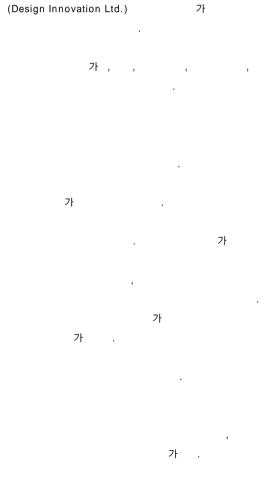
Ideal Conditions for Global Business Being a Design Consultancy in

WONG Kam Fai, Cary, Hong Kong Design Innovation (HK) Limited

Hong Kong

1985

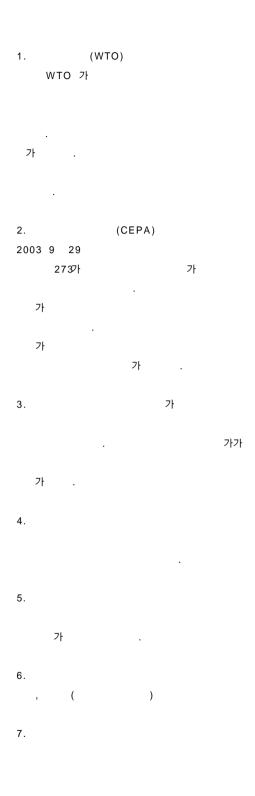


Since 1985, Hong Kong design consultancy Design Innovation (HK) Ltd., has provided creative solutions for numerous products from concept to working prototypes. We have designed diverse products including household appliances, AV and audio products, gifts and premiums, telecommunications products etc.

Since Hong Kong industries are greatly involved in exporting to the European and American markets, Design Innovation's local activity indirectly increases our experience and reputation in the West. As a cosmopolitan business centre, Hong Kong has an exposure to a various international cultures and knowledge on international design to fulfill the needs of different markets. All these factors increase our opportunities for the business in the Western market. As the Chinese market grows, many overseas brands set their factories in China due to the low labour and administrative costs. Consequently, China is becoming a major world manufacturing base, gaining a global awareness. Along with the established local brands and manufacturers, the development leads to a great demand for original design and product development.

Hong Kong has a geographical advantage and cultural, linguistic similarities with China, which enhances the business opportunities for breaking into the Chinese market. We provide the western market with a creative design through cultural identity and adapting to the Chinese market.

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Market Environment and Social Factors

1. World Trade Organization (WTO)

As China enter into the WTO, the product competition in Chinese market has been enhanced, and the Chinese

71 manufacturers will soon need to have creative design to strengthen their product quality in exporting market and to compete with in the global market. With these trends, the market demand of innovative and original design services will be increased and it will lead to more opportunities in our design business since Hong Kong, with its favorable geographical location, situated at the southeastern part of China

2. Closer economic partnership arrangement (CEPA)

According to the successfully launched and signed agreement between China and Hong Kong on September 29th 2003, zero-tariff to 273 items of Hong Kong products entering the mainland Chinese market was set. And the trades in the fields of service were liberated. As a result, this encouraged the foreign investment in Hong Kong, and manufacturers to develop products of their own brands. With the enhanced demand for the original innovative design, the Hong Kong design consultancies and services have more opportunities and growth.

3. Market changes and increase in self-employed Business

Due to the market changes in Hong Kong, many people are doing their own businesses and setting up their own companies in Hong Kong, thus there comes the increased needs of original design to get an added value and strengthen the product competitiveness.

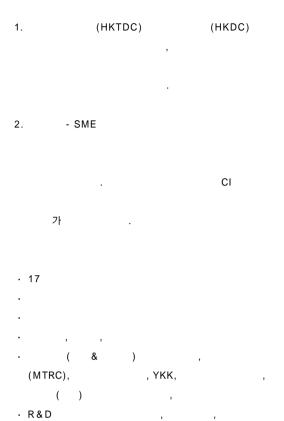
4. Well-developed city

A metropolitan and international business centre with welldeveloped infrastructure and hi-tech communication networks

5. Geographical location

Hong Kong is located in the southeastern China, close to the major manufacturing bases such as Pearl River Delta, China.

-59



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6. Languages advantages English, Chinese (Cantonese & Mandarin)

7. Multi-cultural background with international exposure Chinese and the mixed Culture with the western culture

Government and Association's Support

1. Hong Kong Trade Development Council (HKTDC) and Hong Kong Design Centre (HKDC)

Organized different types of seminars by inviting well-known local and foreign speakers in the industry to share their successful experiences and design trend forecasting the strategic management.

2. Hong Kong government - SME funding

Responding to the market changes, Hong Kong government supports people to set up their own businesses or companies by providing funds for buying equipments, getting market information of creative ideas that are needed in the business. It leads to the increased needs of design services especially for the corporate image and identity of the new businesses and for the their own branded products.

Company Strength

- · Over 17 years of history in Design Industry.
- $\cdot\,$ One of the biggest design consultancies in Hong Kong.
- · International expertise with local and foreign designers.
- · Experiences in products, graphic and packaging design.
- Dealing with organizations of different scales in public and private sectors including Hong Kong Government (Environment & Protection Department), Hong Kong Post, Mass Transit Railway Corporation (MTRC), Matsushita Electric Works, YKK Corporation, Group Sense International Ltd., Concord Camera (HK) Limited etc.
- Sufficient support from the Hong Kong Productivity Council (HKPC) in delivering one stop services for companies from R&D, Engineering Design, Mechanical Design, Prototypes Development (Rapid Prototyping) and Patent Search & Registration Services.

Therefore, the Design Innovation can concentrate on the development of the core business of delivering innovative design services, also with sufficient support in other areas of product development to cope with the changes and growing needs from the market.

Successful Case Studies

1. Stove design

Client: European company International Expertise

- Since stove is not common in Asia Market because of the weather. But our international designer from Europe with the same background can easily understand the need and the basic mechanism of the stove.
- Our designer with same culture of our European Client can enhance their communication and thorough understanding of their preferred design.
- Easily provide solid and practical design to match the interior design of houses and apartments in European Market.
- Emphasis on "Simple" design to match the taste and the sense of the European.



1.

2. DVD

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2. DVD Player

Client: Malata Group Co. Ltd. (China)

Well known brand in China which is developing the AV products including DVD Player, CD player and Television.

- · Developed products targeted the global market.
- · Preferred European and western design.
- Provide satisfactory result with our international exposure and manpower at a reasonable fee.
- Eliminate communication barriers through our language ability in Mandarin and English.
- Close and nearby location in meeting with them in Hong Kong or China.

Under these circumstances, we could save time and enhance the project efficiency and effectiveness.

3. Memo pad container box

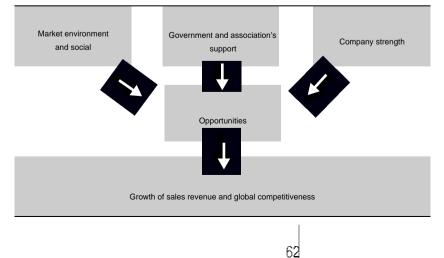
Client: Chinese stationery manufacturer

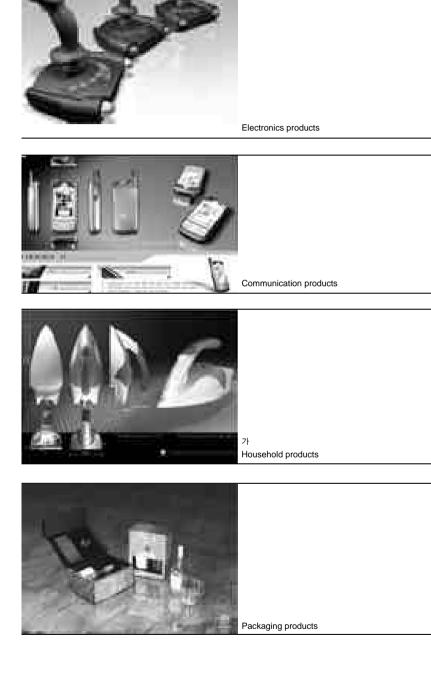
Target market: China

· Input the Chinese elements in our design.

e.g. "Chinese Horoscope."

- Product that will be launched in 2004: In Chinese calendar, 2004 means the year of Monkey, we chose "Monkey" as the main subject of design.
- It can provide a tailor-made feeling and special meaning for the users.
- Use Gold and Red as the main colors which symbolize wealth and luck in the mind of Chinese.
- Plan to design a series of memo paper container box with all the other 11 "Chinese Horoscope."







Business situation in doing global business Being a Design Consultancy in Hong Kong

Prepared By

Design Innovation (HK) Limited





Inspire & Infinity

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- 2. Market Environment and Social Factors
- 3. Government & Association supports
- 4. Our Strength
- 5. Case Studies



COMPANY PROFILE

- Established in 1985
 - Wholly owned subsidiary of Hong Kong Productivity Council (HKPC)
 - International expertise with local and foreign designers
- Provide creative solutions for wide diversity of products for different industrial sectors including household appliances, audio & visual products, telecommunication products and gifts & premiums

DESIGN INNOVATION





COMPANY PROFILE

Received numerous local and international design awards including the German "Red Dot" for high design quality, the Hong Kong Governors Award, the ID Annual Design Award of America, OPUS Design Award 2003 and Hong Kong Optical Design Competition 2003

DESIGN INNOVATION



CEPA Business Development Centre



Closer Economic Partnership Arrangement (CEPA)

- Successfully launch and signed between China and Hong Kong on 29 September 2003
- Zero-tariff to 273 items of Hong Kong Products entering Mainland China Market
- Liberalization of Trade in services



CEPA Business Development Centre

- Encourage foreign investment in Hong Kong
- Encourage manufacturers in developing their own branded products
- Enhance the demand of original innovative design
- More opportunities and growth for design consultancies services in Hong Kong





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MARKET ENVIRONMENT AND SOCIAL FACTORS

Market Changes and increase in self-employed business

Due to the market changes in Hong Kong, many people are going to doing their own business and setting up their own company in Hong Kong, thus it increase the needs of original design to add value and enhance product competitiveness.

Well-developed city

A metropolitan and international business centre with well-developed infrastructure and hi-tech communication networks

DESIGN INNOVATION



MARKET ENVIRONMENT AND SOCIAL FACTORS

Geographical Location

situated in southeastern China, close to major manufacturing base (Pearl River Delta, China)

Languages advantages

English, Chinese (Cantonese & Mandarin)

Multi-cultural background with international exposure

Chinese and mixed with western culture



HKTDC



GOVERNMENT AND ASSOCIATION SUPPORT

Hong Kong Trade Development Council (HKTDC) and Hong Kong Design Centre (HKDC)

Organized different types of seminars by inviting wellknown local and foreign speakers in the industry to share their successful experiences and design trend forecasting also strategic management

Provide a sufficient flow of information and support for the industry development

DESIGN INNOVATION



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GOVERNMENT AND ASSOCIATION SUPPORT

Hong Kong Government – SME Funding Responding to the market changes, HK government supports people in setting up their own business / company by providing funding in helping them buying equipments, getting market information for those that have creative ideas in doing business

> It leads to increasing needs of design services especially for new business corporate image and identity and to create their own branded products





Inspire & Infinity

OUR STRENGTH

- Over 17 years of history in Design Industry
- One of the big design consultancies in Hong Kong
- International expertise with local and foreign designers, mixed cultural background
- Experiences in doing wide diversity of products, graphic and packaging design
- Dealing with organizations of different scales in public and private sectors including Hong Kong Government (Environment & Protection Department), Hong Kong Post, Mass Transit Railway Corporation (MTRC), Matsushita Electric Works, YKK Corporation, Group Sense International Ltd., Concord Camera (HK) Limited and many others







OUR STRENGTH

Well supported by Hong Kong Productivity
Council (HKPC) in delivering one stop services
for companies from R&D, Engineering Design,
Mechanical Design, Prototypes Development
(Rapid Prototyping) and Patent Search &
Registration Services

Concentrate in develop our core
 business in delivering innovative
 design services, also with sufficient
 support in other areas of product
 development to cope with the changes
 and growing needs from the market



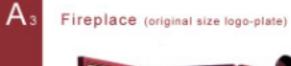


STOVE DESIGN --- COMPANY IN EUROPE

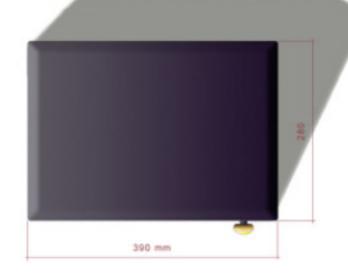
International Expertise

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STOVE DESIGN – COMPANY IN EUROPE





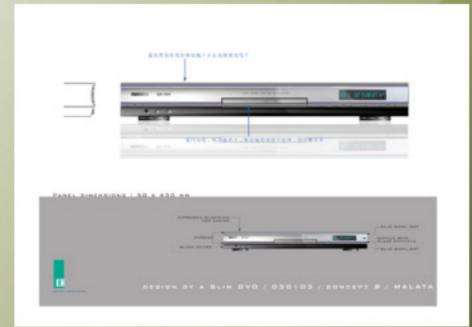


Scale 1/4





DESIGN INNOVATION





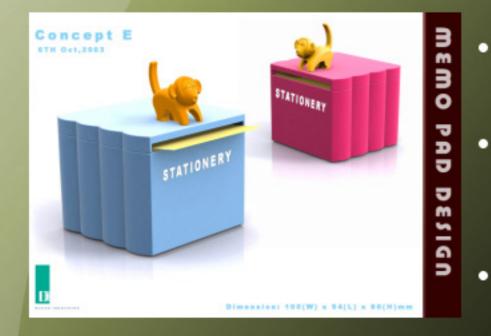
DVD PLAYER – MALATA GROUP CO., LTD. (CHINA)

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- Close and nearby location in meeting with them in Hong Kong or China
 - Enhance project efficiency and effectiveness by saving time

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DESIGN INNOVATION





MEMO PAD CONTAINER BOX - CHINA STATIONERY MANUFACTURER

- Targeted market: China
- Inputting the Chinese elements in our design ----"Chinese Horoscope"
- Product will be launched in 2004 The Chinese calendar year of 2004 --- Year of Monkey we chose the "Monkey" as the main theme of design
- It can provide a tailor-made feeling and special meaning for those users
- Using Gold and Red colour as the main colour because these two colours are the symbol of wealth and luck in the mind of Chinese
- Planning to design a series of memo paper container box with all the other 11 "Chinese Horoscope"



ELECTRONICS PRODUCTS

DESIGN INNOVATION



TOUCHING THE NEW GENERATION







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COMMUNICATION PRODUCTS

DESIGN INNOVATION







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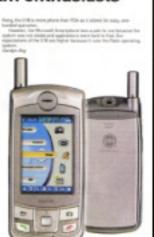
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Petite and affordable smartphone sure to delight Palm enthusiasts

Xplore G18

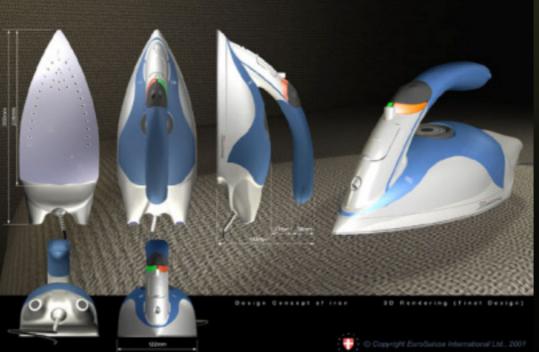






HOUSEHOLD PRODUCTS







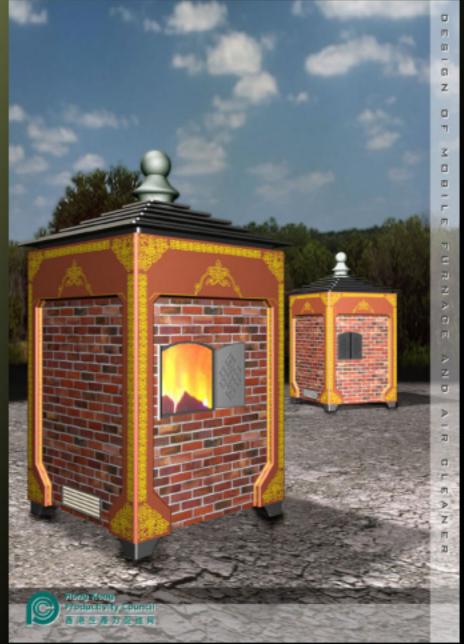
ENVIRONMENTAL PRODUCTS

DESIGN INNOVATION

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PACKAGING PRODUCTS

DESIGN INNOVATION



