

Gearing Up for Global Expansion

Surging demand for smartphones and IoT products spurs Xiaomi to add brick and mortar in Hong Kong and push forward its global strategy.



Established in 2010 in Mainland China, Xiaomi is an internet company with smartphones and smart hardware connected by an IoT platform at its core. The company first tapped on Hong Kong market in 2016 through its eCommerce website mi.com. While its wide-range of smart products gaining popularity in Hong Kong, Xiaomi opened two Mi Home Stores in the city in 2017, located in Mong Kok and Causeway Bay, offering their products at affordable price for the local market.

Two years later since the Hong Kong stores opened, the company is already planning its third store in Hong Kong which will situate in the New Territories and is expected to open soon in 2019.

Janine Luo, Hong Kong Operation Director, saw a 60 percent sales surge in Hong Kong in 2018. "The achievement and experience that we gained in Hong Kong is extremely beneficial to Xiaomi's goal to 'go global'," said Luo, "with a high-quality and broad consumer market, Hong Kong is definitely the place for us to invest in."

In 2018, Xiaomi launched an initial public offering (IPO) on the Hong Kong Stock Exchange. According to Luo, listing in Hong Kong helps the company build an international and open ecosystem. "Hong Kong's legal environment provides a strong foundation for the city's free and stable market," Luo remarked.

"With the internationalisation of RMB, Xiaomi will continue to leverage on the city's status as one of the largest offshore RMB business hubs to manage our corporate financing, which will be favourable for us to build an international and open ecosystem."

Thanks to the city's abundant supply of international and multilingual talent, Luo said, the company currently hires over 100 local employees covering sales, marketing and partnership liaison, all of which are essential roles as the company gradually emerges as one of the global players in the technology arena.

"We will continue to strengthen our multi-brand strategy for smartphone

market, and plan to expand globally including Europe and Latin America," Luo added. "With ample opportunities under the Belt and Road Initiative, Hong Kong as an international financial centre can strengthen the connection between Mainland China and the global market."

Xiaomi's core objective in the next five to ten years will remain in its dual-core strategy of AI and IoT, while at the same time put emphasis on 5G technology development, which the company believes will greatly boost its product demand in both Mainland and overseas market.

Luo concluded, "we are grateful for InvestHK's support and professional advice along our set up and expansion. The market insights that they provide has been very helpful for us to understand the commercial environment in Hong Kong and make the right decision."

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Janine Luo
Global Operations Director
Xiaomi

Xiaomi

- Xiaomi Corporation (stock code: 1810) was listed on Hong Kong Stock Exchange on 9 July 2018
- The world's fifth biggest seller of smartphones, the company has presence in over 80 overseas markets
- As of 2018 Q3, overseas market sales accounted for 44 percent of the group's revenue

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