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Innovation and Integration in the Greater Bay Area

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FOREWORD

The most exciting work I do at the HKVCA is helping to put together the annual research journal. Every year, I sit down with Denis on multiple occasions and discuss the latest fascinating topics that we hope will interest – and perhaps even inspire – our professional community, government and the public.

This year, the publication covers two major topics. The first is the Greater Bay Area (GBA), a Chinese government scheme aimed at linking Hong Kong, Macau and the cities of Guangdong province and creating a fully integrated economic and business hub. It was the development of Shenzhen, and particularly Qianhai, that proved the degree to which mainland China and Hong Kong can truly complement each other.

The second topic examines innovation as the key to success, with technology disrupting the banking system and other financial related-services, and blockchain on the cusp of proving it might be the industry's greatest innovation to date. Biotech too is making great contributions to the quality and even extension of human life. So it is good news indeed that the Hong Kong government is working to support startups and is taking steps to make Hong Kong Asia's biotech listing hub.

I would like to thank the technology transfer officers from Hong Kong University, Hong Kong University of Science and Technology, Hong Kong Chinese University, Hong Kong Polytechnic University and the City University of Hong Kong for their contributions to our latest research article, "Educational Institutions: The Hidden Gem". We believe strongly that Hong Kong's academic institutions will play a vital role in technology creation as part of the GBA.

Finally, we would like to express our sincere gratitude to all of those who contributed to this issue of the journal, especially to Alain Fontaine and Joseph Ferrigno for their work as editors.

Alfred Lam
Research Director

HKVCA Mission Statement

The HKVCA's mission is to stimulate and serve a vibrant venture capital and private equity industry in Asia while promoting the role of member firms in value creation, innovation and economic development.

The HKVCA provides a forum for networking and experience sharing for its members, promotes industry professional ethics, international best practices and standards, and represents the views of its members before governmental and other relevant bodies.



- 1 Foreword**
- 2 HKVCA's Mission**
- 3 Table of Content**
- 4 Considering the Greater Bay Area**
Duncan Chiu
- 6 Shenzhen PE Firm Growing Out:
Seeing Opportunity in Cooperation**
Interview with Roger Wu
- 8 Qianhai: A New Global PE Center**
Interview with Hony Capital
- 10 Fintech: Past, Present and Future**
Melissa Guzy
- 12 Hong Kong Government Support to
Venture Capital Activities –
a Look at the ITVF Program Design**
Denis Tse
- 14 Educational Institutions: The Hidden Gem**
Denis Tse
- 16 Making HK the Asia Biotech Listing Hub**
Vanessa Huang
- 19 How to Integrate and Reconcile the Different
Taxation Issues Between Hong Kong and
Guangdong Province**
Darren Bowdern
- 24 Appendix**
- 28 HKVCA Membership Benefits**

Considering the Greater Bay Area

Duncan Chiu, Radiant Venture Capital

Creation of the Guangdong-Hong Kong-Macau Greater Bay Area (GBA) was announced as a major initiative for economic growth in March 2017 by Chinese Premier Li Keqiang. The GBA links as many as 11 cities in the southern part of China, namely Hong Kong, Macau, Guangzhou, Shenzhen, Zhuhai, Foshan, Zhongshan, Dongguan, Huizhou, Jiangmen and Zhaoqing.

In 2016 the gross domestic product (GDP) of the GBA was US\$1.36 trillion, higher than that of Russia, in the 12th position on both the World Bank and International Monetary Fund's GDP rankings/ This level is comparable Tokyo (US\$1.8 trillion), New York (US\$1.7 trillion) and the San Francisco Bay Area (US\$0.8 trillion).

In terms of population, the GBA comprises 66.71 million people, slightly higher than that of the United Kingdom, with a land size of 56,500 square kilometers, an area roughly the size of Croatia.

Mission and Vision

It is widely believed that, in addition to helping upgrade production and manufacturing capabilities in the Guangdong area, much of the motivation behind the central government's support of the GBA initiative is the role it is hoped it will play in helping China's transition from an industrial-based economy to a more service-oriented economy. In the longer term there are hopes that, building on the fundamentals already in place in such cities as Shenzhen and Hong Kong, the GBA will attract a greater pool of talent from global markets/ This is expected to advance research and development capabilities and attract more world leading technology and talent.

What Can Hong Kong Contribute?

Hong Kong has much to offer the GBA. Since the 1970s, Hong Kong has drawn on global talent, first in the manufacturing sector and, later, as a leading global financial center. It continues to attract a large expatriate population from around the world, with its simple tax system, extensive legal protections and its easy mix of Chinese and Western cultures. This provides a solid foundation upon which to attract more global technology-industries talent to the GBA as well as people with domain knowledge in such industries as finance and logistics. This makes the GBA a natural base to cradle startups in fintech, commerce, the biosciences, robotics, IOT and so forth.

The support of the capital markets is also important. Hong Kong has been largely focused on late stage investing and public markets with limited availability of early stage capital. However, with several Hong Kong Government initiatives announced in the past year aimed at promoting the startup ecosystem, funding is beginning to flow with the hope that the private market and family offices will follow suit, pumping more venture capital into early stage investments. Additional venture capital funds are likely to come from the central government, supporting a broad range of new startups in the GBA, with Hong Kong providing talent and cross-border collaboration between startups, technology research and university-led innovation.

The Next Ten Years

While Shenzhen and Hong Kong would appear to be the indispensable leaders of the GBA initiative, with their global reach and reputations



in manufacturing and finance, in fact each GBA city has its own roots in certain industries. For example, Zhongshan is the world's largest LED manufacturer; Foxconn in Huizhou manufactures millions of smart phones; Foshan is home to thousands of electronic appliance manufacturers and produces half of the world's air conditioners; and Dongguan is the third largest export region in China. Each of the 11 cities that make up the GBA have their own strengths which, when combined create a potentially powerful economic force and a strong engine for China's future growth.

Key Performance Indicators

If we were to measure the success of the GBA in ten years, I would look to the following two key performance indicators:

1. Per Capita GDP

To ensure the right mix of what can be termed "high-end, value-added industry" in the region, as opposed to "low marginal value" companies, we must look at per capita GDP rather than the total GDP of the GBA. A tracking of per capita growth year-on-year would indicate whether the region is attracting the presence of appropriate industries.

2. Per Capita talent

The attraction of talent is most important criteria when seeking to measure the region's success. This means we will need to identify alternative metrics, with a close eye on milestones achieved. For example, the percentage of the workforce that is engaged in research-based work; the number of

startups per square kilometer; the number of universities; and the commercialization of academic research should all be tracked and measured to assess whether the GBA is attracting talent.

Conclusion

We sit at the juncture of what is a grand plan, one that offers a tremendous opportunity for Hong Kong and the other cities that make up the GBA. Like CEPA before it, the GBA offers an opportunity for Hong Kong businesses to have a presence in the mainland while bypassing a number of regulations and restrictions in place elsewhere in China. It is also an opportunity to address the present imbalance in capital flows between the mainland and Hong Kong, allowing more money from China to flow to Hong Kong companies established in the GBA. Finally, Hong Kong companies which build a base in the GBA will almost certainly benefit from having greater access to the China market and contribute to their future success.

Duncan Chiu, Radiant Venture Capital

Managing Director of Radiant Venture Capital. With over 20 years of investment and M&A experience in the Greater China region, and has listed several portfolio companies in the Hong Kong and Shenzhen Stock Exchange. Duncan founded Radiant Venture Capital in 2014 to focus in early stage investments into tech startups. Since then, Radiant has already invested into more than 30 startup companies in China, United States, Israel and Hong Kong. Duncan has frequently participated and spoke at tech forums and conferences to promote startup culture in Hong Kong and also help young entrepreneurs with business plan workshops and mentorship.

Shenzhen PE Firm Growing Out: Seeing Opportunity in Cooperation

Interview with Roger Wu, Maison Capital

Maison Capital, a Shenzhen-based boutique private equity fund founded in 2004, focuses on the broader consumer sectors in mainland China, including consumer technology, services and lifestyle, as well as healthcare technology and services.

An alpha fund, it carefully controls its fund size with a select group of investors and selects each growth/early growth opportunity in order to sustain a high success rate and mitigate risks. Three seasoned partners have multiple years of investment and entrepreneurship experience, both on and offshore, and combine to produce the firm's consistent investment philosophy throughout market cycles and sector boom and gloom.

One partner, Roger Wu has more than 15 years' experience in investment banking and direct investment in Asia and is ideally placed to comment on the tale of two cities: Hong Kong and Shenzhen. His past experience includes Managing Director at CITIC Securities, in charge of investment

and operations, and Senior VP at Lehman Brothers Asia, responsible for operating direct investment funds; as well as investment manager at Henderson Asia Fund, in charge of investment and fund management.

When it first started out, Maison Capital focused on investments in companies in developed regions of China. But it is Shenzhen in particular that has been pivotal to the firm's success. In particular, Wu noted, the creation of ChiNext in Shenzhen in 2009 was a catalyst for the private equity industry because it provided access to liquidity through IPOs. The first stock exchange for SMEs in China, ChiNext is now home to 702 listed companies, with an aggregate market capitalization of RMB5.41 trillion (as at 20 November 2017). Of these listed companies, 63% are from the manufacturing industry and 18% are from the IT industry.

Maison Capital's growth mirrored the rise of China's home-grown PE/VC industry from 2009 on, with the emergence of other mainland funds



including Cowin Venture Capital Investments, Fortune Venture Capital, China Merchants Capital, Shenzhen Capital Group and Tiantu Capital. Each of these firms manages significant RMB funds. "The China focused funds are becoming increasingly sizeable, not just the funds of these Shenzhen-based firms," Wu said. "In terms of funds under management, CDH Investments and IDG Capital Partners, for example, have expanded some 100x and 60x in the past decade, respectively."

Indeed, Shenzhen, a Chinese hub for technology innovation with both investors and liquidity, is often viewed as a complete ecosystem for early stage and innovative tech companies. But Wu disagrees slightly with this assessment. "Shenzhen is at the center of a global supply chain and boasts the presence of many of the world's largest consumer goods manufacturers but sometimes it lacks the professional services and global vision that cities like Hong Kong provide," he said.

"And even though there are advantages in being able to access the latest tech startups in Shenzhen for PE and VC firms operating there, frankly, Beijing and Shanghai are also nurturing tech startups," he said. Maison Capital is a perfect example of a firm that has taken advantage of a network effect, having established in Shenzhen more than a decade ago, it has since grown from its base to include offices in Beijing and Hong Kong.

Indeed, Hong Kong is where mainland Chinese fund managers can gain an advantage over their competitors, Wu said. "A Hong Kong office offers a mainland Chinese fund manager the opportunity to pursue fundraising activities that go beyond investing and due diligence, enabling connections more effectively with locally-based limited partners."

He also highlighted the further integration of Hong Kong with the mainland through initiatives such as the Greater Bay Area - the Central Government's scheme to link Hong Kong, Macau, Guangzhou, Shenzhen, Zhuhai, Foshan, Zhongshan, Dongguan, Huizhou, Jiangmen and Zhaoqing into an integrated economic and business hub - as another positive step. The Greater Bay Area follows in the footsteps of the Closer Economic Partnership Arrangement ("CEPA"), a free trade agreement between the Mainland and Hong Kong established in

2003 that covers trade in goods and services, investment, economic and technical cooperation. "CEPA has fostered trade and investment between the two places, and has been conducive to accelerating the economic integration and enhancing their mutual long term economic and trade development," Wu said.

"Further integrating those resources through the Greater Bay Area initiative, along with loosening some regulations and relaxing limits on the flow of people and funds to and from this area, will benefit investors and entrepreneurs alike," he added.

Wu noted that tech startups in Hong Kong are offering firms good investment opportunities and that the Government is active in supporting tech investment and research and development. Its recently launched Innovation & Technology Fund is a good example of this support, Wu said. In addition, universities and ecosystem incubators such as Hong Kong Cyberport and Hong Kong Science & Technology Parks are heavily vested in supporting innovative startups.

"Taken together these are positive signs for tech startups operating in Hong Kong. Apart from leveraging the Government-backed technology parks, they need to have access to a consumer base and talent that is regional and can help them scale their business to the next stage," Wu said.

This global diversification has been key to several company success stories. "Smart entrepreneurs always look for suitable candidates to operate in domestic and international environments. Drone manufacturing company DJI is a very good example of this. This Hong Kong-developed technology was moved to Shenzhen for production cost reasons. But its first products were sold to consumers in the US, not Hong Kong nor mainland China," Wu said.

Roger Wu, Maison Capital

Roger has over 15 years of experience in investment banking and direct investment, prior to joining Maison Capital, his past experience includes: Managing Director at CITIC Securities, in charge of investment and operation, member of Investment Committee; Senior VP at Lehman Brothers Asia, responsible for operating direct investment fund; and Investment manager at Henderson Asia Fund, in charge of investment and fund management. Roger holds a Bachelor degree in Economics from Columbia University.

Qianhai: A New Global PE Center

Interview with Hony Capital

By 2025, the Qianhai Authority and the Shenzhen Government aim to have fully transformed a former area of reclaimed land into one of the world's leading private equity centers in terms of asset management scale, the number of global PE firms and high-end financial professionals present, the market capitalization of invested companies and the performance of investments.

Qianhai, or the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation, is a commercial development in Shenzhen, China. Located in Nanshan, it covers an area of roughly 15 square kilometers (5.8 square miles) and is strategically positioned as the pilot district for cooperation between mainland China and Hong Kong.

Qianhai serves four functions: first, as an area that will facilitate innovation in the modern service industry; second, to become a hub of modern services and modern services development; third, as a pilot for closer cooperation between mainland China and Hong Kong; and fourth, as a facilitator in the industrial reform and sustainable economic development of the Pearl River Delta.

These four functions manifest themselves via businesses focused on finance, modern logistics, information services, technology and other professional services.

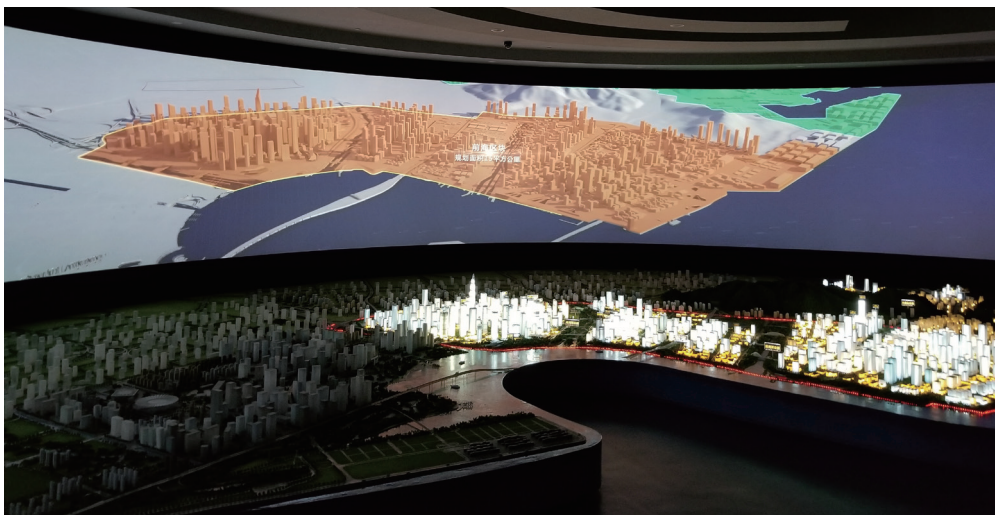
From the perspective of finance, much has been done to support the wider industry by relaxing currency flows between Qianhai and Hong Kong, and reinforcing Hong Kong's position as an offshore RMB settlement center. This is meant to spearhead the internationalization of Shenzhen's capital market and strengthen the partnership between securities markets in

Shenzhen and Hong Kong. Qianhai's financial services aim to complement those of Hong Kong's in a conscious effort to avoid direct competition and create a win-win situation.

Hong Kong banks will be allowed to extend commercial RMB loans to Qianhai-based onshore mainland entities. The People's Bank of China has also indicated that such loans will, for the first time, not be subject to the benchmark rates set by the central bank for all other loans in the rest of China. This is a highly significant change which can lead to disciplined loan risk assessments and appropriate pricing, which are very much needed in the Mainland.

For private equity funds and fund managers, the Shenzhen Government has been actively attracting more investors and funds through incentives such as individual income tax rebates to qualified expatriate employees working in Qianhai. The highest band of individual income tax in mainland China is close to 40%, whereas Qianhai levies a flat tax on individual income of 15% in order to attract professionals from other cities in China as well as expatriates from overseas. Multiple other incentives to support both enterprises and individuals include awards and allowances, housing, preferential office rentals and one-stop administrative approvals.

Local authorities also recently introduced greater flexibility into the Qualified Foreign Limited Partner (QFLP) Scheme to enable both foreign-owned and Chinese-owned fund managers to manage QFLP funds and Chinese domestic PE/VC funds. In addition, the new QFLP Scheme clarified that fund managers can be set up in the form of joint ventures. This change



is favorable for foreign PE fund management enterprises because it gives them more flexibility to establish in Qianhai and manage assets for LPs both outside and inside China. This will benefit QFLP funds in Qianhai in terms of their fundraising, as they can raise from potential investors with smaller assets. Questions remain over how the partnership and investors would be taxed on the relevant investment incomes – for example, would the foreign GP or LPs be subject to 10% or 25% corporate income tax on the investment income allocated from QFLP? However, overall, the new QFLP scheme has optimized approval procedures, lowered relevant requirements and improved the post-establishment supervision for QFLP funds, which should attract more of them to Qianhai.

Leveraging the opportunities in Qianhai, the Shenzhen government has actively invested capital in the VC and PE industries. For example, it was the anchor investor in the "Qianhai Fund of Funds", the largest domestic FoF, set up in December 2015 with assets under management of RMB21.5 billion. As well as deepening the sophistication of the private investment ecosystem, the Fund's successful founding was of great significance to China's alternative asset investment industry because it introduced an accredited institutional investor model and transformed the local private investment industry through the proactive involvement of professional limited partners.

Hony Capital, founded in 2003 and sponsored by Legend Holdings Corporation, has been at the center of the PE industry development in Qianhai since 2010, when it submitted the first proposal to build a "Global PE Investment Center" to the Qianhai authorities. As a firm, it focuses on the

Chinese market with "value creation by providing value-added services" as its investment philosophy and manages seven PE funds (five US dollar funds and two RMB funds) and one RMB mezzanine fund with more than US\$7 billion assets under management.

Integral to the development of Qianhai's "Global PE Center", Hony has taken the lead in attracting domestic and international PE institutions and financial services institutions, such as Blackstone, Carlyle, KKR and CITIC Capital, to operate in Qianhai.

In fact, the "Global PE Investment Center" is a critical part of the financial services benefits being promoted in Qianhai. Its core ideas and goals are to take advantage of the unique positioning of Qianhai and to build a world-leading PE platform. The local government is keen to influence the PE investment world and develop Qianhai, not only as a global wealth management center, but also as a center of cultural and information exchange and of high-end financial talent.

Hony Capital

Hony Capital currently has USD 10 billion under management, with investors from China and the world's leading investment institutions, including national pension funds, sovereign wealth funds, university endowment funds, regional and industry pensions, insurance companies, family foundations, individual investors and other types. Hony Capital puts China as its top market, with investments in over 100 companies in areas of pharmaceutical and healthcare, media and entertainment, consumer products, food and beverage, as well as machinery and equipment manufacturing.

Fintech: Past, Present and Future

Melissa Guzy, Arbor Ventures



Within the venture capital industry, the fintech sector has in the last few years become undeniably “hot”, attracting much attention from venture capitalists globally. But while the term “fintech” itself emerged only a few years ago, it by no means represents the birth of financial innovation. Indeed, the fintech sector has a very long history.

Today, when most people hear the term “fintech”, they tend to think about the latest mobile app that will allow them to pay for their morning coffee without ever swiping a card or touching cash or coin. Perhaps they think about the institution that can lend online without the customer ever visiting the bank, or a consumer buying insurance online without a broker.

Technology has always played a key role in the financial sector. The 1950s brought us credit cards to ease the burden of carrying cash and allowing consumers to pay over time. The 1960s brought us ATMs, replacing tellers and obviating the need to wait in line at bank branches. In the 1970s, electronic stock trading began on exchange trading floors. The 1980s saw the rise of the personal computer and software that enhanced our financial agility. In the 1990s, with the rise of the internet, e-commerce business models emerged and began to flourish. Online stock brokerage websites, aimed at retail investors, replaced the telephone-driven retail stock brokering model. The introduction of Paypal in 1998 addressed peer-to-peer payments online.

The point is that fintech is not new, and when the hype surrounding the sector begins to wane, and venture capitalists migrate to other industries, fintech will continue to play a significant role.

Fintech 1.0 and 2.0

Fintech 1.0 refers, in very basic terms, to the emergence of technology aimed primarily at digitizing the customer experience and moving services online. Early focus was on online trading and lending, as well as wealth management products and payments systems. The technology was largely driven by fintech startups, with little participation by the banks. As a result, while these initial technologies brought considerable attention - and money - to the industry, the applications remained relatively simple and were largely limited to improving existing types of transactions.

The recent emergence of fintech 2.0 is significantly different in that the technology is largely being driven by artificial intelligence and greater computing power. It is aimed not simply at creating greater efficiency in current transactions, but in redefining and “creating the new”. It is more collaborative in that there is greater participation by the large financial institutions working with fintech startups, and a broader segment of industries is involved, such as insurance. As a result, its promise is significant and its potential impact on the financial industry is immeasurable.

Other Innovations

The rise of crypto currencies and the use of blockchain might in the end prove to be the industry’s greatest innovations. While there is no shortage of skeptics, and there is undoubtedly complexity around trading in crypto currencies, implementation of the Ripple protocol (a real-time settlement system designed to be used by banks for currency exchange, remittance and

gross settlement) and use of Ripple XRP (an issued token that uses the Ripple network) within the banking system itself continues apace. To date, 305 of the world's banks are working with Ripple to reduce costs; 69% of banks are experimenting with blockchain; and the Chicago Board Options Exchange has launched derivative products based on crypto currencies.

Fintech in The U.S. and China

FinTech in the U.S. can be challenging as the regulatory system involves different players at both the federal and state level. This environment can make it harder for startups to navigate in the first instance and has had a significant impact on the development of a coherent "fintech policy".

The most successful fintech startups have been able to steer their way through the complex regulatory environment, which has been a skill often missing with early stage companies founded solely by technology teams. The composition of a fintech startup team, therefore, has become increasingly important as the company scales and increasingly deals with issues of compliance.

The U.S. is seeing a broader increase in corporate participation, which has now jumped to nearly 20% for all deals in the U.S. This figure, though, remains significantly lower than the 40% participation rate for startups in Asia. Additionally, there has been a decline in angel investment and seed stage deals by almost 50%. At the opposite end of the spectrum are late stage deals in the wealth management sector, which continue to benefit from significant funding rounds.

Contrary to the belief of many, U.S. fintech investment is not concentrated solely in Silicon Valley, with many success stories emerging out of New York, Chicago and even Atlanta, Georgia. Nevertheless, California continues to lead with twice the total funding than New York, representing more than US\$2 billion through October 2017. However, the emergence of New York as a growing fintech center reflects the additional skill sets required to scale and the increasing partnerships with existing financial institutions. New York has also invested significant capital in growing its startup base and is attracting a greater number of startups by providing easier access to the world's largest financial institutions.

Financial innovation in China is referred to as "fintech" or "internet finance", but the development and the drivers behind innovation

in the sector are very different to that found in the U.S. In China, investment has been heavily concentrated in online lending and wealth management. We are also starting to see the emergence of more investment in the insurance sector. The Asian fintech venture market has heavily financed opportunities in the B2C market, though more venture capital is slowly beginning to flow into B2B. FinTech 1.0 in Asia solved some fundamental market inefficiencies, such as consumer lending, which had largely been ignored by local banks. That said, fintech 2.0 may prove more challenging given the growth in regulatory oversight and control by regulators. This does not mean advances will come to a standstill, but they will require venture backed companies to be more judicious at the very start and have adequate regard for regulatory trends in China.

The Next 10 Years

Given the rapid pace of change in the development and implementation of technology development applicable to financial services, it is difficult to predict the future. Nevertheless, there are some key trends; two sided marketplaces and the aggregator of payment flows will develop into financial services platforms including but not limited to payment apps; robo-advisory services for wealth with retirement planning, on demand insurance distribution as well as HR services including payroll and benefits. These platforms services may in the end do more than provide transportation or ecommerce— they may in fact replace banking services completely. In Asia, this model has been pioneered by Alibaba, Tencent and Rakuten and is the model is now being followed by Go Jek in Indonesia. They are not competing head-on with the banks and insurance companies but are quality providing all of the financial services needs of the growing middle class.

Melissa Guzy, Arbor Ventures

Melissa, who is the Co-Founder and Managing Partner of Arbor Ventures, has more than 25 years of experience as an entrepreneur and as a venture investor. Prior to founding of Arbor, Melissa was the Managing Director, member of the Investment Committee and head of VantagePoint Asia. During her tenure at VantagePoint, she invested in early stage technology companies in both Asia and in Silicon Valley.

Hong Kong Government Support to Venture Capital Activities – a Look at the ITVF Program Design

Denis Tse, Asia-IO Advisors

In less than two years, from idea formation to Legislative Council’s approval to launch, the Hong Kong Government Innovation & Technology Venture Fund (“ITVF”), which closed its first batch of applications on 15 September 2017, provides an example of a highly efficient implementation of a new policy.

This paper evaluates the potential effectiveness of the ITVF from the perspective of market realities, and reflects on what more can be done to accomplish a more fundamental goal than simply venture-backing of more local entrepreneurial companies.

Making Sense of the ITVF Policy Design

With the initially approved program size of HK\$2 billion, the first phase of ITVF, which may be followed by subsequent phases, bears the following characteristics:

1. **Supports a HK\$6 billion investment program.** With 1:2 matching (i.e. \$2 billion from ITVF: \$4 billion from the private sector), the program translates into a HK\$1.2 billion investment outlay annually, assuming a 5-year investment period. This is roughly the total venture amount invested in Hong Kong as recently as 2014, before the market was tilted by a few large fundraising rounds in 2016-2017.
2. **Supports at least 66 rounds of venture investments.** ITVF can contribute no more than HK\$30 million in each company funding round. Applying a 5-year “investment

period” typical of venture funds, this means that ITVF will have to proceed with some 13-14 investments a year, which would require a streamlined, rule-based approval process. At a current rate of less than 30 cases of institutional venture rounds in Hong Kong, the ITVF’s target investment frequency could theoretically cover up to 45-50% of the current market size, enough to move the market.

3. **Has the capacity to work with at least 5 venture capital fund partners.** To deliver the target investment pace, the selected co-investing venture managers are expected to make at least 3-4 venture investments in Hong Kong a year, preferably without overlapping. This is a high level of



commitment when compared to less than 30 Hong Kong institutional venture rounds recently consummated annually

It should be noted that the ITVF co-investment program is comparable to a non-discretionary separate account for a conventional fund. ITVF is not intended to be a limited partner of an existing or a specially formed fund. This separate account also does not pay management fee. However, the partnering venture manager is rewarded with a generous carry (35%) and a very low-cost call option of 5.5% p.a. or less, using recent benchmarks, to purchase ITVF's unrealized portfolio. Note that the entire portfolio must be purchased.

To ensure swift passage, the ITVF program also bore a few idiosyncrasies so that it required the least changes to the existing legal regimes – namely the Inland Revenue Ordinance (“IRO”) and the Securities & Futures Ordinance (“SFO”) – in order to enable the partnering (mostly offshore) venture funds to be exempted from Hong Kong profits tax when investing in Hong Kong companies. Under the current proposal, in order to be tax-exempt:

- a. The partnering venture fund needs to invest directly into the investee company's cap table; and
- b. either the partnering venture manager needs to be SFC-licensed, or the partnering venture fund needs to be a Qualifying Fund under the IRO, which requires the fund to –
 - i. have a diversified investor base with at least 4 LPs;
 - ii. operate not as the sponsor or manager's own investment vehicle, and have at least 90% of the fund's commitment contributed by LPs; and
 - iii. charge no more than 30% carried interest.

A venture capitalist may protest that these idiosyncrasies may limit the all-important alignment of interest with investors. But for all practical purpose, a conventional venture fund manager with “on-market” fund terms would not find the inconveniences caused by the tax-exempting measures a “deal-breaker”. After all, a venture manager may still be eligible for the ITVF program even if it does not wish to be tax-exempt.

Overall, in our view, the ITVF is a potentially effective program that is well-designed to attract

VC partners to prudently pursue investment in innovative Hong Kong companies based on commercial, risk-sharing principles. The Government should also seize the opportunity to go after a more fundamental objective: to stimulate an impactful trickle-down effect on high-quality new enterprise formation for the real economy, which Hong Kong lacks. Stock exchange reforms, income tax reduction for small enterprises and fintech sandboxing are somewhat helpful. More concerted efforts should include: A more progressive foreign talent attraction scheme; more entrepreneurship education; assurance for access for small and medium enterprises to basic banking services; and a friendlier regulatory environment for experimentation of innovative business models. The ITVF should be only one of the elements of a comprehensive strategy by the Hong Kong Government to stimulate innovation and commercialisation.

Denis Tse, Asia-IO Advisors

Denis Tse is the Managing Principal of Asia-IO Advisors Limited. Most recently he was the Head of Asia – Private Investment with Lockheed Martin Investment Management Company. He has 15 years of private equity direct and fund investment experience in Asia, having worked with J.H Whitney, Warburg Pincus, CDIB Capital, and HSBC Private Equity (Asia), where he became the first Kauffman Fellow from an Asian venture firm. Denis is one of Chief Investment Officer “2014 Forty Under Forty”, and was named one of “Asia’s 25 most influential people in private equity” by Asian Investor in 2013.

Educational Institutions: The Hidden Gems

Denis Tse, Asia-IO Advisors

With blockbuster start-ups including DJI, SenseTime and Cirina coming out of close collaborations with academicians at Hong Kong’s universities, investors, companies and policymakers should notice the differentiating role that top Hong Kong academic institutions can potentially play in deep technology creation in the Big Bay Area. In this respect, the Robotics Institute at HKUST is becoming a hotbed for incubation of robotic ventures. Likewise, the Department of Information Engineering at CUHK is becoming the go-to place for talents in computer vision and machine learning. The first local investment made by Li Ka-Shing’s Horizons Ventures is a natural language processing spin-out from HKU. We believe that proactive, systematic origination efforts in identifying and creating deep technology ventures at Hong Kong universities could pay off handsomely for strategic and venture investors.

As a first-cut exercise, we at the HKVCA have created this “heat map” below to identify and curate the interesting technologies and venture-creation opportunities that may emerge from the focused activities of a select list of researchers and professors in Hong Kong. A more elaborate interactive online version, which we hope to maintain and improve over time, will soon go live to make it a useful curation tool for venture investors and the technology community at large. We hope this can be a catalyst that contributes to the integration of the research strengths of Hong Kong’s academic institutions into the Big Bay Area technology ecosystem.

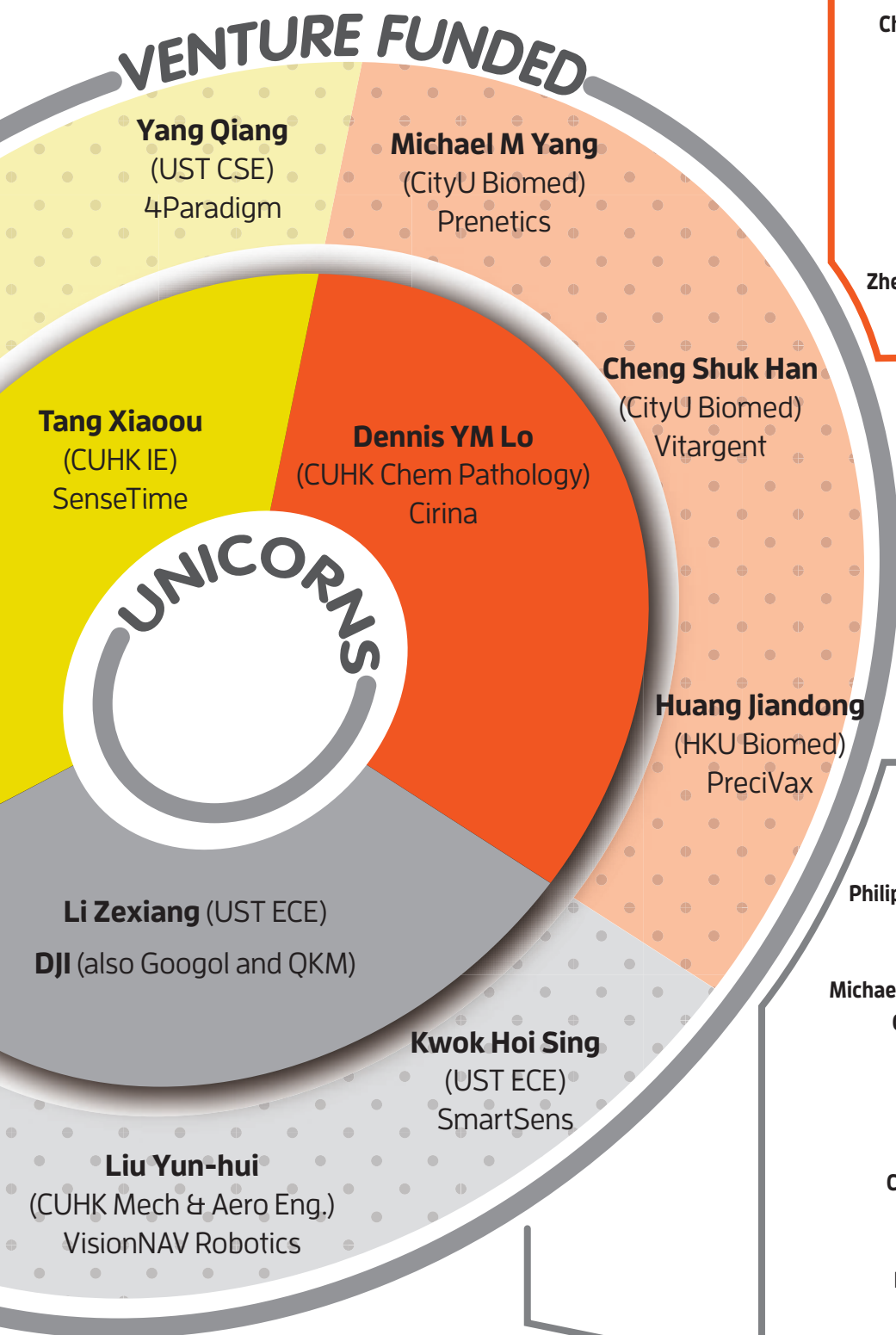
to continued on to P.24

- Software
- Life sciences
- Hardware

- Jeffrey Shaw** - Mixed Reality
- Wang Xiaogang** - Computer vision + AI
- Helen ML Meng** - Speech processing
- Lee Tan** - Speech processing
- Heng Pheng Ann** - VR for surgical visualization
- Jia Jiaya** - Computer vision + AI
- Wang Yang** - Visual/audio machine learning
- Richard HY So** - Computational ergonomics
- Matthew MY Yuen** - Electronic packaging
- Gary SH Chan** - Wireless protocols
- Quan Long** - 3D imaging reconstruction
- James She** - Social media analytics
- Pascale Fung** - Speech processing
- Li Heng** - Virtual prototyping

**For details see appendix*





- Ken Yung** - Neurological precision medicine
 - Juliana CN Chan** - Genetic testing for diabetes
 - Lam Hon-Ming** - Soybean and rice genomics
 - Benny Zee** - Retinal image analysis
 - Ronald Adolphus Li** - Bioartificial Heart Tissues
 - Chen Guan Hua** - AI-aided chemical drug design
 - So Kwok-fai** - Nervous tissue repair
 - Che Chi-Ming** - Organometallic compounds
 - Nancy Ip** - Neurodegenerative drug discovery
 - Chau Ying** - Eye disease drug delivery
 - Tang Ben Zhong** - Chemicals for bio-imaging
 - Reinhard Renneberg** - Biosensors
 - Leung Yun Chung** - Cancer drugs
 - Zheng Yong Ping** - Ultrasound diagnostic devices
- *For details see appendix*

- Cheung Nai Ho** - Bio-molecule spectroscopy
 - Sun Dong** - Micro-bio robotics
 - Henry Chung** - Smart power electronics
 - Philip WY Chiu & Yam Yeung** - Robotic endoscope
 - Norman C. Tien** - MEMS
 - Robin Ma** - Shape memory alloy
 - Michael Wang** - Robotics and additive manufacturing
 - Christopher YH Chao** - Smart building cooling
 - Kwok Hoi Sing** - Microdisplays
 - Du Shengwang** - Atom optics
 - Patrick Yue** - High-speed mixed-signal IC
 - Johnny KO Sin** - Power semiconductors
 - Chen Guang-Ho** - CSN-based water treatment
 - Fan Zhiyong** - Nanomaterials for solar panels
 - Sheng Ping** - Acoustic Metamaterials
 - Ni Yiqing** - Smart sensors for mega structures
 - Cheng Ka Wai** - EV smart charging
 - Tam Hwa Yaw** - Optical fiber sensing
 - Derek SW Or** - Self-sustainable sensors
 - Yung Kai Leung** - Mechtronics for space exploration
- *For details see appendix*

Making HK the Asia Biotech Listing Hub

Vanessa Huang, BVCF Management

As a former healthcare investment banker in both the U.S. and Hong Kong and now an investor in early stage healthcare companies, I have been a lucky participant to one of the fastest growing industries and arguably the most impactful to human life. As the Hong Kong Stock Exchange (“HKEX”) and Securities and Futures Commission (“SFC”) are on the eve of rolling out new listing pathway for pre-revenue biotech/ life sciences companies, I would like to share a few thoughts to show how this commendable effort from the HKEX and SFC warrants our most enthusiastic support!

Strong Need for Pre-revenue Listing Pathway

The Hong Kong Government's current push to promote investments in R&D and goal to diversify Hong Kong's economy to innovation and tech will be greatly supplemented by an active early stage investment community. To date most Hong Kong VC/ PE investors focus more on late stage companies with products rather than early stage R&D intensive pre-revenue companies such as biotech. Hong Kong's current listing rules have constrained the ability of pre-revenue companies to go public, leading to a much longer investment horizon for early stage investors which inadvertently discouraged early stage investment. An effective listing pathway for pre-revenue companies is crucial to cultivating a robust early stage investment community.

Many Asia governments are also promoting development of healthcare and tech companies, but most lack global-scale public market funding

mechanisms for their early stage companies. If HKEX can create a credible listing pathway for pre-revenue companies, it will serve the needs of many Asia R&D companies, most notably China based biotech companies. Most Asia issuers prefer to list in Asia and HKEX will be the listing venue of choice. With easier access to global capital, this can fundamentally change the landscape and prospects for Asia R&D companies; not to mention global companies looking for Asia based capital.

Hong Kong is Equipped to Get this Right

Early stage investing is inherently high risk and early stage companies will experience failure. Not all technologies and drug development will come to fruition and success can be influenced by a multitude of factors in addition to the availability of capital. While many in Hong Kong's investment community may lack experience in pre-revenue companies, there is a strong class of global early stage institutional investors and research analysts who have the expertise to value risks and rewards. They serve as thought leaders for investors in sectors such as biotech that have high knowledge intensity. They will ascribe market value to the successful companies or technologies with high potential but most critically, they are equipped to interpret the fine points when a “failure” happens – for example, experienced biotech investors are able to read beyond the headlines of “failed” clinical trials and evaluate the implication of the trial data to see if any silver linings.

Thought leaders form the core of and will help develop an early stage investment



ecosystem that will provide share price stability and liquidity to the market. Hong Kong is the best venue (some may argue the only venue) capable to create an Asia-based ecosystem for early stage investing similar to that of NASDAQ/ NYSE by global reach given our strong capital market heritage and the existing financial community that is already here. Having access to marquee Asia and global pre-revenue listings will further strengthen Hong Kong's global financial market position, a position Hong Kong cannot afford to lose.

IPO is an Important Route of Capital Formation for R&D Intensive Pre-Revenue Companies

Life sciences companies develop lifesaving drugs and technologies. A majority of the companies are started by scientists who have spent years in their field of research to develop their potential product. Venture capitalists usually provide them with initial R&D capital. However, it is expensive to meet the clinical and safety requirements of the U.S. Food & Drug Administration, same in Europe and China. A drug can cost up to US\$2 billion in the U.S. to develop.

Industry statistics show globally there are approximately US\$1 trillion in dry powder for private equity investments; however, public

market capital dwarfs the private capital pool – total market cap of all U.S. listed companies is over US\$40 trillion today. Hence it is more efficient and practical for companies to tap public market to fund cash-burn R&D intensive projects.

Small is Not “Bad” in Life Sciences

In life sciences, listing market cap of company at the time of IPO does not imply the company is good or bad, it only mostly reflects the R&D stage or therapeutic area or sometimes even the marketing positioning of the company – historically small cap biopharma IPOs significantly outperformed large cap IPOs. Early stage IPO leads to availability of funding for continue R&D investments and visibility for partnerships; whereby increasing opportunities for potential long term success.

The largest pure play biotech drug/ biopharma company today is Amgen with market cap over US\$140 billion. Amgen was founded in 1980 with seed capital of US\$200,000. The company went public in 1983 with IPO raise of around US\$35 million. Amgen's stock has appreciated over 135,000% since IPO and a US\$10,000 investment at IPO would be valued at over US\$13.5 million today! Amgen's first product was approved in 1989, six years post IPO.

Most life sciences companies have similar profile as Amgen when they went public. The total IPO proceeds raised by all biopharma companies in the U.S. (around 800 companies) to-date is approximately US\$45 billion – equivalent to the amount raised by Alibaba and ICBC combined. These are possible because pre-revenue companies is allowed to list on NASDAQ and NYSE.

Despite the smaller IPO market cap, it does not mean that life sciences companies are “subpar” as commonly associated in a market like Hong Kong where it is used to seeing state-owned enterprises with billions of dollars raised. This is reflected in the speed of value creation via market cap – today U.S. pure play biotech drug companies have a total market cap over US\$900 billion. Including past acquisitions, over US\$1 trillion of market cap has been created (almost 25% of the current total market cap of all companies on HKEX); and that started less than 40 years ago! The trading multiples of biotech companies are generally higher than other healthcare companies.

Go Biotech Chapter!

We should remember the human side of life sciences IPO – the most important aspect we witnessed in the U.S. life sciences industry is the process as the companies transformed from a few scientists to the giant of today. In between, they hired thousands of employees, they created wealth for employees and investors who went on to fund additional life sciences companies. The products they developed that saved thousands of lives. It is the reverse that we should also remember, if there was no capital available for these small life sciences companies, many drugs and technologies would never make it to market, many jobs would never be created and many lives would be left unsaved.

Healthcare industry globally has been positively buzzing since the announcement of the Biotech Chapter as the big picture is clear that it will have long term impact to life sciences R&D! No one can guarantee the success of science or (any) companies but many good people are working very hard to not fail! Hong Kong’s total healthcare market cap today is only approximately US\$150 billion (similar to that of Amgen). The hope is that the Biotech

Chapter will make HKEX the new capital raising destination for global biotech/ life sciences companies – which ideally will allow Hong Kong to grow its total healthcare listings to rival that of the U.S in size someday (US\$4.5 trillion)! We should salute the good people at HKEX, SFC and the Hong Kong Government for taking this bold step forward!

Vanessa Huang, BVCF Management

Vanessa Huang is a General Partner at BVCF, one of China's first U.S. dollar healthcare fund. Vanessa has over 20 years of experience in healthcare and investment banking in the U.S. and Hong Kong. Vanessa was Head of Emerging Asia Healthcare Investment Banking at J.P. Morgan. She was the founder of the Emerging Markets Track at J.P. Morgan’s global healthcare conference. Vanessa has biotech industry experience at Amgen, Inc.

How to Integrate and Reconcile the Different Taxation Issues Between Hong Kong and Guangdong Province?

Darren Bowdern, KPMG

Hong Kong has long been recognised as a major international financial hub which maintains its own separate political, legal and economic systems from China. Hong Kong's simple, low rate territorial system of taxation has generally served Hong Kong well in promoting economic growth over the years. In recent years, Hong Kong has not only been the gateway for foreign investment funds to enter China, but has also been the gateway for Chinese funds to invest internationally.

According to the World Bank Group 2017 Survey, Hong Kong was voted as one of the easiest locations to establish a business, and the UNCTAD World Investment Report 2017 has ranked Hong Kong second in Asia in its ability to attract global foreign direct investment inflows in 2016 (USD108 billion). With a strong talent pool, robust legal system and one of the world's most favourable tax environments, Hong Kong is an ideal jurisdiction to establish an investment platform for global businesses or for those looking to invest in China. Hong Kong is also the world's largest offshore capital-raising centre for Chinese enterprises and remains a major part of the private equity (PE) landscape in Asia.

China, being the world's second largest economy, offers multinational companies with business opportunities, an abundant workforce, and increasingly mature infrastructure. According to the Ministry of Commerce of China, China attracted direct foreign investments of RMB485

billion from January 2017 to July 2017, of which USD52.6 billion (roughly two third of the total) was invested from Hong Kong.

Unlike Hong Kong, the Chinese tax system is more complex and tax policies are changing rapidly to keep up with the country's economic development. China tax practices may vary from location to location and various government branches routinely issue new regulations that may impact on cross-border tax planning. Investors therefore have to manage a multitude of tax issues in various phases of the investment cycle.

PE has become a significant alternative to capital markets for Chinese companies seeking capital as well as a source for outbound capital. In recent years, the PE landscape in China has been maturing and has grown rapidly and this trend is expected to continue due to China's rapid economic development.

Hong Kong vs China Tax Regime

Hong Kong tax regime

Hong Kong operates a territorial system of taxation where tax is imposed only on Hong Kong sourced profits derived by a person carrying on a business in Hong Kong unless the profits arose from the sale of capital assets. The current Hong Kong Profits Tax rate applicable to corporate taxpayers is 16.5%, which is amongst the lowest rates within the Asian region. A new two-tiered tax rate has also been proposed introducing a reduced rate of 8.25% on



profits of up to HKD2 million. Hong Kong also does not impose any withholding tax on dividends and interest, and dividends are non-taxable.

For individuals, Hong Kong Salaries Tax is imposed on income from any employment arising in Hong Kong at progressive rates up to 17% (or at a standard rate of 15% on net income, whichever is lower). Hong Kong also does not impose any tax on dividends and interest received by individuals.

China tax regime

In China, Chinese residents are subject to China corporate income tax ("CIT") of 25% on their worldwide income. A non-resident without a permanent establishment in China is taxed only on its China sourced income whilst a non-resident with a permanent establishment in China would only be subject to China CIT on income derived by such an establishment. There is no separate tax on capital gains, which is included in ordinary taxable income and taxed at 25%. The withholding tax rate for dividends, interest, royalties and capital gains tax are 10%.

China individual income tax ("IIT") is imposed on all individuals (Chinese and foreign individuals), residing in or deriving income from China. Chinese residents are generally subject to tax on worldwide income whilst foreign individuals are only liable to IIT on their China sourced income. China's IIT burden on employment income is relatively high with progressive rates ranging from 3% to 45%

when compared to Hong Kong (capped at 15%). China IIT is also imposed on capital gains, dividend, interest and royalties at 20%.

PE Structures in Hong Kong and China

In Hong Kong, it is quite common for PE investors to use an offshore limited partnership structure because of its tax neutral treatment where the limited partnerships are treated as a "flow-through" entity, and the limited partnership itself is tax neutral. In a typical offshore PE fund in Hong Kong, a limited partnership is generally established in a tax neutral jurisdiction such as the Cayman Islands, which provides greater flexibility for structuring investments by different investors.

In both Hong Kong and China, if structured correctly, PE funds can mitigate the risk of being taxed in Hong Kong and China respectively. From a Hong Kong tax perspective, it is important that the Fund, general partner (GP) and the fund managers do not carry on business in Hong Kong or derive Hong Kong sourced profits. It is therefore common for PE funds to establish their offshore funds, GP and fund managers in offshore jurisdictions such as the Cayman Islands as these jurisdictions do not impose any tax and to mitigate the risk of being taxed in Hong Kong. However, where the Fund carries on a business in Hong Kong, it could also potentially rely on the Offshore Funds Exemption to exempt its Hong Kong sourced profits.

From a China tax perspective, it is important that the fund, the GP and the fund managers are regarded as non-residents and without a permanent establishment in China in order to mitigate the risk of being taxed in China. Similar to Hong Kong, it is also common for PE funds to establish their offshore funds, GPs and fund managers in offshore jurisdictions such as the Cayman Islands or the BVI.

It is also common for PE funds to outsource certain fund management services (such as deal sourcing and transaction execution functions) to group investment advisors based in Hong Kong and China, where they are compensated with an advisory fee for their services which are subject to tax in Hong Kong and China respectively.

Common Hong Kong Tax Issues

The most significant legislative change in Hong Kong affecting PE funds in recent years has been the extension of the profits tax exemption for offshore funds to cover certain PE funds in July 2015. The changes were aimed to promote Hong Kong as an international financial centre and to boost Hong Kong's PE fund industry by attracting more PE funds to be managed in Hong Kong.

Under the new offshore funds exemption, offshore PE funds are exempted from tax in Hong Kong in respect of investments outside of Hong Kong which includes investment gains made by a special purpose vehicle (SPV) (whether established in Hong Kong or elsewhere) from the disposal of an offshore portfolio investment. This allows PE funds operating in Hong Kong to simplify their existing offshore/onshore operating models and to potentially provide scope for funds to establish a Hong Kong platform through which funds could hold their investments made in China and elsewhere.

Taxation of Management Fees and Transfer Pricing

Hong Kong's asset management industry has seen considerable change in the transfer pricing audit environment. Whilst Hong Kong does not currently have any transfer pricing rules, the Hong Kong Inland Revenue Department ("IRD") generally expects that the related party transactions are undertaken on an arm's length basis. In recent years, the tax treatment of management fees and carried

interest in Hong Kong has been a contentious issue, following a series of tax audits by the IRD.

There has been uncertainty around the tax treatment of carried interest following the recently issued DIPN51 in which the IRD outlines their views on the taxation of carry. The IRD reiterates that funds operating in Hong Kong should ensure that a true arm's length fee is paid to the Hong Kong advisor for the risks and functions it performs.

The IRD has specifically noted that a typical cost plus management fee model for the Hong Kong advisor is also no longer accepted. Instead, the Hong Kong advisor should be remunerated based on a profit split or revenue sharing model based on the actual functions and risks undertaken.

Taxation of Carried Interest in Hong Kong

An efficient carried interest arrangement allows eligible participants to benefit in the performance of the Fund through a return on investment similar to other investors in the fund. The performance represents a share of the underlying investment gains once the fund has achieved a defined hurdle rate of return and a return of capital to all other investors.

For most PE funds, carry is generally allocated by way of a partnership distribution from the fund to the GP which is distinct and separate from the management fees paid by the fund to its manager. Subsequently, the GP will distribute the carry to the participants, either to the individuals or their investment vehicles.

In recent years, the taxation of carry has been a contentious issue. In recent tax audit cases, the IRD has sought to assess a part of the carry by attributing the carry to management fees and then allocating the combined amount to the Hong Kong advisor using an apportionment methodology. The IRD stated that funds operating in Hong Kong should ensure a true arm's length fee is paid to the Hong Kong manager / advisor. The IRD has also indicated that they would use anti-avoidance provisions in order to tax carried interest in Hong Kong (either through assessing a Hong Kong investment advisor, the fund executives or whoever ultimately receives a portion of the carried interest) unless the carried interest represents an arm's length return on a genuine investment in a fund.

Based on the IRD's views and previous cases that they have audited, there is a possibility of

double taxation for part of the carry in the hands of both the advisor and the individual. This is on the basis that the IRD views carry as disguised management fees and therefore re-characterises carry as a management fee. The focus of the IRD in those cases has been on whether carry should be attributed to the HK advisor and be subject to tax in Hong Kong.

The new IRD guidelines have created a great deal of uncertainty and concern in the funds industry and many organisations are reviewing their management fee and carried interest arrangements.

Tax Implications for The Carried Interest Participants

Generally, any dividends and capital gains received should be considered as personal investment income to the participants and exempt from tax in Hong Kong. However, depending on how the employment of the participants are structured, there is a risk that the IRD may apply anti-avoidance provisions to tax carry at the hands of the participants as disguised employment income or service income if the IRD views that the nature of the return they receive differs from a normal investment return by external investors.

Individuals

While the IRD has not specifically pursued the ultimate recipients of the carry and sought to tax the individuals, it is not possible to completely remove the nexus between the carried interest entitlement and employment of the participating individuals.

The employees are often offered participation in the carried interest arrangement due to their employment (outside investors would not be invited to participate in the arrangement). If that participation is considered as a benefit that is obtained in connection with Hong Kong employment, then the employee could be subject to tax on a benefit arising from his carried interest entitlement.

Common China Tax Issues

Tax implications for the carried interest participants

Where the fund is a Chinese resident, dividends

distributed from the fund to the investors, and any gain from disposal would generally be subject to China withholding tax of 10%. Otherwise, where the fund is not a Chinese resident, dividend distributions from the fund to investors and any gain from disposal should not be subject to China WHT for the investors as the dividends / gains should be regarded as non-China sourced income for the participating shareholders.

Tax implications for employees

A common issue facing PE funds are that senior management are commonly based in Hong Kong and have employees who are part of the deal team that frequently travel to and work in China which creates a taxable presence risk in China. This happens where the frequent travellers are collectively present in China for 183 days or more in any 12 month period under the Hong Kong – China double tax agreement. To mitigate the taxable presence risk, it is common to structure the frequent travellers to be employed by the China wholly-foreign owned enterprise (WFOE) instead of the Hong Kong company.

It is also common for funds to structure a dual employment arrangement to achieve tax reduction for both employees and the China WFOE through taking advantage of the allowance for time apportionment in respect of the tax payable on the onshore and offshore salaries of the relevant employees.

There is generally limited China IIT planning opportunities for Chinese nationals. There are additional benefits where a carried interest plan is implemented where there are Chinese national expatriates employed by the China WFOE which includes a combination of payments of salaries and investment income. If this is structured carefully, the carried expats should not be subject to China IIT in respect of the offshore distributions received from the offshore limited partnership provided that the expats have lived in China for less than five consecutive full years.

The offshore distributions from the offshore limited partnership to the Chinese national employees could be subject to a flat IIT rate of 20% as investment income (instead of the highest marginal tax rate of 45% if the income is received as salaries).

China Tax Incentives

While there are no specific tax incentives for the PE industry, in recent years, the Chinese venture capital industry has also undergone rapid development. In April 2017, the Ministry of Finance (MOF) and State of Administration Taxation (SAT) announced certain tax incentives for venture capital firms and angel investors including individual investors. In particular, investors that invest in a tech start up at the seed stage or early stage for a minimum of two years would be eligible to deduct 70% of their startup investment from their taxable income. This tax incentive is effective from 1 January 2017 for investment firms and individual investors backing tech startups from 1 July. The incentive will apply to eight regions including Guangdong and Suzhou Industrial Park. In addition, when such offsetting amount exceeds the venture capital enterprise's taxable income in the current year, the excess can be carried forward to the following tax years for offsetting purposes.

Concluding Thoughts

Given Hong Kong's close proximity to China together with the strengths in its mature capital market, robust legal system, free capital flows and well developed infrastructure, Hong Kong is an internationally recognised financial hub, and serves as an important gateway to China for conducting business in China.

China still remains a key market for PE investors and will continue to do so. Going forward, the integration between Hong Kong and China tax systems will slowly evolve as China continues to open up its borders and economy to foreign investment. Until such time China can provide greater assurance in its tax regime that can inspire international investor's confidence in China and ease concerns in relation to direct investment in China, global fund managers shall remain cautious about investing into China via Hong Kong.

Darren Bowdern, KPMG

Darren is a partner in KPMG's Hong Kong tax practice. He has extensive experience of serving institutions in the healthcare and financial services sector in Hong Kong. Darren has been involved in developing appropriate structures for investing into the Asia Pacific region, tax and financial due diligence reviews in connection with M&A transactions and advising on cross border transactions. Many of these projects comprise of tax effective regional planning including consideration of direct and indirect taxes, capital and stamp duties, withholding taxes and the effective use of double taxation agreements. Darren also advises on establishing direct investment, private equity and other investment funds in Hong Kong, and advises clients in a wide range of industries.

Appendix

continued from P.15

Professors	Department	Startups/ Technologies	Research Interests
The University of Hong Kong 香港大學			
Prof. Norman C. TIEN 田之楠	Electrical and Electronic Engineering		Micro and nanotechnology-including microelectromechanical (MEMS) systems- the fabrication of small structures, tools and instruments for use in wireless communications, biomedical systems and environmental monitoring
Prof. CHEUNG, Paul Ying Sheung 張英相	Electrical and Electronic Engineering	Passber	Innovation and entrepreneurship, Biomedical engineering, Computer engineering and systems
Prof. LI, Ronald Adolphus 李登偉	Physiology	Novoheart	Human Pluripotent Stem Cell, Bioartificial Heart Tissues, Biomedical Engineering, Electrophysiology, Ion channels, Arrhythmias
Prof. CHEN, Guan Hua 陳冠華	Chemistry and Physics	Enzyme Design Limited (Efficiency Enhancement for Nanoelectronic Quantum Transport Simulation)	Combining Artificial Intelligence and Quantum Chemistry, O(N) Quantum Mechanical Methods for Very Large Molecular Systems, Computer-Aided Drug Design, Quantum Chemistry Simulation of Open Systems and Application to Nanoelectronics
Prof. HUANG, Jiandong 黃建東	Biomedical Sciences	PreciVax Therapeutics	Investigate the roles of intracellular transportation in development, cellular function and diseases; Use synthetic biology approach to investigate biological pattern/ structure formation, to develop vaccines against infectious diseases, and to create novel cancer treatment
Prof. SO Kwok-fai 蘇國輝	Anatomy		Nanotech for nervous tissue repair and regeneration
Prof. Chi-Ming CHE 支志明	Chemistry (Chair)		Gold-based organometallic compounds with anti-tumor activity
Prof. Victor O.K. LI 李安國	Electrical and Electronic Engineering	Fano Labs (formerly is Accosys Limited)	Development and applications of information science (big data analytics and deep learning) to important societal problems, including clean energy and environment, internet of things, and smart city.
Dr. K.P. CHOW 鄒錦沛 (Associate Professor)	Computer Science	CISC Limited	Computer Forensics, Digital Investigation, Data Privacy, Cryptography, Computer Security
Dr. Anderson Ho Cheung Shum 岑浩璋 (Associate Professor)	Mechanical Engineering	EN Technology Limited	Emulsions, microfluidics, emulsion-templated materials and soft matter.
Dr. FENG, Tony Shien-Ping 馮憲平 (Associate Professor)	Mechanical Engineering	Flectrode Limited	Chemical Mechanical Polishing advanced nanofabrication technology and its applications in nanophotonics, nanoelectronics and nanofluidics, to address challenges in energy Thermo-electrochemical Energy Conversion Photo-electrochemical Energy Conversion Photo/Thermo-electrocatalyst for Energy Application
Dr. Henry Y.K. LAU 劉應機 (Associate Professor)	Industrial and Manufacturing Systems Engineering	Hactis Limited	Industrial Management and Logistics Systems Automation Introduction to Information Systems Systems Modeling and Simulation
Prof. CHEN, Zhiwei 陳志偉	Microbiology	Immuno Cure Limited	AIDS Vaccine and Pathogenesis
Prof. XU, Aimin 徐愛民	Pharmacology and Pharmacy	ImmunoDiagnostics Limited	Identification and functional characterization of adipokine network; Signaling mechanisms underlying the insulin-sensitizing and vascular protective effects of adiponectin; Translational research: Adipokines-based assay development, clinical diagnosis and drug discovery
Prof. FANG, Xinshuo Christian 方欣碩	Orthopaedics and Traumatology	LifeSpans Limited	Stem Cell Applications: MSC for Osteoporotic spinal fracture treatment & disc degeneration disease, MSC encapsulation using Goat and rabbit Model; Biomaterials: Novel biomaterials development, bioactive bone cement fabrication and evaluations, Scaffold materials development, SMA Application, In vitro and in vivo biomaterials evaluation; Biomechanics: Spinal Biomechanics, Cell and Hard tissue mechanical property evaluation and definition, Micro & Nano-Mechanics evaluation of abnormalities in structure and mechanical properties of the bone, Medical Implant biomechanical property evaluation; and sports biomechanics
Prof. LU, William Weijia 呂維加	Orthopaedics and Traumatology	LifeSpans Limited	Orthopaedic trauma of wrist, elbow, shoulder, hip and acetabulum, knee and ankle; Osteoporotic injuries; Clinical applications of 3D printing
Prof. Barbara CHAN 陳佩	Mechanical Engineering	Living Tissues Co. Ltd.	Tissue engineering and regeneration; biosurgery, laser medicine; mechanoregulation; stem cells and biomaterial interactions
Prof. Maria LUNG 龍李梅瑞	Clinical Oncology	Oncoseek Limited	Tumor biology; Medical microbiology; Cancer genomics
Dr. YEUNG, Wai-Kwok Kelvin 楊偉國 (Associate Professor)	Orthopaedics and Traumatology	OrthoSmart Limited	Scoliosis, surgical correction for spinal deformities; Osteoporotic fracture management by using biomaterial system approach; Implant-related osteomyelitis; Musculoskeletal tissue engineering; 3D microenvironment; Orthopaedic implant design and translation research; Shape memory alloys for biomedical use; Orthopaedic biodegradable materials; Surface treatments for biomaterials
The Chinese University of Hong Kong 香港中文大學			
Prof. Juliana CN CHAN 陳重娥	Medicine and Therapeutics	GemVCare	Epidemiology, genetics, clinical trials and care models of diabetes and obesity
Prof. TANG Xiaou, Sean 湯曉鷗	Information Engineering	SenseTime	Pattern Recognition, Computer Vision, Video Processing
Prof. LO Yuk Ming, Dennis 盧煜明	Chemical Pathology	Xcelom, Cirina Limited (now merged with Grail, Inc.)	Molecular diagnostics, non-invasive prenatal diagnosis, cancer biomarkers

Professors	Department	Startups/ Technologies	Research Interests
Prof. Xiaogang WANG 王曉剛	Electronic Engineering	DKVision	Crowd behaviour analysis, Object detection and tracking, Person re-identification, Face recognition, Image and video searching, Medical imaging
Prof. MENG, Mei Ling Helen 蒙美玲	Systems Engineering and Engineering Management		Big Data Decision Analytics, Multilingual Speech and Language Processing, Multibiometric Authentication, Multimedia Content Retrieval, Multimodal Human-Computer Interactions
Prof. LEE Tan 李丹	Electronic Engineering	SPEAR3 Research Platform System	Speech signal processing, spoken language technologies, pattern recognition, multimedia information retrieval, hearing and speaking assistive and rehabilitation technologies, music information processing
Prof. HENG Pheng Ann 王平安	Computer Science and Engineering	Imsight Medical Technologies Ltd	AI and VR for medical applications, surgical simulation, visualization, graphics and human-computer interaction.
Prof. JIA Jiaya 賈佳亞 (now working at QQ Youtu Lab)	Computer Science and Engineering	Wise News, CUHK Opinion Mining Platform	Computer vision, computational imaging, and machine learning.
Prof. WONG, Kam Fai 黃錦輝	Systems Engineering and Engineering Management		Chinese Information processing, Databases, Information Retrieval
Prof. LIU, Yun-hui 劉雲輝	Mechanical and Automation Engineering	VisionNAV Robotics	Medical robotics, biomedical sensors and systems, vision-based control of robotic systems, aerial robots, mobile robotics, mutli-fingered grasping.
Prof. Philip CHIU Wai-yan 趙偉仁 Prof. YAM Yeung 任務	Chow Yuk Ho Technology Centre for Innovative Medicine		Robotic endoscope/Optomechanics Design and Engineering
Prof. Hon-Ming LAM 林漢明	Plant molecular biology and agricultural biotechnology	BGI (soybean genetic sequencing project)	Soybean genomics; rice disease resistance and signaling
Prof. Benny ZEE 徐仲鏞	Jockey Club School of Public Health and Primary Care / Centre for Clinical Research & Biostatistics	Health View Bioanalytic Limited	Automatic Retinal Image Analysis ("ARIA") system to provide quick disease risk assessment

The Hong Kong University of Science and Technology 香港科技大學

Morningside Professor of Life Science Nancy IP 葉玉如	Molecular Neuroscience		Molecular basis of neuronal development and plasticity; neurodegenerative diseases and drug discovery
Prof. LI Zexiang 李澤湘	Electronic and Computer Engineering	DJI	Robot manipulation, multifingered robotic hands, geometric analysis of robotic mechanisms; intelligent control and nonlinear systems; CAD/CAM and computational metrology.
Prof. Qiang YANG 楊強	Computer Science and Engineering	4Paradigm	Artificial Intelligence: Transfer Learning, Machine Learning, Planning, Data Mining
Prof. Yang WANG 汪揚	Mathematics		Fractal geometry, Wavelets and frames, Signal processing (image, audio and communication), Data analysis using machine learning, Wavelets and analysis, Tiling, Digital signal processing, Analog to digital conver- sion, Supply chain management
Prof. Robin MA 馬諾宏	Mechanical and Aerospace Engineering	HKUSTwheels	Shape memory alloy, Focused ion beam milling, Transmission electron microscopy and Materials Science
Prof. Michael WANG 王煜	Mechanical and Aerospace Engineering	HKUSTwheels	Robotics, automation, autonomous systems, multi-functional materials and structures, additive manufacturing.
Prof. Christopher Yu-Hang CHAO 趙汝恒	Mechanical and Aerospace Engineering	HKUSTwheels	Contaminant transport in indoor environments; respiratory infectious disease transmission and risk assessment; mass transfer and chemical kinetics in catalytic reaction systems; heat and mass transfer in adsorption cooling systems; energy and environment.
		Free Flow Technology Limited	Energy and Built Environment: Smart Green Building Technology, Adsorption Cooling and Refrigeration, Passive Radiative Cooling, Low Speed Wind Turbine, Nanofluid Heat Transfer, Contaminant Transport in Indoor Environments, Aerosol Dynamics, Infectious Disease Transmission Risk, Combustion and Fire Safety
Prof. Hoi Sing KWOK 郭海成	Electronic and Computer Engineering	0.25 inch microdisplays was sold to Himax which supplies the component to produce "Google Glass"	Display technologies, light emitting thin film materials
		Hong Kong Innovative Display Technology Limited	
Prof. Man Sun CHAN 陳文新	Electronic and Computer Engineering	SmartSens	Nano device technology, CMOS image sensors, SOI technology, high speed ICs, multimedia technology, RF circuits and biosensors for DNA analysis.
Prof. Ying CHAU 周迎	Department of Chemical and Biological Engineering	Sonikure Technology Limited	Biomedical engineering; drug delivery; cancer targetting; tissue engineering; biomaterial; polymer and peptide design. Drug delivery; cancer targetting; tissue engineering; biomaterial; polymer and peptide design.
		NovaMatrix Limited (Changed name to Pleryon Therapeutics Limited)	
Prof. Shengwang DU 杜勝望	Department of Physics	Light Innovation Technology Ltd	Atom Optics, Quantum Optics, Bose-Einstein Condensation, Atom Chip, Laser Cooling and Trapping, Nonlinear Optics, Solid State Lighting, Superconducting Electronics, Biophysics, Optical Microscopy & Bioimaging.
		NanoBioImaging Limited	
Prof. Ben Zhong TANG 唐本忠	Department of Chemistry	AIegen Biotech Co., Ltd.	Polymer chemistry, Materials science, Optical materials, Light-emitting molecules, Fluorescent biosensors, Nanotechnology, Hyperbranched polymers

Appendix

Professors	Department	Startups/ Technologies	Research Interests
Prof. Richard H Y SO 蘇孝宇	Department of Industrial Engineering and Logistics Management	Incus Company Ltd.	Human responses to advance visual and audio interfaces. Consumer decision making processes. Computational ergonomics. Mass-customization of spatial hearing devices (e.g., virtual surround systems) and spatial visualization devices (e.g., optically-adjustable head mounted displays).
Prof. Reinhard RENNEBERG 任能博	Department of Chemistry	Bio-Trick Limited.	Bioanalytical chemistry: basics and applications; nano-biotechnology; biosensors and bioelectronics; microsystems and microsensors; novel signal-amplifying systems using LBL-encapsulated mediators; enzymes and dyes for amperometric sensors; ELISAs and other biotests; environmental chemistry; commercialization of biosensors and biotests (heart attack, stroke, viral and bacterial infections).
Prof. Matthew Ming-Fai YUEN 袁銘輝	Department of Mechanical and Aerospace Engineering	Oxpecker Labs Limited.	CAD/CAM/CAE: - Featured-based modeling - Soft Object modeling - Collaborative Product Development - Precision machine and system design Electronic Packaging: - Interfacial delamination - Thermal interface materials - Printed electronics - Molecular modeling
		eTron Electronic Materials (Hong Kong) Co. Limited	
Prof. Yi-Kuen LEE 李貽昆	Department of Mechanical and Aerospace Engineering	Cytofluidics Biotechnology Limited.	Bio-Microelectromechanical System (Bio-MEMS) and Lab-on-a-chip: micro biosensors, micro electroporation chips; Nanoelectromechanical System (NEMS); Micro chaotic mixing: micro spatial-temporal chaotic mixer; MEMS key technology development: ICP Deep RIE process modeling and optimization using Design of Experiments; Micro sensors using nanocomposite materials; Fluorescence video microscopy for single molecule analysis; Micro bubble actuators for integrated microfluidic systems.
Prof. Gary Shueng-Han CHAN 陳雙幸	Department of Computer Science and Engineering	Companion Technology Limited	Multimedia and wireless networking; peer-to-peer networks; design of network protocols; Internet technologies.
		Yfisoft Limited	
		Ananflow Technology Limited	
Prof. Long QUAN 權龍	Department of Computer Science and Engineering	Everest Innovation Technology Limited	Computer vision; 3D reconstruction, motion analysis, image-based modeling and rendering, computer graphics.
Prof. James SHE 許丕文	Department of Electronic & Computer Engineering	MultiMedia Big Data Analytics Ltd.	Social media/networks, systems and analytics for media outbreaks; Cyber-physical media and interactive systems; Big data systems and analytics for finance, marketing/advertising and arts; Cloud-assisted mobile media and data analytics applications; Social TV and mobile iptv.
Prof. Pascale FUNG 馮雁	Department of Electronic & Computer Engineering	EMOS Technologies Inc.	Speech recognition and understanding; machine translation; multilingual language processing and music information extraction.
Prof. Patrick YUE 俞捷	Department of Electronic & Computer Engineering	Jetcomm Technologies Limited	High-speed optical and millimeter-wave communication SoC design, visible light communication SoC design and application software, CMOS optical and mm-wave device and passive modeling, and energy-efficient interface circuits for miniature photonic sensors.
Prof. Johnny K. O. SIN 單建安	Department of Electronic & Computer Engineering	CoilEasy Technologies Limited.	Microelectronic and nanoelectronic devices and fabrication technology, particularly novel power semiconductor devices and ICs, and system-on-a-chip applications using power transistors, thin-film transistors, silicon-on-insulator radio-frequency devices, and silicon-embedded magnetic devices.
Prof. Pei-Yuan QIAN 錢培元	Division of Life Science	SeaSafe.	Our laboratory major research interest concerns larval biology of marine invertebrates, with emphasis on interaction between settling larvae and chemical cues released from marine surfaces. Since all the marine surfaces are covered by biofilms made of macromolecules and microbes, we have been analyzing microbial community dynamics (using the most advanced molecular tools) and chemical profiles of biofilms in order to characterize the effective chemical cues for larval settlement induction/inhibition. After obtaining effective compounds, we have been examining the effects of the compounds on changes in gene expression, protein expression (proteomics and phosphoproteomics) and transcriptomics during the larva-juvenile transition process. Another aspect of our research has been focusing on microbial metagenomics of unique marine habitats, such as deep sea brine pools as well as symbionts in marine corals and sponges.
Prof. Guang-Hao CHEN 陳光浩	Department of Civil and Environmental Engineering	Blue Innwater Co Ltd.	Sustainable sewage treatment systems; sludge minimization in biotreatment; sewer process modeling; MBR process optimization; low-cost and compact wastewater treatment technology.
Prof. Zhiyong FAN 范智勇	Department of Electronic & Computer Engineering	Sundial Technology Development Limited	Fabrication and characterization of nanomaterials and nanostructures; applications of functional nanomaterials for electronics, energy harvesting and sensing.
Prof. Ping SHENG 沈平	Department of Physics	Acoustic Metamaterials Co., Ltd	Carbon nanostructures; Acoustic metamaterials; Soft matter physics; Physics of disordered materials; Complex fluids and fluid solid interfaces; Liquid crystals; Wave localization and multiple scattering; Physics of meso-systems and nanomaterials
City University of Hong Kong 香港城市大學			
Prof. Shuk Han CHENG 鄭淑嫻	Biomedical Sciences / Molecular Medicine	Vitargent	Nature or nurture: molecular and chemical regulation of vertebrate embryonic development and adult organ regeneration
Dr. Roy A L VELLAISAMY	Department of Materials Science and Engineering	Cinme Tech Limited	Materials and technologies for sensors, memory devices and thermo-electric energy harvesting devices.

Professors	Department	Startups/ Technologies	Research Interests
Dr. Richard KONG 江潤章	Department of Chemistry	Hands Life Science Limited	Gene Expression and Control Mechanisms, Epigenetics, Molecular Toxicology, DNA-Based Diagnostics
Prof. Henry CHUNG 鍾樹鴻	Department of Electronic Engineering	Jacky Instruments Limited	Lighting technology, Smart grid technologies, Renewable energy conversion technologies, Application of computational intelligence in power electronics
Dr. Norman TSE 謝松輝	Division of Building Science and Technology	Jacky Instruments Limited	Energy efficiency, Power quality monitoring and analysis, Building integrated smart grid technology, Current sensing devices, Advanced smart metering infrastructure
Prof. Jeffrey SHAW 邵志飛	School of Creative Media	Kung Fu Motion Limited	Augmented Reality, Digital Heritage, Immersive Visualization, Interactive Narrative, Mixed Reality, New Media Art, Virtual Reality
Dr. Ray CHEUNG 張澤松	Department of Electronic Engineering	Kung Fu Motion Limited	High-Performance & Customisable Biomedical and Bioinformatics Computing, Reconfigurable Trusted Computing, VLSI/FPGA Circuit Designs, Cryptography, System-on-Chip Architecture, Embedded System Designs
Dr. WANG Jianping 汪建平	Department of Computer Science	NoPhish Technology Limited	Service-oriented Networking, Cloud Computing, Multicast, Optical Networking, Wireless Networking, Network Coding
Dr. LIU Wenyin 劉文印	Multimedia Software Engineering Research Centre	NoPhish Technology Limited	Web Identity Security, Anti-Phishing, Big Data Analysis, Text Mining, Robot Vision, Graphics Recognition
Prof. Michael YANG 楊夢甦	Department of Biomedical Sciences	Prenetics	Cancer Biology, Microfluidic Technology, Nanomedicine

HONG KONG BAPTIST UNIVERSITY 香港浸會大學

Prof. Kok Wai CHEAH 謝國偉	Physics	Cathay Photonics	Optical Properties of Plasmonic Devices, Highly Efficient Green Organic Light-Emitting Devices Based On Intermolecular Exciplex, Transparent OLED
Prof. Ken YUNG 翁建霖	Biology	Oper Technology	Neurobiology of receptors and neurological diseases, Neurotoxicology, Neuropharmacology
Pro. Nai Ho CHEUNG 張迺豪	Physics	Artwork Analysis	Analytical spectroscopy of laser plumes, Bio-molecule imaging

THE HONG KONG POLYTECHNIC UNIVERSITY 香港理工大學

Prof. LEUNG Yun Chung, Thomas 梁潤松	Applied Biology and Chemical Technology		Disease Treatment - Design of cancer drugs by protein engineering and chemical biology; development of ultrafast biosensors for drug discovery (One of the developed cancer drugs was Hong Kong's 1st IND granted by USFDA)
Prof. ZHENG Yong Ping 鄭永平	Biomedical Engineering		Diagnostic and Health Care Devices - Biomedical ultrasound instrumentation; ultrasonic measurement and imaging of tissue elasticity; ultrasound assessment of musculoskeletal tissues; ultrasound biomicroscopy; 3D ultrasound imaging and signal processing; smart aging technologies
Prof. LI Heng 李恆	Building and Real Estate	Vircon	Smart Construction Technologies - Construction virtual prototyping technology for construction process simulation and optimization; construction management; construction information technology
Prof. NI Yiqing 倪一清	Civil and Environmental Engineering		Structural Health Monitoring Technologies - For mega structures such as high rise buildings and long span bridges; structural dynamics and control; smart materials and structures; sensors and actuators
Prof. CHENG Ka Wai, Eric 鄭家偉	Electrical Engineering		Electric Vehicle Technologies - Battery charging system; power management; energy saving; electric drive; lighting; power conversion; in-wheel motor, smart charging; power electronics; electromagnetics
Prof. TAM Hwa Yaw 譚華耀	Electrical Engineering	Volant	Railway Monitoring Technologies - Optical fibre communications and efficient fibre sensing systems based on fibre Bragg gratings and photonic crystal fibres (Developed system has been deployed in Canton Tower, railways in China, Hong Kong, Taiwan, India and Singapore)
Prof. OR Siu Wing, Derek 柯少榮	Electrical Engineering		Self-sustainable Magnetolectric Sensors - Multifunctional smart materials and devices for self-sustainable and energy-harvesting current sensing, the wireless feature enables flexible data transmission (Technologies have been deployed in various industrial sectors worldwide, including power distribution systems, circuit protection & control apparatuses, railway electrification systems, cable-suspension bridges, etc.)
Prof. YUNG Kai Leung 容啟亮	Industrial and Systems Engineering		Precision Engineering for Deep Space Exploration - Product mechatronics, automatic control system, computer vision, 3D model retrieval, logistic planning and optimization (Technologies were applied in the MIR Space Station, European Space Agency's Mars Express Mission, Sino-Russian Phobos-Grunt Mission and China Lunar Exploration Missions.)
Prof. TAO Xiao Ming 陶肖明	Institute of Textiles and Clothing	AdvanPro	Anti-sleep Apnea Device - Detection of sleep apnea; technology of restoring normal breathing without sleep interruption
Prof. LI-TSANG Cecilia WP 李曾慧平	Rehabilitation Sciences		Smart Scar-care Pad - Moisture control and pressure management on scar for curved or flat skin surfaces. Case studies demonstrated the effect on improvement of hypertrophic scars as well as patients' quality of life
Prof. TO Chi Ho 杜嗣河	School of Optometry	Vision Science	Defocus Incorporated Soft Contact Lens for Myopia Retardation - Clinical trial data showed the lens slowed down myopia progression by about 50% in Hong Kong schoolchildren (8 -13 years old)

HKVCA Membership Benefits

Deal Flow

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Have unrivaled access to government and business players in Hong Kong, mainland China and across the Asia region.

Networking

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Effectiveness

功效优化

The HKVCA is a family, helping to maximize multi purposes most effectively. The diversity of our member base provides the opportunity to connect with all the various market participants through a singular, unique platform.

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生态系统

By leveraging ecosystems, companies can deliver complex solutions while still maintaining corporate focus. The HKVCA is a key part of the private equity ecosystem, built on the interaction of limited partners, general partners, services providers, target companies and government units.

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Use the Association to showcase your specialist expertise, increase your profile and become more involved within the industry, with opportunities to join special interest groups and sit on industry-related committees.

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Be involved in setting standards and creating benchmarks that help raise the profile of the venture capital and private equity industry.

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Upgrade professional skills and acquire cutting edge, up-to-date knowledge of the latest trends, deals, and market and regulatory changes.

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Receive feedback on questions and queries from informed members and have access to industry research and information.

Information Exchange

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Enjoy exclusive access to the membership directory and keep up with all the latest industry and local investor news. Exchange information and share experiences with industry players who possess common interests and goals.



“ HKVCA is the premier Association of its kind in Asia with the longest history and the biggest membership body. It connects industry players, large and small, regional and global. It not only networks GPs with each other but provides a platform to connect them with LPs and government bodies

作为亚洲最大的老牌行业协会，香港创业及私募投资协会（HKVCA）连接着众多不同规模及地域分布的行业精英。在这里不仅可以认识普通合伙人（GP），亦为进一步联系有限合伙人（LP）和政府部门提供了一个重要的交流平台”

Johnny Chan
Co-Chairman,
Nomination, Membership & Organization
Committee

陈觉忠
香港创业及私募投资协会
提名、会籍和组织委员会联席主席

“ HKVCA membership is a great tool for one key reason: it allows me to meet and interface with other professionals, which helps find answers to questions we face and allows us to know others who have similar issues or problems

加入香港创业及私募投资协会的一个重要原因是，我不仅可以认识更多业界同仁，亦可以与业务伙伴一起交流并探讨未决难题”

William Ho
Co-Chairman,
Nomination, Membership & Organization
Committee

何志杰
香港创业及私募投资协会
提名、会籍和组织委员会联席主席

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Hong Kong Venture Capital and Private Equity Association
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Dedicated to private equity & venture capital. Dedicated to your success.



Our Alternatives practice (particularly Private Equity & Venture Capital) across the Asia Pacific region offers:

- Deal origination and introductions
- Pre-deal commercial due diligence
- Transaction execution and due diligence
- Post-deal integration, 'hands-on' support
- Operational transformation & portfolio value creation
- Exit readiness and sales strategies

Our approach:

- Deep industry knowledge, sector specialisation
- Firm-wide managed relationships; a focus on both our private equity and venture capital clients and when applicable, their portfolio investments
- 'The right team': Factors such as asset class, asset location or our specialised knowledge; KPMG can build the appropriate team to best support your investment

Contact us to find out how KPMG can help you succeed:

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