



Your Purchase Centre in HK

Adding transparency and structure to your supply chain

FREE WEBINAR

16 Sep 2020 @ 10:00 AM CET

Your Purchase Centre in HK

Adding transparency and structure to your supply chain

• Webinar •

SPEAKERS



Ms. Fiona Chau
Deputy Representative
at HK Economic and
Trade Office in Brussels



Ms Angelica Leung
Head of Consumer
Products
Invest**HK**



Mr Anson Bailey
Partner

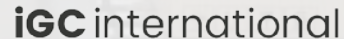



Mr. Max Kronberg
CEO



Mr. Byron Lee
Senior Exhibitions Manager



Mr. Hans Poulis,
CEO


Invest**HK**

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Fiona Chau

**Hong Kong Economic
and Trade Office in Brussels**



16 September 2020

At the Heart of Asia



ASIA: World's powerhouse for economic growth

- ❖ Contributing some **60%** to the world's GDP growth
- ❖ Rising middle class with strong purchasing power
- ❖ By 2030, **two-thirds** of the world's middle class will come from Asia

Premier Logistics and Maritime Hub



- ❖ The world's **busiest cargo airport** (around 5 million tonnes of cargo a year), operating 1,100 flights daily to some 220 destinations (including 50 Mainland destinations)
- ❖ One of the **world's busiest and most efficient container port**
- ❖ Every week, 300 container vessel sailings connect to some 420 destinations
- ❖ Three-Runway System
- ❖ Guangzhou-Shenzhen-Hong Kong Express Rail Link
- ❖ Hong Kong-Zhuhai-Macao Bridge

Fundamental Strengths

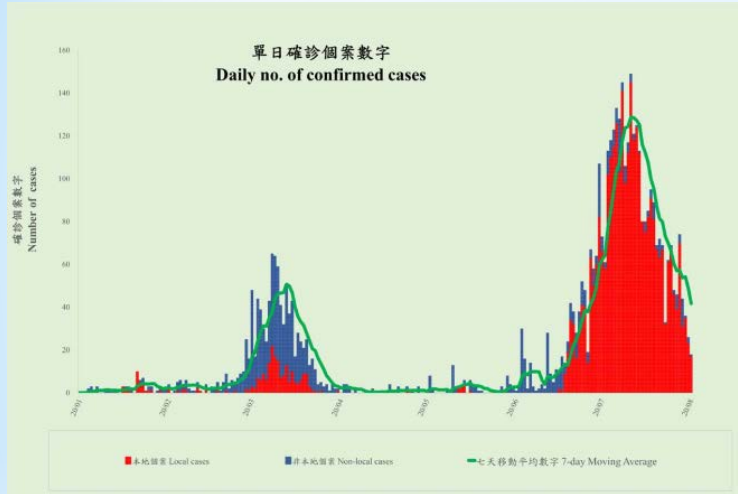


- ❖ A rich pool of world-class talents and professionals
- ❖ open and efficient market
- ❖ Business-friendly environment
- ❖ Fully convertible currency
- ❖ Free flow of capital, talents and goods
- ❖ Protection of intellectual property rights
- ❖ Simple, low and territorial-based tax regime

 TAX	2-tiered profits tax system		15% standard salaries tax rate
	8.25% on first US\$255,000 of corporate profits	16.5% standard profits tax rate	

- ❖ Level playing field
- ❖ Separate customs territory – FTAs, IPPAs, CDTAs

COVID-19



Relief measures amounted to **HK\$287.5 billion**, equivalent to around 10% of Hong Kong's GDP –

- ❖ preserve the vitality of the economy
- ❖ facilitate a swift recovery

New Normal



**Distance
Business
Programme**



**Speed up the
application of
technology**

*Hong Kong
welcomes
you!*



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Mr Anson Bailey
Partner





Future of Sourcing: 2020 and beyond

Anson Bailey
Head of Consumer & Retail, ASPAC
KPMG China

InvestHK webinar – September 16, 2020

Future of Sourcing: 2020 and beyond

Key findings to think about:

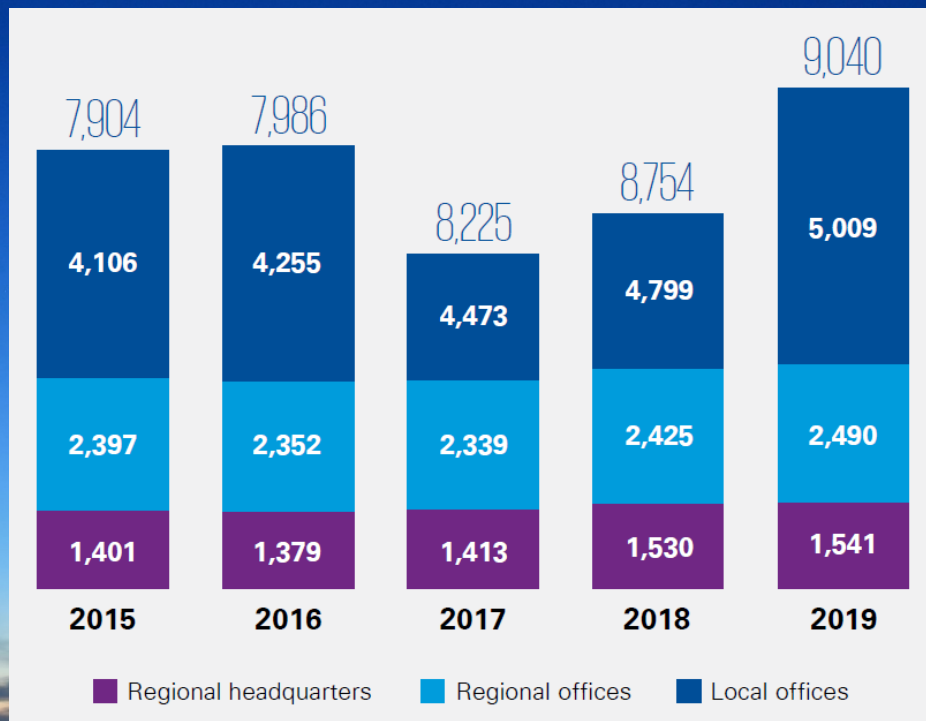
- **Significant economic impact of COVID-19 has impacted the entire supply chain for some time to come.** Companies have suddenly realized that there is a need to digitize across those supply chains.
- **So where is the next Hong Kong?** Well simply stated we are never going to see another Hong Kong emerge in this new era of digitisation and we do need to prepare ourselves for this new digital era where we operate across a seamless global marketplace.
- **Organisations need to leverage new digital technologies** to ensure they can track those changing consumer behaviours, consumer journeys and consumer spending patterns with the need for more precise consumption patterns through data analytics.
- **The globalisation of supply chains will actually see Hong Kong survive and thrive** but we must be more agile as we serve those future digital supply chains with next generation data analytics, AI and automation.
- **Talent Development and upskilling our people is critical** for the future survival with both the international business mindset and more innovative thinking required to stay ahead of the curve.

Each of the trends identified in this sourcing study have accelerated with the beginning of COVID-19. This new study covers a number of established industry players along with the start-up +digital ecosystem across not only supply chains but the wider consumer +retail sectors as we see the impact of those changing consumer behaviours.



About Hong Kong - Traditional businesses still flourish in 2020

Number of regional headquarters, regional offices and local offices



source: HKSAR Government

The figure consists of three bar charts, each representing a different metric of growth from 2014 to 2019. Each chart includes a title, a year-over-year growth percentage for each year, and a final total value for 2019.

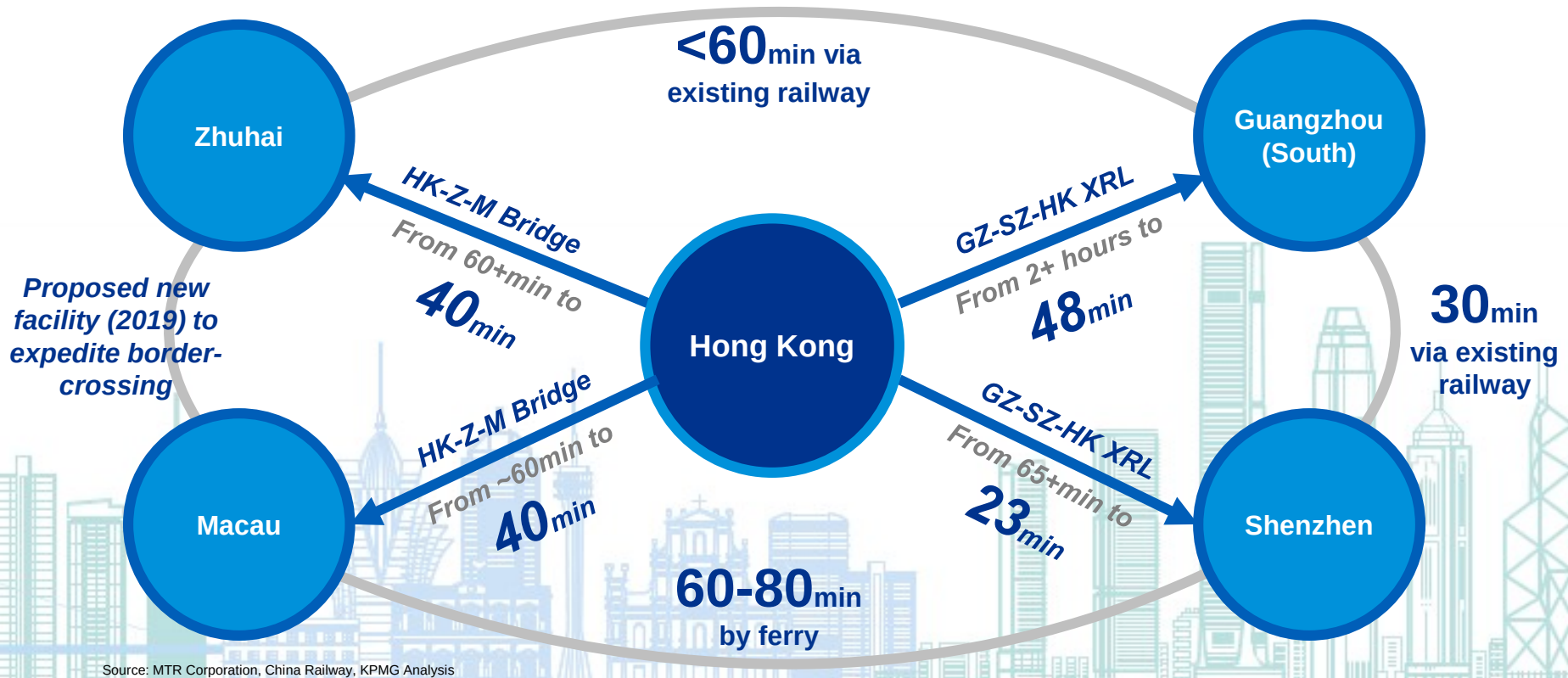
- Startups:** The first chart, titled "3,184 startups, +199% in 6 years", shows a steady increase from 1,065 in 2014 to 3,184 in 2019. The growth percentages are +46% (2015), +24% (2016), +16% (2017), +18% (2018), and +21% (2019).
- Staff:** The second chart, titled "1,478 employees, +424% in 6 years", shows growth from 2,381 in 2014 to 12,478 in 2019. The growth percentages are +56% (2015), +41% (2016), +21% (2017), +51% (2018), and +31% (2019).
- Co-work locations:** The third chart, titled "92 locations of co-work space / incubators / accelerators, +163% in 6 years", shows growth from 35 in 2014 to 92 in 2019. The growth percentages are +14% (2015), +20% (2016), +29% (2017), +27% (2018), and +16% (2019).

Year	Total no. of startups	Total no. of staff*	Total no. of locations
2014	1,065	2,381	35
2015	1,558 (+46%)	3,721 (+56%)	40 (+14%)
2016	1,926 (+24%)	5,229 (+41%)	48 (+20%)
2017	2,229 (+16%)	6,320 (+21%)	62 (+29%)
2018	2,625 (+18%)	9,548 (+51%)	79 (+27%)
2019	3,184 (+21%)	12,478 (+31%)	92 (+16%)

source: InvestHK

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Hong Kong is well connected across the GBA



Source: MTR Corporation, China Railway, KPMG Analysis



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Hong Kong is also a gateway to ASEAN

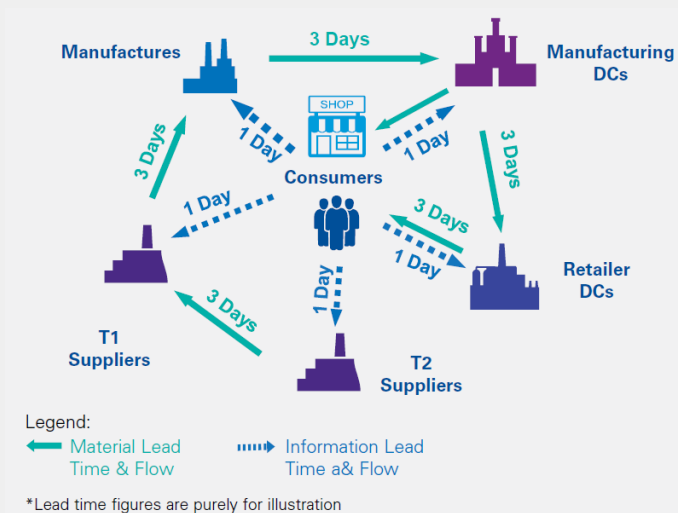


Source: KPMG analysis

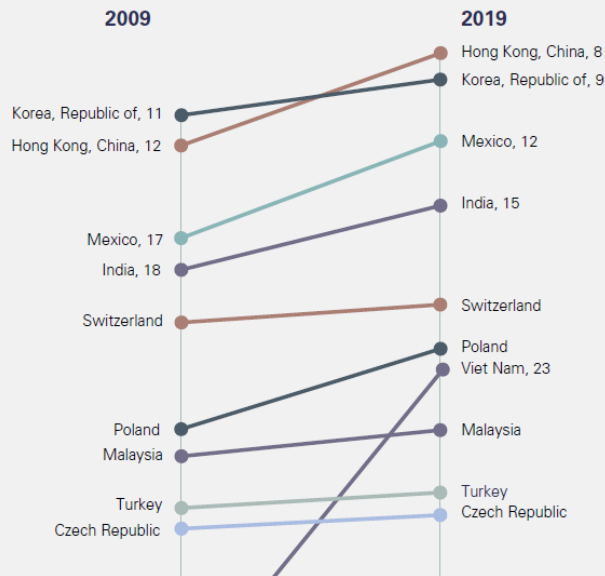


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Hong Kong is still at the heart of end-to-end supply chains

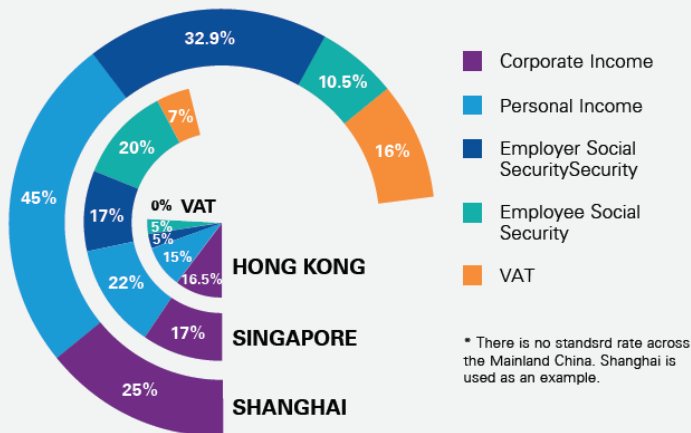
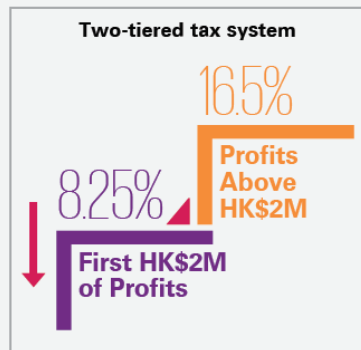


Source: KPMG Analysis



Source: World Trade Statistical Review 2020, World Trade Organisation

Taxation + Legal strengths



- ✗ VAT/GST/Sales tax
- ✗ Capital Gains Tax
- ✗ Withholding tax on investments
- ✗ Estate duty
- ✗ Global taxation
- ✗ Wine Duty

Source: KPMG Analysis



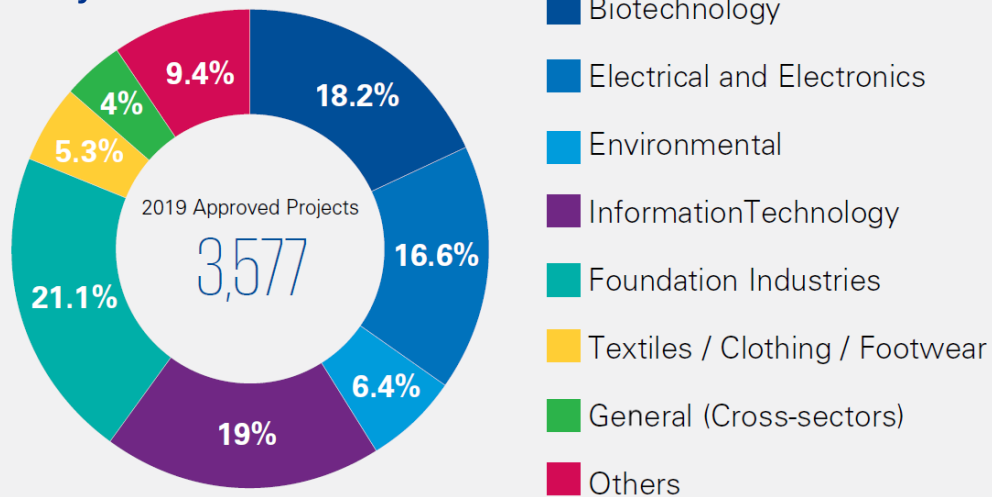
Hong Kong has signed Comprehensive Double Taxation Agreements (CDTAs) with **44** Jurisdictions.



Negotiations with **15** jurisdictions are in progress.
(as of May 2019)

Growing Hub for Tech and Innovation

Approved government programmes supporting R&D by industry



Source: Innovation and Technology Fund, HKSAR Government

Growing focus on ESG +Sustainability +Purpose

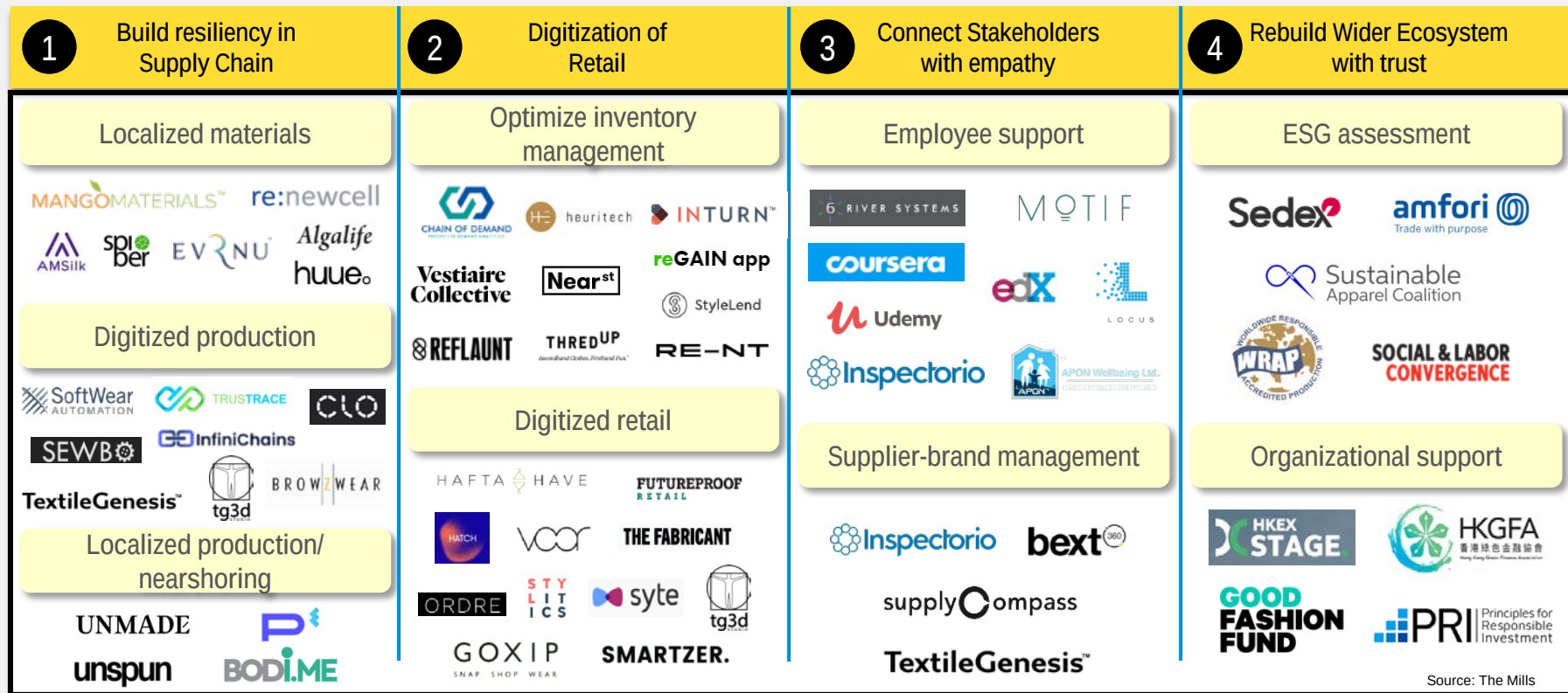
Corporates now looking at
HK as new Hub for ESG
reporting +regulatory
compliance

Investors are now looking at
more sustainable supply
chains

Consumers increasingly
looking at your value chains,
societal impact +purpose



The Mills: Innovation opportunities exist across the value chain

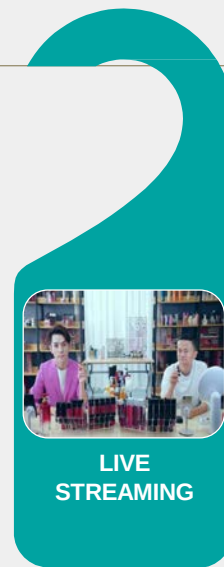


Source: The Mills

Understanding the next generation of Chinese Consumers



*Source: National Bureau of Statistics of China



The evolving consumer during Covid-19: C&R business landscape

Covid-19 has caused severe changes in the way consumers shop around the world. These changes are not likely to be only short term.

Businesses will face new challenges and need to adapt to the “New Reality”

GLOBALLY A NEW CONSUMER IS EMERGING...

Reduced discretionary spending

Financially constrained and cautious consumers are deferring non-essential purchases

Increased digital adoption

The at home consumer is digitally savvy and embraces the ease with which they can interact with retailers, browse, purchase and pay through digital channels

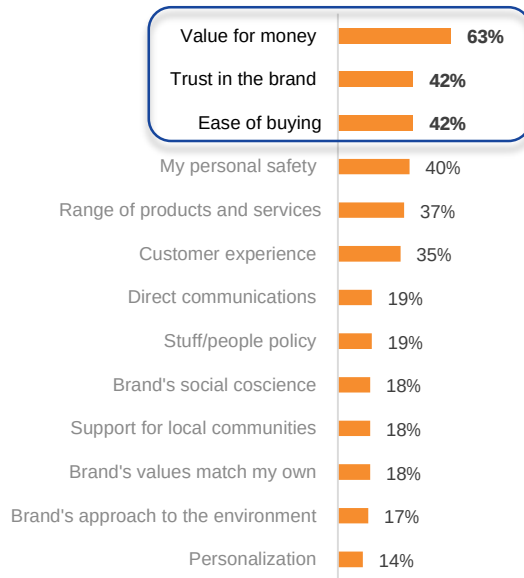
Trust in brand is key driver

Consumers increasingly purchase from brands/ retailers they trust, at a time where trust is becoming more complex to build

Preference towards local products

Consumers are preferring local products where their spending has a noticeable impact on the local economy

KEY PURCHASE DRIVERS



% = proportion of consumers who rate each as important in their decision-making

Which of the following is important to you now when buying a product or service?

Basis survey of 12K+ Consumers surveyed across 11 countries (12 markets) via online questionnaire

Source: Consumers and the new reality, KPMG International, June 2020

Seven types of consumer commerce businesses will succeed in the future

The word 'retail' is likely to become redundant and will be replaced by 'consumer commerce'; seven type of business models will emerge as winners going forward:

1

Platform business

Platform businesses are increasingly **dominating** the **go-to-market channels**. They take a broader approach to the market and target both B2B and B2C offerings



2

Multi-national retailers

Large multi-national retail players will transform themselves into platform businesses and will grow their capabilities via M&A



3

National Heroes

Domestic Heroes will focus on **cross-border partnerships** to tap into **synergies and create scale**. Partnering to enhance 1) buying power, 2) tech and innovation and 3) talent, will impart strength to compete with the likes of Amazon



4

Value based retailers

Discounters (**fastest growing** physical channel globally) have historically been **more profitable** than legacy retailers. They will now have to **evolve their online value proposition** to profitably survive in the future



5

Brands

The smaller country focused firms (with 2% or lesser market share in their categories) offer **true expertise** and **product innovation**, and serve a loyal customer base. As their **share grows**, they will have to decide which route-to-market to take



6

Category specialists

Category specialists that embrace direct to consumer (D2C) model, will be able to **bypass the retailers and gain additional margin** — they are likely to **leverage platform businesses** to decrease reliance on traditional retailers



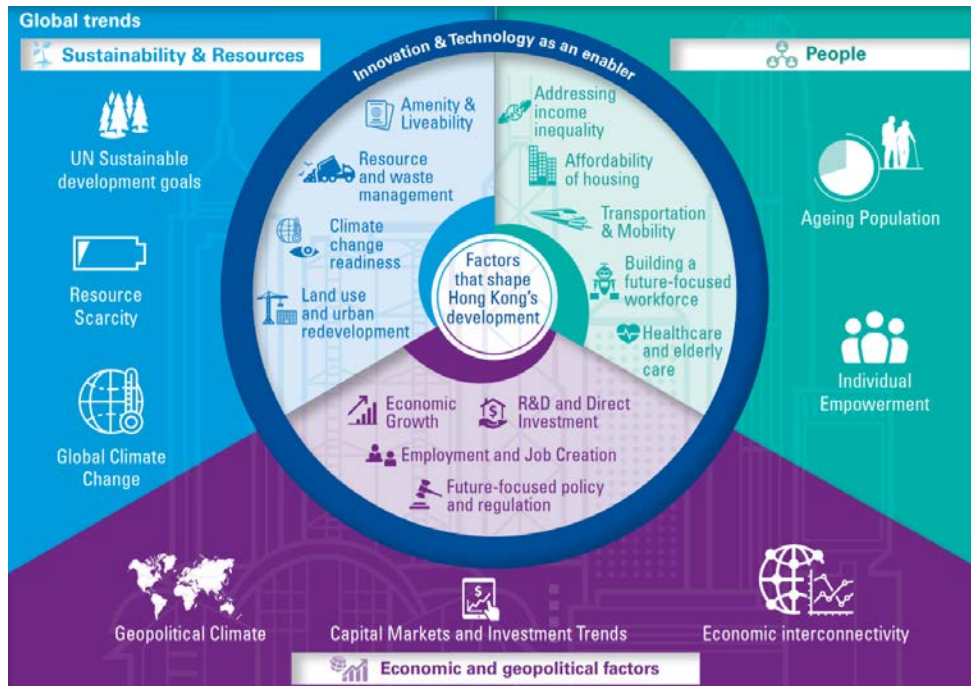
7

Independent/ Mutuals

Mutuals have the unique ability to directly gather and respond to changing community needs. Mutuals will likely need to build their online membership platform in order to compete with growing loyalty programs and rapid-response supply chains



Smart City Developments – Envisioning Hong Kong 2030



Source: *Future Hong Kong 2030*, June 2020, KPMG Hong Kong



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Emerging Technologies

like AI
+Blockchain will
profoundly
impact
global supply
chains

Rise of
purpose led
businesses with a
greater focus on
ESG+
sustainability
here in HK with
centre for
professional
services

Seeing a shifting
focus to Chinese
+ASEAN markets
with the **speed
of change** of
more digitally
minded consumers
in this 'new normal'

Data
+Innovation
+increased
transparency
is critical
in dealing with the
next gen of
consumers

You must follow
consumers on their
journey! We really need
to study those
changing
consumer
behaviours
with Covid-19
accelerating Digital!



Thank you



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Download these reports



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Ms Angelica Leung
Head of Consumer
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Invest**HK**

Invest in Hong Kong for Purchase Centre

Angelica Leung
Head of Consumer Products
16 September 2020

Invest**HK**



- **InvestHK in Brief**
- **Summary findings -
Regional Headquarters Survey 2019**
- **Hong Kong as a Sourcing Hub**
- **Market Entry Models**
- **Invest Hong Kong's services**

InvestHK's Worldwide Network



Why Hong Kong?

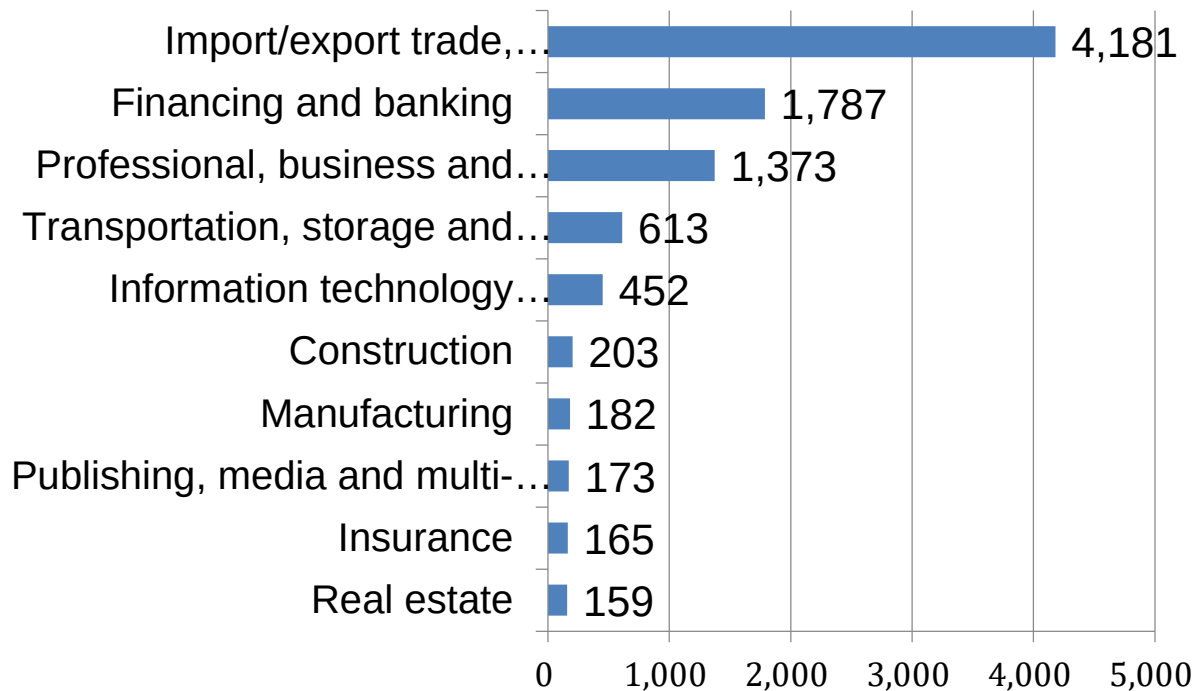


- **Geographical** location and transportation links to Asia and beyond
- **Cluster** of Global and Regional buying offices - synergy effect and strong talent pool, home to important tradeshows and conferences
- **Service** Strong legal, logistics, testing and finance eco-system support showroom and sales and marketing offices, treasury functions
- **Communication** English/Chinese as official languages
- **Access** to Greater Bay innovation, automation and manufacturing upgrading can retain global competitive edge



Summary findings - Regional Headquarters Survey 2019

Number of RHQs, ROs and LOs by Major Lines of Business in Hong Kong



Notes: A RHQ/RO/LO may be engaged in more than one major line of business



Hong Kong as a Sourcing Hub

Who is here – Department stores

Department Store	Country of Origin	Location of Sourcing Office in HK
ALDI	Germany	Tsim Sha Tsui
BLOOMINGDALE'S	United States	Cheung Sha Wan
CARREFOUR	France	Kowloon Bay
JCPENNY	United States	Kowloon Bay
JOHN LEWIS	United Kingdom	Kwun Tong
LIDL	Germany	Jordan
MACY'S	United States	Tsim Sha Tsui
MARKS & SPENCER	United Kingdom	Tsim Sha Tsui
METRO	Germany	Kowloon Bay
MIGROS	Switzerland	Kowloon Bay
MYER	Australia	Cheung Sha Wan

Who is here – apparel, toys, hypermarkets

Company	Sub-sector	Country of Origin
Adidas	Fashion	US
Bandai	Toys	Japan
Coach	Fashion	US
GAP	Fashion	US
Hallmark	Stationery and Toys	US
H&M	Fashion	Sweden
ICA AB	Hypermarkets	Sweden
Kingfisher	Home Improvement	UK
Meijer	Supermarket non foods	US
New Balance	Fashion	US
Morrison	Supermarket non foods	UK
PUMA	Fashion	US
Pet Smart	Pet Supplies	US
Tesco	Supermarket non foods	UK
Toys'R'Us	Toys	US
WHSmith	Stationery and Toys	UK
VF	Fashion	US

Hong Kong is a premier logistics and maritime hub in Asia and gateway for trade between Mainland China and the rest of the world.

- Over 120 airlines offer more than 1,100 flights daily to over 220 destinations worldwide, including about 50 destinations in the Mainland of China
- About 300 container vessel sailings connect to around 420 destinations worldwide per week.
- Hong Kong's ports maintain sea cargo operations with 58 countries along the Belt and Road corridor.

(Source: HKTDC Research Report – April 2019, HK Fact Sheet April 2020)



Connectivity - Goods



4 land crossings to the Mainland:

Lok Ma Chau, Man Kam To, Sha Tau Kok, Shenzhen Bay

Average daily traffic:
44 000 vehicle trips

New land crossing in 2020: Heung Yuen Wai

E-Lock – Cross Border Fast Clearance

E-LOCK 電子關鎖



IoT Cross-Boundary Fast-Clearance Security Application

The IoT Cross Boundary Fast-Clearance developed by LSCM helps interconnect the Hong Kong Custom's Intermodal Transshipment Facilitation Scheme (ITFS) with the speedy Customs Clearance (SCC) of the Mainland Customs. With the official launch of the 'Single E-lock Scheme' in late March of 2016, customs clearance between Hong Kong and Guangdong becomes more convenient and efficient.

物聯網跨境快捷通適應用程式

由LSCM開發的物聯網跨境快捷通適，將香港海關的「多模式聯運轉運貨物便利計劃」與內地海關的「跨境快捷通關」連接。隨著2016年3月下旬正式推出的「跨境一鎖」計劃，香港與廣東之間的通關變得更加方便快捷。

E-COMMERCE, LOGISTICS AND SUPPLY CHAIN MANAGEMENT

電子商貿、物流及 供應鏈管理

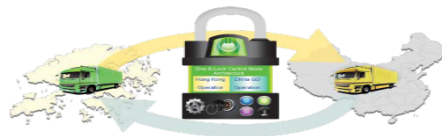


Technologies ready to transfer include:

- E-lock Track and Trace Application Platform
- E-lock Interoperability Gateway for Transshipment
- Transshipment Track and Trace Backend Application
- Transshipment Track and Trace User Interface
- E-lock end-to-end information security server system

可供轉移的技術包括：

- 電子鎖追蹤應用平台
- 使用於轉運的電子鎖互操作性網關
- 轉運追蹤後端應用程式
- 轉運追蹤用戶界面
- 電子鎖端對端訊息安全服務器系統



Since the trial of the 'Intermodal Transshipment Facilitation Scheme' from 2012 and 'Single E-lock scheme' from 2016, it has been extended to 52 clearance points in Guangdong province including Guangzhou Nansha Free Trade Zone, Jiangmen International Electronic Commerce Express Mail Sorting Clearance Centre and Guangzhou Airport, including the 12 clearance points in Hong Kong, included Hong Kong International Terminals and Kwai Chung Customhouse, 624 express intermodal transportation routes are offered. Up to May 2019, the scheme has been on trial for more than 118,900 times, with over 52 million consignments being handled.

自2012年「多模式聯運轉運貨物便利計劃」並於2016年「跨境一鎖計劃」試行，到目前為止計劃在內地廣東省共有52個清關點，包括南沙保稅地區、江門市跨境電商快件分揀清關中心及廣州機場等，加上香港12個清關點，例如香港國際貨櫃碼頭及葵涌海關大樓等，共提供624條聯運快線。截至2019年5月，已家橫超過118,900車次，以及處理52,00萬件貨物。



The system supports real-time GPS tracking and monitoring. It also offers unique security token control.

此系統使用GPS實時追蹤和監控。它還提供獨有的保安編碼器監控。



While a single locking device (e-Lock) supports multiple jurisdictions, independent locking control across jurisdictions is achieved.

跨境一鎖設備 (e-Lock) 既適用於多個管轄區域，又能在每個區域獨立地被鎖定監控。

E-LOCK 電子關鎖



E-Lock has won the Silver Medal at the 45th International Exhibition of Inventions Geneva in 2017.

電子鎖技術於2017年舉行的第45屆日內瓦國際發明展中獲得銀獎。



Market Entry Model and Practical Information

Market entry model 1

Format	Analysis
DIRECT ENTRY	😊 Total control, long term benefits, agile response to market, superior supplier / customer relations, pricing and promotions, transparent revenues and costs, no agency fee involved 😞 Requires more time, effort and investment
OUTSOURCE MODEL	😊 Local partner to share risks, existing market knowledge 😞 Lose control over sustainability and compliance matters Threat to security and confidentiality related to design and IP



Market Entry Models 2

Format	Analysis
SHOW ROOM SALES AND MARKETING	😊 Brand owner operates a show-room or sales and marketing office only. Retail operated through multiple partners. Can provide logistics and marketing support *Government funds available 😐 Shared risk, some control
E-COMMERCE	😊 Set up office and warehouse only Can service Greater China, ASEAN and Australasia from Hong Kong hub. Use pop-up stores to supplement branding and promotion. *Government funds available 😐 Need to invest in marketing and promotion (such as KOLs, MCN Multi Channel Networking)





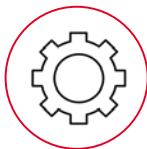
InvestHK's Services

How We Help Companies Grow



Planning

- Guidance in strategic implementation and evaluation of business decisions
- Advising on living and working in Hong Kong (housing, healthcare, schooling and networking, etc)



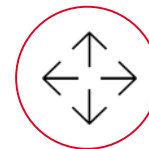
Set-Up

- Providing support with business licences, visa applications, trademark registration, IP and trade regulations, etc
- Informing on tax and business regulations
- Arranging meetings with service providers, professional associations and government departments
- Advising on sector-specific industries and opportunities



Launch

- Connecting with lawyers, accountants, human resource specialists, consultancies, designers, interior specialists and real estate companies, etc
- Providing marketing and public relations services



Expansion

- Tools for continuous expansion
- Ensuring a sustainable foundation for growth
- Continuing to support across marketing and public relations



Get in Touch

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www.flickr.com/photos/investhk

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- Webinar •

SPEAKER



Mr Byron Lee
Senior Exhibitions Manager



Your Purchase Centre in HK webinar:

Updates on HKTDC Trade Fairs

Byron Lee
Senior Exhibitions Manager
Hong Kong Trade Development Council

16 September 2020



O2O Business Model: 4-in-1 Integrated Marketplace

**Product
Magazines**
covering various
industries

**Mobile
Application**
on the go



Trusted
**Online
Marketplace**

World-class
Trade Fairs

Every year, HKTDC organises.....

37

world-class
exhibitions
In HK

39,500+
exhibitors

84
countries/
regions

Around
723,000
buyers

200
countries/
regions

World's Leading Marketplaces



**Lighting Fair
(Autumn)**

+



**Outdoor &
Tech Light Expo**



**Electronics
Fair (Autumn)**

+



electronicAsia



**Watch &
Clock Fair**



**Gifts &
Premium Fair**



**Jewellery
Show**

+



**Diamond, Gem
& Pearl Show**



**Houseware
Fair**



**Toys & Games
Fair**



FILMART



**Electronics Fair
(Spring)**



Fashion Week

5

**WORLD'S
LARGEST**

10

**ASIA'S
LARGEST**



COVID-19

3,900 +

Worldwide exhibitions
cancelled or postponed

Potential loss in contracts

US\$296Bil

Source:
Expodatabase.de
UFI



Now On

00 Days 00 Hours 09 Minutes



Summer Sourcing Weeks | Go ONLINE

夏季採購匯 | 網上展

27 Jul, 10am - 7 Aug, 5pm (UTC/GMT+8)

... Enjoy a hassle-free online sourcing & networking experience!



Summer Sourcing Weeks | Go ONLINE

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27 JUL - 7 AUG 2020

Meeting Planner

CLICK2MATCH
with AI Tech



Tailor-made Virtual Meeting



Live Chat



One-stop Online Sourcing



Real-time
Video Meeting



Online Expert Talks



Results of Summer Sourcing Weeks | Go ONLINE

- **1,300+ exhibitors** from 14 countries & regions
- **8 pavilions** from India, Korea, Taiwan, Jiangmen, Shandong, Zhejiang and Qianhai
- **13,000+ buyers** from 118 countries & regions
- **4,500+ business meetings**
- **11 webinars** with 34 speakers and **over 31,000 views**



4,500+ Video Meetings
Completed

Summer Sourcing Weeks | Go ONLINE – Survey Results

Exhibitors' objectives

- Generate new sales leads & meet new customers
- Promote company image/ brand

70% achieved their objectives!

Buyers' objectives

- Source new products
- Identify new suppliers
- Gather market intelligence and product trends

80% achieved their objectives!

Summer Sourcing Weeks | Go ONLINE – Positive Survey Results

80 %

80% of exhibitors obtained new contacts & potential sales leads

88 %

88% of buyers indicate that the fair is useful to help them connect with suppliers as well as add value to their business

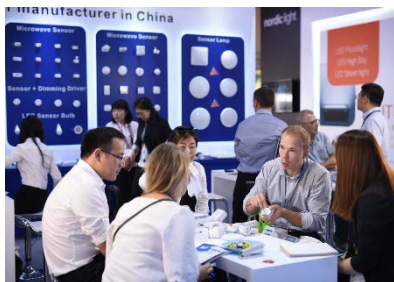
87 %

87% of buyers would have further connection with the referred suppliers for business opportunities

Way forward: Hybrid Model



hktdc.com Buyer Meetings



Physical
Fair

Virtual
Fair

Tailor-made Virtual Meeting



CLICK  MATCH
商對易

HKTD
香港貿發局

A World of Phygital

powered by Vogue Hong Kong

17 - 19 SEPT
7Days 3 : 20 : 44

[Schedule](#)

FASHION FORWARD/
POWER OF NEXT/
PHYGITAL RUNWAY/

VOGUE
HONG KONG

<http://www.centrestage.com.hk>



Autumn Sourcing Week | ONLINE (16 - 27 Nov. 2020)

**AUTUMN
SOURCING
WEEK ONLINE**
16-27.11.2020

**A NEW
CONNECTED WORLD
BEYOND
THE NEW NORMAL**

互聯新世界 跨越新常態



OPENING SOON
12:24:37
DAY HOURS MINUTES



TOYS & GAMES



GIFTS & PREMIUM



BABY PRODUCTS



OPTICAL



STATIONERY



WATCH & CLOCK

C2M

商對商

CLICK2MATCH
LOGIN



FULL EXHIBITOR
LIST



REGISTRATION



INTELLIGENCE
HUB



LIGHTING



ELECTRONICS



OUTDOOR
TECH LIGHT



HOUSEWARE



ECO



ENVIRONMENTAL PROTECTION
DEPARTMENT

Come join us in this virtual journey!

Register for **Autumn Sourcing Week | ONLINE**



<https://bit.ly/2FcWalz>

Byron Lee

Tel: (+852) 2240 4796

Email: byron.lee@hktdc.org

~ Thank You ~

Invest**HK**

Your Purchase Centre in HK

Adding transparency and structure to your supply chain

- Webinar •

SPEAKER



Mr. Hans Poulis,
CEO

iGC international



IGC International

Our Global Network

52
offices

46
countries



Founded in **1956**

More than
US \$485 million
annual group turnover

IGC Group employs
1,800 people

Satisfied Customers Around The World



IGC International

- IGC is trader for merchandise and consumer products
- China is the most important country for production
- Procurement for China is managed via Hong Kong office

IGC International

- Asia/ China is very important for production
- Availability of resources
- Competitive prices
- Perception of quality
- Flexibility

IGC International

- Asia/ China is far away and control is needed
- Sensitive products should have 24/7 check
- All production should be compliant
- 40 QC people in China

IGC International

- Hong Kong is still the place to get the right people to do the job
- Management
- Expertise staff to guide the processes
- Financials
- English

IGC International

- China is more open and transparent
- Hong Kong is needed to jump into China



IGC International

- Our activities as sourcing and production will expand
- We will have sales for Asia
- Different expertise is needed

IGC International

- We recently started re-organizing the company
- Besides sourcing-production-QC!
- Designers and sales staff

IGC International

- IGC International will expand the office in Hong Kong
- Full service support for our customers
- Manage the supply chain completely

**The people needed to make
this successful are available
in Hong Kong**

**Thank you for
your attention.**

Invest**HK**

Your Purchase Centre in HK

Adding transparency and structure to your supply chain

- Webinar •

SPEAKER



Mr Max Kronberg
CEO





KW-Commerce: Hong Kong as sourcing Hub





AGENDA

1. Intro KW-Commerce
2. Dongguan
3. Hong Kong
4. Why Hong Kong?
5. Purchasing
6. Challenges
7. Future

MARKETPLACE PURE PLAYER

Development of private
label brands (data, direct
customer feedback)



Sales on online marketplaces
(Amazon, eBay) to the
customer



Global sales



Direct sourcing



kwmobile

Mobile
Accessories

approx. 18.500
SKU's



approx. 200
new items per
week

revenue share 50%



Mobile
Accessories

approx. 700
SKU's



approx. 5
new items
per week

revenue share 5%





Everyday Life
Products

approx.
1000 SKU's



approx. 20
new items per
week

revenue share 45%



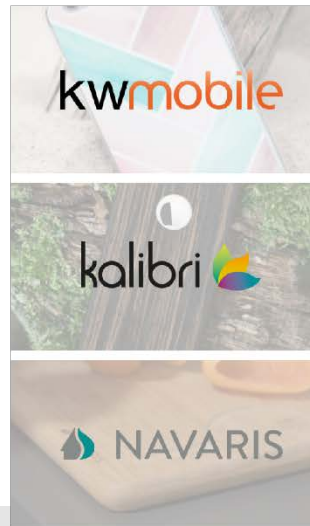
TEAM

Berlin & Brandenburg 200+
China & Hong Kong 120+



MARKETS

Big 5 in Europe, USA,
Canada, Japan, Mexico,
Australia, India



OWN BRANDS

Approx. 20,000
active products



CUSTOMERS

> 7 Million per year
customers in over 190
countries

1. China Dongguan

- Logistics
- Merchandising
- QC
- Operations (Order Management etc.)
- Graphics



>100



>7k m²



>1 M pieces
in storage



Processing
capacity
> 50 kpcs./day



2. Hongkong

- Merchandising
- Quality Management
- Category Management ex-EU markets



24



WHY HONG KONG?

- A lot of talent in merchandising and support functions
- Understanding both cultures western and Asia
- Easy to do business / very liberal
- Setup as a hub for Asia
- Free Internet
- Tax advantages
- Cashflow
- Close to China
- Great city



- Suppliers all over China
- Category Management -> Merchandising -> Order Management -> QC -> Logistics
- Hongkong Entity for Buying
- Payment



CHALLENGES

In general quite easy to setup a company in HK.

Challenges:

- Bank account
- High costs of living
- Protests last year



FUTURE OUTLOOK

- We continue to expand in Hong Kong
- Potential conflict USA/China





THANK YOU VERY MUCH
FOR YOUR
ATTENTION!





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Q & A