



# NEWSLETTER

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Institute of Shopping Centre Management

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#### Greater Bay Area creating opportunities for retailers to grow

In recent weeks, major shopping districts in Causeway Bay and Tsim Sha Tsui have teemed with shoppers, indicating that people are returning to the high streets and shopping malls following the lifting of several social distancing prohibitions. Beyond local demand, however, how can retailers grow their businesses amid persistent travel restrictions? Mr. Oliver Tong, Head of Retail, Hong Kong and Macau, JLL, shares with us his insights.

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## Message from the Institute

Dear ISCM members and friends,

As the coronavirus pandemic rages across the globe, nations are dipping into one of the deepest recessions in years. Similar to the situation in other countries, local businesses across Hong Kong are struggling to stay afloat amidst the major economic downturn and hoping the city will get back on its feet after more than a year of coronavirus conditions.



As far as I can remember, the global financial crisis in 2009 resulted in the most severe recession the world had encountered. It was against this backdrop that our Institute hosted the Council of Asian Shopping Centre (CASC) Conference for the first time, and invited industry peers from the Asia-Pacific region to share their new ideas and experiences related to the theme, "Partnering for Riding out Adversity".

It was not until 2017 that our Institute hosted the CASC Conference again; this time the theme was "Shopping Centres Embracing Change – What's Next?". I was honoured to have been a member of the Organising Committee. At the conference, industry peers shared their experiences, including the learning curves involved in curating new offerings to meet the behaviours and expectations of a new generation of customers. It was a fruitful experience for me.

Since the 2020 coronavirus outbreak, mall operators, retailers and caterers have faced many hardships. The industry is cooperating with the government's various pandemic prevention measures, and working with the public to fight the pandemic.

Shopping centres are at the heart of Hong Kong's culture, and they are a major driving force behind the city's reputation as Asia's top shopping hub. At a board meeting last year, our board members suggested hosting our first ISCM Awards (the Awards). We hope, through the Awards, to unite the valuable efforts made by the industry to overcome adversity, further strengthen Hong Kong's position as Asia's shopping city, and bring positive impacts to the industry.

The Awards is themed "The Proven Strengths of Asia's Shopping City: Hong Kong", and it aims to recognise and showcase the outstanding performance and achievements of the finest retail property management professionals in Hong Kong. Additionally, the Awards is expected to encourage all of us to be resilient and persevere in the face of difficulties. This has always been our institute's mission – to serve as a platform to demonstrate the concerted efforts of industry peers in raising industry standards during times of adversity, and strengthen Hong Kong's position as Asia's shopping city.

Our applications close on June 30. For details, please visit our website. We will hold an award presentation banquet in Q4 2021, with the expectation of a possible relaxing of the government's social gathering regulations. I am so looking forward to it.

Angie Chung  
Director of Marketing and Promotion

## Webinar Review

### All-Round E-Commerce Platform for Retail

Those huge numbers of e-commerce revenue and how fast it is growing are worrying about traditional retailers. Nevertheless, the scenario of online channels wiping out offline ones seems unlikely. Both e-commerce platforms and physical stores share the same importance in achieving business success. On 3 February 2021, Mr. Taurus Cheung, Co-founder of Appcider Limited, Mr. Char Kong,

Founder of Cloudian International (Hong Kong), and Mr. Bon Chiu, Commercial Director of QFPay Haojin Fintech Limited, joined together and shared their insights from opening an e-commerce platform to drawing customers from online channel to physical stores, as well as the trends of mainland cross-border e-commerce.



Mr. Taurus Cheung,  
Co-founder of  
Appcider Limited

Mr. Char Kong,  
Founder of Cloudian  
International (Hong  
Kong)

Mr. Bon Chiu,  
Commercial Director of  
QFPay Haojin Fintech Limited

## Why Robotic Technology and Air Purification Technology?

While the Covid-19 pandemic continues to unfold, it is of top priority for mall operators to ensure the ongoing health and safety of their staff, tenants and shoppers. Disinfection has become a daily routine but what if there are sudden outbreaks of infected cases?

On 20 April, Mr. Albert Lam, Co-Founder of Novelte Robotic Solutions shared his innovation in the use of robotics in disinfection. With the rise of AI and computing power, Mr. Lam is dedicated to create feasible smart applications over using robotics, data, and AI technologies to generate values like never before. In his presentation, he highlighted that when there are sudden outbreaks of infected cases, using autonomous robotics to perform becomes part of the overall strategy to uplift efficiency and cost-effectiveness. He also advised in the choice of the right robotics technology and in saving manpower with the use of robotics. He also explained the difference between automation and UV-C disinfection.



Mr. William Chan,  
Director of Training  
of ISCM



Mr. Albert Lam,  
Co-Founder of  
Novelte  
Robotic Solutions



Mr. K.C. Wong,  
Respected Indoor  
Air Quality (IAQ)  
Management Expert

In part two of the webinar, Mr. K.C. Wong, a respected Indoor Air Quality (IAQ) Management Expert, detailed the relationship between indoor air quality and airborne transmission, and how indoor air quality relates to us during the pandemic period. Trained in Switzerland and USA for his specialised expertise in air purification technology, Mr. Wong also talked about the air purification technology and choosing the best air purifier.



## Photo Story

On 31 March, Hon Tony TSE Wai-chuen (middle), BBS, JP Member of the National Committee of the Chinese People's Political Consultative Conference and Member of the Legislative Council (Architectural, Surveying, Planning and Landscape functional constituency) was invited to join the policy sharing meeting on the 14th Five-Year Plan at The National People's Congress and the Chinese People's Political Consultative Conference. Our Director of Study Tour, Mr. Wilson Lam (right) has also joined this insightful seminar.



Photo: Artem Beliaikin on UnSplash

The registration process for the digital vouchers could start as soon as this summer

## HK\$5,000 Digital Vouchers to Encourage Local Spending

**During the upcoming summer, retailers and restaurant owners are expected to drum up their promotional activities in response to a digital voucher worth HK\$5,000 which will be distributed to Hong Kong residents.**

Hong Kong saw its economy shrink by 6.1 percent in the year 2020–2021, which was the largest downturn on record. In his 2021 budget, Financial Secretary Paul Chan announced that more than 7.2 million Hong Kong residents and new arrivals aged 18 or above will be able to redeem their digital vouchers through e-payment operator Octopus Hong Kong, and the payment apps AlipayHK, Tap & Go and WeChat Pay HK.

"When identifying SVF (Stored Value Facility) operators, the government has taken into consideration an array of factors, including popularity, ease of use, merchant coverage of the SVFs, the operator's relevant experience and supporting facilities, and the preparation time required. The Hong Kong Monetary Authority has also been consulted. We believe that the general public can select a suitable SVF from the aforementioned fintech operators, taking into consideration their own needs. They will then be able to receive and use the consumption vouchers," Mr. Paul Chan said.

According to a government statement, the selected service providers currently cover a network of 30,000–100,000 merchants in local retail, food and beverage, and service industries. In order to attract more merchants to take part in the scheme, they have agreed to waive the administrative cost and the fees for installing and using their payment platforms.

WeChat Pay HK told the media that the company will

introduce all kinds of additional promotions for users and merchants. They aim to facilitate Hong Kong's economic development, while taking into account all stakeholders.

"From fishballs on a skewer to products from large chain stores and shopping malls—all can be paid for with one scan," said a spokesperson for AlipayHK, adding that their participation in the scheme showed the government's support and recognition of their business and technologies.

This initiative, which will cost the government about HK\$36 billion, is aimed at encouraging local spending in order to stimulate the economy and boost the battered retail sector. The vouchers can be used for online purchases, but only for local merchants. The registration process for the digital vouchers could start as soon as this summer. They will be distributed in five batches and will expire in one month.

Retail sales in Hong Kong in the first two months of the year advanced 2.7% compared to sales a year ago, boosted by consumer durable goods (29.7%). A government spokesperson pointed out that the retail trade will continue to face a difficult business environment in the near term as inbound tourism remains frozen. Hong Kong's economy is forecasted to grow between 3.5% and 5.5% in 2021, after a 6.1% contraction in 2020.

# New Safety Measures from Mall Operators and Restaurants to Combat COVID-19

Since the initial outbreak of COVID-19, Hong Kong has dealt with multiple waves of infections, with dine-in restaurants and bars being some of the hardest hit industries. In February, more than 50 infections were linked to a Chinese restaurant located in an upscale mall in Tsim Sha Tsui. After this, the government ordered all dine-in restaurants to increase their premises air change rate to at least six times per hour, or to install air purifiers to improve the air quality by 30 April.

## New guidelines on air change requirements

The Food and Environmental Hygiene Department (FEHD) also appointed a working group chaired by Professor Yuen Pak-leung, President of the Hong Kong Institution of Engineers, to advise the government on the smooth implementation of the requirement.

Specific guidelines will be detailed by the FEHD. These include guidelines for implementing air change requirements in terms of fresh air intake for the seating areas of dine-in restaurants, as well as specific guidelines for the alternative of using air purifiers. The guidelines will be made available for consultation by restaurant operators, ventilation contractors and air purifier suppliers.

A list of about 100 air purifiers that meet the specifications (with UV-C light or HEPA filters, or both), will be gradually uploaded onto the FEHD's webpage.

Hong Kong-based Aurabeat is one of the air purifier suppliers on the list. "In Hong Kong, many restaurants encounter a lot of problems in meeting the standard requirements of ceiling heights or ceiling beams, as well as fresh air supply, owing to their sole reliance on the central ventilation system of shopping arcades", says Dr. Roger Sze To, Aurabeat's Chief Technical Officer.

"Given the already-existing difficulties in running businesses these days, asking businesses to spend extra time and money on altering pre-installed ventilation systems is not easy. As such, purchasing air purification equipment that meets the required standard is a more convenient way to cope with anti-pandemic demand", he adds.

Aurabeat has launched the world's first FDA-cleared air purifier, certified to eliminate more than 99.9% of airborne

COVID-19 in 30 minutes using the patent-pending AG+™ Antiviral Air Filtration Technology developed in 2020. This antiviral air-filtration technology promises to offer an extra level of protection from the virus.

According to Dr. Sze To, there are generally two types of air purifiers, those using either UVC light or UVC light air purifying. "In general, humans cannot be directly exposed to UVC lights as they are harmful to our bodies. Therefore, UVC lights are usually installed in and confined within ceiling areas. On the other hand, the ventilation speed of UVC air purifiers is normally high thus the air cannot be effectively disinfected with a short exposure time to UVC. These devices need to recirculate air many times to destroy airborne viruses and germs effectively. In order to install ceiling-mounted UVC lights, restaurant owners would also need to consult electricians", he explains.

Most conventional air purifiers currently available only trap and reduce the number of bacteria and viruses on the filter surface without actually eliminating them. While replacing the filter or moving the air purifier, contagions trapped in the filter can easily return to the air, and present a significant risk of secondary infection.



Photo: Galen Crout on Unsplash

Hong Kong dine-in restaurants have implemented various safety measures to protect diners from the coronavirus

## A five-stage sterilisation purifying technology

Aurabeat adopts a five-stage sterilisation purifying technology, including a Pro Silver Ion HEPA Filter, a photocatalyst, UVC light, plasma sterilisation, and a pre-filter, providing extra disinfection mechanism on top of FEHD requirement of UVC and H13 HEPA. "Not only can air purifiers filter viruses—they can also destroy viruses and prevent second infections", says Dr. Sze To.

Aurabeat AG+ Pro Air Purifiers can function immediately and no installation is required. As the built-in UVC light avoids direct illumination, the operation is safe and simple. The highly effective silver ion filter needs replacing every 6 to 18 months, and filter replacement reminders are available. The air purifier can cover areas as large as 460 square feet, while a portable device can be used within vehicle interiors and small workspaces.



provided by Aurabeat

Aurabeat air purifier can cover areas as large as 460 square feet

"Hysan Development, New World Development and Sun Hung Kai Properties have ordered more than a thousand Aurabeat patented air purifiers to be installed at their shopping malls such as Hysan Place, Lee Garden and K11", Dr. Sze To reveals, adding that fitness centres and retail and restaurant chains including the Lan Kwai Fong Group, PURE Fitness, Fancl and Fancl, Jollibee and Paradise Dynasty, are recent clients, are recent clients.

## A disinfection channel facility

In addition, the Airport Authority Hong Kong, the AsiaWorld-Expo and various government departments including the Civil Aviation Department, the Government Flying Service and the Hong Kong Correctional Services, were among the first in Hong

Kong (in March 2020) to have installed CLeanTech, a disinfection channel facility, to protect airport passengers and department staff from COVID-19 infection.

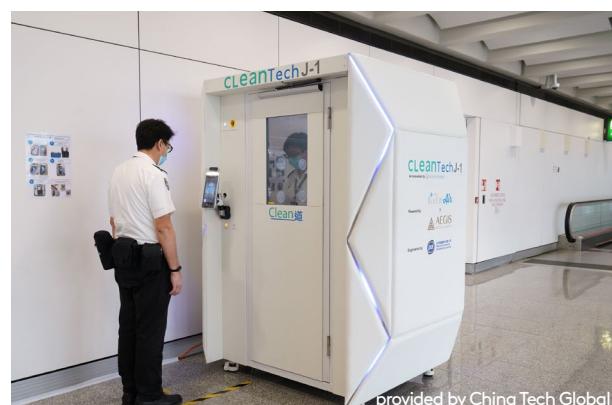
"CLeanTech integrates three major technologies: air purification, smart photocatalytic antibacterial protection and negative pressure", says China Tech Global founder and CEO Mr. Sammy Tsui. "After measuring the body temperature, the user enters the CLeanTech disinfection channel and his/her body germs will be destroyed in 12 to 40 seconds", he explains.

The internal space of the disinfection channel is covered with an antibacterial coating, which destroys the germs, bacteria and viruses on human bodies and clothes with smart photocatalytic technology. In addition, the machine's natural air sanitising and purifying spray also has an immediate disinfection function. To avoid cross infections in the internal and external environment, negative pressure is maintained in the disinfection channel.

The company has also developed a "smart disinfection passageway", to which the same technology can be applied. Such passageways are suitable for exhibition halls and concert venues. It is foreseeable that this facility will be installed in concert venues in May of this year.

In the long run, Mr. Tsui asserts that commercial buildings or shopping arcades should install the central fresh air anti-epidemic system, which kills germs by disinfecting the virus origins.

"Viruses are particularly active in the autumn and winter", Dr. Sze To of Aurabeat says. "According to some reports from Europe and the United States, COVID-19 virus is continuously undergoing mutations, and so it is advised that restaurants and shopping arcades should be well prepared for anti-pandemic measures before the next wave of mutated virus in autumn and winter," he concludes.



provided by China Tech Global  
A user's germs will be destroyed in 12 to 40 seconds after entering the CLeanTech disinfection channel



Photo: Vicky T on UnSplash

With the commissioning of the Hong Kong Section of the Hong Kong-Zhuhai-Macao, a one-hour living circle encompassing Guangdong, Hong Kong and Macau is basically formed

## Greater Bay Area Creating Opportunities for Retailers to Grow

In recent weeks, major shopping districts in Causeway Bay and Tsim Sha Tsui have teemed with shoppers, indicating that people are returning to the high streets and shopping malls following the lifting of several social distancing prohibitions. Beyond local demand, however, how can retailers grow their businesses amid persistent travel restrictions?

Expanding to the Greater Bay Area may be the answer.

### One-hour living circle

JLL has recently been receiving more inquiries from international and local brands that are interested in expanding to Macau and other mainland Chinese cities in the Greater Bay Area.

"The population size for the retail market could surge from the existing 7 million in Hong Kong to 70 million within the "one-hour living circle" if retailers expand to the Greater Bay Area (GBA). It offers a tremendous growth opportunity for retailers," says Mr. Oliver Tong, Head of Retail at JLL in Hong Kong and Macau.

Another attractive feature for retailers is that the COVID-19 pandemic in Macau and other Greater Bay Area cities has mostly been stabilised for months.

"We estimate that recovery in Macau's retail market is about nine months ahead of Hong Kong. The turnover of a global luxury travel retail group and a leading luxury product group in Macau in February and March have already exceeded the levels recorded in December 2019, when the city had yet to be hit by the pandemic. In

fact, cosmetic retailers have outperformed the market. Many retailers would like to capture such opportunities in the recovering market," he added.



Mr. Oliver Tong, Head of Retail, Hong Kong and Macau, JLL, believes that Hong Kong's status as a regional shopping hub will remain

### Teaming up with local partners

Previously, retailers would prefer to open new stores on their own, even in a new market. Mr. Tong notes, however, that retailers are now preferring to team up with local partners or franchises in the market, as travel restrictions between cities are still in place.

"It is easier for retailers to expand their store network and handle logistics with a local partner so that the

retailers do not need to travel frequently. Local partners can also help procure more favorable lease terms and find shops in ideal locations," he explains.

Retailers are not only interested in Macau, but also other southern Chinese cities in the Greater Bay Area, such as Guangzhou, Shenzhen and Zhongshan.

Shenzhen has turned into a thriving technology hub that is home to Chinese tech giants. Its dynamic young workforce and strong economic growth forms a sturdy backbone for its retail market.. The emerging middle class in mainland China is also expected to open up great opportunities for retailers in Hong Kong.



Photo: Christian Wiediger on UnSplash

International brands are keen to expanding to Greater Bay Area

### Hong Kong as a stepping stone

The supply of quality shopping malls tends to be a concern for international brands when considering expansion into a new market, especially in second-tier cities. Over the last few years, an increasing number of upmarket shopping malls were completed in Zhongshan. Malls are now gradually replacing street shops as popular shopping spots for locals.

"We are helping several retailers look for local partners in the Greater Bay Area. Local retailers are extremely interested in partnering with these newcomers, as local shoppers prefer international and Hong Kong brands. Introducing new concepts to the market is a key element that can make these businesses successful," says Mr. Tong.

If more retailers achieve success via expansion into the Greater Bay Area, he believes that more international brands may want to expand to Hong Kong as a stepping stone to entering the markets in mainland China and Macau.

"Hong Kong is still attractive to international retailers as it has one of the most mature retail markets in Asia. And the industry has the know-how needed to do business successfully in Hong Kong, Macau and mainland China, which could help retailers to expand into the other developing cities. Hong Kong's status as a regional shopping hub will remain," he stresses.

## Membership Application

Our Membership is open to any individual person who is a practitioner in shopping centre industry. Students who have enrolled in the course of shopping centre management at HKU School of Professional and Continuing Education (HKU Space) or other relevant courses will also be considered.

Grade of Membership	Annual Fee
Fellow Member	<b>HK \$1650</b>
Full Member	<b>HK \$1100</b>
Associate Member	<b>HK \$ 720</b>
Student Member	<b>HK \$ 280</b>

Online application can be completed at the following link:

[www.iscm.org.hk](http://www.iscm.org.hk)



## Upcoming

### Event

#### ISCM Awards

The ISCM Awards 2021 is the first-ever awards initiated by professional society and recognised governing body, the Institute of Shopping Centre Management (ISCM).

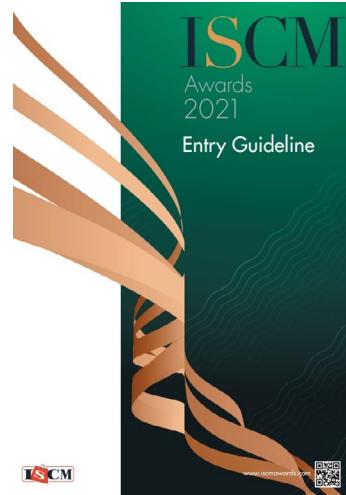
The first annual ISCM Awards is themed,

**"The Proven Strengths of Asia's Shopping City: Hong Kong"**, as to showcase and express gratitude to Hong Kong's finest retail property management teams, projects and retailers for their contributions to the shopping centre industry, standards and culture.

Ultimately, ISCM hopes to unite everyone's invaluable efforts to overcome adversity and strengthen Hong Kong's position as Asia's shopping capital.

Application deadline: 30 June 2021

[Click here to learn more](#)



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