kong but completed my university education in Canada, where I then worked. I returned to Hong Kong in 1992, and then moved to Beijing to manage one of our business units in 2002. I relocated back to Hong Kong in 2015 when I assumed the role of Chairman and CEO for Greater China, but I still spend a lot of time in China.

What's your favourite spot in Hong Kong?

Wherever my family is. My role requires almost constant travel and so when I am home in Hong Kong I relax with my family and catch up with friends, wherever that may be. It's a great city to call home.

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

The number of people who have come to this city from all over the world since the Global Financial Crisis to start businesses – often with one eye on China, of course. This has made Hong Kong even more vibrant, though also even more competitive.

If there were one thing you could change in Hong Kong, what would it be?

I think we need to become a more knowledge-based and innovative economy. Innovation and technology are the keys to success for Hong Kong and we have to keep focussed on moving from the old world to the new world to improve our competitiveness and be truly best in class. There are a number of exciting ideas and new service offerings out there that are responses to the market trends. And of course Hong Kong's world-class infrastructure, financial markets and sound legal system make anything possible.



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

I became Greater China Chairman and CEO in July last year. As a consequence, I also became part of PwC's global leadership team. This has given me a much greater appreciation of the role that China and Asia play in the world and of how important it is for Asian leaders to make a substantial contribution to global affairs.

What is your favourite (non-professional) occupation?

I really enjoy sports, particularly soccer, which was a passion of mine when I was younger (and had time to play sports!). I watch a lot of movies – in part for the entertainment but in part to just relax my mind

– otherwise it stays on work a lot of the time. I also enjoy eating out with my family, and Hong Kong is one of the best cities in the world for dining out.

What is your most marked characteristic?

Always thinking about what's next. That can relate to people, technology, innovation, clients, how I spend my downtime. I don't really ever switch off.

If you had a motto, what would it be?

"The best way to predict the future is to create it" - Abraham Lincoln said it and it is as true today as it was back then. **B**

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Birmingham joins our UK network

Set in the heart of England, Birmingham truly has something for everyone. From a spectacular chocolate museum to retail therapy at the city's renowned Bullring shopping centre to the network of beautifully designed canals, Birmingham certainly won't disappoint. Flights to Birmingham start March 2016.

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GOING PLACES TOGETHER