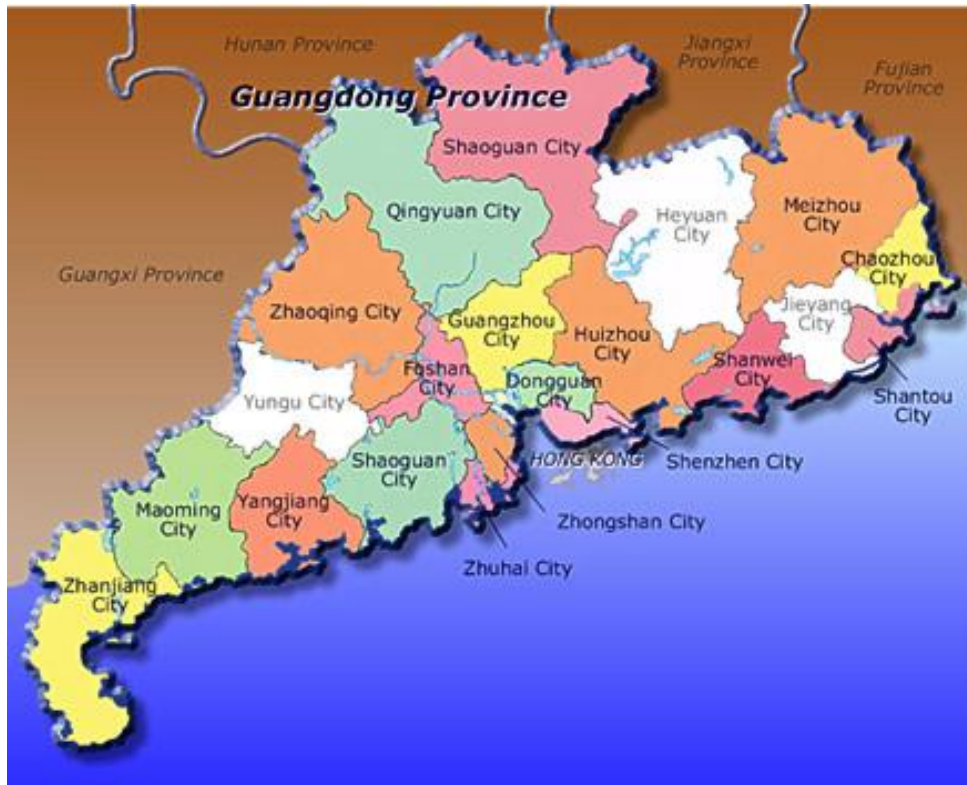


ADVANTAGES OF INCORPORATING A TRADING COMPANY IN HONG KONG AND STRUCTURING CHINA INVESTMENTS VIA HONG KONG



Map of Guangdong province, China, and Hong Kong, SAR

HONG KONG

(trading company incorporated
in Hong Kong, SAR)



CHINA

(trading company incorporated
in Guangzhou, Guangdong
province, China)



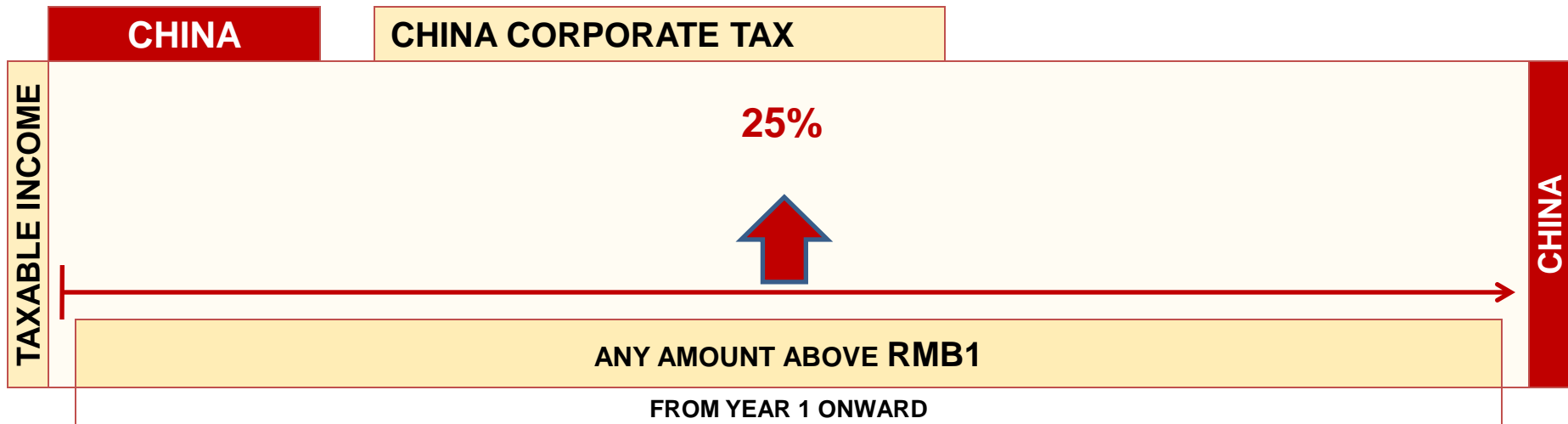
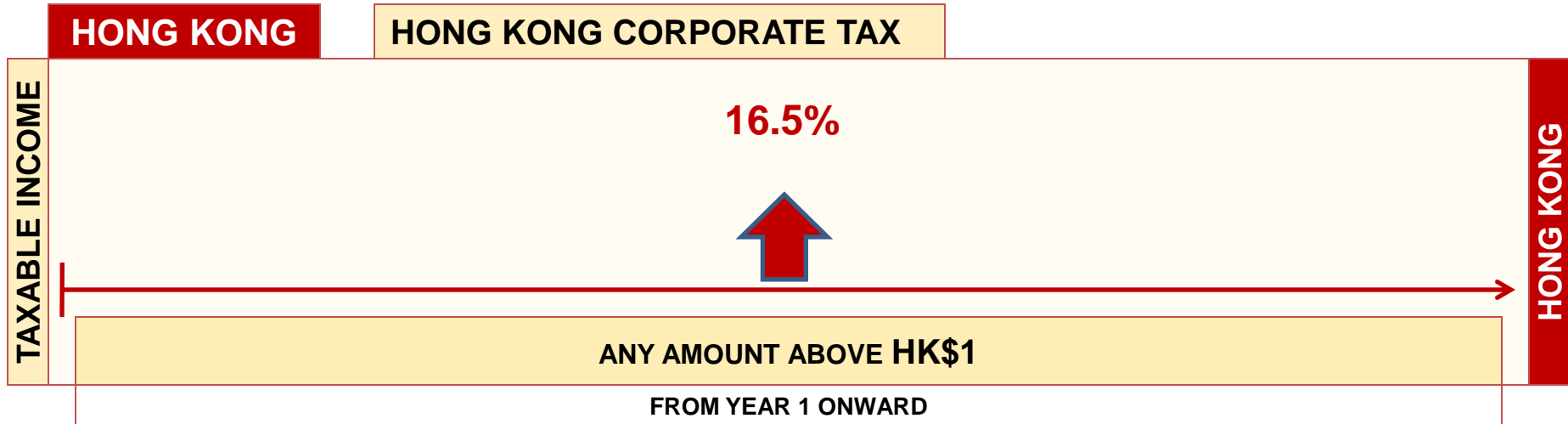
INCORPORATING A TRADING COMPANY IN HONG KONG & CHINA AT A SNAPSHOT

Incorporating a Trading Company in Hong Kong & China at a snapshot

CATEGORY	HONG KONG	CHINA
TYPE OF COMPANY	HONG KONG LIMITED COMPANY	CHINA LIMITED COMPANY
MINIMUM REGISTERED CAPITAL (PAID UP CAPITAL)	<p>HK\$1</p> <p>= ca. US\$0.12 = ca. €0.10</p>	<p>RMB1,000,000</p> <p>= ca. US\$157,000 = ca. €125,000</p>
<p>HONG KONG LIMITED COMPANY</p> <p>▶ EVERY COMPANY DOING TRADE AND BUSINESS</p>		
<p>CHINA LIMITED COMPANY:</p> <p>FICE: FOREIGN INVESTED COMMERCIAL ENTERPRISE</p> <p>▶ TRADING COMPANY <u>with Import/Export rights</u></p> <p>▶ MANUFACTURING ENTERPRISE <u>with Import/Export rights</u></p>		<p>RMB100,000</p> <p>= ca. US\$15,700 = ca. €12,500</p>
<p>CHINA LIMITED COMPANY:</p> <p>WFOE: WHOLLY FOREIGN OWNED ENTERPRISE</p> <p>▶ CONSULTING COMPANY <u>with no Import/Export rights</u></p>		
REGISTRATION TIME	1 WEEK	90 DAYS
CORPORATE TAX	16.5%	25%
TAX ON CAPITAL GAINS	NO TAX	20%
VAT	NO VAT	17%
ONE OF THE MANY ADVANTAGES OF A HONG KONG COMPANY:	IT'S EASIER AND FASTER TO STABLISH A JOINT-VENTURE IN CHINA IF PARENT COMPANY IS A HONG KONG-COMPANY	

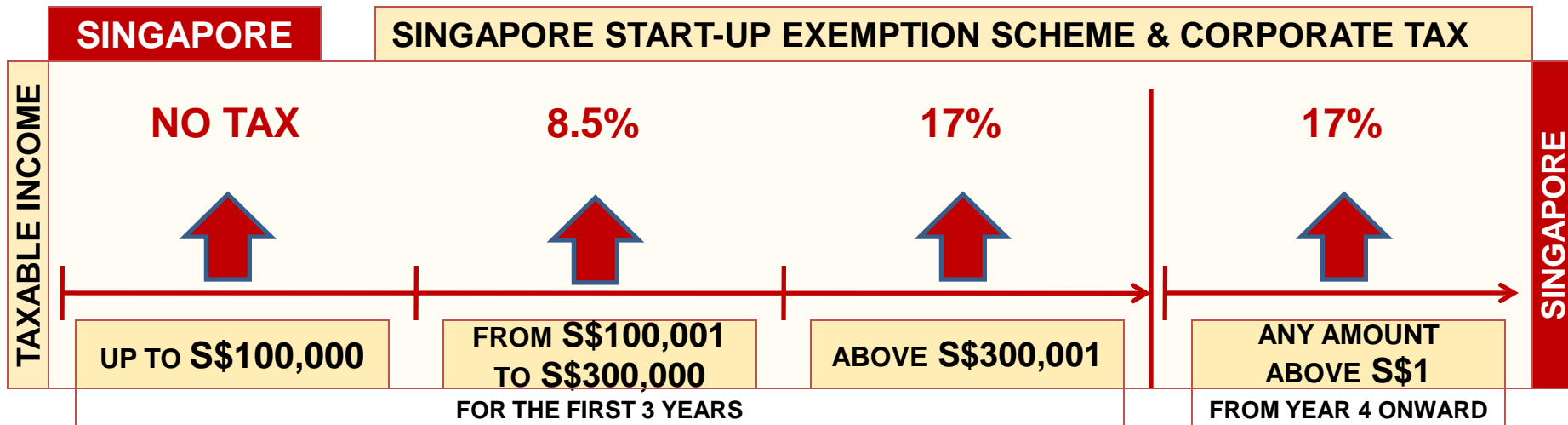
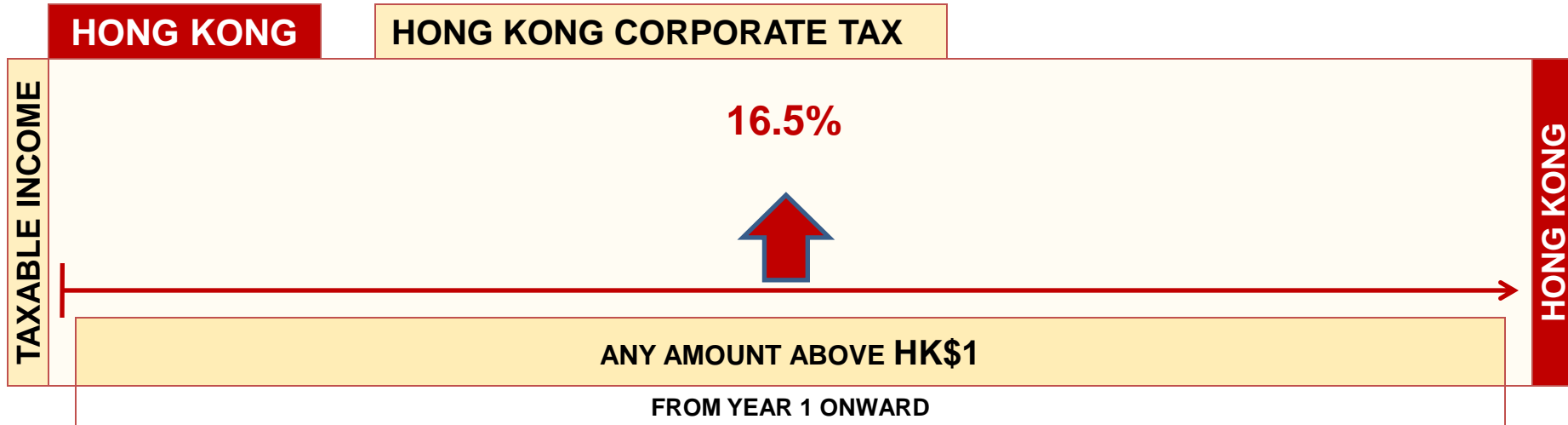
Corporate Tax: Hong Kong & China

CORPORATE TAX:
COMPARING
HONG KONG & CHINA



Corporate Tax: Hong Kong & Singapore

CORPORATE TAX: COMPARING HONG KONG & SINGAPORE



**BUSINESS ENVIRONMENT:
HONG KONG & CHINA
AT A SNAPSHOT**

**Business Environment:
Hong Kong & China at a snapshot**

CATEGORY & RANKING	HONG KONG	CHINA	SOURCE
WORLD'S EASIEST PLACE TO DO BUSINESS	2	91	World Bank report, 2012
MOST COMPETITIVE ECONOMY	1	19	IMD World Competitiveness Yearbook 2011
WORLD'S FREEST ECONOMY	1	138	Heritage Foundation: Index of Economic Freedom
EASE OF PAYING TAXES	3	121	PWC Paying Taxes 2011
NATION WITH THE HIGHEST PUBLIC TRUST OF POLITICIANS	22	26	World Economic Forum: Global Competitiveness Report 2011-2012
TRANSPARENCY OF GOVERNMENT POLICYMAKING	2	41	World Economic Forum: Global Competitiveness Report 2011-2012
BURDEN OF GOVERNMENT REGULATION	3	21	World Economic Forum: Global Competitiveness Report 2011-2012
WASTEFULNESS OF GOVERNMENT SPENDING	13	30	World Economic Forum: Global Competitiveness Report 2011-2012
BEST QUALITY OF OVERALL INFRASTRUCTURE	4	69	World Economic Forum: Global Competitiveness Report 2011-2012
BEST QUALITY FOR AIRPORT AND AIR TRANSPORT INFRASTRUCTURE	2	72	World Economic Forum: Global Competitiveness Report 2011-2012
BEST QUALITY FOR PORT INFRASTRUCTURE	3	56	World Economic Forum: Global Competitiveness Report 2011-2012
WORLD'S MOST EFFICIENT LEGAL FRAMEWORK IN SETTING DISPUTES	5	42	World Economic Forum: Global Competitiveness Report 2011-2012

BUSINESS OVERVIEW

HONG KONG

Hong Kong has a free market highly dependent on international trade and finance, featuring a modern sophisticated commercial infrastructure, and an efficient wholesale and retail network catering to the growing consumption needs of an affluent population. The Hong Kong Government is promoting the SAR (Special Administrative Region) as the site for Chinese Renminbi internationalization, and the closer integration with China has contributed to strengthen the Hong Kong economy. Hong Kong is a service-based economy, with the services sector accounting for more than 90 percent of total GDP, as most of its manufacturing sector relocated to mainland China.

CHINA

In 2010, China overtook Japan to become the world's second-largest economy in terms of GDP, behind the US. The opening up of China to the outside world, along with economic reforms, have transformed Chinese society, resulting in the largest reduction of poverty and one of the fastest increases in income levels ever seen. China has the fastest-growing manufacturing sector in the world and has become the preferred destination for the relocation of global manufacturing facilities.

China is also the world's fastest growing Luxury market, ranking #3 in 2012 at US\$20 billion, after the US and Japan markets.

KEY ECONOMIC INDICATORS (based on 2012 estimate)

HONG KONG

Population:	7,182,724 (est. Jul 2013)
GDP:	US\$375.5 billion (world rank #36)
GDP Growth Rate:	1.4% (world rank #150)
GDP Per Capita:	US\$52,300 (world rank #13)
Inflation:	4.1% (world rank #115)
Total Exports:	US\$464.6 billion (world rank #12)
Total Imports:	US\$497.4 billion (world rank #10)
Currency:	Hong Kong dollar (1 US\$ = 7.75 HK\$ - 1 € = 10.49 HK\$)

CHINA

Population:	1,349,585,838 (est. Jul 2013)
GDP:	US\$12,61 billion (world rank #2)
GDP Growth Rate:	7.8% (world rank #20)
GDP Per Capita:	US\$9,300 (world rank #124)
Inflation:	2.6% (world rank #68)
Total Exports:	US\$2.057 trillion (world rank #1)
Total Imports:	US\$1.735 trillion (world rank #2)
Currency:	Renminbi (1 US\$ = 6.12 CNY - 1 € = 8.28 CNY)

HONG KONG & CHINA: BUSINESS OVERVIEW

KEY ECONOMIC INDICATORS (based on 2011 estimate)

HONG KONG

Key Industries:

Luxury, Hospitality, Financial Services, Electronics, Toys, Watches, Textiles

Infrastructures:

Hong Kong Chek Lap Kok international airport is a major air hub in Asia, and the 12th busiest international airport worldwide, handling over 56 million passengers in 2012, and for 50 times it has been voted world's best airport. Hong Kong airport is the main gateway to mainland China offering integrated multi-modal transport network with China. The Port of Hong Kong is one of the busiest ports in the world in the 3 categories of shipping movements, cargo handled, and passenger carried. A well-developed road transport network featuring 2,067 km. of paved roadways.

CHINA

mining and ore processing, iron, steel and other metals, textiles & apparel, electronics, toys, consumer products, automobiles, food processing, chemicals, petroleum, telecommunication

507 airports of which 463 with paved runways. 182 open to commercial aviation, and 82 new airports under construction.

7 major seaports: Dalian, Ningbo, Qingdao, Qinhuangdao, Shanghai, Shenzhen, Tianjin

1 major river port: Guangzhou

6 container ports: Dalian, Guangzhou, Ningbo, Shanghai, Shenzhen, Tianjin

110,000 km. of navigable waterways

86,000 km. of railways including the world's highest railway linking Lhasa, the capital of Tibet to the rest of China.

BUSINESS OPPORTUNITIES:



HONG KONG

Luxury Goods, Organic Food & Wine, Design & Home Décor, Tourism & Hospitality, Real Estate & Construction, Executive, Education, Creative Services, Natural Health Products, Pharma & Biotechnology, Green Tech, JV, FDI

CHINA

Luxury Goods, Organic Food & Wine, Design & Home Décor, Tourism & Hospitality, Real Estate & Construction, Executive, Education, Creative Services, Natural Health Products, Pharma & Biotechnology, Green Tech, JV, FDI

FOR MORE INFO ON:

- **ADVANTAGES OF INCORPORATING IN HONG KONG AND STRUCTURING CHINA INVESTMENTS VIA HONG KONG**
- **MARKET ENTRY / INTERNATIONALIZATION / JOINT-VENTURE PLANS IN ASIA**
- **BUSINESS DEVELOPMENT PLANS IN ASIA**
- **FDI (FOREIGN DIRECT INVESTMENT) OPPORTUNITIES IN ASIA**
- **SINGAPORE COMPANY REGISTRATION**
- **HONG KONG COMPANY REGISTRATION**



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