How to win the hearts and minds of customers?

“Control your greed”

says Xiaomi Co-founder Feng Hong
Vision:

To be a leading, globally-impactful academic institution of business and economics.

Mission:

❖ To provide world-leading business and economics education that nurtures dynamic and responsible leaders.
❖ To advance the frontiers of knowledge through innovative and globally-significant research.
❖ To create positive change to the world by partnering with communities.

CONTACT magazine is published by HKU Faculty of Business and Economics for its faculty, staff, alumni, students and stakeholders, featuring highlights of the Faculty.

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Control your greed

HKU Endowed Professorships
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Going for green: How green bonds benefit shareholders
Ant Financial: Innovation beyond fintech

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A warm welcome to new faculty members
Endowed Professorship, appointments, promotion and retirement

David Lee receives HKU Early Career Teaching Award 2018
Dr. Heng Chen & Prof. Wing Suen receive Research Output Prize 2017-18
Prof. Kevin Zhou named among Highly Cited Researchers
Dr. Yulei Luo receives Faculty Outstanding Researcher Award 2018-19

FBE students scoop the most awards in ACCA Hong Kong Business Competition 2019
FBE student wins EY Young Tax Professional of the Year Award 2019
Recognising future leaders
BI International Case Competition 2019

Using your MBA to become an entrepreneur

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“Control your greed,” counsels Xiaomi Co-founder and Senior Vice President at EMBA-Global Asia Recognition Ceremony

Mr. Feng HONG, Co-founder and Senior Vice President of Xiaomi, the world’s fourth-biggest smartphone company, addressed graduates from the class of 2019 at the EMBA-Global Asia Recognition Ceremony held on 22 June.
After graduating from Shanghai Jiao Tong University with a degree in computer science and engineering, Mr. Hong received a master’s degree in computer science from Purdue University. After a career in Google, Mr. Hong initially spearheaded the development of Xiaomi’s MIUI platform, the smartphone’s operating system. He now oversees Xiaomi Finance, the firm’s financial services arm.

Mr. Hong congratulated the new graduates and noted that the EMBA-Global Asia is a very respected programme before sharing some lessons from his nine years at Xiaomi.

While the retail price of most products is usually six times the manufacturing cost, and 8 to 10 times for clothing, Xiaomi’s mark-up is typically just 10 percent. The company’s logic is to look at the bigger picture and the longer term, explained Mr. Hong. Selling at a lower price enables the company to sell more products, which further reduces material costs, creating a positive cycle.

“However, we do have a lot of arguments on the pricing part, especially when we enter some areas with traditionally very high margins,” he admitted.

Setting the price for the company’s air purifiers a few years ago was one such occasion. These products typically retail for about 3-4000 RMB and they cost about 900 RMB to produce. “So how to price them? We thought about half the price was already good enough, [but] our CEO decided to set the price at 899 RMB,” Mr. Hong recalls.

The production team was not happy, with one member complaining that the target price was an insult to his work. Mr. Hong tried to convince the CEO to increase the price at least to 999 RMB, but the CEO told him: “We need to be disciplined at making just a small, reasonable profit on everything we do, and we need to do it religiously. I want to build trust with our customers so one day when they go to our store, they don’t need to look at the price tags, they just know they’re getting a pure product at the best price in town. Control your greed.” The discussion was over.

Over time, as sales revenues have multiplied, Mr. Hong has come to understand and appreciate the CEO’s strategy.

Xiaomi has also pursued innovative product development strategies to produce its many smart devices. Most of these products are built by the firm’s eco-system companies, explains Mr. Hong. In 2014, the firm saw a great opportunity with smart devices, “We believed all those devices would be upgraded with connecting capabilities and they would be connected all together in the years to come. The problem was how to capture this trend.”

The company eventually decided to invest in incubation.

“We identified teams with good product engineering skills and provided all the other support,” he says. That support included providing all the start-up funds, sharing sales and marketing support, and providing supply chain support connections to allow these companies to get volume discounts very quickly.

The model has been a great success and Xiaomi now counts more than 100 companies in its eco-system. Between them, the companies are launching almost one product every four days.

“Sometimes, it may be the right decision to step back, to take less, and do so willingly,” Mr. Hong advised the graduates. “After all, good companies make profits, but great companies win the hearts and minds.”

A recognition ceremony for EMBA-Global Asia graduates from the class of 2019 was held on 22 June at HKU.
Congratulations to three faculty members appointed HKU Endowed Professorships

Professor Haipeng SHEN  
Patrick S C Poon Professorship in Analytics and Innovation

Professor James KUNG  
Sein and Isaac Souede Professorship in Economic History

Professor Simon LAM  
Ian Davies Professorship in Ethics

The HKU Endowed Professorship is one of the most significant awards bestowed on eminent academics in the University to support their academic and research activities. A total of 116 endowed professorships have been established at HKU since 2005.
Transforming healthcare businesses using big data

Increasing digitalisation and connectivity in the world have resulted in the creation of huge quantities of data. Used correctly, big data can transform and improve businesses and sectors such as public healthcare through innovation and new technology.

Professor Haipeng SHEN, Professor of Innovation and Information Management and Associate Dean (Executive Education) at HKU Business School, is the recent recipient of the Patrick S C Poon Professorship in Analytics and Innovation. The Professorship will support his academic and research activities in data-driven decision-making in the face of uncertainty, including fundamental methodological research about the challenges imposed by big data as well as interdisciplinary analytical research in business analytics and precision medicine. Professor Shen uses analytics to extract the most useful and actionable information to help organisations increase their competitive edge and efficiency through better decision-making.

He is also working with medical professionals to enhance treatments for patients at a lower cost and enable hospitals to run more efficiently. His research into strokes has led to better quality of care for stroke patients. He works with neurologists and cardiologists to use analytics to build innovative data-driven support systems that will improve clinical decision-making, leading to better management of chronic diseases.

The Patrick S C Poon Professorship in Analytics and Innovation builds on HKU’s leading role in researching and teaching these drivers of sustainable progress to create a better world. "Dr. Patrick Poon is one of the earliest graduates from HKU's Department of Statistics and Actuarial Science, he knows data science well. He is also a successful entrepreneur and a long-time supporter of HKU and the community," Professor Shen said. "I feel extremely fortunate and greatly honoured to be associated with him through this endowed professorship."

"Data creates connectivity. It connects me with extraordinary people like Dr. Poon," Professor Shen added. "I intend to use this generous support to deepen and broaden my research and knowledge exchange activities in business analytics and precision medicine. I am also dedicated to further pursuing inter-faculty and inter-institution initiatives to continue to generate real impacts through data science."

Professor Shen was the inaugural winner of the Faculty Special Contribution Teaching Award in 2018. He founded the Master of Science of Business Analytics programme and the Executive Master of Business Administration programme (in collaboration with Peking University Guanghua School of Management).
Economic history helps explain how societies work

For centuries, China had a strong economy and a vibrant civilisation, yet it was overtaken by Europe in the 18th century. The possible causes of China’s decline during this period have been the focus of Professor James K.S. KUNG’s work.

Professor Kung of HKU’s Faculty of Business and Economics (FBE) was recently awarded the Sein and Isaac Souede Professorship in support of his academic and research activities in the economic history of China, its institutions and its political economy of development. His research helps generate insights into understanding Chinese society today. His recent research examines the origins of the country’s meritocratic civil exam system (keju) and its long-term effects on human capital development, as well as political exchanges and corruption in contemporary China.

He finds that China’s civil exam system and the prestige and higher earnings of those who succeeded in it probably deeply inspired the Confucian culture of greatly valuing education. As a descendant of the Kungs from Suzhou where nine jinshis (進士) were produced in the Ming-Qing period with his family surname, Professor Kung said “I would surely be strongly motivated to sit for the keju exam and probably would stand a fair chance — compared to the extremely low 0.016% for those with no forebears in the family — of achieving some level of exam qualifications if I had lived in late imperial times.”

His research has also shown how China’s political institutions and policies can influence the economy, and how relying on regional officials to drive growth can result in rampant corruption. He studied data on over a million land transactions between 2004 and 2016 where local government was the sole seller, and found that firms associated with members of China’s supreme political elites — the Politburo — obtained a price discount compared to those without the same connections. The provincial party officials who provided the discount to these “princeling” firms were subsequently more likely to get promotions. However, since President XI Jinping launched his anti-graft campaign, the number of fraudulent land dealings has significantly dropped.

Professor Kung’s research emphasises the importance of causal relationships between events and is based on intensive data collection from archives coupled with the latest econometric techniques for assessing causation. “What we hope to have demonstrated, as empirical economists, is the importance of asking the right question in the right setting, and of coming up with a novel design of research methodology, both of which determine what kind of data would be required for conducting the analysis,” he explains.

“Sometimes, it may take years to assemble enough data to enable us to conduct a meaningful analysis,” says Professor Kung. “You may say that the kind of work that we do is analogous to what investigative journalists typically do, except we go beyond sheer case studies to demonstrate causal relationships as well.”

The Sein and Isaac Souede Professorship in Economic History supports fact-based thought leadership that allows new knowledge to be freely shared and give new insights into understanding society.
Professor Lam has published 17 A-grade management journal papers in his research areas as well as a best-selling book, "Entrepreneurial Quotient", published in 2018. "Having conducted years of in-depth research of these cases, I have created a highly practical 'Entrepreneurial Quotient' system which has become a pocket guide manual that readers can carry with them for reference on their entrepreneurial journey," he explains.

Recently awarded the Ian Davies Professorship in Ethics, Professor Simon S.K. Lam has been conducting research into ethical leadership and entrepreneurship as well as teaching the subject for many years. He believes that the study of business ethics is crucial to understanding what lies behind the poor management decisions that often result in company failures. His research has shown that ethical behaviour is a key foundation stone for a successful business. Ethical behaviour leads to customer buy-in, resulting in higher sales and more profits, stronger employee loyalty, an increase in the company's appeal as an employer, enhanced appeal to investors who know their money will be wisely spent, and a stronger company reputation.

Professor Lam is Professor of Management and Strategy at FBE, as well as Director of the Centre for Asian Entrepreneurship and Business Values, and Head of the Faculty’s Management and Strategy Area. He is also a senior editor of the Asia Pacific Journal of Management.

The Ian Davies Professorship in Ethics espouses the qualities of integrity, the spirit and principles of ethics and the sharing of knowledge gained for the betterment of society.

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Keys to success in entrepreneurship

At a time when nine out of 10 start-ups fail, it is increasingly important to identify the actions and behaviours that are most likely to lead to successful entrepreneurship.

There is a Chinese saying that goes: “Become rich, then be a paragon of virtue (發財立品)”. Professor Lam, however, thinks the opposite. “My research provides strong and clear evidence showing that the ethical behaviour of entrepreneurs can bring substantial and significant benefits to their companies. Start-ups will have a higher survival rate when the management philosophy of the founders is based on ethical practices and behaviour,” he says.

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100+ outstanding students join Beta Gamma Sigma HKU Chapter

The Beta Gamma Sigma (BGS) HKU Chapter inducted 105 undergraduate and postgraduate students at a ceremony held on 26 April. Business leaders Dr. Anna YIP, Chief Executive Officer of SmarTone, and Mr. Henri ARSLANIAN, Global Crypto Leader and Asia FinTech Leader at PwC, were conferred BGS HKU Chapter Honorees.

Professor Zhigang TAO congratulated the inducted students on behalf of the Faculty. “This prestigious life-time membership serves as an extensive global networking platform, where you can connect with a lot of intelligent and high-calibre individuals just like you, and enjoy meaningful exchanges on academic, professional and personal development.”

Dr. Anna Yip summarised her extensive consulting and management career as having three different stages: experiment, grit and radiation. In the early years of her career, she was unsure of her direction and experimented with different exciting ideas and tasks. She said that it is often not until later that you look back and see how the dots of different experiences are connected.

During 13 years at a consulting firm, she realised the importance of grit – a sustained mix of passion, resilience and physical endurance. ‘Radiation’ followed when she became the leader of a telecoms company.

“Cultivating a start-up culture within an organisation helps to achieve business growth and talent management,” she advised, emphasising the importance of leading innovation and collective genius. “My success is built on other people’s success. It is the collective effort of my teams,” she said.

Mr. Henri Arslanian, a pioneer and prominent figure in the fintech sector, told students about his own career changes and advised them to always be ready and “sit on the edge of your seat”. The
About Beta Gamma Sigma
Beta Gamma Sigma is the international honour society serving business programmes accredited by The Association to Advance Collegiate Schools of Business (AACSB). Membership in Beta Gamma Sigma is the highest recognition a business student anywhere in the world can receive. Since 1913, Beta Gamma Sigma has inducted more than 700,000 outstanding students in over 160 countries.

About BGS HKU Chapter
The BGS HKU Chapter was set up in 2012 and more than 400 students have been inducted. The lifelong membership conveys academic excellence, a commitment to high principles and superior achievement. Eligible students must attain a CGPA of at least 3.60 and simultaneously be on the Dean’s Honours List and be in the top 10% of their respective undergraduate or postgraduate programme.

classic landscape and wide use of technology in different sectors has made the jobs market more competitive now and in the future. “Never sit comfortably, but sit on the edge, making the big decisions that will impact your careers,” he said.

He advised students to seize opportunities, capture shifts in society, and set clear life goals. He encouraged students to treasure the school of life, stay healthy, grateful and humble, and serve the community.
Getting to the right place in your financial services career

Financial technology and innovation have dramatically transformed the financial services landscape and opened up new types of job opportunities, students were told at a forum jointly organised by the Financial Services Development Council (FSDC) and the FBE.

Mr. Henry CHAN shares his story about how he got into the industry.
The forum, titled “Navigating Your Career in Financial Services – in the Right Place at the Right Time”, was held on 21 March and featured two keynote speakers from leading asset management firms – Dr. AU King-lun, Chief Executive Officer of Value Partners Group, and Mr. Henry CHAN, Chief Investment Officer of BEA Union Investment Management Limited. Dr. Au is also a board member of FSDC and Mr. Chan is a Policy Research Committee member.

Dr. Au, who has more than 30 years of industry experience in asset management, said that new technology has created numerous jobs in the financial services industry such as programmers and IT specialists. He added that there are also growing opportunities for other non-IT related graduates. “Many asset management firms are looking for investment writers who not only can write perfectly in English and Chinese, but also tell compelling stories of their products,” he said. That is because communicating complex investment ideas in an appealing way is a crucial aspect of driving customer engagement, he explained. “As we are now in the era of information explosion, getting the right message across to our customers on social media has become very important.”

Mr. Chan, who specialises in managing Asian equities, shared his story about how he got into the industry. “I joined the industry in 1995. China was hot and everyone wanted to become a China or Asian fund manager,” he said. He started his career as an analyst and was later offered an opportunity to become a Taiwan fund manager. “At that time, Taiwan was tiny – even Indonesia had a bigger index rating than Taiwan. There was no technology sector and 70 percent of the market was insurance companies and banks”. Despite some disapproval from his peers, he accepted the job offer and managed the Taiwan fund well which opened many doors for him. He said, “Had I not done Taiwan, I would never have had the chance to become a Greater China manager.” He advised students to always be prepared and to be in the right place all the time.

The Practitioner Speaker Series is an initiative developed by the FSDC and local universities that offers students the opportunity to hear from industry experts and professionals in the financial services sector about their experiences, the latest topics and trends, and job prospects in the field.
Final-year students have a blast at #FBEalumni pop-up events

To cheer up final-year students before their last exams at HKU and to celebrate their impending membership of the FBE alumni family, the Faculty organised #FBEalumni pop-up events at K.K. Leung Building, Cyberport Campus and Admiralty Town Centre on 24 April, 14 June and 24 June respectively.
Young people love to share, inspire, and express themselves on social media so we set up a cool photo booth where students could strike a pose, snap a shot, and share their photos using the hashtag #FBEAlumni via their Instagram accounts. Tasty handmade cookies and limited edition HKU Business School tote bags were exclusively distributed to the graduates-to-be. Freshly made hot popcorn was shared with HKU community members who followed our FBE social media accounts.

The Faculty is delighted to stay connected with our new FBE alumni and support them throughout their endeavours beyond HKU.
HKU wins the HSBC/HKU Asia Pacific Business Case Competition 2019

From 30 May to 6 June, HKU played host to the world’s largest business case competition – and then won it. For the past 12 years, participants from all corners of the world have come to Hong Kong to take part in the one-week HSBC/HKU Asia Pacific Business Case Competition.

In this cultural melting pot, top students from Auckland to Alberta and Hawaii to Hong Kong competed for the award and a US$10,000 prize. The 24 teams competing this year included 12 country-level competition winners from the National Taiwan University, Tsinghua University, RMIT Vietnam, and others. They competed against 12 other universities including the University of British Columbia, the University of Colombo and the American University of Beirut.

With no access to phones, laptops or PowerPoints and just three hours to read the case and prepare their presentations, the competition challenges even the brightest minds of this generation. Students received a different case study for each of the first three rounds of the competition. Case topics included the US-China trade war, developing a forecast for the construction material industry in BRI countries, and designing a mobility programme for a Chinese multinational corporation. The teams put a lot of hard work into preparing their presentations and their efforts were apparent as the competition got underway.

The final round took place at the HSBC main building with finalists from the University of Belgrade, the American University of Beirut, Yonsei University and HKU. A team of second-year HKU students succeeded in winning the championship by presenting the best solution to a challenging case on Ant Financial’s showcase sustainability programme.

But the competition was a lot more than just coming first. It was a cultural exchange and an opportunity to exchange thoughts and ideas. Local business students acted as ambassadors, guiding the visiting students around the city and supporting them in their competition effort while at the same time learning from the visitors and experiencing the competition’s multicultural environment. The competition provided a platform for developing lifelong friendships and networking opportunities.

The judging panel comprised more than 60 senior executives from around the region, including many HSBC executives of director-level and above. They spent a lot of time with students in formal feedback sessions as well as during the dinners and...
cocktail receptions that took place around the competition. The dinners featured cultural activities designed to enrich the minds of both students and judges, and highlighted the multicultural diversity of the competition, with each team giving a cultural performance representing their country.

Fun was part of the event, and so was knowledge and skills development. The teams took part in resilience training and a Wing Tsun Kung Fu session to strengthen their bodies and minds. The judges asked challenging, thought-provoking and practical questions during the Q&A sessions and provided insightful feedback afterwards.

Given that all the judges were high-level employees or executives from banks and other companies, the competition has earned a reputation for having a practical and real-life orientation compared to other business case competitions. The judges expected students to not only focus on problem identification and analysis, but also paid a lot of attention to the quality of their recommendations, implementation strategies and feasibility.

“The competition takes me to another level of learning, teamwork and resilience. Very applicable learning experiences, valuable international friendship, and a very good platform to unleash potentials!”

Yosephine DEVINA
Universitas Prasetiya Mulya
Indonesia

“The competition is a journey for self-learning and improvement where you make meaningful connections along the way.”

Benjamin CHANSAVANG
ESSEC Business School
France

HSBC/HKU Asia Pacific Business Case Competition 2019
https://competition.acrc.hku.hk
Learning from the voices of experience

At the Faculty of Business and Economics (FBE) Mentorship Programme Inauguration Ceremony held on 28 January, the Faculty welcomed mentors with diverse business backgrounds, most of whom are alumni, friends and supporters of FBE, as well as about 60 student mentees who were matched with mentors before embarking on a mentorship journey.

Becoming a mentee offers students the opportunity to learn close-up from the career stories and experiences of professionals from a diverse range of backgrounds, which can help them gain new perspectives on potential career options. In addition to experience and knowledge, mentees benefit from encouragement and inspiration through regular mentoring sessions held during the academic year.

“One key element is how much you enjoy your job and how much you can learn,” said Mr. Musheer AHMED (1st from right), General Manager, FinTech Association of Hong Kong, and an FBE alumnus.

A mentee from last year’s programme shared what she had learned from her mentor. “He reminded me that passion should be the ultimate drive of the career and I should try and explore more opportunities to find a job that I am passionate about,” said Ms. Gigi KONG, Year 4 student in BBA (Law) & LLB programme.

Mr. Teddy LIU (2nd from left), General Manager of Corporate and Talent Development at New World Development Company Limited, said it is not easy to choose a career path. He emphasised the importance of honesty. “Make sure that you’re being true to yourself, what you want, what you really like,” he advised.

Ms. Minmin ZHANG (2nd from right), Managing Director of Deutsche Asset & Wealth Management at Deutsche Bank, shared how she had initially planned to become a diplomat before changing track and building a career in financial services. “Your success not only depends on your own effort, but also others’ support,” she said.

“One programme is extremely important for our mission and for our students’ education here at FBE,” said Professor Hongbin CAI, Dean of FBE.

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Dean Prof. Hongbin CAI delivers opening remarks at the inauguration ceremony.
IMBA alumni reunion

More than 150 IMBA alumni attended the Home-coming Day on 19 April for alumni from the 2014 intake. Alumni shared their life experiences since graduating, heard the latest news about the programme and had a wonderful time together.

Dr. Zhiwen YIN, Associate Dean of the School of Management of Fudan University, welcomed the alumni and guests. He highlighted the programme’s recent developments and achievements, including the new campus in Shanghai and the latest programme rankings.

“China’s economic growth has been exponential as shown by the surge in container port throughput between 2001 and 2018, and now Shanghai has the world’s busiest container port,” said Dr. Wen ZHOU, IMBA Programme Director and Associate Professor of FBE. He encouraged the alumni to continue to work hard and develop their career strengths in order to stay agile in this competitive economy.

Dr. Zhiguo LI, IMBA Teacher and Associate Professor of Fudan School of Management, conducted a sample class to remind attendees of their university life. He talked them through the evolution and changes in human history across four dimensions: social change, scientific progress, demographic change and cultural tensions, and gave some advice. “Today’s world is ever-changing,” he said. “The key to cope with change is to keep improving through lifelong learning.”

The event helped to maintain contact and engagement among IMBA alumni and cultivate a long-term relationship between the two faculties.
Going for green: How green bonds benefit shareholders

Demand for green bonds has grown in leaps and bounds since the market was launched in 2007. Beyond the important environmental projects they fund, they also bring benefits to shareholders.

As the world becomes increasingly concerned by the huge environmental challenges created by climate change and global warming, green bonds have seen their popularity surge. A total of US$580 billion in green bonds were sold up to the year 2018, and at least another US$170 billion more are expected to be sold this year, according to Bloomberg New Energy Finance.

Green bonds are bonds that are specifically aimed at funding new or existing environmental and climate-friendly projects. These projects may include investing in renewable energy projects such as solar power, funding waste management solutions or providing clean water supplies, for example.

The green bond market started in 2007 when the European Investment Bank and the World Bank issued the first triple-A rated bonds. Since then, the market has taken off. Growth has come not only in the sums being invested, but in the geographical breadth of green bond markets. The biggest bond issuers are in the US, China and France, but 2017 saw new issues from Argentina, Chile, Lithuania and Nigeria, among others. Hong Kong is now strongly represented in this market.

In May this year, the Hong Kong government issued its first sovereign green bond as part of its HK$100 billion green bond scheme, attracting orders exceeding US$4 billion, which was more than four times the issuance size. Elsewhere in Asia, in 2017 Malaysia launched the world’s first “green Sukuk” – an Islamic green bond to fund climate-resilient growth.

Why green bonds?

The need for funds to combat climate change has been estimated as running into trillions of dollars, more than any government could invest. Green bonds provide a way for other entities to get involved by issuing bonds that are destined to finance environmental projects. The biggest public green bond issuers are financial institutions and corporations whose bonds have different uses: corporate green bonds are used to finance the issuer’s own projects while FIs’ bonds are used to lend and invest in other firms’ projects.

In their study entitled “Do shareholders benefit from green bonds?” which was published in the Journal of Corporate Finance in December 2018, authors Dragon Yongjun TANG and Yupu ZHANG of the FBE note that there is no universal definition of green bonds. Tang and Zhang define green bonds as “fixed income securities issued by capital raising entities to fund their environmentally friendly projects, such as renewable energy, sustainable water management, pollution prevention, climate change adaptation and so on.” In general, green bonds are intended to have a positive environmental impact, such as reducing emissions of carbon dioxide and cutting pollution.

The process of issuing green bonds can be cumbersome. To ensure the environmentally friendly credentials of the project that the bond will finance and enhance the appeal of their bonds to investors, issuers typically choose to get their green bonds certified by an external examiner. Issuers also need to
track progress and provide investors with annual reports on how the proceeds are being spent. All of these processes entail considerable additional costs as well as an investment in time. The questions is whether this extra effort and expense is worth it for the shareholders. That is the main question that Tang and Zhang set out to answer in their study. It turns out that green bonds bring several benefits to shareholders.

Identifying sources of benefits for shareholders

After building a comprehensive dataset of international corporate green bond data, Tang and Zhang were able to establish that stock prices of issuers respond positively to announcements of green bond issuance. Stock prices increased significantly at the same time as green bonds were announced. The increases were more pronounced for corporate bonds than for financial institutions, and were stronger for first-time issuers compared to repeat issuers. This is a clear benefit to shareholders in that issuing green bonds can improve firm value in the short run.

The authors though were keen to dig deeper and to find out what lay behind the positive reaction to news that a firm was about to launch a green bond. They identified three potential reasons for the improved stock prices and tested them all.

Financing cost

“Green bonds normally face oversubscription,” say the authors. “From the stakeholder theory point of view, green bonds can be regarded as internalising environmental externalities and catering to the appetite of a certain type of investor, especially investors with a green mandate.”

Therefore, interest in buying the bonds is likely to rise from institutional investors who are seeking to increase their ESG performances by investing in green products. Their interest can push up the bond price, which will result in lower debt costs for the issuers. This cheaper debt for the issuers is an outcome that would improve the firm’s appeal and performance on the stock market.

Investor attention

The positive stock market reaction on announcement of a green bond could be due to an increase in the firm’s visibility. Using the ‘green’ label indicates that a firm’s green projects have been verified by an independent party. This encourages media interest and coverage, and when a firm announces a green bond issuance, media coverage is much higher compared with ordinary bond issuance. Green bond issuance increases attention on a firm, which in turn leads to more consideration of investment from investors and higher demand for the firm’s shares.

“When firms label their green bonds, increasing media exposure can attract investors’ attention and the invisibility of the issuing firms can potentially increase, leading to more demand for their shares, and a larger investor base,” explain the authors.

Firm’s fundamentals

When a firm launches a green bond, it is seen as a sign of the firm’s long-term commitment to sustainable development. This strengthens the firm's appeal to investors by showing it to have strong fundamentals which will help it to survive over the long term. “Under normal circumstances, when firms issue straight corporate bonds, they will not disclose information as much as they do when issuing green bonds,” explain the authors. “As a result investors will benefit from additional information that the green bond issuer discloses when issuing a green bond, so that the stock market will react positively to the announcement.”

The authors suggested that green bond issuance would attract the attention of more investors and expand the firm's investor base. However, they found little evidence suggesting a premium for green bonds, which implied that the positive stock market reaction they had identified could not be explained by the potentially lower cost of debt alone.

Benefits for shareholders

“Overall, our findings suggest that existing shareholders derive net benefits from green bond issuance,” say Tang and Zhang.

The results of their work showed that firms who issue green bonds see increased investor attention and an expanded investor base, particularly from institutional investors. The authors found that when a firm issues green bonds, institutional investors are almost eight per cent more likely to invest in the firm compared to firms that did not issue green bonds. Institutional investors are largely made up of pension funds, mutual funds and insurance companies and other huge entities that are usually investing funds in large amounts and on behalf of others.

The authors also found evidence of increased media attention and more internet searches about a firm once it announced that a green bond would be issued, supporting the idea that investor attention accounts for much of the gains.

Issuing green bonds brings several benefits to shareholders. Notice of the issuance of green bonds by firms leads to increased visibility of the firm both in the media and online, which can help to expand the investor base.

Announcement of issuance also attracts the attention of impact investors who are increasingly seeking ESG options to meet the demands of their clients.

These results are in line with other studies showing that firms benefit from higher ESG because it is seen as reducing downside risk. Additionally, the results show that institutional investors, who typically make longer term investments, look out for and value a firm's ESG activities.

Professor Dragon TANG
Area Head of Finance
Professor in Finance

Contributing reporter: Liana CAFOLLA
Ant Financial: Innovation beyond fintech

If you think that financial technology (fintech) companies focus their efforts solely on financial services, think again. Ant Financial, the Chinese fintech giant renowned for its innovative and widely popular products, is also an innovator when it comes to corporate social responsibility, or CSR.

Ant Financial has developed a social purpose game called Ant Forest ( 螞蟻森林), which promotes a green lifestyle. Users can cumulate “green energy” via activities such as walking and convert the energy into a virtual tree after reaching certain a level. Ant Financial will then plant a real tree on the customer’s behalf in the Inner Mongolian desert.

At first glance, the game seems wholly unrelated to the company’s core business as a financial services provider. But in fact by developing this seemingly unrelated product, Ant Financial is demonstrating its truly innovative heart. When the lead author Dr. Yanfeng ZHENG, who visited Ant Financial in 2017, and his PhD student Mr. Qinyu WANG discovered the existence of Ant Forest, they wanted to understand why a fintech giant would be interested in developing such a socially beneficial yet financially costly game.

“We started research on this unusual development by a fintech company. Our research revealed that if we truly understand Ant Financial, its origin, culture and products, [then we can see that] the Ant Forest development is indeed an integral component of its CSR strategy, which complements its main services and business operation,” Dr. Zheng explains.

Dr Zheng and Mr. Wang decided to write a teaching case in which they examined Ant Financial’s role as an innovator of fintech products, including Alipay, Ant Fortune and its recently launched insurtech offerings. The case highlights the company’s corporate culture, which fosters creative thinking and the development of innovative products. Meanwhile, the case also cautions readers of unexpected public criticism or regulatory scrutiny that those innovative products brought to the market.

To understand the existence of Ant Forest, they delved into the company’s background and found links between its core business operations and its innovative CSR activities. The case can be used to examine motivations for CSR, how CSR influences corporate behaviour, and suggest how firms can organically integrate CSR practices into their business strategies.

The takeaway is holistic approach that looks at both a firm’s business and non-market strategies is more insightful than focusing solely on technological innovation. “The ones who can better integrate the two types of strategies such as Ant Financial with a down-to-earth, innovative culture will enjoy long-term competitive leadership,” concludes Dr. Zheng.
Professor Eric C. CHANG, former dean of FBE who recently retired, was a leading force behind the creation of the faculty. Looking back over his 20-year career at HKU, he talks about the challenges of building a new faculty and shares his thoughts on the challenges and opportunities ahead for FBE students.

20 years ago, when Professor Chang was invited to join the HKU family, the Faculty did not yet exist and HKU's reputation for business studies was rather weak. At the time, he was working in the US as a professor at the DuPree College of Management of the Georgia Institute of Technology. He felt that Asia was becoming a major player in global business, and finally he decided to take the job.

“HKU did not have a faculty of business or faculty of economics, so I saw an opportunity to make a good contribution here,” he recalls.

It was a good decision, he says now. “I feel very lucky to be at HKU for these 20 years. It was the right place, at the right time, and with the right people.”

The faculty was formed in 2001 by the amalgamation of the School of Business and the School of Economics and Finance, a feat Professor Chang attributes to the man who had hired him, Professor Richard Wong, the founding dean of FBE.

“I'm grateful for the many talented people I had the opportunity to work with,” says Professor Chang. “The two schools became one faculty. It was not easy, but Professor Wong made it happen.”

The new faculty aimed to emulate about 80 percent of the US business school model, which was considered far more advanced than the UK equivalent, while keeping the British essence to create a unique Faculty of Business and Economics at HKU.

“I think we've largely achieved the 80 percent, but there is always room for improvement,” Professor Chang says.

One of the most difficult and key challenges has been finding a balance between research and teaching requirements. He felt that focusing on quality of research output rather than quantity was essential to building the faculty’s reputation, though that was at odds with the university’s practice. He also fought for better pay, a more supportive research environment, and fewer teaching hours.

For the future, Hong Kong needs to maintain its strengths in the rule of law and global-mindedness. But with the fast-changing world environment and the US-China trade war casting a long shadow, FBE students will also need to develop a specialisation in their business studies, such as cultivating a deep understanding of China.

Critical thinking skills can also give students an edge and help them develop logical analytical abilities that can be adapted to changing situations.

Lifelong learning is essential, he says. “The world is changing so rapidly. The knowledge you learn here in eight to 10 years is totally out of date. You have to keep learning.”

Professor Chang intends to follow this advice himself during retirement, along with occasional teaching, spending more time with his family and working with his church.

“I also need to keep self-learning and creative thinking to offer some insights to people. I value some education opportunities that I still face.”

Dean Prof. Hongbin CAI (left) presents a souvenir to Prof. Eric CHANG at a farewell party.
We welcome new faculty members in every issue of our CONTACT magazine. In this issue, we would like to feature seven faculty members who joined the Faculty between January and June 2019. They are distinguished scholars and experts in their respective fields.

**Professor Yuk-fai FONG**
Professor (Management & Strategy; Economics)  
Associate Dean (Taught Postgraduate)  
PhD, Boston University  
MPhil & BSc, Chinese University of Hong Kong

“My main research areas are industrial organisation, competition policy, and dynamic games. Companies repeatedly interact in the same markets and compete over time. Their strategic interaction in a dynamic framework gives rise to important business strategy and competition policy issues. My ongoing research projects focus on two themes: how firms build their reputation and gain consumers’ trust in a dynamic setting and how firms may utilise their repeated interaction to engage in anticompetitive behaviour. Currently, I am also exploring research topics on platform competition and fintech.

**Professor Zhenhui Jack JIANG**
Professor (Innovation & Information Management)  
PhD, University of British Columbia  
MMgmt, BEng & BEcon, Tsinghua University

“My research aims to understand the broad behavioural and economic impacts of cutting-edge information technologies (IT) and the effective user interface design of such technologies. It integrates theories and methodologies in information systems, behavioural science, and human computer interaction, and applies them to the contexts of e-commerce, information privacy, social media and healthcare. In particular, my research areas cover interactive 3D product presentation, privacy protection in social networks, social product search, video advertising, mobile interaction design, and the applications of virtual reality (VR) and augmented reality (AR) technologies to business contexts.

**Dr. Hailiang CHEN**
Associate Professor (Innovation & Information Management)  
PhD & MSc, Purdue University  
BMgmt, Tsinghua University

“My research interests are economics of information systems, business analytics, and design science. I am fascinated by the development of cutting-edge technologies and their impact on our lives. The research topics I have studied include social media, financial technology, digital innovation, and mobile commerce. My research aims to answer two key questions: How does information technology (IT) impact individuals, organisations and society, and how can managers leverage IT to transform their business and enhance their competitive advantage.

**Dr. Yi TANG**
Associate Professor (Management & Strategy)  
PhD, Hong Kong University of Science and Technology  
MA & BA, Nanjing University

“My research and teaching interests reside at the intersection of strategic management and social psychology. Specifically, I study how corporate executives’, especially CEOs’ psychological biases, such as overconfidence, hubris, and narcissism, influence firm-level decisions and outcomes.

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“Acquire skills required to work with AI. Embrace AI because it only competes for work but does not compete for goods.”

“Be a technically strong business-major student.”

“Learn something about everything and everything about something.”

“Accumulate knowledge via a balanced combination of in-class learning and real-business experiences.”
My current research focuses on understanding the determinants of consumers’ purchasing behaviour. I am particularly interested in the role played by consumers’ preference for variety and the products’ health-related attributes in shaping consumer demand. I am also interested in the cause and impact of product quality upgrading, and its interaction with productivity in determining firm performance.

My research interests include stochastic simulation, decision analytics, statistical learning, and mathematical finance. As an assistant professor of business analytics, my goal is to identify and study key structures in stochastic systems to deliver better decisions, increasing efficiency and reducing risk of the operations. The growing data availability and computing power provide vast opportunities to design new statistical tools to facilitate the decision-making process. In this regard, I aim to develop general methodologies in statistics, stochastics, and simulation for decision analytics and integrate these tools to solve real-world challenges.

“Learn from the best, compete with the best, and go beyond.”

“Take advantage of this time to become the most amazing version of yourself.”

“One college life, no regrets.”

Other appointments in July 2019

Professor Heiwai TANG
Professor (Economics)
PhD, Massachusetts Institute of Technology
BSc, University of California, Los Angeles

Dr. Derrald STICE
Associate Professor (Accounting & Law)
PhD, University of North Carolina at Chapel Hill
BSc, Brigham Young University

Dr. Lin QIU
Assistant Professor (Accounting & Law)
PhD, New York University
MA, BA & BSc, Peking University

Dr. Xiaowei ZHANG
Assistant Professor (Innovation & Information Management)
PhD & MSc, Stanford University
BSc, Nankai University

Dr. Jing LI
Lecturer (Economics)
PhD, Pennsylvania State University
MFin, Central University of Finance and Economics
BEcon, China Youth University of Political Sciences

Dr. Xiaojuan MENG
Lecturer (Economics)
PhD & MSc, City University of Hong Kong

Professor Thomas MAURER
Associate Professor (Finance)
PhD & MSc, London School of Economics
BA, University of St. Gallen

Dr. John KLOPFER
Assistant Professor (Economics)
Jointly with Faculty of Social Science
PhD, Princeton University
BA, Columbia University

Dr. Qingchen WANG
Assistant Professor
(Innovation & Information Management)
PhD, University of Amsterdam
MSc, INSEAD
MSc, University College London
BSc, University of British Columbia

Dr. Tuan Quang PHAN
Associate Professor (Marketing)
DBA, Harvard Business School
BSc, Massachusetts Institute of Technology

Dr. Jianan LIU
Assistant Professor (Finance)
PhD, University of Pennsylvania
MSc, Ohio State University
BSc, Shanghai University of Finance and Economics

Dr. Derrald STICE
Associate Professor (Accounting & Law)
PhD, University of North Carolina at Chapel Hill
BSc, Brigham Young University

Dr. Lin QIU
Assistant Professor (Accounting & Law)
PhD, New York University
MA, BA & BSc, Peking University

Professor Simon S.K. LAM
Ian Davies Professorship in Ethics

Professor Xin WANG
Professor (Accounting and Law)

Dr. Jayson SHI JIA
Associate Professor (Marketing)

Dr. Yiwen ZHANG
Associate Professor (Management and Strategy)

Professor Eric C. CHANG
Chung Hon-Dak Professor in Finance
Chair of Finance

Professor Chul W. PARK
Professor (Accounting and Law)
David Lee receives HKU Early Career Teaching Award 2018

At the HKU Excellence Awards Presentation Ceremony held on 29 March, Mr. David LEE, Senior Lecturer of the Faculty, received the Early Career Teaching Award in recognition of his outstanding contributions and commitment to teaching.

A popular faculty member and a favourite teacher of many, Mr. Lee said that teaching is a meaningful role that gives him much satisfaction.

Mr. Lee adopts an interactive approach and complements his teaching with real-life case studies. His teaching is guided by five principles: transformational learning; creating an active learning environment; linking to the real world; advising students, and focusing on the future.

The HKU Excellence Awards honour the exceptional and inspirational accomplishments of faculty members and celebrate the University's diverse range of disciplines and specialisations.
Dr. Heng Chen and Prof. Wing Suen receive Research Output Prize 2017-18

The Vice-President and Pro-Vice-Chancellor (Research) of HKU announced on 21 December 2018 the recipients of the 2017-18 Outstanding Researcher Awards scheme.

The following paper of Dr. Heng CHEN, Associate Professor in Economics, and Professor Wing SUEN, Chair of Economics and Henry G. Leong Professor in Economics, has been awarded the Research Output Prize (ROP):


The ROP is a faculty-based award to honour the best research output from each faculty. The award recognises an author, or team of authors, of a single research output item published or created in the preceding calendar year.

Prof. Kevin Zhou Named Among Highly Cited Researchers

Professor Kevin ZHOU, Chair of Strategy and International Business, is one of 15 HKU academics named as “Highly Cited Researchers 2018” by Clarivate Analytics. The works of these academics have been highly cited by their peers and are making significant impacts in their respective fields of study.

Highly Cited Researchers are selected for their exceptional research performance, which is determined by production of multiple highly cited papers that rank in the top one percent of citations for the field and year on the Web of Science platform.

HKU has the highest number of Highly Cited Researchers among universities in Hong Kong. Professor Andy HOR, HKU Vice-President and Pro-Vice-Chancellor (Research), commented on this and said “We benchmark with the best in the world, and recognise that we can and will do only better. Top talents are key to the future of Hong Kong and these scholars are examples of such.”

Dr. Yulei Luo receives Faculty Outstanding Researcher Award 2018-19

Dr. Yulei LUO received the 2018-19 Award for his exceptional research accomplishments, which were internationally recognised. The Selection Committee acknowledged the high quality and quantity of Dr. Luo’s research publications, and his important contributions through novel research.

“My research works may seem to be in different areas such as macroeconomics, household finance, and international finance, but they are related to modeling and quantifying great uncertainty due to informational frictions. In reality, uncertainty is unavoidable and pervasive in our lives. Decision-makers including households, firms and governments have to make optimal decisions without knowing everything,” said Dr. Luo.
FBE students scoop the most awards in ACCA Hong Kong Business Competition 2019

The Faculty and four teams of students won a total of nine awards in the ACCA Hong Kong Business Competition, which assesses students’ accounting and business skills as well as their knowledge of social responsibility.

“This competition provides a great platform to work in a team and to learn how to present our ideas and thoughts effectively,” said Eric KO Yiu Wa, winner of a Best Presenter Award. Team members said they learned many innovative ideas and useful analysis tools and got to know more about the accounting profession through coaching and workshops.

This year’s competition was themed “Professional and Social Conscious Leaders for our Shared Future”. Student teams were tasked with developing a visionary proposal with workable solutions to meet the needs of New Life Psychiatric Rehabilitation Association, a social enterprise.

ACCA accountants mentored students and the leading 20 teams demonstrated their professional skills in bid to win the title of “Future Leaders in the Eyes of Employers”.

Award-winning teams:
1st Runner-up, Best Proposal and Team Excellence Award
LUI On Ni, BBA(Law) & LLB, Year 2
FUNG Adrian Ting Hin, BBA(Acc&Fin), Year 2
KO Yiu Wa, BEcon, Year 2
WONG Kit Long, BEcon, Year 2

2nd Runner-up and Digital Excellence Award
KIM Yeonwoo, BBA, Year 1
BYUN Jong Wook, BBA(IBGM), Year 1
JEONG Hyunji, BBA(IS), Year 1
KOH Hyun Jun, BBA(IBGM), Year 1

Best Budgeting, Future Leaders in the Eyes of Employers and Merit Award
CHUNG Chak Fung, BBA(Acc&Fin), Year 2
CHAN Shun Yan, BBA(Acc&Fin), Year 2
CHIK Woon Ting, BBA(Acc&Fin), Year 2

Best Presenter Award
CHAN Shun Yan, BBA(Acc&Fin), Year 2
KO Yiu Wa, BBA(Acc&Fin)

Merit Award
WONG Ching Yin, BEcon&Fin, Year 2
CHAN Hoi Yan, BEcon&Fin, Year 2
LAI Hing Ping Rachel, BBA(Acc&Fin), Year 2
TUNG Li Chen, BFin(AMPB), Year 2
Miss WONG Ka Ki Eunice, a Year 4 student from BBA(Law)&LLB programme, won the second prize in the EY Young Tax Professional of the Year 2019 (National Competition), which was held on 30 March in Shanghai.

Miss Wong had earlier outperformed more than 100 participants from different local universities to win first prize as well as ‘My Most Favourite Presenter Award’ in the local competition. This is the third consecutive year that an FBE student has won top place in the local competition.

“It has definitely aroused my great interest for Hong Kong and international tax,” she said. “The most challenging part of the competition is to learn the taxation systems of China and other countries when preparing for the national round,” she explained how much she enjoyed the competition which had given her a great opportunity to improve her technical knowledge and to meet talented students from other regions. “The experience and connections made are definitely valuable to my future career development. I would encourage my cohorts to join this programme in the future,” she said.

During the final competition, participants were put in teams to discuss a case study. Shortlisted finalists then made an individual presentation before a panel of judges to demonstrate their technical skills and competencies in tax, reasoning, presentation and communication.

Established in 2010, the EY Young Tax Professional of the Year is an international competition designed to identify young talent with an interest in tax, help them enhance their professional skills and develop their careers. The competition enables participants to share experiences with people from a range of backgrounds and cultures, and exposes them to the skills required to be tax leaders of the future.
Recognising future leaders

The FBE Student Leadership Award was established in the academic year 2016-17 to recognise the leadership achievements of undergraduate students and to promote experiential learning through students’ participation in extra-curricular activities, community service and student leadership.

The award is open to full-time Year 2 or above undergraduate students in the Faculty. The selection is based on students’ leadership achievements since their admission to HKU.

The five students who received the award this year have demonstrated outstanding leadership skills within the University and in the wider community.

BI International Case Competition 2019

Launched in 2016, the BI International Case Competition is organised in collaboration with BI’s student union SBIO, strategic partners from the business community and volunteer BI students. Prestigious schools from all over the world participate to compete in solving a real business case provided by BI’s strategic partners.

A team of four FBE undergraduate students was selected to compete this year at BI Norwegian Business School in Oslo, Norway from 9 to 15 February. The programme started with a warm-up case followed by a 30-hour main case. The three best-performing teams were selected to compete in the finale and present their solutions to a panel of judges including senior representatives from strategic partners of BIICC.

After six intense days of programme and competition, the FBE team, Causeway Consulting, claimed the 1st runner-up prize with their creative solutions and exceptional presentation.
In recent years, Internet of Things (IoT), cloud computing and big data have become buzzwords for companies who are spearheading digital transformation. To help students stay ahead of the curve, the two-month HKU-Accenture Business Consulting Programme offered 30 FBE students an experiential learning opportunity to gain deeper industry knowledge and exposure to business consulting from seasoned professionals at Accenture.

Professor Ian HOLLIDAY, Vice-President and Pro-Vice-Chancellor (Teaching and Learning), thanked Accenture for their ongoing support to the Faculty in nurturing future business leaders at the opening ceremony. "This collaboration between the Faculty of Business and Economics and Accenture signifies one of the cornerstones of education – blending learning with knowledge and insightful sharing from industry experts," he said.

At the launch of the programme in January, Mr. Leo NG, Managing Director of Accenture Hong Kong, explained that senior executives from Accenture would equip participants with business consulting knowledge as well as problem solving and presentation skills. "This year, we have added a new module to train our student participants to become a quick thinker," said Mr. Ng. Accenture has also offered an opportunity for outstanding teams to visit its state-of-the-art digital studio.

Six teams of five students competed for the championship as well as individually for the Best Presenter Award in the Case Competition. Two awards from the final case competition, "Champion" and "Best Presenter", were conferred during the closing ceremony.

(From left) Prof. Ian HOLLIDAY, Vice-President and Pro-Vice-Chancellor (Teaching and Learning); Ms. Christina WONG, Head of Accenture Management Consulting in Greater China; Mr. MITAL Suchir, BBA(Acc&Fin), Year 2; Miss MENG Jiaxuan, BEcon&Fin, Year 2; Mr. PANG Tsz Fung, BBA(Law)&LLB, Year 3; Miss CHOI Lily Ling Li, BBA(Law)&LLB, Year 2, Winner of Best Presenter; Miss NG Chun Ying, BBA(Acc&Fin), Year 4; Mr. Leo NG, Managing Director of Accenture Hong Kong; Dr. Olivia LEUNG, Assistant Dean (Undergraduate)
Industry Outlook – Asset Management Corporate Series

Asset Management Corporate Series (AMCS) is a new undergraduate student enrichment programme that helps students navigate the asset management industry through talks delivered by industry professionals.

In January and February, 55 second- and third-year FBE students were selected to join the programme. Partner companies Schonfeld Strategic Advisors (Hong Kong) Limited, Value Partners Group Limited, CSOP Asset Management Limited and Privé Technologies hosted four sessions for students on topics such as career options in the asset management industry; portfolio, risk management and operation of asset management; asset management in the China market; and an overview of fintech and its future development.

At the end of the programme, students worked in teams to present on the topic: “Discuss one current issue that impacts asset management companies operating in Hong Kong or the asset management industry in general. What is the issue and what are the opportunities and risks arising from the issue? What advice would you make to the company and/or to the authorities such that the company and/or the industry can benefit?”

Outstanding students were recommended to the partner companies for a fast-tracked interview for a place on their internship programmes.

Connecting new students to the financial world

For the second year, the Faculty hosted the Connectivity in Finance (CIF) programme. The programme helps 50 first-year FBE students gain basic business and financial knowledge and make contacts in the industry to boost their confidence for their future career development.

In March, the students visited companies and corporations including EFG Bank Hong Kong, Julius Baer Hong Kong and Hong Kong Exchanges and Clearing Limited. The students had the opportunity to meet and talk to senior managers of the different companies and also attended two talks. Mr. Joseph CHAN, Under Secretary of Financial Services and Treasury Bureau of the HKSAR Government, shared insights into Hong Kong’s unique position as an international financial centre. Mr. Thomas MA, Director of the CFA Institute, discussed the latest developments of the CFA programme and ethical decision-making in the financial sector.

On the last day of the programme, Amplify Trading delivered a one-day trading simulation course. Students were able to learn more about sales and trading careers and gain hands-on experience of trading techniques in a real-world setting.
Gender-balanced boards are proven to result in greater business success. With this in mind, the FBE’s Executive Education team has launched an eight-session Women’s Directorship Programme to help the global business community tackle the issue of gender imbalance in boardrooms.

The first session of the programme took place from 23 to 25 May when the Faculty welcomed a cohort of inspirational women representing a range of industries and functional expertise from around the globe, and helped prepare them to take on the responsibilities of the boardroom.

Mr. David LEE, FBE Senior Lecturer, set the pace for the participants by leading the first two modules of the programme covering topics on roles and responsibilities of board members and strategic leadership on boards. The third module, led by Ms. Lindsey COEN-FERNANDEZ, Adjunct Assistant Professor, focused on persuasive communication and conflict management. The class also conducted a board simulation to allow participants to practice their skills.

With strong support from many senior business leaders, the programme invited many guest speakers to share their experiences with participants. These included Mr. Jean Pascal TRICOIRE, CEO and Chairman of Schneider Electric; Ms. Chia KO, Director of Grace Financial; Mr. Johan BYGGE, Senior Advisor at EQT Asia; and Mr. Rick HAYTHORNTHWAITE, chairman of Mastercard and Centrica.

The second session of the programme will resume in September. For more information, please visit: www.wdpinternational.com
Former President & COO of Alibaba
Savio Kwan talks about leadership

Mr. Savio KWAN is a celebrated authority on corporate culture, most notably for transforming the way Alibaba does business. Luckily for the MBA students at the University of Hong Kong, for more than a decade, he has been happy to share his wisdom as a mentor and guest lecturer.

Mr. Kwan grew up in Kowloon. Following his father’s wishes, he became a systems engineer after finishing his master’s degree at Loughborough University in the UK, but felt stifled. He applied to London Business School (LBS) and came under the tutelage of Professor Charles HANDY, management pundit, best-selling author, and social philosopher. At LBS, he began a life-long apprenticeship of human motivation, corporate organisation, and the design, execution and stewardship of company culture.

He has given waves of HKU MBA students the same advice Professor Handy gave him. “Think deeply about what you can contribute to your MBA programme” and “you must learn about yourself, understand what you’re good at, and what you can bring to a company that no one else can”.

Mr. Kwan then worked at GE, where he had his first taste of values-driven leadership in action. GE had an unwavering commitment to clean business practices, but when he began doing business in Asia, his sales people insisted that bribing clients was essential. “We don’t pay bribes,” he replied. Instead he told them to tell potential clients that GE didn’t pay bribes. “If the potential client takes the meeting, understanding that we don’t pay bribes, you do whatever it takes to sign them. If 30 percent of the market doesn’t engage in dirty business practices, then we’ll focus on getting 100 per cent of those clients.”

The strategy began to work. Mr. Kwan’s team captured 85 percent of that 30 percent. Soon, they were beating their competitors in terms of market share. That became the inspiration for Alibaba’s business model.

Mr. Kwan was brought in as president of the floundering tech start-up and was burning through cash. Again, the issue of bribes surfaced. Mr. Jack MA was worried about being crushed by competitors who paid bribes. Mr. Kwan suggested concentrating all their resources and capital in the one space where paying bribes wouldn’t be necessary: connecting suppliers with customers. And so Alibaba, the e-commerce giant, was born.

Mr. Kwan remains a non-executive director at Alibaba and is also extremely active in education, delivering talks on integrity, values-driven leadership and, of course, the Alibaba story.

This article is written based on a story by Ms. Silvia MCCALLISTER-CASTILLO, MBA Programme Director at HKU.
Using your MBA to become an entrepreneur

Entrepreneurs Ryan MANN, Noel SHIH and Simon KUNG met and built their business together while studying at HKU for their MBA.

The three student co-founders met during the Business Lab elective, a three-month course that takes students through every step of the start-up process, from idea conception to launch.

They developed the idea for 3beebox, a start-up that provides market research data for companies. Instead of randomly handing out product samples on the street, companies listed on 3beebox can get their samples into the hands of targeted consumers, who are incentivised to take part in consumer trials with cash rewards.

Building a business from scratch
Noel had been living in Canada and working as a sales analyst for PepsiCo, which used a service similar to 3beebox. He spotted a gap in the market after realising there was no such business operating in Hong Kong.

He teamed up with Ryan, an American with a background in shipping, and Simon, the team’s finance guy, who had a banking background. With the support of seasoned Business Lab adjunct associate professor Pedro ELOY, they started developing the idea.

“You start the Lab with a skeleton of an idea. Then, every week you go through a different stage of development,” Ryan explains. “You go through the legal aspects; how to deal with competition; advertising; funding. Then, at the end, you present your idea to a panel of successful entrepreneurs, investors, and people with sector-specific experience. It’s a step-by-step, how-to guide to launching a company.”

Through the Lab, the team connected with fellow entrepreneurs, mentors and office space. The 3beebox website was built by one of their MBA classmates, and the trio secured HK$600,000 in funding from Cyberport, a government initiative that supports new start-ups.

Teamwork
The co-founders work full-time and spend all their spare time and holidays working on 3beebox. Noel takes care of strategy, marketing and general management, Ryan works on sales and legal, and Simon focuses on finance and operations.

“We don’t get much sleep,” Ryan says with a smile. “But we have the same vision: To help brands break into new markets.”

They say the Lab was crucial to their success. “Without HKU MBA’s Business Lab, I could not meet my brilliant team-mates,” says Simon. “And without people, you can’t succeed.”

Noel agrees. “Through the MBA programme, I learned about marketing, finance, and accounting. I met talented individuals who helped me through the journey of starting a business.”