

*Hong Kong Science and Technology Parks Corporation sends out the below press release on behalf of its partner company – Fano Labs*

**Press Release**

*For Immediate release*

**Language AI company Fano Labs fuels APAC expansion with its Series B funding round led by Openspace Ventures with participation from HSBC and Greater Good Investment**

**(Hong Kong, 3 May 2024)** - Fano Labs, the leading provider of performance language AI solutions, today announced the successful closure of its Series B round. Openspace Ventures, a leading venture capital firm in Southeast Asia, led the investment round, with participation from HSBC, Greater Good Investment, the family office of Mr. and Mrs. Kenneth Lo, and existing shareholders. With this new funding, Fano Labs will expand its footprint in further markets through the establishment of an office in Singapore, which will serve as the hub for overseas clients. Additionally, further investment will go into developing the product, with a focus on adding more APAC languages and launching its suite of Large Language Model (LLM) products.

Fano Labs is a performance language solution provider that uses AI to develop specialized Automatic Speech Recognition, Speaker Diarization, Voice Biometrics, Speech Synthesis and Natural Language Processing technologies for enterprise and public sector organizations. It has an in-house R&D team led by leading international scientists, researchers and artificial intelligence experts. Founded in 2015 as a spin-off from the University of Hong Kong and incubated by the Hong Kong Science and Technology Parks Corporation, Fano Labs has achieved significant milestones in securing enterprise clients in both private and public sectors, including HSBC, Citibank, DBS Hong Kong, Hang Seng Bank, The Bank of East Asia, Cathay, China Mobile Hong Kong, amongst others.

With a proven track record, the establishment of the international hub in Singapore has already been met with positive recognition by the Singapore government. The team has been accredited by Singapore's Infocomm Media Development Authority (IMDA), a statutory board under Singapore's Ministry of Communications and Information (MCI) this March. Being accredited underscores the product readiness and trustworthiness of Fano Labs for enterprises and government agencies in Singapore and beyond, who are seeking resilient and innovative language AI for critical organizational purposes.

**Fano Lab uses R&D to tackle speech and language challenges unique to Asia**

Fano Labs is tackling a fundamental issue with traditional speech recognition tools, which do not operate effectively in multilingual environments like Singapore and other regions in Asia – where speakers switch between different languages in a conversation and have localized dialects or accents. At the same time, conversations likely involve multiple speakers cross-talking. Fano Labs specializes in developing Mixed-Language Speech Recognition and Speaker Diarization technologies that allow computers to understand the nuances of real-life human conversations in these operating environments. Fano Labs' speech engine can automatically detect the languages used, and differentiate all speakers in any conversation. With these techniques, clients can achieve over 90% accuracy with their solutions, which makes Fano Labs one of the world's most accurate language AI engine providers. To date, it has developed a dedicated ASEAN mixed language model that includes

English, Mandarin, Bahasa Malaysia, Bahasa Indonesia, Cantonese, Taiwanese, Vietnamese, Thai, Tagalog, Japanese, French, Tamil, and Urdu.

### **Utilizing Language AI in RegTech and WealthTech to Enhance Compliance and Customer Experiences**

Compliance is critical for all players in the financial services industry. Financial institutions must now look for new ways to adhere to new and more stringent compliance requirements in the most effective and efficient ways. In banks, for example, it is important to ensure interactions between relationship managers and customers never fall short of compliance standards. The process of product suitability assessment, risk assessment and risk disclosure has become more and more extensive. Manually analyzing a burgeoning quantity of recorded conversations is labour-intensive, expensive, and comes with a higher chance of critical information being accidentally missed.

Fano Lab's keystone product is an Interaction Analytics System, Callinter, that uses AI technology to automate the analysis of these audio recordings - automatically flagging to risk and compliance professionals those that may contain misconduct or mis-selling practices for further review. This enables banks to process hundreds of hours of audio within less than 1 hour, whilst operating 24/7. Callinter helps banks scale the examination rate by 20 times, increases compliance check efficiency by 2 times, and allows the risk team to take corrective measures less than 30 minutes after issues are reported. Collectively, banks can save millions of dollars and manpower, which improves their compliance services.

### **Generating added value for customer experience from existing conversations**

In addition, Fano Labs' interaction analytics deliver added value by turning the voice of customers into actionable business insights. With AI, Callinter enables contact centers in banks and financial services institutions to identify emerging trends, recurring topics, and sentiments more quickly and easily. In case any customer complaint is detected, the system can analyze the root causes behind the issues real-time, and immediately alert the service agents for early handling. It can also create new commercial opportunities from regular customer conversations. By analyzing the rich datasets of customers' preferences, needs, and feedback, Fano Labs' solutions can inform business units on critical product and service improvements. Sales representatives are able to make data-driven decisions to enhance sales processes, tailor cross-sell and up-sell strategies and proactively address customers' needs. Based on the analysis, financial institutions can boost customer satisfaction levels (CSAT), understand their customers' needs better and deliver hyper-personalized services.

### **Leveraging Language AI to Combat Fraud and Protect Society**

Banks and government agencies are working hard to stay ahead of the growing wave of fraud and phone scams. Fano Labs is addressing this in two ways. Firstly, this increase has left many of the existing communications channels for reporting real or suspected illegal activities at risk of being overwhelmed. Callinter uses AI to automatically detect relevant calls, ensuring the most urgent needs reach the risk control teams as fast as possible. With this real-time analysis, Callinter can reduce reporting time by 50%. Secondly, the solution can be used to detect identity thefts through voice recognition, and can even track down perpetrators by analyzing their speech patterns, keywords and phrases.

Fano Labs is also trusted by government authorities to collaborate on identifying common fraud activities with AI technologies. Callinter is used to accurately analyze audio records during criminal investigations, with its results being used as forensic evidence in prosecution proceedings. Fano Labs is also performing ongoing research on the application of AI to identify potential deepfake attacks.

### **Embarking on the Next Phase of International Growth, Backed by Investors' Confidence**

Dr. Miles Wen, the co-founder & CEO of Fano Labs said, "We are thrilled to receive strong support from Openspace Ventures, HSBC, and Greater Good Investment, which will fuel our expansion into the dynamic APAC market. We also appreciate the confidence from our existing shareholders including Horizon Ventures and Saltagen Ventures. By establishing our office in Singapore and leveraging our expertise in multilingual and Mixed-Language Speech Recognition, we are well-positioned to drive innovation and deliver impactful solutions that address the evolving needs of our customers in the APAC region."

Openspace Ventures also expressed confidence in Fano Labs' growth trajectory. "Fano Labs' dedication to innovation and its proven track record in the AI space make them an exciting investment opportunity. We believe that Fano's expansion into the APAC market will unlock new avenues for growth and reinforce its position as a leader in the industry," said Jessica Huang Pouleur, Partner, Openspace Ventures.

Commenting on the partnership, Ian Glasner, Group Head of Innovation, Ventures, and Digital Partnerships at HSBC said, "Artificial intelligence presents enormous opportunities to improve the way we work and how we serve our customers. Our investment is underpinned by a belief that Fano Labs' Voice AI technology can drive major improvements in key banking operations and customer servicing quality. We are proud to be supporting the Hong Kong tech ecosystem and we look forward to witnessing Fano Labs' continued success."

Greater Good Investment, established by the co-founders of the global apparel manufacturing leader Crystal International Group Limited, is excited to join a group of esteemed investors in fuelling the next journey of Fano Labs. "Fano Labs has consistently demonstrated its commitment to innovation and pioneering technologies for its clients. We are excited to be part of this dynamic and promising venture," stated Mr. and Mrs. Kenneth Lo, directors of Greater Good Investment.

With the latest funding secured and strategic expansion plans underway, Fano Labs is in a prime position to grow in new international markets and continue its journey of innovation, solidifying its position as a global leader in language AI research and technology.



**Photo 1:** Co-founder and CEO of Fano Labs Dr. Miles Wen (left) and co-founder Professor Victor O.K. Li (right).

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### **About Fano Labs**

Founded in 2015, Fano Labs is a language artificial intelligence company specialising in developing Automatic Speech Recognition, Speaker Diarization, Speaker Verification, and Natural Language Processing technologies for multilingual environments. Fano Lab's AI solutions have been widely adopted in banks and financial services, insurance, telecom, utilities, government, regulators, and public sectors.

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