

# CHINA FOCUS

Issue IV / 2016

## We Know How to Navigate Hong Kong

**A**s the first Gold Sponsor of this year's Asia Pacific Conference of German Business (APK) and for almost 35 years since Fiducia's inception, we are proud to have supported our clients by acting as trusted expert advisors in helping them realise their business goals in China and Hong Kong. Recent years have witnessed a rapid business boom in Hong Kong and today the city is an attractive epicentre in

Asia for foreigners from all over the world to register their companies. But what actually sets Hong Kong apart?

In this issue of China Focus, we highlight our insider knowledge of Fiducia's birthplace, in order for you to experience the hub of Asia - just as we do.

*Stefan Kracht*

### In this Issue:

- Why Hong Kong?
- 35 Years of Fiducia in Hong Kong
- Your Hong Kong Cheat Sheet



### WHY HONG KONG?

Regional headquarter in the **heart** of Asia

**Cantonese, English, and Mandarin** spoken

Asia's **financial centre**

**TAX**

No **withholding tax**

No **VAT** or **sales tax**

High **quality of life**

Efficient **administrative processes**

Simple and fast **incorporation process**

Easy to understand **legal system**

Perfect nation for **foreign trade**

Educated and experienced **work force**

Top **logistics hub**

Gateway to **China**

## 35 Years of Fiducia in Hong Kong

*Fiducia is independently owned and managed by the Kracht family, and was among the first consulting businesses established in Greater China. The preservation of a family-based management and ownership are pivotal to the success of the company. In this article, Fiducia's Chairman Jürgen Kracht recounts Fiducia's almost 35 year long history and its development from humble beginnings to its impressive stance today – over 120 employees in 4 strategically located offices in Greater China.*

### Mr. Kracht, how did your time in China and Hong Kong begin?

I got my first real taste of the “real” China in 1972. Back in those days, entry to the country was only possible from either Russia or Hong Kong. From Hong Kong one crossed the border by walking over a footbridge in the town of Lo Wu, located in the northern part. Beyond that, it was a different world. Customs and visa formalities were a headache and communication

between China and overseas companies was equally nightmarish, since calls and telex messages could only be made via Hong Kong. Nowadays this is all much easier. The train connection between Hong Kong and Guangzhou takes only about three hours and fortunately excludes the tedious border regulations from the early days.

### Can you tell us a bit about the beginnings of Fiducia Management Consultants?

Having lived in Hong Kong since 1971, my knowledge of the market here and in China is extensive. Due to the increasing foreign interest in the region that developed during these early days, along with my wife Cynthia, I foresaw the need for consulting and corporate services and so we launched Fiducia on June 18th, 1982. Our “husband and wife team” started out in a tiny office on Hong Kong Island (just big enough to fit about four people!) before we expanded and moved to a larger office on Wyndham Street in Central Hong Kong.

The following years marked the launch of

our Trade Services, Executive Search, and China Consulting. 1994 marked the opening of our first China office in Shanghai – the same year the Oriental Pearl Tower was built! Two years later I helped to publish our first issue of China Focus. This quickly turned into one of our most prominent and influential marketing tools, today regularly coming out with content about current business trends and corporate strategies.

Our ERP System and Tax Advisory (introduced in 2009 and 2013) rounded out the current range of client services. I’m also very proud to say that we opened our fourth office last year in Beijing, just off the lively Sanlitun Street in Chaoyang.

In Hong Kong, Gloucester Road has been the home of our office for the past 16 years, only 300 metres away from the seafront.

**Today Fiducia has four offices in China and Hong Kong and over 120 employees. How did Fiducia get to this point?**

By the end of the 1990s we had

opened our second China office in Shenzhen and also reached a headcount of over 50 employees. That number doubled in the mid-2000s, just after my son Stefan joined the company. He took over as Managing Director in 2012, the same year that Fiducia celebrated its 30 year anniversary!

### Can you tell us a bit about the background of the company name and logo?

Our logo is based on the crest of the medieval principality of Lippe, which belongs to Lemgo. Lemgo is a small town in Germany halfway between Hannover and Düsseldorf and also happens to be my birthplace. The original Lippe crest depicts a rose with five petals, as does the Fiducia logo.

In Latin, Fiducia means “trust”. We chose this because trust is what we provide in the challenging China market. Our name signifies our commitment to be a trustworthy and reliable partner and to provide our clients with knowledge and experience on how to succeed – crucial factors in China.



## Fiducia and Uber

### UBER for Business

Fiducia is partnering with Uber Hong Kong to provide participants of the Asia Pacific Conference (APK) and their employees with free and discounted rides from the 3rd to 17th of November, 2016.

First time Uber users can download the Uber app and use the code “FIDUCIA82” to receive up to HK \$100 for their first two rides.

Please visit [www.fiducia-china.com/en/insights/events-networking](http://www.fiducia-china.com/en/insights/events-networking) for more information, also regarding future events.

Uber provides a corporate package to lower the cost for your business. Please visit [uber.com/business](http://uber.com/business) to learn more or contact [U4B\\_hk@uber.com](mailto:U4B_hk@uber.com).

**In your opinion, how has Fiducia been successful over the past 35 years?**

Over the years our motto has remained unchanged – to be the preferred independent professional service provider for international companies in China and Hong Kong. While it is my opinion that we should never settle and always continue to set the bar higher in this respect, it is equally as critical to reflect on our past triumphs and more importantly, why we achieved these successes.

Fiducia has been involved in China from the beginning and has been fortunate to witness first-hand the opening up and subsequent rapid modernisations of the country. Together with our multinational team we have been a helping hand to our clients in their endeavours to enter and grow in the China market. Our clients choose us because we deliver tangible benefits for their China business, based on our broad experience and deep local knowledge. Going back to the meaning behind our name – clients trust us because we co-operate with them as partners and because we demonstrate and take ownership, both through our independence and proactive culture. In fact, I think these are also some of the reasons why employees choose to join Fiducia and also why I am proud to still be a part of the team.

**Mr. Kracht, what's next for Fiducia?**

Since 1982, China has made leaps and bounds in its economic and social development. When visiting China today, one can witness the achievements and simultaneously feel the energy for further changes. However, although people's livelihood has improved considerably, challenges on both macro and micro levels remain. It is a challenging and enormous country, yet it offers a myriad of opportunities for foreign companies. Whereas most markets in Europe are mature and competitors fight for their scarce shares, China offers a landscape of growing markets, where business is still much more about tapping untouched potential.

Fiducia's past successes demonstrate that we have the depth and breadth of knowledge to bridge the gap between Western and Chinese companies. Certainly the continuous development of our staff of 120 people will continue to provide an excellent platform for reaching this goal in the future. Leveraging our existing client relationships and our reputation of 35 years, I am confident that together we can ensure that clients and employees continue to choose and trust us in the future. ☘

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**Fiducia Core Services**

*Fiducia aims to be the preferred professional service provider in China and Hong Kong for international companies by advising and supporting them in their China activities.*

OUTSOURCING	 Corporate Services	 Finance & Accounting	 Trade & Technology
	CONSULTING	 China Consulting	 Tax Advisory

## Useful phrases in Cantonese

Mh-goi: *Thank you*

Gay tsin ah?: *How much is it?*

Nei doe hai been doe?: *Where is it?*

Jou san: *Good morning*

Mh goi bong oh gill ga diksi: *Please call me  
a taxi*

## Hong Kong Cheat Sheet

Find out what our local employees think you need to know about Hong Kong in order to **really know the city**.

### UPON ARRIVAL

- ▶ **Buy an Octopus card.** Pay for public transportation and in many shops.
- ▶ **Take the Airport Express.** Get to Central Station in less than half an hour.
- ▶ **Taxis are cheap.** One-way on the island is usually under HK \$100.
- ▶ **Public transportation is reliable.** Choose to take the MTR, bus, or tram.

### SPARE TIME

- ▶ **Take the tram to the Peak.** The highest point on Hong Kong Island.
- ▶ **Walk along Tsim Sha Tsui Promenade.** Enjoy the view of Victoria Harbour.
- ▶ **Check in for your flight** (including luggage) at the Airport Express in Central.

### GREAT FOOD

- ▶ **Wellington Street food stalls.** Low-key, but great food with Michelin ratings.
- ▶ **El Mercado.** Interesting fusion of Peruvian, Japanese, and Chinese cuisine.
- ▶ **Fu Sing.** Authentic Cantonese *dim sum*.

### NIGHTLIFE

- ▶ **The Pawn.** Modern British comfort in the center of Hong Kong Island.
- ▶ **Ozone.** The highest bar in the world.
- ▶ **Woolloomooloo.** A rooftop restaurant and bar with a view of the harbour.

## DID YOU KNOW...?

Highest number of **skyscrapers** in the world

Population: **7.3 million**

**1% GDP growth** for 2016

The Jockey Club is HK's **largest single tax-payer**

In Cantonese, Hong Kong means "**fragrant harbour**"

**Hot tea** is served with every meal

Home to **Bruce Lee** and **Jackie Chan**

**Dim sum** only for breakfast or lunch

Hong Kong has three main districts...

## WHAT'S THE DIFFERENCE?

### HONG KONG ISLAND

- ▶ Known as "The Island"
- ▶ Political, economic, and social epicentre
- ▶ Major tourist attractions: historical sites, The Peak, shopping, great restaurants, and beaches

### KOWLOON

- ▶ Attached to the mainland
- ▶ As authentically Chinese as you can get without crossing the border
- ▶ Hub for arts, entertainment, and food

### NEW TERRITORIES

- ▶ Largest geographical area, but least populated
- ▶ Every nature lover's dream
- ▶ Best place for hiking, exploring islands, visiting traditional temples and villages

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