

Hong Kong & Mainland China News – July-2015

SAR takes world top spot for IPOs

By thestandard.com.hk

Thursday, July 2, 2015

Hong Kong surpassed Shanghai and New York to become the world's largest initial public offering spot in the first half, raising HK\$129.4 billion, consulting firm Deloitte China said yesterday.

The Shanghai Stock Exchange came second with 78 IPOs raising HK\$128.7 billion, it said. Hong Kong topped the global IPO proceeds table as many of the 46 firms raising money on the local bourse exercised their over-allotment options.

The firm foresees more than 10 large IPOs, each raising more than HK\$10 billion, on the local bourse in the near term, with most hailing from the financial sector.

They may include China's first investment bank China International Capital Corporation, the country's biggest bad-debt manager China Huarong Asset Management, and China Reinsurance Group all earlier reported to be seeking listings in the second half.

Deloitte expects Hong Kong to rank as the largest IPO market this year for the first time in at least four years.

Sky Light Holdings (3882) is set to become the first listing in the second half, as it debuts today after gaining HK\$10 on the gray market yesterday.

Its shares ended 0.3 percent above its offer price at HK\$3.39 on Bright Smart platform. Investors stood to gain HK\$10 for one board lot of 1,000 shares. But the shares stayed flat on Phillip Securities platform.

The main producer of action camera GoPro priced its shares at the higher end at HK\$3.38 apiece after it was oversubscribed 84 times in retail tranche.

Meanwhile, bookbuilding of two mainland firms, which started their public offering on June 30, was lukewarm.

Lozenges producer Golden Throat Holdings Group Company received HK\$2.8 million worth of margin orders from four brokers. Its target was HK\$114 million.

Drugstore chain operator Zhongzhi Pharmaceutical Holdings also failed to get enough subscription on the first day. It got HK\$423,000 worth of margin orders through margin financing, compared with its target of HK\$61.6 million in retail tranche.

HK-Japan tax accord starts

By news.gov.hk

Monday, July 6, 2015

The agreement constituted by the exchange of notes between Hong Kong and Japan regarding the Exchange of Information Article of the Comprehensive Avoidance of Double Taxation Agreement between the two jurisdictions came into force today.

The notes were exchanged in December.

The agreement came into force after the completion of ratification procedures on both sides.

It will have effect in respect of Hong Kong tax for any year of assessment from April 1 next year.

HK can aid Mainland's financial development

By news.gov.hk

Thursday, July 9, 2015

Chief Executive CY Leung says Hong Kong's financial market is mature and comprehensive, and can help to promote the Mainland's financial development.

Speaking during a Legislative Council question-and-answer session this morning, Mr Leung said Hong Kong's financial market operated smoothly even as the market had fluctuated in recent days, an affirmation of its comprehensive regulatory regime.

The city can provide the know-how and expertise to assist in bolstering Mainland financial markets.

The Central Government has honored Hong Kong as the national financial, trade and maritime centre in its national 12th five-year plan, and the Government is discussing with Mainland authorities the ways Hong Kong can continue to shoulder these roles in the 13th five-year plan.

Mr Leung also said the Government will continue to discuss with Mainland authorities the implementation of the Shenzhen-Hong Kong Stock Connect.

InvestHK assists record number of firms

By news.gov.hk

Thursday, July 9, 2015

Invest Hong Kong assisted 260 overseas and Mainland companies to set up or expand in Hong Kong in the first half of 2015, representing a 17% rise over the same period last year and setting a new mid-year record.

Announcing the department's interim figures at a press conference today, Director-General of Investment Promotion Simon Galpin said he was particularly encouraged by the record 2,624 new jobs expected to be created by the companies, which represents a 73% increase over last year's figure.

He said it was reassuring to see the number of companies assisted by InvestHK continues to rise and that these Mainland and overseas companies are creating a growing number of new jobs in Hong Kong.

Mr Galpin added that the department was confident of meeting its annual target of assisting 370 companies this year, as Asia continues to be a magnet for multinationals as well as individual founders and entrepreneurs.

The 260 companies came from 32 economies. Mainland China was the largest source with a total of 52 companies, followed by the US with 36, the UK with 26, Japan with 20 and France with 16.

In terms of start-ups, InvestHK assisted 54 founders and entrepreneurs to set up businesses in Hong Kong for the first six months of 2015, compared to 39 start-ups more than a year ago.

The start-ups came mainly from the US, France and the UK, including those in the Internet of things and financial technology industries.

New local companies rise

By news.gov.hk

Sunday, July 12, 2015

A total of 70,894 local companies were newly incorporated in the first half of this year, with 17,781 companies incorporated online via e-Registry, the Companies Registry announced today.

Registrar of Companies Ada Chung said the full-scale electronic filing service launched on March 3 facilitated company information reporting and disclosure, as well as delivered efficiency improvements for companies.

As at the end of June, the total number of live local companies registered was 1,279,819, up 7,126 from the figure at the end of 2014.

For non-Hong Kong companies that have established a place of business in Hong Kong, 416 companies were newly registered in the first half of this year, slightly down on the 418 in the second half of 2014. The total number of registered non-Hong Kong companies reached 9,850 by the end of June.

Ms Chung also noted that the smooth implementation of the new Companies Ordinance since March last year has benefited the business community.

China's 7% second quarter growth beats expectations

By bbc.com

Wednesday, July 15, 2015

Growth in the world's second largest economy, China, beat expectations in the second quarter, but it was still the weakest showing since the global financial crisis.

The economy grew 7% from a year ago - matching growth in the first three months of the year, which was the lowest since 2009 when it fell to 6.6%.

A weaker property market and factory production have hampered growth.

But, Beijing has rolled out a series of stimulus measures amid the slowdown.

The central bank cut interest rates for the fourth time since November last month to boost economic activity.

Economists are, however, continuing to call for more easing despite the better-than-expected numbers as volatility in the stock markets has sparked concerns of financial turmoil in the country.

Growth was expected to dip below the 7% mark and come in at 6.9% for the April to June quarter.

Tax amendment bill gazetted

By news.gov.hk
Friday, July 17, 2015

The Inland Revenue (Amendment) (No.2) Ordinance 2015 was published in the Gazette today, which seeks to extend profits tax exemption for offshore funds to private equity funds.

With the amendment implemented, transactions conducted by offshore private equity funds in respect of securities of eligible overseas portfolio companies will be able to enjoy profits tax exemption.

By providing clear tax exemption to specified transactions conducted by offshore private equity funds or their special purpose vehicles, the change will attract more private equity fund managers to expand their business in Hong Kong and hire local asset management, investment and advisory services, which will be conducive to the further development of the asset management industry.

Under the amendment ordinance, offshore private equity funds must carry out specified transactions through corporations licensed by the Securities & Futures Commission or fulfill conditions to qualify for profits tax exemption.

LME gets nod on offshore yuan

By thestandard.com.hk
Wednesday, July 29, 2015

The London Metal Exchange's clearing house will from next Tuesday accept offshore yuan as cash collateral, a step that will advance China's ambition to see its currency used more widely in international trade.

The move follows regulatory approval by the Bank Of England, said LME, owned by Hong Kong Exchanges and Clearing (0388).

"The renminbi is on its way to becoming one of the world's most widely used currencies, and we are pleased to help our members take advantage of the opportunities arising from the renminbi's internationalization," said Trevor Spanner, chief executive of LME Clear.

LME Clear already accepts US dollar, sterling, euro and yen as cash collateral.

Members of the clearing house have been calling for the exchange to extend the list of accepted cash collateral to include offshore yuan, which unlike the onshore yuan is freely tradable.

BOCI Global Commodities will be the first LME Clear member to submit offshore yuan collateral.

Global transaction services organization SWIFT said in January the yuan was now one of the top five payment currencies alongside the US dollar, euro, sterling and yen.