



Invest**HK**

The Government of the Hong Kong
Special Administrative Region

HONG KONG – WHERE BUSINESS GOES TO GROW

Core Advantages ■

- “One country, Two systems”: Hong Kong is part of Mainland China but has its own legal and tax systems and separate customs, immigration, police and anti-corruption jurisdictions
- Rule of law: underpinned by an independent judiciary; a leading legal services hub and dispute resolution centre
- Clean and efficient government, strong public finances
- One of the safest cities in the world
- Freest economy by Heritage Foundation for 24 consecutive years
- Strong international talent pool
- Tax regime: low, simple and competitive
 - Two-tiered profits tax: 8.25% for the first HK \$2million profits, thereafter at 16.5% (effective from 1 April 2018)
 - Property tax: 15%
 - Salaries tax: maximum 15%
 - “Super deductions” on specific areas, e.g. Research & Development, Corporate Treasury Centre, aircraft leasing
 - No sales tax or VAT, withholding tax, capital gains tax, tax on dividends, estate tax

Connectivity

- Proximity to Mainland China
- Within a five-hour flight from half the world's population
- International logistics hub
- One of the world's busiest and most efficient container ports



Air Connectivity

- Over 100 airlines operating flights to over 220 destinations worldwide including over 50 Mainland cities
- 72 million passengers travel every year through the award-winning Hong Kong International Airport
- Third Runway system now under construction, will be able to take over 100 million passengers upon completion

Infrastructure Connectivity

- Hong Kong-Zhuhai-Macao Bridge: shorten travelling time between Hong Kong and western part of Guangdong to 45 minutes
- Guangdong-Shenzhen-Hong Kong high-speed rail: travelling time between West Kowloon Station and Guangzhou is only 48 minutes
- Seventh land-based boundary control point: Heung Yuen Wai in Hong Kong and Liantang on the Shenzhen side

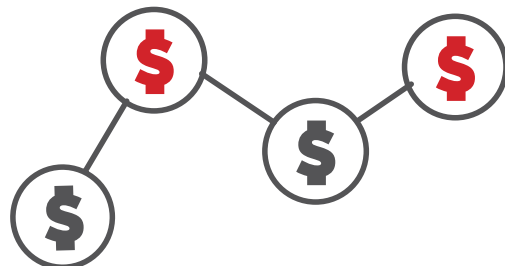


Digital Connectivity

- Home to major data centres (e.g. Amazon, Google)
- Blueprint on Smart City

Financial Connectivity

- Global offshore renminbi trade settlement, financing and asset management service centre
- Shanghai-Hong Kong Stock Connect
- Shenzhen-Hong Kong Stock Connect
- Mutual recognition of funds
- Bond Connect



Growth Opportunities ■



Belt and Road Initiative

- Signed an Arrangement with the National Development and Reform Commission
- Six key areas are covered: finance and investment; infrastructure and maritime services; economic and trade facilitation; people-to-people bonds; taking forward the Guangdong-Hong Kong-Macao Bay Area Development; and enhancing collaboration in project interfacing and dispute resolution services



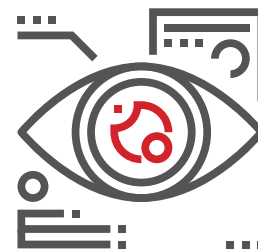
Free Trade Agreement with ASEAN

- Tariff reduction: reduce or eliminate customs on goods of Hong Kong origin
- Fewer restrictions: lifting the cap on foreign ownership to more than 50 percent in many sectors of individual ASEAN markets
- Entry and stay: Hong Kong business visitors to stay up to 90 days in individual ASEAN markets
- Investment protection: fair treatment on Hong Kong investments and enhanced protection against non-commercial risks



Guangdong-Hong Kong-Macao Bay Area

- Comprises Hong Kong, Macao and nine Guangdong cities with a population of 68 million and a combined GDP of US\$1.5 trillion
- To promote economic integration in the area and to develop external links in order to establish a significant position in the global economy



Innovation and Technology

- Focus on AI and robotics, FinTech, Smart City and healthy aging/biomedicine
- HK\$20 billion for the first phase of the Hong Kong-Shenzhen Innovation and Technology Park in the Lok Ma Chau Loop
- Technology Talent Scheme: HK\$500 million
- Innovation and Technology Venture Fund Scheme: HK\$2 billion
- Smart City development: HK\$700 million
- Technology Talent Admission Scheme (TechTAS)

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For more information, please contact

Invest Hong Kong
Head Office

25/F, Fairmont House
8 Cotton Tree Drive
Central, Hong Kong

Tel: (852) 3107 1000

Fax: (852) 3107 9007

Email: enq@investhk.gov.hk

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