

The magazine for members of the Dutch Chamber of Commerce in Hong Kong



# DUTCHCHAM MAGAZINE

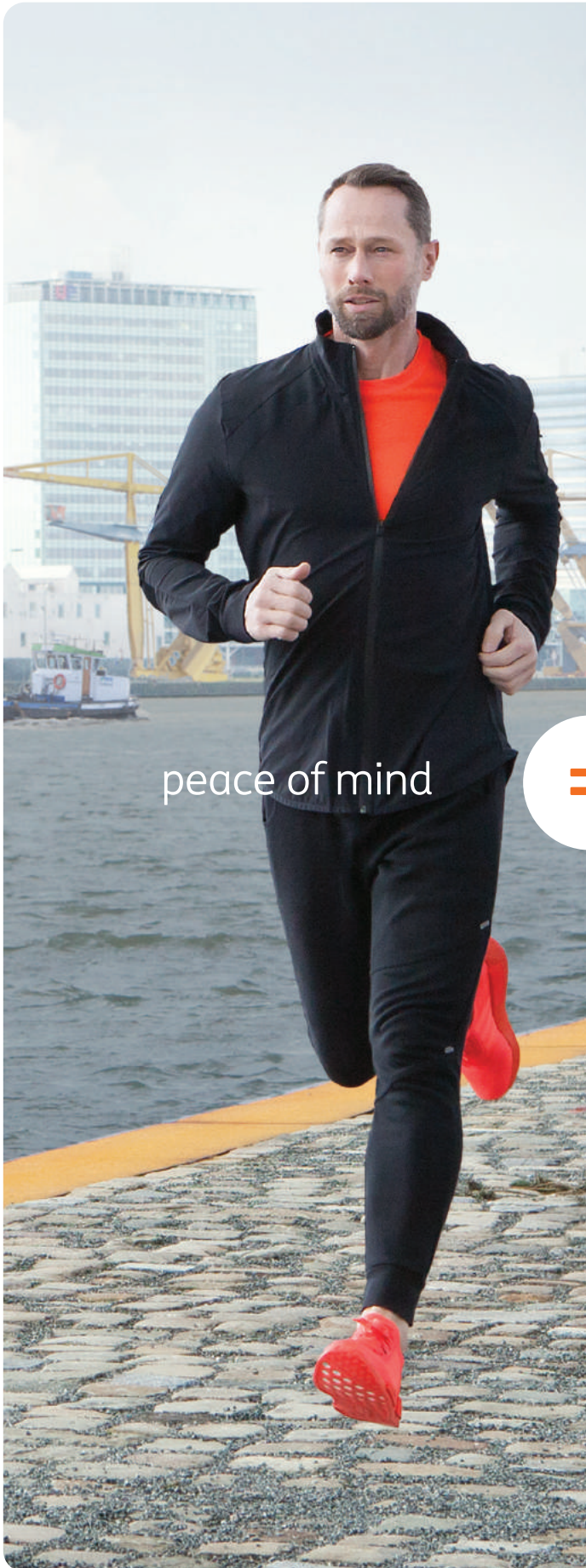
September/October 2017

**Volume 189**

**Connections: Netherlands,  
Hong Kong and China**

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## The magazine for members of the Dutch Chamber of Commerce in Hong Kong

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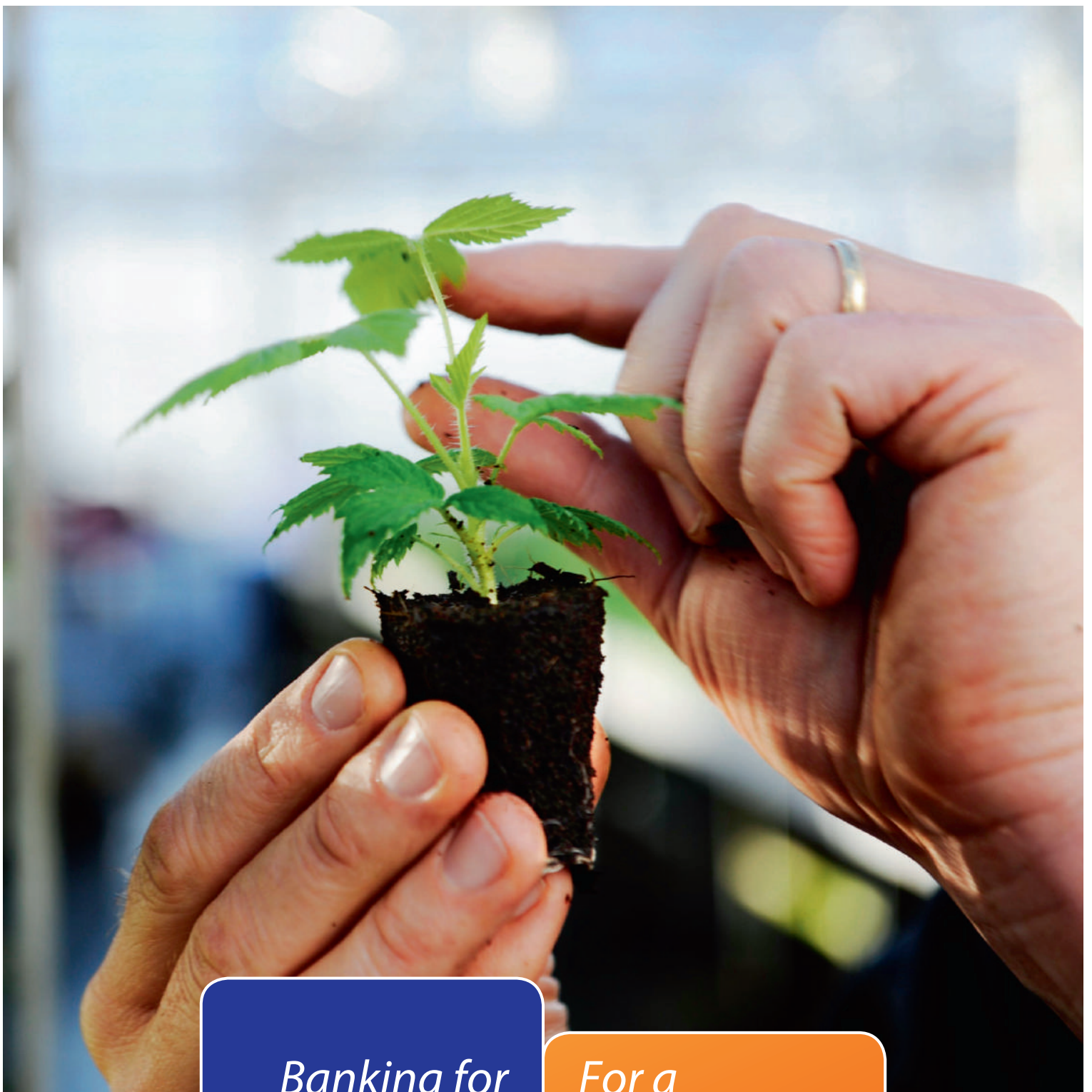
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## Connections



The theme of this DutchCham Magazine is "Connections: Netherlands, Hong Kong and China". This issue features Natellie Sun, Managing Director of Randstad, discussing recruitment, working in Hong Kong and how to network and establish connections.

Besides connecting through networking, there are many other connections between the Netherlands, Hong Kong and China. This magazine also includes an update regarding the One Belt, One Road project and articles regarding WeChat and e-commerce.

The Chamber is excited about our events for coming months, not least of which the China Seminar, which will be held on 9 November. This annual flagship event has been organised by the DutchCham's China Committee since 1992. This year's theme is "China, a continent in itself". The speakers will give the audience a better insight into inter-cultural differences in China and a better understanding of what they believe are market drivers.

We have invited speakers from a diverse range of sectors. Sjoerd den Daas, China correspondent for FD and RTL, will discuss how media try to grasp, explain and make us aware of the differences within China. Rogier van Bijnen, Director at R&P Lawyers, will present how similar laws may be interpreted differently in different cities or regions within China. Freark Bruinsma of Heineken will talk about how Heineken tailors its production in different regions.

In this magazine, Freark Bruinsma will give a preview of his talk during the China Seminar in the Lead Story. He was interviewed by our Editor, Donna, together with Marco Hamers of EVP Global Brands Group China. Marco Hamers was a speaker at last year's China Seminar.

I hope you enjoy reading this DutchCham magazine, and look forward to meeting you during the China Seminar or one of our other events!

Maaïke van Meer  
DutchCham Chairman

# Making connections

Natellie Sun, Managing Director at Randstad Hong Kong talked to us about recruitment, working in Hong Kong and how to make connections.

■ By Donna Mah



**Please tell us a bit about yourself.**

I was born in Taiwan and when I was 2 years old, my family moved to Sydney, Australia. I grew up in Australia and my education was in English and we spoke Mandarin at home. This means I can only speak Mandarin but don't read and write as I was never educated in Asia.

I graduated from university with a double major in Japanese and Human Resources. After graduation, I worked in Australia, Japan and China before coming to Hong Kong.

I had an unusual career within the HR space, as people usually start in agency before going in-house, however my HR career started in-house working for a Swedish financial technology company before moving into an agency. I joined Randstad in May 2016 as the managing director, running our Hong Kong office.

**Randstad is an HR provider.  
What does Randstad offer clients?**

Randstad is one of the largest HR providers in the world. We offer recruitment services and payroll services for our clients in Hong Kong spanning across Banking, Finance, Technology, Sales and Marketing, Supply Chain, Construction, Property and Engineering as with HR and Supply Chain. We also share and offer thought leadership pieces for our clients and every year we publish the largest survey on employer branding in the world.

**What attracted you to this industry?**

Recruitment offers a great platform to learn about businesses and meet lots of interesting people where relationships can build to life long ones. It is also a rewarding industry where every connection you make, every effort you put in can help deliver a result. Lastly, it is also an industry where opportunities are not based on tenure but results, so people can feel real control over their careers.

At Randstad, we believe in shaping the world we work as with promotion of all parties so that relates to our client, our candidates and even our employees. We are the bridge between companies and their most valued asset, people.

**How does Randstad make connections –  
with companies and with jobseekers?**

In order to accurately match the best people to an organisation, deep insight and understanding of candidates and an organisation's needs is required. That's why we have created the True Fit methodology – which aims to provide a high quality and accurate measurement of a candidate's suitability on three dimensions: the job fit, the boss fit and the company/culture fit.

Apart from the typical recruitment channels, we have dedicated sourcing centres each with dedicated sourcing specialists who are skilled in advanced Boolean search and experts in searching the deep web. This allows us to help our clients source for the extremely hard to find profiles.

As part of Randstad's global Tech & Touch strategy, which aims to combine innovative HR technology with the human element, we have launched the Perfect Match tool. Perfect Match allows candidates to tell us what their perfect job looks like, and through the tool receive job alerts inviting them to apply to any jobs where there's a match.

The power of global brand also helps draw candidates and client to our website and provide us with strong networking opportunities.

**What are the "growth" industries in  
HK/China for jobseekers?**

Hong Kong is a relative stable market with 3.2% unemployment rate and a GDP to match. Having said this, Hong Kong is strong in business services, financial and trade. There has also been a big push by the government for Hong Kong to be a hub for start-ups and fintech companies.

What has also been interesting to see is the increase in China banks and companies making a move into the Hong Kong market and hence for jobseekers with Mandarin skills, there is been a great advantage.

**What are some of your observations about  
working in Hong Kong?**

Hong Kong lives up to its reputation as a bustling economy with a robust labour workforce that demands fast turnarounds, high workloads and often long hours for many.

What has been great advantage to working in Hong Kong is the number of businesses with regional offices based out of the city, which means exposure to senior decision makers. The clients we deal with also vary from international banks to local start ups. The variety and diversity of Hong Kong is both fascinating and exciting as a city to work and live in.

**What advice would you offer jobseekers?**

It's not because I am in recruitment that I say this, but I do think when searching for a role, it's best to speak to recruiters. They provide the best tips and marketing intel for you to make a sensible decisions around a job move. It's also a good idea to leverage off networks and referrals. All companies now have internal referral



campaigns so there is always a way to get your foot in the door via a connection.

#### What are the top three things that employers are looking for when hiring?

Other than the usual experience and industry exposure, employers are looking for potential to grow and have an innovative mindset. At the pace the world is changing, agility and the ability to adapt is highly valued. Great communication skills are also essential as the world of work goes from local to global. Being able to communicate effectively with people from different backgrounds and cultures is a key success factor.

#### What are the top three things that employees are looking for when looking for a job?

Every year Randstad conducts the world's largest employer branding report. In Hong Kong where we surveyed over 5,000 respondents, other than the usual salary and benefits, respondents ranked 1. work life balance, 2. job security and 3. a financially healthy business are important to them. What is also interesting to note is that year-on-year over the last three years, work life balance has increased in ranking based on the level of importance for Hong Kong people.



The 75 largest companies are selected in each participating country, usually with more than 1,000 employees. This list is presented to a representative cross section of relevant respondents based on region, age, education and gender. In Hong Kong, 5,150 employees and job-seekers between the ages of 18-65 were surveyed.

#### What do you do to connect with Hong Kong and the people here?

Many people come to Hong Kong with the intention to stay just for a few years and end up staying many more. Hong Kong offers a combination of urban life and nature right at your doorstep and a short reach of many other countries. Suffice to say, there is plenty to do, see, and explore!

What I have noticed is local Hong Kong people are very open minded and can have very international tastes. The most important thing is to be open to try new things and learn from the people around me – so that can range from trying new places to eat (it's no surprise food is a central theme in Hong Kong) to going bowling in Whampoa for some out of the ordinary fun.

At Randstad, we have a corporate social responsibility initiative that is very focused this year on uplifting educational opportunity for youth as well as driving more environmental awareness and clean impact. I like to get involved in the variety of our events and programs that are organised by our CSR committee, as it's an opportunity to connect not only with the people that I work with everyday, but with local Hong Kong organisations as well.

#### What has been your most rewarding "connection" at Randstad?

Randstad is a well-respected brand and working for a great brand is one thing, but what I have enjoyed the most is the talented individuals I work with. People help to shape an organisation and when I joined Randstad, each one of them welcomed me on board and helped me settle in very quickly. The people are energetic, transparent, open and caring, which has made this company one of the best places I have worked at. •



# Belt and road's new ports stimulate the development of innovative transport technologies and faster logistics

Initiative's new ports, faster trains and smart containers redefine intercontinental logistics

■ By Wade Shepard (This article originally appeared in the *South China Morning Post* and is republished with permission in *DutchCham Magazine*)

The One Belt, One Road initiative was inspired by the ancient Silk Road, but it is also futuristic. Its rail lines are among the most advanced in the world, and its land and seaports are some of the most sophisticated.

The belt and road is also stimulating the development and testing of innovative transport technologies that may set new logistical standards.

"Asia is becoming a laboratory of sorts for transportation ideas," says Jonathan Hillman of the Center for Strategic International Studies in Washington DC. "Just as the compass and the domesticated camel facilitated greater mobility in ancient times, all these innovations have the potential to reshape today's economic landscape."

The Khorgos Gateway dry port is far off on Kazakhstan's border with China, a tick from the farthest point on the planet from the sea – but it is among the most technologically advanced in the world.

Part of a special economic zone that is modelled on the Jebel Ali Free Zone in Dubai, the port transships trains between China and Europe. It is also equipped with the industry leading Navis N4 terminal operating system and a state-of-the-art RFID system that streamlines the exchange of containers between trains and trucks. Khorgos Gateway can process an entire train in 47 minutes, which is faster than more established dry ports in Europe.

"If you come to a place where no practice existed before, you try to outperform all practices," says Karl Gheysen, the dry port's first CEO. "That's what we did."

The vanguard of the Silk Road Economic Belt is the emerging network of trans-Eurasian direct cargo trains that now criss-cross the 9,000km transcontinental route in under two weeks. However, the future of this network is high-speed.

Various plans to build high-speed rail lines in Russia, Southeast Asia, and Europe are in the works. Among the most ambitious is one that would connect Moscow with Beijing, which would allow passengers and cargo to traverse the 7,769km divide in just 33 hours.

There is also significant talk along the belt and road of Hyperloop

systems being developed to transport passengers and cargo through an enclosed tube at over 1,000km/h – faster than the cruising speed of a Boeing 747. This groundbreaking form of transport is not only extremely fast, but also relatively cheap, safe, energy-efficient, environmentally friendly, and impervious to most weather conditions.

Companies such as Hyperloop One and Russia's Caspian Venture Capital are engaged in a feasibility study to build a Hyperloop to connect China's Hunchun logistics zone with the Russian port of Zarubino. If built, this Hyperloop system could transport six containers per minute and over 1.3 million TEUs per year – as much as a large seaport – and generate earnings of about US\$250 million per year.

Even the shipping containers on the belt and road are high-tech. Dutch firm Unit45 has created a "smart" 45-foot reefer shipping container with 800 litre fuel tanks that can power them for up to 22 days – enough time to make the trans-Eurasian rail journey. The containers are also fully climate controlled, GPS enabled, and are equipped with light-triggered anti-theft devices. These containers allow manufacturers of temperature-sensitive electronics or producers of perishables to ship their goods overland without worrying about weather.

The belt and road initiative is reshaping the transport landscape of Eurasia. •

*"Among the most ambitious  
is one that would connect  
Moscow with Beijing, which  
would allow passengers and  
cargo to traverse the 7,769km  
divide in just 33 hours."* •



# Know your (Trust & Corporate Services Providers') customers

Today, our “Fragrant Harbor” ranks as the fourth international financial center globally, behind London, New York, and Singapore.<sup>1</sup>

■ By Lapman Lee, Managing Director, Compliance & Regulatory Consulting, Duff & Phelps (Hong Kong), lapman.lee@duffandphelps.com, www.duffandphelps.com



To maintain its treasured ranking, Hong Kong is required to demonstrate effectiveness of its Anti-Money Laundering/Combating the financing of terrorism systems against international standards set by the Financial Action Task Force (FATF).

In 12 months, HK will undergo its FATF evaluation with the Government taking steps to close any gaps against the forty FATF recommendations. No doubt, Hong Kong has carefully studied the 2016 Singapore report, where a “less mature understanding” of risks by designated non-financial businesses and professions (DNFBP) such as Trust and Corporate Services Providers (TCSPs) was observed. TCSPs include companies and individuals that, on a professional basis, participate in the creation, administration and management of trusts and corporate vehicles<sup>2</sup>. Today, TCSPs - estimated to be between 10,000 – 20,000 - in Hong Kong are not required to be licensed and are not regulated.

## Extending the AML/CFT regime to DNFBPs

Early last year, the Financial Services & Treasury Bureau published a consultation document “Enhancing AML Regulation of Designated Non-Financial Businesses and Professions”, after which the AML and CTF (Financial Institutions) (Amendment) Bill 2017 was submitted to the Legislative Council which is expected to come into effect on 1 March, 2018.

In its core, the Bill will effectively adopt the FATF recommendations to apply customer due diligence and record-keeping requirements (#22) to solicitors and foreign lawyers, accountants, real estate agents, and trust and company services providers.

## How can TCSPs prepare for the 1 March 2018 deadline?

While there are existing regulatory regimes for solicitors, accountants and estate agents, who can take on the statutory oversight for ensuring compliance with CDD and record-keeping requirements, there is none for TCSPs.

The Bill requires TCSPs to apply for a license from the Companies Registry (CR). To allow for additional time to meet the licensing requirements a transitional period of 120 days from the effective date of the Bill has been introduced which applies for persons that immediately before the effective date was carrying out a TCSP business and held a valid business registration certificate.

The CR itself as the regulator for TCSPs will need to invest significantly in governance, process, and technology capabilities to implement the licensing regime, build a database of TCSPs, carry out compliance checks on licensed TCSPs and undertake disciplinary and enforcement actions. Once it does, it may apply its right to issues additional and more stringent requirements (Section 53ZM).

I do expect the number of small to medium-sized TCSPs to reduce as investment is required to put in place governance, process, and technology capabilities to meet the minimum customer due diligence and record-keeping requirements.

For small to medium-sized TCSPs, a gap analysis or readiness assessment is recommended to ensure it meets the minimum licensing and regulatory requirements, whereas international TCSP may benefit from a health check of its Hong Kong AML/

CTF capabilities and control framework to ensure global industry leading practices such as the “Standard on the regulation of TCSPs”.

Philip Nicola-Gent reiterated the point that “Research undertaken by the FATF in conjunction with the Caribbean Financial Action Task Force has shown higher standards exist for anti-money laundering and combating the financing of terrorism in jurisdictions where Trust and Corporate Service Providers are regulated.” Philip chaired the Group of IFC Supervisors working group that created the Standard. •

|   | Specified transaction   | CDD requirements  | Record-keeping requirements | Regulatory body                                     |
|---|---|---|-----------------------------|---|
| Trust and Company Service providers (TCSPs) | 1. Form corporations or other legal persons;<br>2. Act, or arrange for another person to act as director or a secretary of the corporation, as a partner of a partnership, or in a similar position in relation to other legal persons. | ✓ Identify and verify the customer;<br>✓ Identify the beneficial owner in relation to the customer (in threshold from 10% to 25%);<br>✓ Obtain information on the purpose and intended nature of the business relationship;<br>✓ If a person acts on behalf of the customer;<br>○ Identify the person and taking reasonable steps to verify;<br>○ Verify the person's authority to act on behalf of the customer. | Six years                   | Registrar of Companies                              |
| Solicitors                                  | 1. Buying and selling of real estate;<br>2. Manage client money, securities or other assets;<br>3. Manage bank, savings or securities accounts;<br>4. Organize contributions for the creation, operation or management of corporations; |   | Six years                   | The Law Society                                     |
| Accountants                                 | 5. Create, operate or manage legal persons or legal arrangements;<br>6. Buying and selling business entities;<br>7. Trust or corporate services.  |   | Six years                   | Hong Kong Institute of Certified Public Accountants |
| Estate agents                               | 1. Buying and selling of real estate.   |   | Six years                   | Estate Agents Authority                             |

Overview of requirements for each of the Designated Non-Financial Businesses and Professions

1| Z/Yen Global Financial Centres Index (2017) based on a combination of areas of competitiveness such as business environment, human capital, infrastructure, sector development, and reputation.

2| Excludes financial institutions, solicitors, accountants, and real estate agents for which separate FATF guidance applies.

# China's new Cybersecurity Law

China's new Cybersecurity Law took effect on 1 June 2017 and has been the source of worry for many foreign investors in China. The Law has been enacted to, amongst other things, safeguard the security of personal information and important data, uphold China's national sovereignty in cyberspace and protect national security and public interests.

■ By Howard Wu, Baker McKenzie

Two weeks prior to the Cybersecurity Law's date of effect, a revised set of Draft Measures for the Security Assessment of Outbound Transmission of Personal Information and Important Data ("Outbound Measures") were released. The Outbound Measures clarify the scope of application and should be complied with by 31 December 2018.

## Scope of application

As a general principle of the Cybersecurity Law, network operators must undertake the obligation to protect cybersecurity in the course of conducting operation and services within China's territory. The term network operator is broadly defined to include owners and administrators of networks as well as network service providers in China. It is highly likely that any entity that utilises computer systems connected to public communications networks or the internet is considered a network operator and will fall within the scope of the Cybersecurity Law.

More stringent requirements are imposed on critical information infrastructure (CII), which is vaguely defined to mean *'infrastructure that, in the event of damage, loss of function, or data leakage, might seriously endanger national security, national welfare or the livelihood of the people, or public interest'*.

Whilst network operators in certain key sectors such as public communications and information services, energy, water resources and financial services have been indicated to be considered as CII operators, the exact scope of this category will only be confirmed in implementing regulations which have not yet been issued.

## General cybersecurity protection requirements

The Cybersecurity Law imposes general cybersecurity protection requirements on network operators, including: (i) complying with certain cybersecurity protection requirements and obligations; (ii) formulating emergency response plans for cybersecurity incidents and dealing with security risks in a timely manner; (iii) providing technical support and assistance to the public security authorities and state securities authorities for reasons of national security or criminal investigations; (iv) and keeping confidential users' personal information and implementing a system to protection of users' information.

## Security assessment and data residency requirements

Under the Outbound Measures, network operators are required to carry out security assessments of cross-border transfers of personal information and important data based on various

considerations such as the type, volume and sensitivity of the data transferred. The form of security assessments to be conducted is at the discretion of the network operator. However, certain events can trigger the requirement for the security assessment to be carried out by the relevant government authority. For example, a government-administered security assessment will be applicable where personal information of 500,000 or more data subjects is transferred, or where national security could be impacted.

The specific criteria of how the security assessment is to be fulfilled either by the network operator at its own discretion or by the CAC or industry regulator have not yet been specified. It is also currently unclear how the authorities intend to enforce the above criteria – for example, how they can determine the number of data subjects to which a transfer has taken place, and whether this would require a self-declaration by the network operator.

## Controls over network products and services

The Cybersecurity Law provides that network products and services will comply with applicable mandatory requirements. Certain key network products and services are required to pass a security review, and are required to be certified as security-qualified or pass security testing before they can be provided for use in China. For network products, traceability of the manufacture, supply and delivery of finished products as well as key components will be included as part of the security review. For network services, service components and processes that are being outsourced in support of the relevant network services would also be subject to security review.

## How does it affect companies?

Most, if not all, companies operating in China are connected to the public communications networks or the Internet in China, and would arguably qualify as a network operator, thus falling under the purview of the Cybersecurity Law. Compliance with the Law, including the security assessment and data residency requirements, would need a review of not only general cybersecurity protection requirements, but also potentially the data mapping strategy of companies. For example, if a company transfers personal data or important data outside China, it would also need to establish a means for determining whether it would be subject to a government-administered security assessment. The quantitative threshold triggering a government-administered security assessment is not a criterion commonly found in other jurisdictions' cross-border data transfer laws.

From a broader compliance perspective, MNCs need to consider how the Cybersecurity Law affects their regional or global data protection



and cybersecurity strategies. It introduces unique requirements not found in many other jurisdictions and still raises questions on how these will be enforced by the authorities. Given that the Cybersecurity Law has now come into force, compliance is key.

For the Outbound Measures which will come into force on 31 December 2018, MNCs will need to keep an eye out for further clarifications on how the CAC will implement the measures, and adapt quickly to comply with them.

- The 24th China Seminar -

## China - a continent in itself



Royal Hong Kong Yacht Club, 800 HKD (members) / 950 HKD (non-members)

*This year we focus on the vast and varied geographic expanse that makes China almost a continent in itself.*

*During this dinner seminar we will have a panel discussion that provides better insight into the inter-cultural differences in China to understand what drives the market. This will not only help you to grasp and explain these differences, but also to tailor your own market strategies.*

### Confirmed speakers

**Freark Bruinsma**

General Manager Heineken  
Breweries Hainan & MT member  
Heineken China

**Meg De Keukelaere**

Group Head of Talent Acquisition Nord  
Anglia Education, formerly with Apple  
as Talent Acquisition Lead, based in  
Shanghai

**Sjoerd den Daas**

Correspondent China  
RTL news & het Financieele Dagblad

**Rogier van Bijnen**

Director  
R&P China Lawyers

# WealthBriefing Asia Recognises LGT Bank

The value of strong client focus, a stable management team and a long-term business strategy for the region was recognised recently at the WealthBriefingAsia 2017 awards dinner, where Dr Henri Leimer, Chairman and Chief Executive of LGT Private Banking in Asia, picked up the Best Boutique Private Bank award for the bank and the Leading Individual (Banker) award.

Over the past two decades, Dr Leimer has led the bank's effort to develop new business interests and expand LGT's footprint in the region to better serve its clients. Dr Leimer has also held the role of Honorary Consul of the Principality of Liechtenstein in the HKSAR, since 2013 which carries the responsibility of increasing the country's visibility here. A major milestone for the firm was the recent acquisition of ABN AMRO's private banking business in Hong Kong, Singapore and Dubai, which significantly enhanced LGT's position in the attractive Asian and Middle Eastern growth markets. Following the completion of this deal, LGT now operates in 20 locations around the world and manages over USD188 billion worth of assets for wealthy private individuals and institutional clients worldwide.

Dr Leimer has also held the role of Honorary Consul of the Principality of Liechtenstein in the HKSAR, since 2013 which carries the responsibility of increasing the country's visibility here.

LGT is a leading international private banking and asset management group that has been fully controlled by the Liechtenstein Princely Family over 80 years. LGT is characterized by the same values and convictions that have guided the Princely House of Liechtenstein in building and managing its assets for almost 900 years – thinking and acting entrepreneurially, disciplined risk management and focused on the long term.

## Foundations of success

Traditional values, such as reliability, respect and integrity, as well as bespoke, innovative solutions are the foundations of LGT's success. It also distinguishes itself by making investment management its core competence, with a specific focus on private banking and institutional asset management services.

LGT's simple ownership structure means that it has a clear and efficient organizational setup, which results in faster decision-making processes, and thus a high level of efficiency for its clients. As a company and an investor, LGT takes a long-term holistic approach, and is actively involved at various levels in promoting the sustainable development of society and the environment. It strives to align the interests of its owner, clients and employees, and its strong client focus allows it to provide targeted, bespoke investment solutions.

## Sustainability

Responsible and long-term thinking and actions are firmly embedded in LGT's corporate culture. Its aim is to create and preserve enduring values for its clients, company and society. As a portfolio manager for private and institutional investors LGT implements a sustainability approach in its core business. For example, it has aligned itself with the UN Principles for Responsible Investments (UN PRI) since 2008 and has been offering a range of sustainable funds to its clients since 2009. For these funds, LGT includes environment, social and governance criteria in their analyses. It takes its responsibility a step further by making impact investments in social enterprises that have developed scalable solutions to improve the quality of life for disadvantaged people.

LGT is also committed to the protection of the environment by maintaining a minimum carbon footprint, and cautiously utilising natural resources in the way it conducts business. It contributes to the achievement of the United Nations' 2030 Agenda for Sustainable Development and adheres to the Ten Principles of the UN Global Compact, and requires its suppliers to do the same.

## Asia powering growth

Having experienced 30 years of consistent growth in Asia, LGT stands out as one of the region's most innovative, service-oriented and stable banks in the region. Asia's continuing solid and positive economic growth will be a strong underlying driver for the group's business as individual's wealth increases.

In line with this growth, LGT will look to leverage its long-term oriented ownership structure and strategy, strong capital base and high-quality services in wealth and asset management to be at the forefront of the industry, continuing to innovate cater to high net worth individuals' increasing appetite for long-term and diverse investments. •





# The role of cultural differences in business communications

The international economy is changing rapidly through globalisation, growing information intensity, consumer demands and acculturation. International companies are facing the challenge in promoting products internationally, and in negotiating with partners cross-culturally.

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## Uncertainty Avoidance in Chinese Culture

In terms of negotiation, one important dimension in which cultures differ is “uncertainty avoidance”. At the individual level, it reflects the extent to which members of a society attempt to cope with anxiety by minimising uncertainty. Uncertainty avoidance is one of the five key dimensions measured by the Hofstede model to quantify cultural differences across international lines and understand why some business practices work better in some countries than in others.

According to Geert Hofstede, the Chinese culture has a high level of “uncertainty avoidance”, which means ambiguity and uncertainty are largely unbearable. This is why the Chinese dislike taking risks. On the contrary, the Western culture has a low level of uncertainty avoidance. In business, uncertainty avoidance influences how companies from different cultures communicate with each other.

## Uncertainty avoidance and international marketing

When a new product or brand is introduced, consumers are faced with uncertainty, due to unfamiliarity with the product. Consumers from a high uncertainty avoidance culture may try to minimise such uncertainty by resorting to well-established criteria to evaluate the new product, such as country-of-origin and brand image. These consumers are less receptive of innovative products and manufacturers. On the other hand, members from cultures with low uncertainty avoidance are more likely to embrace products with innovative designs, or from a new company of a promising country-of-origin.

In today’s competitive market, companies not only aim to increase the purchase probability of a focal consumer, but also seek ways to maximise product diffusion and electronic word-of-mouth. Uncertainty avoidance causes individuals to avoid such social outings because of the fear of negative evaluation by others. In addition, uncertainty avoidance may strengthen the predisposition of culture-specific concepts of interpersonal relationships on consumers’ advice-seeking behaviour. This is particularly important for the Chinese culture because of the relatively high prevalence of “guanxi” – or the exchange of favours based on “relationships”. Chinese people who value “guanxi” highly will be concerned whether their behaviour will offend or embarrass others. Thus, consumers may hesitate to seek advice from others and share their opinions.

## Uncertainty avoidance and risk-taking

In the process of negotiation, Eastern and Western managers differ greatly when it comes to risk-taking. High uncertainty-avoidant

Chinese managers usually lack a risk-taking mindset. They try to minimise making immediate decisions during negotiations if they feel the circumstances are uncertain. In most cases, they prefer to make less risky deals at the expense of business opportunity. In contrast, low uncertainty-avoidance American managers are more likely to take some risks, especially during a negotiation which concerns developing new products, opening a new market or applying new technology.

A high level of uncertainty-avoidance is also being associated with a more bureaucratic functioning and a lower tendency for individuals to take risks. This may be a problem for business negotiators whom have received a mandate from top management. For instance, the bureaucratic orientation in ex-communist countries has imposed strong government control. As a consequence, Chinese negotiators tend to be less capable of individual decision-making. Before any agreement is reached, official government approval must be sought. The American negotiator partner may interpret it as being slow and unproductive. Research confirms this tendency in the case of Chinese executives who tend to consult their superior significantly more than Canadian executives.

## Implications for cross-cultural business management

In today’s globalised market, marketing managers will need to deal with consumers from different cultures. The cultural differences of uncertainty avoidance can offer some insights as to whether consumers from a specific culture expect a marketing campaign to strictly adhere to traditions or whether they would allow more novelty. Additionally, marketing managers may need to make efforts to promptly eliminate doubts from consumers from a high uncertainty avoidance culture to facilitate smooth communication.

In terms of international negotiation, people in the Asian culture tend to focus on the creation of relationships during the negotiation process. To them, developing familiarities with a foreign company cultivates trust, which helps to establish mutual predictability. On the other hand, managers from the Western culture tend to be rather pragmatic in negotiation with an emphasis on pursuing the contract. To achieve better results, in negotiations with Asian managers with high uncertainty avoidance, their Western partners would need to slow down, especially in the preliminary stage of negotiation, which can help minimise the loss of trust. Equally important is that during the negotiation process, communications made by Asian managers are often non-verbal and less direct. Hence, Western managers must acquire an understanding of such non-verbal communication and be extra sensitive to their Asian partners’ unspoken needs. •

# Bubble or business – coworking in Hong Kong

In 2010, two founders opened their first co-working space in New York's Soho district. Today this company, known as WeWork, has a market valuation of US\$20b. That is more than the value of Elon Musk's SpaceX program.

■ By Oscar Venhuis, co-founder theDesk, oscar@thedesk.com.hk



Oscar Venhuis

Regus, the largest business centre in the world has been around for 30 years, has 'meagre' market cap of US\$2.6b. According to investors, the key difference between Regus and WeWork is that WeWork is focusing on community and this, connecting people in a collaborative space, makes WeWork valuable.

Hong Kong property owners have jumped on the bandwagon and currently this city has close to 60 co-working spaces. With the seemingly insatiable appetite for flexible space, is this sustainable or a business bubble? Before we continue, let's demystify a few myths about flexible space.

## Myth 1: flexible workspace is for millennials

Fact: Over 60% of users are aged between 30 to 50. People have the impression that flexible spaces are occupied by young graduates and hipsters. Maybe that's because the average age of company founders in Hong Kong is 30.4 years (source: go-globe.hk). However, the majority of flexible space staff and workers are well above 30 years.

## Myth 2: flexible workspace is expensive

Fact: It is 25% cheaper than a traditional office. On the outset flexible space looks more expensive. However, if you add up all the costs like copiers, fridges, projectors, coffee machines, IT, interior, management fee, utility bills, maintenance, operational costs, reinstatement, and of course beer, having your own office could be 25% more expensive than a private office in a flexible workspace that offers a ready-to-move-in-and-out solution with a flexible lease.

## Myth 3: flexible workspace is for early startups

Fact: Many MNC's use collaborative spaces. The early adopters of the co-working movement were indeed new startups in technology and professional services. As of September 2016, there were 320,790 small-and medium-sized enterprises in Hong Kong. They employed 1.28 million people, about a third of the Hong Kong's workforce. In other words, about two-thirds are employed by large-sized enterprises and multinationals. However, a large portion of these startups will fail. The Guangdong Human Resources says just 1% of startups by university graduates succeed. With the high failure rate, focusing on early startups would be suicidal. The real market potentials are the SME's and MNC's like Spotify, Salesforce, IBM, HSBC, Uber, PwC, KPMG, Microsoft and others. All these companies use flexible space to attract better talent, to have flexibility of lease and to foster innovation.

## What is the difference between business centre and co-working?

Both are flexible workspaces. Most of us are familiar with the traditional business centres like Compass, Regus and the Executive Centre that offer flexible workspace and additional business services. Co-working spaces do not only offer flexible leasing agreements but their key differentiator is community building. Co-working is about connecting professionals with one another to create more business opportunities. Diversity and collaboration between members is what co-working is all about.

## Is there a future for co-working?

The majority of co-working spaces are selling the 'cool' factor to persuade new tenants. Ping pong tables, BBQs, banging music and a free flow beer tap. This is all very beautiful and fantastic, unless you need to get work done. Our in-house research suggests that established businesses are looking for a different environment. For those members, an open-plan layout and too many community activities are too disrupting.

Successful businesses want privacy to get work done and a quiet space to focus. They need flexible workspaces to mitigate volatility in the market and are looking for a flexible lease to support their business growth. Their end goal isn't to socialise and to have as much fun as possible. Instead they are looking for a workspace that adds value to their productivity.

## Is community building the solution?

Creating communities is not something new. Lululemon, Apple and Pure have all successfully built loyal communities. Once a community is established the real challenge for co-working spaces is how they facilitate an environment where people work together to achieve a greater outcome. The solution is a complex challenge of consumer behaviour. To create a place where people collaborate requires understanding both online and offline (O2O) from innovation in technology to customer service, design, media, operations, and finance. All this to connect members with each other to achieve a greater outcome together.

Colliers 2017 research report on flexible space suggests that in Hong Kong 2.8% of the total office space is flexible workspace. By 2030, the total market share of flexible space is expected to reach 30% across the APAC region. We're looking at a market potential of more than 27% over the next decade. Bubble or business? •



# Find the true spirit of Hong Kong with iDiscover Ding Ding

“Want to see the real Hong Kong? Just grab a seat up on the upper deck and watch the world go by,” has long been a favourite sightseeing recommendation for friends visiting town. The “ding-ding” might be a bit clunky but the slow pace and vintage charm make it the most relaxing and cheapest way to see the city.



Ester van Steekelenburg

■ By Ester van Steekelenburg, Director Urban Discovery, [ester@urbandiscovery.asia](mailto:ester@urbandiscovery.asia), [www.i-discoverasia.com](http://www.i-discoverasia.com)



Hop-on hop-off along the iconic tramway line featuring the best of Hong Kong

The journey from Kennedy Town to Happy Valley takes about an hour and costs just HKD2.30. But where to get off? And then what? How to keep from getting lost in the bustling, meandering streets?

Prompted by the success of their popular TramOramic tour, the people from HK Tramways realised there is demand for a guide that recommends the best places to see, eat, drink and shop along the tramway line. That's why they teamed up with the urban explorers of iDiscover to curate a special route from Kennedy Town to Happy Valley, aptly named iDiscover Ding Ding.

The iDiscover team – headed by Dutch urban planner Ester van Steekelenburg – chose their favourite destinations from their series of neighbourhood guides in Hong Kong. The route features lots of typical hole-in-the-wall eateries, humble dai pai dongs and small shops that are so uniquely Hong Kong. We tried a few and were not disappointed. Indeed, we fell in love with the dragon city all over again.

In Sai Ying Pun we found that Kwan Hing Kee's tofu pudding was a refreshing snack on a hot day and right opposite was Arona where they bake their egg rolls fresh every day at the back of the store.

But more than that, iDiscover Ding Ding also features some unique places that embody the Hong Kong spirit in a completely different way: playful re-interpretations of century old trades inject new life in traditional neighbourhoods. In Wan Chai we tried a deliciously light Lemongrass-tini at Tai Lung Fung, a retro Hong Kong-themed neighbourhood cocktail bar and feasted on

Asian inspired tapas at Mrs. Pound, a cool eatery disguised as a traditional stamp shop.

iDiscover Ding Ding is a nifty combination of handy fold-out maps designed by Tania Willis that beautifully illustrate all the iconic places along Victoria Harbour and a GPS app that ensures you can actually find those cool places without looking like a lost tourist. Even better, the app gives you detailed background stories and helps you order like a local. •



The slow pace and vintage charm make the tram the most relaxed way to see the city.



The beautifully illustrated map by Tania Willis comes with a GPS app to ensure you can easily find each of the cool places without getting lost.

Grab a copy of the map at the TramOramic tour or simply download the iDiscover Hong Kong App in the App or Google Play store for a selection of walking routes in the city's most authentic neighbourhoods. The best thing about it? It is all for free! [www.i-discoverasia.com](http://www.i-discoverasia.com)

# Meaningful connections

One of the first things I learned about doing business in Hong Kong or China compared to Europe is that *the relationship* is most important. More than the brand, product or price. It's the reason why for large deals it's not uncommon to go out with your customers and get drunk a few times, before the deal is closed. That gives you and the other party the chance to better understand each other and it helps build trust.



■ By Maarten Swemmer, Co-founder & CTO at EcoMatcher Ltd., [maarten@ecomatcher.com](mailto:maarten@ecomatcher.com), [www.ecomatcher.com](http://www.ecomatcher.com)

From that perspective, it seems amazing that a platform like Alibaba was able to grow so fast by facilitating deals based on apparently superficial online relationships between companies, without building a meaningful connection first. Alibaba's market place is above all a communication platform where companies can 'meet' for the first time, but how strong are those online connections? You can't get drunk on Alibaba.

In the last two years, I have written about digital transformation and how I think you can use new technologies to engage better with customers. To what extent do these technologies and new ways of doing business build meaningful connections? If doing business becomes easier, how loyal are your customers if the competitor makes it even easier? Creating meaningful connections helps establish lasting relationships.

When you're aiming your competitive strategy at customer intimacy (out of the traditional three basic strategies of operational excellence, customer intimacy and product leadership), it would seem to make sense that a personal or even face-to-face relationship will be part of your strategy. However, Amazon is doing quite well with a customer intimacy driven strategy (together with operational excellence).

Amazon combines a completely customised customer journey with effortless buying and receiving from an ever-expanding portfolio. As proof of the results, Amazon enjoys irrationally high levels of cross-sector customer loyalty.

The way Amazon has completely automated it, hardly works anywhere else. Available knowledge and resources don't allow it. Creating meaningful relations with customers online is an important way to win and retain customers. Personally, approaching every customer would be best, but isn't really an option either. Newsletters, social media and blogging (and comments on blogs) are the channels at your disposal.

Like when you get drunk with a customer in China, it doesn't hurt to let yourself (or the company) be vulnerable sometimes. Answering a customer question in a chat with "I don't know, but

let me find that out for you," builds more trust than letting the customer wait while secretly asking a colleague first.

Mike Templeman recently wrote a useful article on the Forbes website about other ways to create meaningful connections online. For example, create a Facebook Community, next to the Facebook Page you might already have, where customers and other interested people can discuss topics related to the company and the products.

You should actively respond to comments, to maintain a dialogue and learn more from the people that care to comment. Also allow customers to contact you directly through social media instead of requiring them to call, email or worse, fill in a contact form.

Next, share your social responsibility efforts and show that you are serious and sincere about it. For example, for companies that want to help the environment, EcoMatcher helps create meaningful connections between those companies and customers through the transparent adoption and sharing of newly planted trees. It's important to share but not brag, and definitely not do *green-washing*.

In general, you should make your social media strategy about more than business. Make it personal. A successful strategy includes regularly posting something from 3 categories: about the company, about the sector and, last but not least, about yourself. In the end, it's the personal touch that makes it meaningful. •

*"Creating meaningful relations  
with customers online is an  
important way to win and  
retain customers."* •

Sources:

- <http://mbim.com/stories/amazon-wins-the-battle-for-customer-intimacy/>

- <https://www.forbes.com/sites/miketempleman/2017/08/20/7-ways-to-make-meaningful-connections-with-your-customers-on-social-media/>

# Connections

At the very heart of international trade and investment for centuries has been the concept of connections. In the words of E M Forster, “only connect”. I am delighted to contribute this article to highlight the connections among the Netherlands, Hong Kong, and Mainland China. I would also like to take this opportunity to say ‘hello’ to all of you. I have recently joined Invest Hong Kong and am looking forward to welcoming more Dutch companies and entrepreneurs to this great city.



Stephen Phillips

■ By Stephen Phillips, Director-General Invest Hong Kong

Connections in terms of economic activities have different levels – geographical, infrastructural, technological, cultural and trade-related. Hong Kong is strategically located at the heart of Asia. Investors from over the globe can reach the city easily with more than 150 international destinations accessible from the international airport. We have an excellent transport and ICT infrastructure. With its unique history, it is the ideal place to connect the East and the West. We enjoy free flows of information, capital, products, services, and that is very important to make connections happen.

Hong Kong has long played an important role in connecting Dutch companies with the Asian market, in particular Mainland China. Many Dutch businesses have set up in Hong Kong to capture the growing opportunities in the region. They are a vibrant and diverse group, spanning from financial services, transport, food and beverage, retail and so on. Recently we have welcomed Sparta Rotterdam Football Club which has set up its regional arm here to nurture the next generation of stars on the pitch. Indeed, we are connecting not only in business but in sports as well.

And the two huge opportunities which are relevant to you are all about connections. The first connection is the Belt and Road initiative. Belt and Road covers more than 60 countries, accounting for two-thirds of the world's population but just one-third of the world's GDP. It has the potential to materially reshape the global economy and supply chains. Hong Kong companies, across many sectors, are in a unique position to benefit from and contribute to this initiative. Many of the current and near-term opportunities lie in infrastructure-related projects, but in time opportunities will also arise in sectors as wide-ranging as healthcare, education, logistics, finance, creative, business and professional services. These are all areas where the Hong Kong business community has got the special expertise and connections.

The second connection which is going to deepen is the Greater Bay Area, which promotes better integration between Hong Kong and the rest of the Pearl River Delta. The area covers 11 prosperous cities in Guangdong, plus Hong Kong and Macao, with a total population of 66 million. That is a market of comparable size to France. Hong Kong's openness and strength in international

connections, together with the strong manufacturing base in the Greater Bay Area, will lead to a more dynamic economy in the years to come.

One mega project I would like to highlight here is the Hong Kong-Shenzhen Innovation and Technology Park in the Lok Ma Chau Loop, which is going to bring our game to the next level. This is the epitome of Hong Kong's double benefit of 'one country' and 'two systems', and demonstrates the mutual benefits of Hong Kong and Shenzhen connecting to develop innovation and technology. The 87-hectare site – four times bigger than Hong Kong Science Park – will be the largest innovation and technology platform in our city. Leveraging and connecting the strengths of the two places, the loop will become a key base for co-operation in scientific research, backed by a solid eco-system in the form of higher education, cultural and creative facilities.

And much of this will be driven by improved connectivity. When the Guangzhou-Shenzhen-Hong Kong express rail link starts operating next year, Hong Kong will be linked into the national high-speed rail network, which will significantly improve our transport connectivity with the Mainland. From Hong Kong, you will be able to go to Shenzhen in 14 minutes and Guangzhou in 48 minutes.

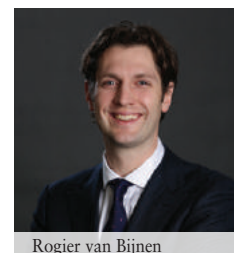
In a sense, one of InvestHK's missions is to connect. We would love to connect Dutch companies and entrepreneurs with Hong Kong, to take advantage of the tremendous opportunities that this city offers. Our team at InvestHK will do all we can to help you scale your business globally from your base here.

Should you wish to connect with like-minded individuals and companies, please join us in the Hong Kong Fintech Week on 23-27 October this year and our annual StartmeupHK Festival on 29 January to 2 February 2018. The latter, in particular, will feature a comprehensive programme covering emerging verticals such as smart city, Fintech, retail tech, Internet of Life and health. They will provide a great platform for you to connect with thousands of startups, investors, accelerators, incubators and other community partners, both local and from around the world, all in one place. •



# Faked in China

Everyone who has been living in Hong Kong for a while knows that you can find a counterfeit version of almost anything in China. Take an ordinary crab, some hair, a jar of glue and you'll find yourself in the hairy crab business. Then there are the fake designer clothes, alcohol, phones, diplomas and fast-food restaurants. Apparently, it's even worth some people's time to produce fake eggs and soy sauce.



Rogier van Bijnen

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In legal practice, things are not much different – as a lawyer working in China, one can never assume things to be in order. For example, when carrying out due diligence on a Chinese company, licences can often be missing. First, we'll get the excuses: "You're a foreigner, you don't know how China works," is what I hear, and "This is China, you know how it works," is what our Chinese lawyers get told. Of course, we don't take no for an answer, and when the Chinese side understands we won't let go, the licence miraculously appears. The ink is often still wet.

In our line of business, we are confronted on a monthly basis with documents that are false, so we are not that easily impressed anymore. However, the other day, even my battle-hardened Chinese colleagues were taken aback.

One of our European clients was in the process of acquiring a chemical plant in distress, deep down in the province. The negotiations had been dragging on for months, mainly because close to a dozen local private equity investors were about to lose a lot of money.

Eventually all the contracts were signed, the government approved the transaction, the shares were transferred, and our client is about to pay the purchase price of tens of millions of US dollars. At that stage it is quite common in China to make a final round of calls to all parties involved to check whether everything is indeed good to go.

One of the sellers to receive our call is a former interim-manager of the target company. The PE investors had placed him there to clean up the mess and he somehow managed to obtain the tiniest percentage of shares. His response to us over the phone was very clear: "I have no idea what you're talking about. Someone approached me a while back to sell my shares, but we couldn't agree on the price, so I never sold them."

Everyone was in shock of course. What had happened? Our client had decided, and rightfully so, that it wouldn't be very efficient to negotiate with all PE investors separately. The client had therefore agreed with the founder of the company, who still held a substantial minority stake, on a price for 100% of the shares.

This founder was then supposed to negotiate a price with his fellow-shareholders, and the difference would be the price for his own shares. Apparently the founder managed to strike a deal with everyone except this former interim-manager who, in the view of the founder, was asking for an exorbitant sum of money.

In China, share transfers are regulated and administered by the government, but it is not required that a notary public verifies the identities of the parties involved. Fraud is quite uncommon, since a whole variety of chops and original certificates are required that are usually kept in a safe (and trying to counterfeit all of that is quite complicated). In this case, however, the founder was in the possession of all these materials, the only thing missing was the signature of this former interim-manager ...

One would think that, when confronted, the founder would try to explain it away, but in fact he immediately and, without showing any signs of embarrassment, freely admitted to what he had done. He then threw some extra money at the interim-manager, who was also not insulted at all that someone had forged his signature. Quite to the contrary, the interim-manager was in a very good mood when he visited our offices to sign the share transfer papers. He had received the amount of money he always wanted, and at the end of the day, that's all that matters. •

*First, we'll get the excuses:  
"You're a foreigner, you don't  
know how China works," is what  
I hear, and "This is China, you  
know how it works," is what our  
Chinese lawyers get told.*

# WeChat – how China's Super App is changing the way we live, pay and communicate

Currently, it is estimated that 2.3 billion people, 30% of the world's population, owns a smartphone and uses mobile applications on smartphones for many everyday tasks.

■ By Jacob Feenstra, General Manager Cliftons Venues, [Jacob.feenstra@cliftons.com](mailto:Jacob.feenstra@cliftons.com), [www.cliftons.com](http://www.cliftons.com)



WeChat is China's most popular mobile device application and is gaining traction globally. The power of the App sits in its ability to merge key features and purposes of many singular applications into one multifaceted tool, appealing to mobile users and to companies as the go-to app of the current mobile environment. Launched in 2011 WeChat now has over 963 million users worldwide and has become a separate industry in itself, over 200,000 WeChat developers now actively work on the progress of the application's integration into our daily life.

The core function of WeChat was and still is its messaging function: sending free messages to other WeChat users. Very similar to WhatsApp and Facebook Messenger, users can transfer text, pictures, video and audio to one user or a group. A major user difference between China and the rest of the world is that WeChat's voice message option is the most used communication feature, rather than sending text messages, people use the WeChat app more like a walkie-talkie device to communicate. It's viewed as a faster way of communicating.

But WeChat is much more than a communication tool, the app is used daily across China for payments, money transfers, online shopping, transportation, customer reviews, restaurant bookings and dozens of other things. If you live in China, you can use no other app but WeChat all day, and this trend is likely to grow globally in the near future.

## WeChat facts:

- 963 million users in China
- Owns 92% of the China mobile payment market, 157 trillion RMB in 2016
- More than 65% of transactions are business related
- 12 million corporate WeChat accounts
- 70 million people use WeChat outside of China



Commercial opportunity through the use of WeChat is clear through these statistics. For a company to succeed globally in competitive markets, they have to join the channel that their customers want to be on and buy from. Mobile payment solutions are still at the early stage in most of the Western world, in China, mobile payment transactions are seeing double digit growth, processing 25 billion transactions per year.

And WeChat is going global. The applications owner and Hong Kong-listed company, Tencent, has teamed up with multiple international telecommunication and payment companies to offer their mobile payment solutions outside of China. Dutch telecom company KPN teamed up with Tencent, owner of WeChat earlier this year, to launch a WeChat Go SIM card for the 325,000 Chinese tourists visiting Europe this year. Offering calling and 4G data services, as well as additional features helpful for Chinese travellers in European Union countries, such as travel information, Chinese video content, top-ups and social media.

And with some key adjustments in the application's design and use ability, the *WeChat for the West* is already well underway, and potentially is the disruptor that will change the way that we communicate. •

*“Launched in 2011 WeChat now has over 963 million users worldwide and has become a separate industry in itself, over 200,000 WeChat developers now actively work on the progress of the application's integration into our daily life.”*

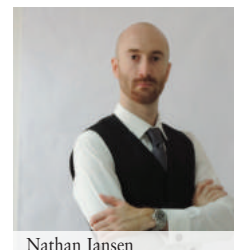
# What Is fueling the e-commerce boom in China?

China's growth is echoed in the online market. According to China's National Bureau of Statistics, Chinese consumers spent \$750 billion online in 2016 – a jaw-dropping number and more than the US and the UK combined.

Even more interesting is how China's e-commerce ecosystems and Chinese consumers' online behaviours have evolved that led the country to today's dominate position. How can companies gain a foothold in this market?



Maxime Van 't Klooster



Nathan Jansen

■ By Maxime Van 't Klooster and Nathan Jansen, [www.1421.consulting](http://www.1421.consulting), [info@1421.consulting](mailto:info@1421.consulting)

Today's e-commerce merchants and consumers in China enjoy a highly developed and specialised market. All with one click, saving the trouble of paying in cash or entering credit card information and transporting the items home, purchases are made. Such convenience is hugely popular, increasing transactions and sales and thus the Chinese e-commerce flourishes. None of which can be done without the diversified development of everything related to e-commerce. For instance, e-commerce has been influenced by logistics infrastructure, financing, customer service, an increase in mobile usage, an increase in disposable income, a growing e-population and changing shopping habits.

All these cross-industry activities have created consumer ecosystems which help consolidate business and improve

consumer penetration through multi-perspective coverage. Among the major e-commerce companies, the two giants Alibaba Group and JD.com are considered the pioneers and driving forces behind all of the development.

*“Things quickly changed as  
Alibaba and JD.com have  
been building up their logistics  
network across China linking up  
low-tier cities and rural areas  
which were previously less  
accessible.”*





## Logistics infrastructure

Previously, e-commerce was confined to large urban regions. Not only because of spending power, but also due to logistic limitations. However, things quickly changed as Alibaba and JD.com have been building up their logistics network across China linking up low-tier cities and rural areas which were previously less accessible. The recent service standard, which often includes same-day delivery at a minimal cost, largely facilitated the booming growth. This fast developing logistics helped retailers tap into a massive unexplored market, such as the hundreds of millions of internet users who have yet to begin online shopping. Future advances will also open up more opportunities such as cold-chain and supermarket sectors.

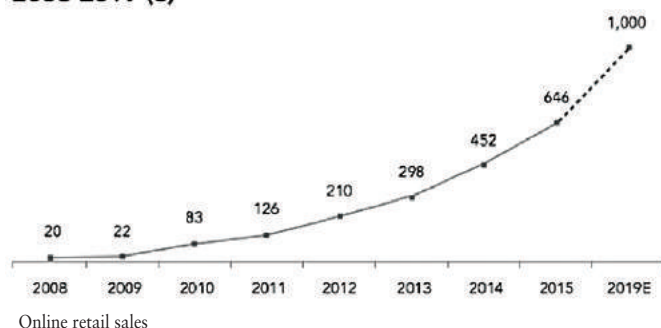
## Customer service

Another key part of the ecosystem chain that is driving the growth, is the customer service application tool. Platforms like Taobao and JD developed their own Web IM (Instant Message) tools, Aliwangwang and JD Dongdong, as convenient communication platforms between buyers and sellers. Customers can directly chat with the sellers if they have any inquiries about product quality, sizing, shipping speed, customisation etc. by sending text or picture messages. The sellers, who must be available from morning to evening (even till 11pm), can directly answer questions, complaints and deal with after-sales service. The empowerment of these tools is of essential importance to China's e-commerce boom as they made shopping so easy and pushed customer service for e-commerce in China to a level higher than anywhere else in the world.

## Consumer body

Besides all of the supporting infrastructure and large supply chain that is in place, the demand readiness of China's e-commerce market plays a huge role in the success of this market.

**Online retail sales growing at a CAGR of 64% from 2008-2019 (e)**



## Growing e-population and online-shoppers

Although China only “started” with the internet rather late in 1994, the e-population has been rising rapidly. By the end of 2016, the number of internet users in China had reached 731 million, accounting for around 60% of the country's entire population and more than double the population of the US. Among them, the number of online shoppers has grown exponentially from 74 million in 2008 to 467 million in 2016, 63.8% of total internet

users, a 12.9% increase over 2015 and a compound annual growth rate (CAGR) of nearly 30%.

## Increasing disposable income

In addition to the growing number of shoppers, the disposable income of shoppers has also increased. Urban disposable income levels per capita have grown at a rate of 11%, rising from \$2,505/year in 2008 to \$4,698/year in 2014. Since 2008 till 2014, rural disposable incomes have also more than doubled to \$1,611/year. An average Chinese middle-class individual who earns \$12,000 per year spends on average 18-27% of their disposable income on online purchases. With China's middle class exceeding 400 million people, such spending power made them the major force that drove the e-commerce growth and the target market for cross-border sales. Moreover, younger Chinese consumers that have more disposable income are increasingly willing to take on new financing options. Thus, Alibaba launched its financing option named Huabei, which offers loans to those who shop on Taobao and Tmall platforms. This effort is intended to improve the customer experience and also boost sales.

*“With China’s middle class exceeding 400 million people, such spending power made them the major force that drove the e-commerce growth and the target market for cross-border sales.”*

## Massive mobile usage

The phenomenal e-commerce growth could not have been possible without the catalysts: smartphones and wireless networks. By the end of 2016, China's mobile internet users reached 695 million, 95.1% of the total e-population. The penetration rate of online shopping on mobile terminals rose to 63.4% in 2016. Of the 441 million mobile shoppers, 58% were registered in lower-tier cities, where PCs and laptops are largely skipped and the users' first experience of the internet was likely to have been on a smartphone. During 2016's Single's Day, mobile payments alone made up 82% of the \$18.2 billion sales generated and explains part of the exponential growth of China's e-commerce.

One might think that e-commerce in China of such astounding scale is near its saturation point, however that's an unreasonable assumption. With 40% of the population not yet connected to the internet, cold-chain in developing stages and high growth potential demonstrated by low-tier cities and rural areas, China still has large untapped potential left to be explored. •

# Connecting with China

Doing business in any country means understanding the market and consumers, building relationships from the ground up and being passionate about your product. Freark Bruinsma, GM, Heineken Breweries Hainan and Marco Hamers, Executive Vice-President, Global Brands Group China talk about connecting with the market, consumers and doing business in China.

■ by Donna Mah



Freark Bruinsma



Marco Hamers



Heineken sponsors many prominent events.

**Freark Bruinsma, General Manager,  
Heineken Breweries Hainan**

Sales of premium and super-premium beer brands are growing in China, according to General Manager, Heineken Breweries Hainan and member of the management team of Heineken China, Freark Bruinsma.

## Beer market in China

According to Freark, everyone was surprised to learn that the beer market in China had actually declined in the last two years after two decades of continuous growth. “It was unbelievable,” he said of the 1% decline the first year. No one believed it could happen. Nevertheless, still one out of four beers consumed in the world is consumed in China. The good news for premium beer brands such as Heineken is that while mainstream beer brands sales have declined, the premium brands have reported sales growth.

By creating premium brand experiences for Chinese beer consumers and building strong relationships with business partners in China, Heineken has a strong foothold in the premium beer market. The brand works with distributors to deliver the product to outlets like clubs, KTV outlets, Chinese restaurants, as well as convenience stores and large supermarkets. For each channel, there is a preferred type of packaging, for example small bottles in clubs and large bottles in restaurants. Each and every outlet is visited by a Heineken representative to ensure that the

brand is displayed, presented and stored in the right way and at the right temperature in order to provide a consistent and quality product to consumers.

“The Heineken drinker is open to the world with a positive fresh mindset. They are open to new experiences and know how to progress in life. They seek the highest quality in their beer,” explained Freark.

Freark stressed the importance of a strong distribution network in China which means building good relationships with distributors. Once the product is in outlets, follow-up by sales representatives helps to maintain the relationship with the trade as well as to ensure the placement and consistent quality of Heineken beer is met. At each level, it is also important to have margins that sustain each of the businesses involved.

“There is definitely room for growth in the premium and super-premium beer market in China,” said Freark. “With a quality, consistent product as well as a cross-channel and cross-media approach, Heineken continues to go from strength to strength.”

## Global campaign, local engagement

In 2016, Heineken launched a global campaign, ‘There’s more behind the star’ focussing on the authenticity and rationale that make the Heineken product special and premium. To give you and example, Heineken China adapted the campaign and appointed



‘There’s more behind the star’ campaign in China.

## *To present a consistent message to consumers, Heineken China adapts global campaigns and makes them relevant to the local market.*

Taiwanese actor Chang Chen as its first Chinese spokesperson. “We take a global campaign and make it locally relevant. In this case by appointing the popular Chinese actor/director,” Freark explained. “Apart from different TV commercials and digital activations, a live stream event was organised as part of our branded engagement during which 34 million consumers interacted with Chang Chen for a full 40 minutes. It was incredible!”

To present a consistent message to consumers, Heineken China adapts global campaigns and makes them relevant to the local market. In this case, the Heineken China team made sure to take the time to study its target consumers and to take due care in selecting the right celebrity to represent the brand. “Our spokesperson needed to represent our ‘man of the world’ and be representative of the quality of the Heineken brand and product,” said Freark.

The campaign starring Chang Chen has been the most successful activation campaign for Heineken China with the highest degree of consumer engagement. In China, Heineken also created premium brand experiences leveraging on its local sponsor platform at events such as the Shanghai Formula 1 and the ATP Shanghai Open.

Freark also shared one of his most memorable activities which took the brand from 12 years of decline in Hong Kong and Macau, into growth of 15-20%. This was the result of the team effort and spirit shown by the members of the Hong Kong/ Macau team. They worked hard and well together to bring the brand back to the streets of Hong Kong and Macau and into a position of strength. Growing the business and people together is clearly one of Freark's passions.

### **Know your market**

Heineken invests in market research to understand what consumers want. Freark stresses the importance of clear “consumer insights” as a base of everything Heineken does. It is also important for brands operating in the China market to show “big brand behaviour”. Freark mentioned the importance of the strong visibility of a brand.

Partnerships with distributors are also vital to success in China. Working closely with trade and making sure they have the right support and creating the right pricing structure are key.

Being able to differentiate your product from competitors is also key. By communicating with consumers through different

channels with a consistent message, Heineken reinforces the message that its product is a premium one.

Freark also spoke about the passion for quality, innovation and the sustainable products that the company produces. Heineken has three breweries in China which produces its beers. The standards for all breweries worldwide are homogeneous in order to maintain a high level of quality. The company also innovates with new beers and new packaging - Heineken was the first to package its beer in an aluminium bottle and to bring draft beer into homes.

### **Passion for quality**

Steeped in over 150 years of history and four generations after Gerard Adriaan Heineken put his family name on the bottle, relentless dedication to quality have resulted in 25 million Heineken beers being enjoyed each day in 192 countries, as well as the Heineken brand being valued as the most international premium beer in the world. Freark believes that the passion for quality and the entrepreneurial mindset are the cornerstone to the success of the brand. It was the late Freddy Heineken himself who famously said, “I consider a bad bottle of Heineken to be a personal insult to me!”

In closing, Freark shared Heineken's secret to its success: “Heineken beer brewed in China is consistent with the Heineken brewed in Brazil, Holland or Indonesia. The brewing process is around 28 days, twice as long as many other lagers. This gives it the balanced rich taste. Some of our competitors adjust their recipe to local preference. Heineken beer is consistent wherever you consume it.”

### **Marco Hamers, Executive Vice-President, Global Brands Group China**

Marco Hamers is based in Shanghai and is the Executive Vice President of Global Brands Group China (GBG), which is a Hong Kong-listed company. With extensive work experience in the China market, Marco manages the China business for the company which works with many international brands to build business synergies and brings it together both online and offline. His key message to the teams he manages is, “Everything we do, we have to think retail.”

GBG works with many international brands on specific categories such as kids apparel, and also owns or controls a number of brands under long-term agreements, examples of this are Juicy Couture and the American brand, Spyder. While the core of the global business is still in the USA for some of the brands they work with, Marco said, “We are seeing more and more opportunities to adapt and develop brands for good growth in the Asian market. The fun part of what we do is not working just for one brand or one brand strategy, GBG works and thinks more as a brand platform business.”

### **Growth in children's apparel**

GBG China focuses on the children's segment which Marco believes “has endless opportunities for growth”. He told us that in while in the media in the USA report, almost on a daily basis, on store closures, there is a great deal of room to develop brands offline and online in the China market. While it's true that not all commercial shopping mall developments will attract enough consumers and perform well, many do, according to Marco. He mentioned cities such as Chongqing or Chengdu where the summer heat makes air-conditioned shopping malls attractive destinations for families to spend a few hours.



## Lead Story

“The strong malls with enough space cater to families with educational offerings, climbing walls, activities, games, restaurants and retail outlets. The good malls are really part of the communities they are based in,” Marco add. “Currently we have a strong focus on Nautica Kids and OVS Kids in this segment.”

### Listen, create and excite

GBG works with a number of layers of customers. For retail customers, the company starts by assessing the market, what the products needs and demands are, the appropriate price point for the segment and how to reach the target volumes for the segment. Marco and his team focus on creating a clear offer for the customer, one that is easily understood, by taking away as much noise as possible.

The other “customers” that Marco works with are business partners, including shopping mall management, who need to be onboard and excited about what GBG is doing, designing and developing. Marco puts it succinctly as, “Listen, create and excite.”

The need to create excitement holds true for brands and product groups which are almost completely online focused. With online, using the right message to attract consumers is very important. With the insights gathered from studying big data, companies can better understand what consumers like, how they make decision, and how they compare products.

“Creating good products is still, in my view, a big part of creating success. The other part is to have a story behind the brand. GBG focusses on understanding a brand’s DNA and translating this in everything we do with each particular brand,” said Marco.

### Fashion is international

Marco said he has often been told that “everything needs to be different in China”. However, he believes that fashion is international and, with good products, borders can be crossed. That doesn’t mean that products don’t undergo some adaptations for the market though. Currently, Korean fashion trends are making an impact in China therefore there may be a need to make adaptations in order to scale up the volumes necessary to maintain an appropriate pricing strategy. Marco added that, “Adaptation in product and pricing strategy can help a business to accelerate a lot faster.”

### Turning challenges into opportunities

By bringing a product to consumers via online or offlines shops, brands are able to test out concepts and find out what works in a market. While some view online as competition for offline business, Marco notes that it can also offer brands “tremendous access and growth as a standalone business”.

Marco told us that retail has become a lot more complex in the



One of Global Brands Group's children's clothing brands display.

last three years and a comprehensive retail strategy is key for driving sustainable growth. There are, of course, risks involved and not all concepts will be successful, however the engagement with the market will provide new insight and information that may lead to the development of the next amazing concept.

In any market, it is important to be aware of timing and being prepared to act at the right time. Singles Day on November 11 (11-11) is a huge one-day event for retailers in China. Retail marketing and promotional dollars spent on campaigns that run two weeks before or after Singles Day would be of little impact.

“Knowing how to optimise a global product to the local retail calendar is a key exercise,” Marco stressed. “It takes some convincing when you work with big global brands, but results convince better than anything else.”

### The future

While none of us have a crystal ball that will tell us the future, Marco does see opportunities in the future for “collaborations across brands that tap into ‘hot’ China topics”. He also mentioned a huge launch in the works which will involve weaving a story as part of a viral marketing campaign. Though he couldn’t share details with us, he is did think that things would get interesting with this ambitious campaign.

As for connecting with consumers in China, Marco closed by saying, “Observe, look at the market opportunities, take a position. Keep coming back to yourself and your teams and ask questions to fine-tune the brand position. Nothing is finished, everything is to be built.” •



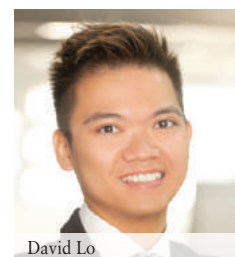
A retail shop concept for China.

# Board of Review/Tax Tribunal Case X66 shows again how important proper substance is

In Board of Review/Tax Tribunal Case X66, several appellants brought appeals to the Board of Review (“BoR”) under section 66 of the Hong Kong Inland Revenue Ordinance (“IRO”). For easy reading, Case X66 described below has been limited to one appellant only.



Willem Jan Hoogland



David Lo

■ By Willem Jan Hoogland (taxservices@hkwj-taxlaw.hk) and David Lo (david.lo@hkwj-taxlaw.hk), HKWJ Tax Law & Partners Limited

Within Case X66, a company incorporated in Mainland China (“P Co”), manufactured shoes in Mainland China. Those shoes were subsequently sold to an International Business Company such as the BVI (“B Co”) that in turn sold those shoes to a Hong Kong Company (“A Co”). A Co finally sold the shoes to end customers in country K. Additional facts were that the profit margins for B Co were around 10-20% and for A Co around 5%. Further, P Co and A Co, except for B Co, paid corporate income tax on their profits in Mainland China and Hong Kong, respectively.

The main focus within this case was on the role of B Co, which did not carry a business registration in Mainland China nor in Hong Kong. The Hong Kong Inland Revenue Department (“IRD”), as a result of a tax audit, disallowed A Co its claimed expenses (being equivalent to the gross profits of B Co) as being deductible under section 16 of the IRO as it did not consider the expenses as incurred by A Co in the production of its relevant profits. The Appellant, A Co, disagreed and clarified that “although B Co was genuinely and substantially involved in the manufacturing business of P Co and the sale of the shoes to customers in country K, those staff operated within the factory of P Co and therefore B Co did not have business registration in Mainland China and neither did (not need to) pay Mainland China corporate income tax.”

The Appellants claimed in front of the BoR that B Co employed about 50 (senior) staff for quality control purposes and that the reason why this staff was not being employed by P Co and/or A Co was because of a) the so-called ‘political tensions’ between Mainland China and the country from where those 50 staff were recruited and b) the fact that Hong Kong became part of Mainland China.

The BoR however found it difficult to believe that the 50 staff were ‘worried’ about being employed by A Co in Hong Kong. This as Hong Kong has its own rule of law. Besides, they questioned how it was possible that none of the employment contracts between B Co and the staff nor any employment records and payrolls were produced in evidence.

As a result, the BoR came to the conclusion that the interposition of B Co was NOT for any genuine commercial purpose but for tax purposes. Consequently, it disallowed the gross profits of B Co as being deductible expenses for A Co.

The Appellant further argued that the business of B Co was carried out in Mainland China. Besides, there was no staff of B Co present in Hong Kong and the majority of directors’ meetings that took place in Hong Kong were just paper meetings. Therefore, it could not be right that the profits of B Co were (indirectly) taxable in Hong Kong as it did not carry on a business or trade in Hong Kong.

These arguments were however not accepted by the BoR, not only because B Co failed to prove it had 50 staff, but also because the BoR considered the activities of B Co in Mainland China as rather antecedent or incidental. Moreover, the BoR noticed that the board minutes of B Co were partly signed in Hong Kong, that B Co held a bank account in Hong Kong, had its financial accounts prepared and approved in Hong Kong and had a Hong Kong business address. The profit producing activities were also considered to be in Hong Kong as invoices, packing lists, delivery reports were received and/or prepared in Hong Kong.

In conclusion, B Co had no substance at all in the BVI(?) nor in Mainland China. As for having had any substance in Mainland China, this obviously would have then created a permanent establishment on which Mainland China corporate income tax would have been payable.

It should be noted that the IRD, as an alternative, also assessed A Co pursuant to section 20 of the IRO. Under that section, A Co is considered as an agent of B Co and taxed on the profits that are allocated to B Co. This might happen when entities are considered by the IRD as closely connected and whereby profits of one entity (B Co) should have been arisen in Hong Kong by the other entity (A Co), but because of certain business arrangement between the two entities this ‘proper’ allocation did not take place. •

# One small step for man, one giant leap for Dutch procedural law

As a country that relies on commerce and trade for its economy, the Netherlands is taking a further step to facilitate this important sector by the installation of the Netherlands Commercial Court (NCC).

■ By Rolf Sperling, Associate, Loyens & Loeff, [rolf.sperling@loyensloeff.com](mailto:rolf.sperling@loyensloeff.com)



Rolf Sperling

As the Dutch court system itself advertises it, the NCC is a specialised court designed to meet the growing need for efficient dispute resolution of (large) civil or commercial matters with an international aspect. Based in Amsterdam, the NCC operates under Dutch procedural law which is highly regarded for its pragmatism and efficiency, while the working language of the NCC will be English. On top of that, the civil law system of the Netherlands was ranked highest of all civil justice systems in the world in the World Justice Project 2015 Rule of Law Index.

## Background

In trade or commercial agreements the ‘choice of law’-clause is often English law with a choice for the courts of England and Wales. For a large part the reason for using the English courts is to have the proceedings in English. From the Netherlands’ perspective this is a pity since the Dutch courts have vast experience in trade and commercial disputes given its heritage. Furthermore, the Dutch legislator wants to provide a highly qualified and independent court that will operate in a timely manner, to facilitate the commerce and trade sector.

With the NCC, the Dutch court system provides a level playing field for international parties and accommodates business practices. Dutch decisions are enforceable in many jurisdictions and Dutch procedural law is known to be cost-effective and for the extensively specialised Dutch judges. For this reason, choosing Dutch procedural law can be an alternative to costly arbitration procedures to settle international trade disputes in the Netherlands, while conducting those procedures in English. To be clear, a procedure with the NCC is considered a ‘regular’ procedure pursuant to Dutch procedural law, however the procedure itself is conducted with a highly specialised court. Therefore, the NCC is different from an arbitration procedure and the goal of the NCC is (in part) to strengthen confidence in Dutch courts in comparison to arbitration. The current expectation is that the NCC will process approximately 100 cases in first instance procedures, with approximately 25 appeal procedures.

## Features

After installation of the NCC, parties can voluntarily choose by contract to settle their disputes specifically through Dutch procedural

law with the NCC. The focus of the NCC lies in the settlement of major complex international trade disputes, but the parties themselves determine the actual subject and scope of the proceedings, as long as it is regarded as an international matter on Dutch civil law (i.e. as opposed to Dutch administrative law or Dutch criminal law). As such, cases may (amongst others) revolve around contractual disputes, claims of unlawful acts, property law disputes etc. In addition, the NCC will join the modern age and allow for digital proceedings. This means that both the application of the case and the filing of documents will be done by electronic means.

The court structure will consist of the court of first instance (the ‘*Netherlands Commercial Court*’) and a court of appeal (the ‘*Netherlands Commercial Court of Appeal*’). Final appeal (cassation) will be possible with the Dutch Supreme Court. The NCC has the ability to split proceedings into two phases, being a phase of merits and a phase of quantification of damages. Evidence can be tendered in four languages: in addition to English and Dutch, German and French are also allowed.

Since the Act to introduce the NCC is still in draft form, there may be some changes to the NCC when finally introduced. However, the general outline as set out in this article will be the same. All in all, the introduction of the NCC is a good sign for the “B.V. Netherlands” to facilitate international conflicts in the important commercial and trade sector. •

*“From the Netherlands’ perspective this is a pity since the Dutch courts have vast experience in trade and commercial disputes given its heritage.”*



# Connections

## *“Guanxi vs Lao Pengyou”*

■ Column by Ralph Ybema, rybema@chinaltd.com.hk



Ralph Ybema

Last week I was in India for a whirlwind tour. New Delhi, Gurgaon, Bangalore, Chennai (Madras) and Mumbai in five days, representing the five principal offices of the only Indian law firm I would recommend. The agreement we signed adds Indian legal and tax services to my firm's offering and Hong Kong/China to the Indian firm's. One plus one equals three, we think.

The managing partner is an impressive person whom I consider a good friend. A “Lao Pengyou”, as the Chinese would say, having first met over fifteen years ago. I was Asia Head of Legal for a US-based IT company and in need of an Indian legal advisor meeting the exacting standards of my American superiors. Not having dealt with Indian law before, this was a task for my network.

It meant matching a “thou shalt respond within 24 hours, no excuses” expectation with Indian time frames back then - 10 years for a court case was more or less a minimum, getting a domestic phone line installed could take longer without special “facilitation payments”.

Times have changed dramatically, but my friend and his partners fit the bill from the outset. His has grown into the go-to law firm in India for a number of practice areas, including IT, Corporate and M&A, Real Estate, Telecommunications and Media, Dispute Resolution and Aviation Law. And oh yes, it's the only foreign law firm licensed to practice local law in Dubai and its financial district.

Speaking of Lao Pengyou, in mainland China I mostly work with a very similar success story law firm. The managing partner was an employee of the Suzhou Municipal People's Government in 1993 on a salary of, get this, 27 RMB per month. Perks included meals and housing, yes, but still. Easy to see why he started a law firm soon after. His daughter now studies at Harvard, you see ...

His firms has no Chinese clients though, and for a reason.

When asked why, his reply is threefold: “They don't sign anything, IF they sign they don't pay, and most importantly, they are all crooks.”

You understand that I have to forewarn clients I introduce to this firm. The result of this uncanny candour is usual a deafening silence broken only by the client cautiously suggesting that he probably misheard but that surely not all Chinese businessmen can be crooks. The steadfast response is confirmation that that is precisely what was meant.

Now before Public Security Bureau officials knock on the door to blindfold and bundle me into an unmarked van for a ride across the border to undisclosed destinations, let me add that I disagree personally. Besides disliking generalisations, in my 25 years of travelling to the mainland, I have met several businessmen (and women) who most emphatically are not crook material.

Several, but not many. Most I simply don't know well enough to judge. But if a lawyer born, bred, trained and raised to prominence (he is a law professor and was defence counsel to Stern Wu, of Rio Tinto bribery fame) in mainland China takes this view, who am I to claim otherwise? Suffice to say his statement is a warning, to not just trust your Chinese contacts but be extremely careful. The irony being, of course, that trust is exactly why I work with my Chinese friend and his firm.

There is no room for grey areas on trust in the law business. Well-connected people cheat all the time, ask Bo Xilai. The Chinese “mei guanxi” (“mou yisi”), taken literally, means “no connection”. Yet it is mostly used as a vague excuse to get out of potentially embarrassing situations. “It doesn't matter”, “I didn't know” or even “I'm sorry” is the more apt translation.

Let that thought be a reminder that Guanxi (alone) can lead to embarrassment. “Lao Pengyou” is the standard for trust – and being called that at a banquet with Mao Tai toasts doesn't count! •



Nico de Ruiter  
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## Passing the pen

**Who am I:** Nico de Ruiter, CEO and owner of Merzario BV. I live in Rotterdam and visit Asia/Hong Kong three to four times a year.

**My professional background is:** I started my career 40 years ago at PwC as an Assistant Accountant. After seven years I stepped over to Merzario BV to become their Financial Manager. In 1993, I was promoted to General Manager responsible for the Netherlands. Then in 2005, I bought Merzario BV through a MBO. At that stage we employed 25 people only in the Netherlands.

**I work for:** Merzario BV, a freight forwarding company with 12 offices in six countries. We specialise in sea and airfreight worldwide with a focus on China. Now we employ around 125 people spread out over 12 global offices.

**My company is in Hong Kong because ...** Our Hong Kong office manages our recently opened China offices in Shanghai, Ningbo, Xiamen, Qingdao and Shenzhen. Unlike some of our competitors, these offices are fully licensed according to Chinese Law.

**My most remarkable work story relating to Hong Kong is:** A long time ago, I was invited by our Hong Kong agent to visit the horse races in Happy Valley. After a few races, we went down to the small ring where they show the horses before each race. My Hong Kong agent owned one of the horses. He told me to bet a lot of money on his horse. Out of courtesy I bet HKD 1000 on his horse. And guess what? The horse won! I won a lot of money and found myself on Hong Kong TV later that evening.

**I find most of my business contacts through ...** My worldwide network of domestic and international contacts.

**Connecting to me is ...** Easy via nico@merzario.nl.

**25 years ago I was ...** on my very first trip to Asia visiting 7-8 countries in 3.5 weeks. After this first, trip I've made close to 100 trips to Asia in the last 25 years

**One day I will ...** retire. •



# It's the connection, stupid!

In May 2013, the Dutch Waste Management Consortium visited the Solid Waste Management Conference organised by the Baptist University, in the Hong Kong Convention Centre. It was a sparkling event, where we met new friends, colleagues and learned more about the waste issues confronting Hong Kong.



Bernard F. Scheffens

■ By Bernard F. Scheffens, CEO, WSS Asia Ltd.

That's where we started with a Memorandum of Understanding signed by K.S. Wong, Secretary for Environment and Minister L. Ploumen, Foreign Trade, Netherlands. Presenting Dutch firms to help overcome the issues, we made a lot of connections, in business and government in a Partnership for International Business Program of the Dutch Government, and we're planning to come back once more to Hong Kong at the Eco Asia Expo from 23-29 October 2017. Feel free to come by and visit us!

So, what has happened since? The first way to connect is to understand the issues, the parameters, the interests that are not always aligned, to talk to a variety of people to get their perspective and think how we can help.

The second way to connect, is then to work with various parties involved to see if we can help, and if so, what common grounds there are to resolve. But even more important is to understand the pros and cons from various sides for a set of solutions, many of them documented in the Hong Kong Waste Plan 2013-2022.

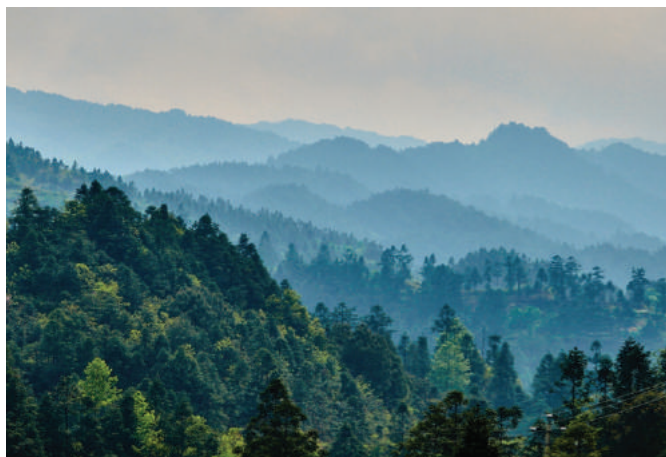
A next step in connecting is building the trust needed to go in-depth and work through each element of a solution with all the possible parties involved. That's not easy, especially when there is some lack of trust between some of the players in this effort. But the facts tell us that we must be persistent, keep going, or we will have a disastrous disconnect when we fail.

In the summer of 2014, a China delegation visiting the province of Utrecht. They wondered what we were doing in Hong Kong, which led to a first visit to Guangzhou in October/November 2014, after the Eco Asia Expo in Hong Kong. It is great to see how people from various organisations interact, connect and make an effort to solve problems. And we all know the magnitude of the waste issues, in Hong Kong and certainly China.

The Dutch Consulate supported us to make a connection with the Circular Economy Association of Guangdong and introduced the Dutch Waste Management Consortium, taking action to discuss possible cooperation. It resulted in a new visit to Guangzhou, China in November 2015, where several Dutch organisations signed a MoU with the CE Association of Guangdong.

But it doesn't stop there. The Chinese then connected the consortium to the province of Guizhou, one of the three ecological

provinces appointed by the central government in Beijing, and where again several pilots and projects are signed to start cleaning up.



Here's a picture of a landscape not so far away from Hong Kong, in the Province of Guizhou. The sheer beauty is impressive. We don't want to lose our connection to nature, do we?

It demonstrates the reflection of modern times. Through all kinds of channels, people interact, share information, connect relevant parties to solve a particular problem. But, that's not enough.

The main part will be connecting to the people, to companies, to enable them to contribute to the circular economy so desperately needed and to take the first steps to build it.

If we cannot motivate the people to separate waste, if we cannot convince companies and also governments itself to do what needs to be done, if we fail to connect, nothing will happen.

Education, communication, constant messaging to all stakeholders that we need to do this together, is crucial. The technology is there, it can be done. In all the information streams reaching us today, we need to find a way to stress this urgency and go into action mode. Each of us can help, or do you want to be disconnected in a connected society?

Feel free to connect! ●



## There's no place like home

With 20th anniversary of Hong Kong's return to China, I reflected upon my limited knowledge of my city's history, origin and culture, and felt like a tree without roots at times. As I continuously seek out a sense of belonging, commitment and attachment to Hong Kong through exploring local neighbourhoods and creating artwork, I gradually make sense of my past and feel grateful for my history's shaping of my art career.



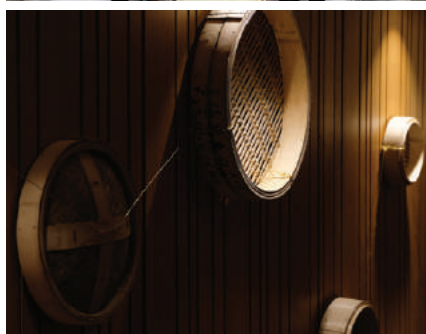
May Yeung

■ By May Yeung, may.sculpture@gmail.com, [www.facebook.com/myeungsculpture](http://www.facebook.com/myeungsculpture), @m.y.sculpture

As the first wave of Hong Kong immigrants to Australia in the early 1980s, my family was the only Asian family in our neighbourhood, and we assimilated into the culture with the first step of speaking English at home.

Blue Mountains, Uluru, The Twelve Apostles ... all these beautiful places in Australia gave me a sense of awe in nature's wonder and inspired me to create many flower-related artwork such as *Komorebi* for Le French May 2017.

When my family moved back to Hong Kong in the 1990s, I struggled to communicate with my peers in Chinese. Nonetheless, I built friendships by playing Chinese checkers with my classmates. With the desire to recreate my childhood memories and maintain traditions, I decided to incorporate the chess game and wood from Sze Cheung Wood Ltd, the only wood shop with 100+ years of history, in my art series *Tsubame*.



Yet, during my childhood in Hong Kong, there were moments when my life seemed to be a mimicry, filling my thoughts with others' criticism of my interest in art. Rather than a drop of water that loses its identity in the ocean, I was determined to be the architect of my own future and decided to start a new chapter of my life by studying in the United States. With this extra cultural layer, I felt even more homeless at heart and had a major identity crisis. To search for and establish my



identity, I built a series of pop art installations, including *Citation* at Rockefeller Memorial Chapel, *What If* at Chicago Union Station and *#.* at Harper Memorial Library.

Upon my return to Hong Kong two years ago, I was invited to showcase *Cocoon* at the Residence of the Dutch Consul General in Hong Kong and Macau and *Ichi* as part of Dutch Days 2016. Working on these two projects, I spoke with many third culture artists, and felt at peace with my identity and was eager to promote Hong Kong's culture through my artwork.

Recently, I created *Mangata*, a dim sum-inspired artwork, to examine gastronomy as a social practice. Whether it is shumai (Chinese dumpling) or char siu bao (Chinese BBQ pork buns), food has a way of transporting us back to the past. To establish roots at a place, we should smile through trouble and gather strength from distress together. Specifically, I used dim sum steamers from Tuk Chong Sum Kee Bamboo Steamer Co., the only store left in Hong Kong that hand-weaves bamboo steamers. As we view ordinary objects as blessings, we are able to find traditional food for our soul and turn the modernity of today into the traditions of tomorrow. By transforming a day-to-day object into artwork, I believe that it is the first step in keeping Hong Kong traditions alive.

The growth of a great city requires reflection, as well as innovation, to appreciate and further promote local traditions. Through the spirit of art, may light drive out darkness and may love drive out hatred. Hong Kong, there is no place like home. •

# Travel with a personal travel agent with Dutch expat roots

A little while after we left the Netherlands in 2009 for my husband's job, it was an exciting opportunity for a change. I love travelling, so after experiencing a lot of expeditions, adventures and studying Tourism Management, I got the idea to use my passion to launch BeenInAsia in 2012.



Carla Rijnders-Matti

■ By Carla Rijnders-Matti, [carla@beeninasia.com](mailto:carla@beeninasia.com), [www.beeninasia.com](http://www.beeninasia.com)

As we lived in Vietnam, BeenInAsia.com started to offer tailor made tours to the most beautiful spots in Vietnam. Quickly thereafter Laos, Cambodia and Myanmar were on offer. After living in Vietnam for 4.5 years, we were blessed to move to Thailand, which gave me the chance to explore Thailand and expand our programme. BeenInAsia is a specialist, knowing and feeling what is happening, as changes occur rapidly in this region.



In the course of time, expats became our main clientele, often families with children or working couples, and their friends and family, who don't have the time to organise their own trips. I can empathise with their situation, as I travel in the same way myself. Most expats want a decent bed to sleep in and get authentic experiences, which are often a combination of culture, activities and beach. When composing a journey I look closely at the needs, ages and budgets of clients. The programme is often a puzzle, sometimes with more than one tour operator, with the result being the perfect trip for a client. Connecting expats to local people and experiences is what I like to do.

One client wanted to walk through the rice fields in northern Vietnam and see the colourful minority markets, sleep in a cosy bed in a river lodge in an undiscovered village. Another wanted to discover Cambodia by an old jeep or – to keep it fun for kids – a temple tour by bicycle. In Myanmar, you can make a varied programme for young and old – despite the numerous temples –



for example cycling, taking boats or a local ferry. If we ask our children what they found the most special holiday in the region, they undoubtedly say: Myanmar, and in particular the temple plain of

Bagan. You could say it's not really a "kid's thing" but it can be!

Laos is also a very interesting country. Many people only think of temples and monks, but this country has so much to offer! Cycling, kayaking, caves, jungles, ethnic minorities, boating on the Mekong, planting rice with the locals. A perfect destination for a combination of culture, nature and action!

Although Thailand's tourism is developed extensively, there are still many places where you can be connected with the local culture and in some places you won't even see tourists. And there are many more islands to discover other than the few big, well-known ones!

BeenInAsia can offer you a personal, tailor-made tour that suits you. By an expat for expats. This is how we can distinguish ourselves from other tour operators.

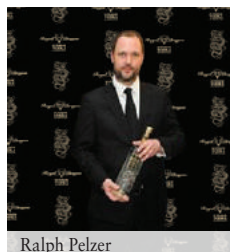
I also would like to mention Learning Compass, a foundation which we set up. Travelling through Thailand for work, I saw many areas (mainly North and North-east Thailand) with underprivileged children, who could not afford to go to school. That's why my husband, our friends and I set up the foundation, Learning Compass, to support these children to go to upper secondary school and then continue on in university to open up opportunities to them. •

If you would like more information about Learning Compass, please go to [www.learningcompassfoundation.com](http://www.learningcompassfoundation.com) or email [info@learningcompassfoundation.com](mailto:info@learningcompassfoundation.com)



# Connections

In the first of a very successful series of novels by Ian Fleming, *Casino Royale*, the main hero James Bond orders a vodka martini “shaken not stirred”. This remains Bond’s favourite drink throughout the series, and was later faithfully captured in the movies of the novels.



Ralph Pelzer



Michel Morren

■ By Ralph Pelzer, [ralph@royaldragonvodka.com](mailto:ralph@royaldragonvodka.com) and Michel Morren, [Michel@royaldragonvodka.com](mailto:Michel@royaldragonvodka.com), [www.royaldragonvodka.com](http://www.royaldragonvodka.com)

It certainly is no coincidence that Ian Fleming, who came from a very distinguished and wealthy family and was himself a naval intelligence officer in the Second World War, chose vodka as the favourite drink of his hero. He knew that sharing a vodka cocktail was an effective way of making connections with a certain style.

This hasn’t changed much since then. On the contrary, the number of new vodka brands that have come into existence since Ian Fleming’s time only underline the timeless appeal of vodka. Many brands however have come and gone, as they did not manage to distinguish themselves enough from the others.

With the rapid emergence of a new wealthy class throughout the Asia region, it would clearly only be a question of time before someone would be astute enough to recognise the vodka opportunity. This somebody was Michel Morren, a Dutch entrepreneur, who came up with the concept of producing a high-quality vodka with a very distinctive identity that would appeal to both east and west. He was soon joined by another Dutchman, Ralph Pelzer, and together they started to produce Royal Dragon Vodka, effectively connecting the east with the west. Their company Dragon Spirits Limited is based in Hong Kong, and with the vodka being produced in Eastern Europe (Lithuania), and the bottles being hand blown in Northern China, the product is truly a connector between east and west. The former Chief Executive of Hong Kong came up with the phrase of Hong Kong’s role being that of a “super connector”: Dragon Spirits Limited is a prime example of this.



The range of Royal Dragon Vodka has been recognised by the industry with several prestigious awards and is now distributed in over 25 countries and by leading duty-free groups globally. The reasons for its success are firstly that the products are both of a premium quality (the vodka is distilled five times, while most vodkas are only distilled three times), and secondly are very distinctive and recognisable in a stylish manner. Their “Imperial” top of the range vodka, has a hand-blown glass dragon in the bottle with Swiss gold leaf floating in the vodka. Very James Bond indeed! People have been known to collect the empty bottles because of the aesthetic appeal. Royal Dragon Vodka is here to stay.



The founders of Dragon Spirits Limited have understood that real connections are forged between individuals, and not between companies, and to facilitate business networking and the development of friendships over a vodka cocktail or a beer, they started the only Dutch bar in Hong Kong, Mokum on Wyndham Street. There is a large group of regulars who come to Mokum almost daily, the bar seems to attract a constant stream of visitors as well: it clearly is another connector, as the mix of Hong Kong locals, Dutch expats, Dutch visitors and other international clients is impressive. One hears Dutch, Cantonese, Mandarin and English being spoken, often expressing their admiration for the Royal Dragon Vodka bottles displayed in the bar.

The Dutch community in Hong Kong uses Mokum as its “home base”, but the success of the bar lies in the fact that it has managed to reach across and attract a loyal following in both the Hong Kong Chinese and the other international communities. Super connectors again!

Vodka is an old drink, there are records of it being drunk in the 11th century in Poland, which has managed to endure the ages. Royal Dragon Vodka has found its rightful place in this long line, and with the help of its little brother, Mokum, will continue to facilitate the connections between Hong Kong, China and The Netherlands. •



## All in the family

In 1940 a Hong Kong businessman, born in China and brought up partly in Malaysia, named Dr Kwee Seong Lo (1910 – 1995) started working with refugees from mainland China. Worried about the malnutrition of many of the children, he also noticed that many of the immigrants were lactose intolerant. Soybean is a rich source of fat and proteins, which he believed would help the malnourished. This idea had come from a lecture he had attended in Shanghai in 1937, entitled “Soybeans: the cow of China”.



Daniël de Blocq van Scheltinga

■ By Daniël de Blocq van Scheltinga, Managing Director, Polarwide Limited

Dr Lo wrote in his memoirs how this lecture had impressed him: “[the lecturer] said that the fact that the Chinese as a race were able to maintain the physical fitness for over 5,000 years in a land where meat was so rare was entirely due to the people’s inclusion of soybeans in their diet. I was impressed by his talk and came away with soybeans stuck in my mind.”

He therefore started a company in Hong Kong delivering a soy-milk drink to people’s homes on bicycle. This became so popular that the drinks soon became available in various retail outlets instead. The company had to cease operations during the Japanese occupation of Hong Kong (1941-1945), but quickly resumed operating after liberation. The company was called Vitasoy and grew very rapidly. In the 1970’s, Vitasoy was the first company in Hong Kong to use two new international technological innovations: first the new Tetrapak packaging technology, and subsequently UHT technology to make the product long-lasting. Today Vitasoy International Holdings (SEHK Code: 00345) is a Hong Kong listed company with HKD 5.5 billion of annual revenue. The product range has expanded to include tea-based drinks (such as my favourite VLT), mineral water, chocolate milk and a whole broad range of soy-based beverages. The founder’s son, Winston Lo, is the current chairman, and two of his sisters are non-executive

directors. The family owns about 34% of the issued shares.

Dr Lo had a brother, Victor Lo Tang-seong (1915-2016), who joined Vitasoy in the 1950’s but left in 1968 to begin a new chapter in his life (at the age of 54!) and establish his own company Café de Coral. During the Second World War, Victor Lo had trained as an aircraft mechanic to repair the famous US Flying Tigers fighters based in China to fight the Japanese (a unique Chinese Air force unit composed entirely of US pilots and planes). He sampled his first burger while in the US for further training after the war, which inspired him to think about “fast food”.



## Passport to Hong Kong



Café de Coral is the English name of the Cantonese *dai ga lok* which means “All Happy Together”. The first Café de Coral was opened in 1969 on Sugar Street, Causeway Bay. The small outlet was Hong Kong’s first burger joint, (six years before McDonalds opened its first restaurant in Hong Kong in 1975). Even back then, increasing rents and ambitious landlords was a problem for Hong Kong restaurant owners: after a few years the landlord wanted to demolish the building to build a bigger and more profitable office tower (“*plus ça change, plus c’est la même chose!*”), and in 1972, a two-story Café de Coral opened in Jordan. The first floor sold burgers, and the second-floor Chinese food. The concept therefore slowly but surely evolved to one of selling Chinese and Western-inspired fast food dishes, in a restaurant setting. By the 1980’s, Café de Coral had expanded to a chain of 30 restaurants. Managers were given shares in the company to motivate them, which was quite rare at the time. This became a real windfall to these managers when, in 1986, the Café de Coral Group became the first Hong Kong restaurant business to go public with an initial share price offering of HKD 1.18, raising more than HKD 43 million. Today, stock code 0341 trades at around HKD 25 per share. Today, the group manages 359 operating units in Hong Kong and 99 in China; the group also owns Oliver’s Super sandwiches, The Spaghetti House and Shanghai Lao Lao.

Victor, who was affectionately known as “Uncle Eight” in Hong Kong, because he was the family’s eighth child, passed away at the ripe old age of 101 in 2016, (clearly the Café de Coral diet is not unhealthy ...) and his son, Sunny Lo Hoi-kwong, is now chairman of the group.

The biggest (arch)rival of Café de Coral was founded in December 1972, called *dai fai wood* or Fairwood in English. This translates roughly as “Big Happy”. The co-founders of Fairwood were Mr Lo Fong-seong, yes indeed another brother to Victor and Kwee Seong, and Mr Lo Hoi Fook, a cousin. The two biggest fast food groups in Hong Kong, who quickly became arch rivals, were founded and managed by two brothers. Clearly their upbringing had underlined the importance of food and beverage. Speaking of beverages, both groups shared the same advantage of being able to obtain the full range of Vitasoy drinks at very attractive “family” pricing.



The first Fairwood opened in Tsuen Wan, and the group expanded quickly. In 1991, Fairwood also made an initial public offering of its shares on the Hong Kong Stock Exchange (stock 0052), and currently has a market value of HKD 4.2 billion. Today, the group has an annual revenue of HKD 2.58 billion, and has over 140 outlets in Hong Kong and China.

Fairwood prides itself of being innovative, constantly trying new ideas to attract more customers and outshine its bigger rival. For example, Fairwood was the first fast food chain in Hong Kong to outlaw smoking in all its restaurants, introduce a “no MSG” series of dishes and implement food delivery to the customers tables during dinner. All this to live up to their slogan that they want their customers to “Enjoy Great Food. Live a Great Life!”. So, time will tell who will win the fast food battle, the bigger older group or the younger more innovative one? Café de Coral does have an advantage which plays such an important role in Hong Kong business: it owns more properties, rather than leasing them, than Fairwood. But at the end of the day, it will be you and I who decide! Spaghetti Bolognese from Fairwood or baked pork chop with rice from Café de Coral? All happy together or live a great life? •

Photos by Rinske Kuiper.



## VrijMiBo

On 21st July, the SME Committee organised its annual VrijMiBo (Friday After Work Cocktail) at 238 the Grill.

Friday, 21 July  
238 the Grill



Bas Kakebeke and Paul van Brenkelen



Helen Yong and Anne Evanno



Cyril Lam, Martijn van de Wiel and Maaïke van Meer



Bram Voeten and Litai Wai

## Blockchain: A Moon Landing without Rockets

On 31st August, Paul du Long, Managing Director, Otonomos (Hong Kong) talked about how Blockchain technology can transform current processes, remove the middlemen and save significant costs in businesses.

Thursday, 31 August



## PolyU – Think Design

On Thursday, 7th September, we visited the Jockey Club Innovation Tower of PolyU. We did a tour of the remarkable building designed by Zaha Hadid, followed by a talk of Cees de Bont, Dean of the School of Design, on how design can help organisations become more innovative.



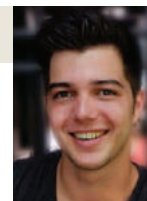
Cees de Bont





## Members' Corner

### NEW YOUNG PROFESSIONAL MEMBER – Bram Voeten



If there is one word I have to choose to describe myself when I lived in the Netherlands it would be the word restless. Therefore, during my studies of commercial economics I did a five-month internship in in Shanghai which has awakened my love for Asia.

In October 2016, I had the opportunity to do a six-month internship as a merchandiser for TGI Far East Asia. The decision to accept that internship turned out to be one of the best choices I have made in my life so far. The dynamism and the energy of the city grasped me immediately and Hong Kong felt like home from the second I stepped out of the airplane.

Right now, I work as a merchandiser for Flexitrading in the widest sense of the job description. My job is to come up with new products that fit the assortment of our clients and source them as well. I'm feeling fortunate that I can have a job here where I can put all my energy and creativity in. No more restless days for me.

- **Bram Voeten, Merchandiser at Flexitrading,**  
+852 9614 4721, [bramvoeten@hotmail.com](mailto:bramvoeten@hotmail.com)

### NEW STARTUP MEMBER – Paul van Brenkelen, MyPhone (HK) Ltd.



Paul van Brenkelen is the CEO & Founder of MyPhone (HK) Ltd, a startup located at the Hong Kong Science Park in Shatin and participant in the INCU-TECH startup program, based on a unique coating product from The Netherlands. Paul has been in Hong Kong since 2005. He previously worked in the testing, inspection & certification industry (TIC) since 1994 at SGS, Bureau Veritas and TUV NORD. He has been instrumental to the global development and roll-out of sustainable primary production schemes with third-party assessment as proof. His last role was as regional CEO at TUV NORD for the Asian financial holding and as Regional Manager for the Far East. He is currently an entrepreneur, with investor backing, bringing this (Dutch) water repellent coating for electrical and electronics with unique properties to the markets in Asia.

- **Paul van Brenkelen, CEO & Founder, MyPhone (HK) Ltd.,**  
+852 6773 8158, [paul@zoemspray.com](mailto:paul@zoemspray.com), [www.zoemspray.com](http://www.zoemspray.com)

## NEW MEMBERS LISTINGS

#### YOUNG PROFESSIONAL MEMBER

##### PNP

Contact: **Kristy Wu**, Sales  
Address: Room 3811-12, Hong Kong Plaza,  
118 Connaught Road West, Sai  
Wan, Hong Kong  
Phone: +852 6089 7767  
Email: [sales@pnp-weilong.com](mailto:sales@pnp-weilong.com)

#### YOUNG PROFESSIONAL MEMBER

##### Lantrn

Contact: **Frank Joosten**, Head of Hardware  
Address: Room 70, Block A, PMQ Aberdeen  
Street 35, Central, Hong Kong  
Phone: +852 5234 2200  
Email: [frank@sparqq.nl](mailto:frank@sparqq.nl)

#### YOUNG PROFESSIONAL MEMBER

##### Open University of Hong Kong

Contact: **Emmy van Esch**, Assistant Professor  
Address: Lee Shau Kee School of Business &  
Administration 30 Good Shepherd Street,  
Ho Man Tin, Hong Kong  
Phone: +852 6928 2905  
Email: [emmyvanesch@hotmail.com](mailto:emmyvanesch@hotmail.com)



### The Netherlands Pavilion: Circular Economy Action Plan on the move! 26-29 Oct 2017 Eco Expo Asia @ Asia World Expo

The Consulate General of the Netherlands is delighted to announce that for the 9th consecutive year the Netherlands will participate at the Eco Expo Asia 2017. In the Netherlands Pavilion at the Expo nine Dutch companies will present their products and expertise on key themes such as waste management, green buildings and sustainability. These nine companies are:

## TRADE SHOW CALENDAR

### IN THE NETHERLANDS

#### European Utility Week

Location: RAI Amsterdam  
Date: 3-5 October 2017  
Organiser: Synergy BV  
Email: [service@european-utility-week.com](mailto:service@european-utility-week.com)  
Website: <http://www.european-utility-week.com>

#### BBB Maastricht (Trainings for catering sector)

Location: MECC Maastricht  
Date: 9-11 October 2017  
Organiser: MECC Maastricht  
Email: [nfo@mecc.nl](mailto:nfo@mecc.nl)  
Website: [www.bbbmaastricht.nl](http://www.bbbmaastricht.nl)

#### Wetsus Congress 2017 (sustainable water technology)

Location: City Theatre de Harmonie, Leeuwarden  
Date: 9-10 October 2017  
Organiser: Wetsus Academy  
Email: [info@wetsus.nl](mailto:info@wetsus.nl)  
Website: <https://www.wetsus.nl/>

#### Offshore Energy Exhibition & Conference

Location: Amsterdam Rai  
Date: 9-11 October 2017  
Organiser: Navingo BV  
Email: [aro@navingo.com](mailto:aro@navingo.com)  
Website: [www.navigo.com](http://www.navigo.com)

#### Euro Cycling XP

Location: MECC Maastricht  
Date: 20-22 October 2017  
Organiser: Euro Cycling XP  
Email: [info@eurocyclingxp.com](mailto:info@eurocyclingxp.com)  
Website: [www.eurocyclingxp.com](http://www.eurocyclingxp.com)

#### HR Tech World Amsterdam

Location: RAI Amsterdam  
Date: 24-25 October 2017  
Organiser: HRN Europe Ltd  
Email: [info@hrtechcongress.com](mailto:info@hrtechcongress.com)  
Website: [www.hrtechcongress.com](http://www.hrtechcongress.com)

### IN HONG KONG

#### Belt and Road Summit

Location: HKCEC  
Date: 13-16 September 2017  
Organiser: HKTDC  
Email: [beltandroadsummit@hktdc.org](mailto:beltandroadsummit@hktdc.org)  
Website: [www.beltandroadsummit.hk](http://www.beltandroadsummit.hk)

#### Jewelry & Gem Fair

Location: HKCEC  
Date: 15-19 September 2017  
Organiser: UBM Asia Ltd  
Email: [info-hk@ubm.com](mailto:info-hk@ubm.com)  
Website: <http://exhibitions.jewellerynetasia.com/9jg/>

#### Hong Kong Electronics Fair

Location: HKCEC  
Date: 13-16 October 2017  
Organiser: HKTDC  
Email: [exhibitions@hktdc.org](mailto:exhibitions@hktdc.org)  
Website: [www.hktdc.com](http://www.hktdc.com)

#### Eco Expo Asia

Location: Asia World Expo  
Date: 26-29 October 2017  
Organiser: HK Trade Development Council  
Email: [exhibitions@hktdc.org](mailto:exhibitions@hktdc.org)  
Website: [www.ecoexpoasia.com](http://www.ecoexpoasia.com)

#### Lighting Fair

Location: HKCEC  
Date: 27-30 October 2017  
Organiser: HK Trade Development Council  
Email: [exhibitions@hktdc.org](mailto:exhibitions@hktdc.org)  
Website: [www.hktdc.com](http://www.hktdc.com)

## TRADE ENQUIRIES

These trade enquiries were received by the Economic Section of the Consulate-General of the Netherlands in Hong Kong. Interested parties may approach the companies directly or contact Betty Liu, Senior Commercial Officer on phone 852 2599 9202 or by fax to 852 2868 5388 or via email [economic.section@netherlands-cg.org.hk](mailto:economic.section@netherlands-cg.org.hk)

### Hong Kong importers wanted

#### Wood Shavings (for stables use)

Company:  
Klein Kromhof Houtvezels BV  
Phone:  
31 546 643 747  
Email:  
[info@kleinkromhof.nl](mailto:info@kleinkromhof.nl)  
Website:  
[www.kleinkromhof.nl/home-kromhof](http://www.kleinkromhof.nl/home-kromhof)

#### Used truck parts

Company:  
Vos Truck Parts  
Phone:  
31 88-880 2800  
Email:  
[sales@vostruckparts.nl](mailto:sales@vostruckparts.nl)  
Website:  
Laura Healey  
Website:  
[www.vostruckparts.nl](http://www.vostruckparts.nl)

1. WSS (waste separation systems)
2. Orgaworld Asia (organic waste treatment)
3. Hyva (clean collection solutions)
4. Waste Treatment Technologies (solid waste recycling technology)
5. Jewel (optimization of waste collection)
6. Keysource (zero carbon emission building partitions),
7. Arcadis (sustainable design & consultancy)
8. Process Design Consultancy (biobased process development)
9. TNO (Research and Development)

Mr Marten van den Berg, Vice Minister for Foreign Trade of the Kingdom of the Netherlands, will be visiting the Expo. He will deliver a keynote speech at the Eco Asia Conference, to be held in Seminar Room Hall 6 on Thursday 26 October 2017 at 14:00.

On the second day of the Eco Asia Conference, on Friday 27 October, Ir Pantelis Noe, Managing Director of Jewel, will give a presentation on "Dynamics in waste collection" to illustrate the modifications which took place in waste collection methodologies over the past decade.

Come and visit the Netherlands Pavilion @ Eco Expo Asia 26-29 Oct 2017 to experience the healthy and sustainable living of the Dutch!

For enquiries about the Netherlands Pavilion, please contact Betty Liu at [betty.liu@minbuza.nl](mailto:betty.liu@minbuza.nl)

We are an independent, member driven, non-governmental, non-profit business association which serves to facilitate business in Hong Kong and Greater China for its members by providing networking, knowledge sharing and company profiling opportunities. As the representative body of Dutch business in Hong Kong, we maintain close relationships with both the Dutch and the Hong Kong SAR governments.

### DUTCHCHAM MEMBERSHIP

The Dutch Chamber of Commerce in Hong Kong offers advice and assistance to its members. Areas where we can help include:

#### Connectivity

- ♦ Access to local government and opportunity to give feedback through the International Business Committee
- ♦ Access to events of the European Chamber of Commerce & members only Platforms & Committees
- ♦ Active assistance in getting your business set up and getting you connected

#### Publicity

- ♦ Free exposure in the DutchCham magazine and our Membership Guide & Setting Up a Business in HK Guide
- ♦ Speaking opportunities at Dutch Chamber or other Chambers' events
- ♦ Free placement of job advertisements

#### Networking

- ♦ Exclusive lunch at the Residence of the Dutch Consul General
- ♦ Monthly MUNCH (Mingle & Lunch)
- ♦ Annual Golf Tournament sponsored by ABN AMRO
- ♦ Corporate cocktails organised by the Chamber

#### And more ...

- ♦ Members price for all events (average discount close to 50%)
- ♦ 10% off on advertisements in all DutchCham publications

### MEMBERSHIP & ANNUAL FEES

|                      |             |
|----------------------|-------------|
| • Gold Member        | HK\$ 20,000 |
| • Corporate Member   | HK\$ 8,500  |
| • SME Member         | HK\$ 3,500  |
| • Associate Member   | HK\$ 3,500  |
| • Young Professional | HK\$ 750    |
| • Start-up Member    | HK\$ 1,750  |
| • Overseas Member    | HK\$ 2,500  |

NO JOINING FEE  
GOLD, SME, & CORPORATE MEMBERS ENJOY VOTING RIGHTS

### DUTCHCHAM COMMITTEES & PLATFORMS

#### PR AND PUBLICATION Committee



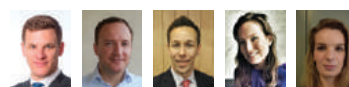
• Jacob Feenstra (chair) • Donna Mah • Monique Detilleul, Maarten Swemmer • Merel van der Spiegel • Judith Huismans

#### China Committee



• Marcel La Croix (chair) • Monique Bakker • Nathan Jansen • Rinske Kuiper • Rogier van Bijnen • Christian Heinen • Judith Huismans • Muriel Moorrees

#### SME Committee



• Jan Willem Möller (chair) • Stijn Ottenheim • Sander Bras • Danielle Stegeman • Judith Huismans

#### Tax Committee



• Jeroen van Mourik (chair) • Sytske Kimman • Eric Kampman • Han Kalfsbeek • Willem Jan Hoogland • Muriel Moorrees

#### Women in Business Committee



• Maaïke van Meer • Lisanne Elfring • Saskia Bosch van Rosenthal • Claire Worp • Muriel Moorrees

#### Finance Committee



• Michael van Ommeren (chair) • Niels Boudeling • Lapman Lee • Litai Wai • Bram van den Bergh • Michiel van Voorst • Muriel Moorrees

#### Creative Committee



• Oscar Venhuis (chair) • May Yeung • Saul Smeding • Anoeshka Krijnen • Judith Huismans

#### Young Professional



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