

## **Hong Kong & Mainland China News – May-2019**

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### **HK, Mainland sign medicine pacts**

By [www.news.gov.hk](http://www.news.gov.hk)

Tuesday, May 7, 2019

Secretary for Food & Health Prof Sophia Chan today met National Medical Products Administration (NMPA) Director Jiao Hong at the Central Government Offices.

Prof Chan and Ms Jiao signed two co-operation agreements concerning the regulation of drugs and the Chinese Medicines Herbarium.

During the meeting, they spoke about the feasibility of collaboration between the Food & Health Bureau and the NMPA in the development of the Guangdong-Hong Kong-Macao Greater Bay Area.

“The Government of the Hong Kong Special Administrative Region looks forward to attracting local and multinational pharmaceutical and biomedical and health technology companies to apply for registration of new pharmaceutical products in Hong Kong and to introduce medical devices to Hong Kong.

“We encourage these companies to expand their business in Hong Kong and the Greater Bay Area, benefiting patients in need in the two places.”

She added the HKSAR Government is also actively planning to establish a permanent Government Chinese Medicines Testing Institute, which includes the setting up of the Chinese Medicines Herbarium to collect Chinese medicinal materials.

“With the signing of Co-operation Agreement on Construction, Research & Management of Chinese Medicines Herbarium, Hong Kong and the Mainland will formulate a systematic Chinese Materia Medica specimen collection programme with a view to improving the collection of the Chinese medicines herbarium of the two places.”

## **HK goods get tariff-free entry to Singapore under Asean trade pact**

By [www.thestandard.com.hk](http://www.thestandard.com.hk)

Thursday, May 9, 2019

Hong Kong goods exports will be allowed in duty free to Singapore under a free trade pact between Hong Kong and the Association of Southeast Asian Nations, which becomes effective on June 11.

Three ASEAN member states, Myanmar, Singapore and Thailand, are parties to the free trade deal.

Hong Kong and Asean signed the free trade agreement and an investment agreement at end of 2017.

Myanmar and Thailand will progressively eliminate and reduce customs duties on goods originating from Hong Kong. The tariff reductions cover Hong Kong commodities, including jewelry, apparel and clothing accessories, watches and clocks, and toys.

Asean comprises 10 member states, namely Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

## **Four new virtual bank licensees promise 'inclusion'**

By [www.thestandard.com.hk](http://www.thestandard.com.hk)

Thursday, May 9, 2019

Ant SME Services, whose parent Ant Financial launched Alipay in 2004, said today it was honored to be licensed by the Hong Kong Monetary Authority to operate a virtual bank.

Infinium Limited, invested by Tencent (0700), Industrial and Commercial Bank of China (Asia), Hong Kong Exchanges and Clearing (0388), and Adrian Cheng Chi-kong, the executive vice-chairman and general manager of New World Development (0017) etc, was also granted a virtual banking license today. It aims to leverage advanced technology and the new applications of fintech to promote financial inclusion in Hong Kong and to bring customers and enterprises a secure virtual banking experience.

Its investors like Tencent has been operating WeChat Pay HK in Hong Kong and providing integrated fintech services in China.

Insight Fintech, jointly established by Xiaomi Corporation (1810) and AMTD Group, said its virtual banking services will be launched in six months, focusing on financial inclusion and innovation.

Ping An Insurance's (2318) PingAn One Connect expects to use artificial intelligence and blockchain to provide citizens and small businesses with financial services. It expects to begin services in six to nine months.

## **HKMA, Bank of Thailand to join hands in fintech projects**

By [www.thestandard.com.hk](http://www.thestandard.com.hk)

Tuesday, May 14, 2019

The Hong Kong Monetary Authority and the Bank of Thailand signed a memorandum of understanding on May 12 to promote financial innovation.

The pact was signed by the Chief Executive of the HKMA, Norman Chan Tak-lam, and BOT Governor, Veerathai Santiprabhob, in Basel, Switzerland.

The HKMA and the BOT is to collaborate on referral of innovative businesses, information and experience sharing, and joint innovation projects.

One potential collaboration under consideration by the two authorities is a joint research project on central bank digital currency to which they may use knowledge and experience gained from their respective research studies, namely Project LionRock of the HKMA and Project Inthanon of the BOT.

## **HK-ASEAN pact to take effect**

By [www.news.gov.hk](http://www.news.gov.hk)

Thursday, May 16, 2019

The commitments relating to Hong Kong and five Association of Southeast Asian Nations (ASEAN) member states under the Investment Agreement between Hong Kong & ASEAN will enter into force on June 17.

Upon the agreement's implementation, Laos, Myanmar, Singapore, Thailand and Vietnam will provide Hong Kong enterprises investing in their areas with fair and equitable treatment of their investments, physical protection and security of their investments, and the assurance on the free transfer of their investments and returns.

Meanwhile, commitments relating to two more ASEAN member states, namely Laos and Vietnam, under the Free Trade Agreement between Hong Kong & ASEAN will enter into force on June 11.

Tariff reduction commitments under the agreement cover various kinds of Hong Kong commodities including jewellery, articles of apparel and clothing accessories, watches and clocks and toys.

Hong Kong and ASEAN signed the Free Trade Agreement and the Investment Agreement at the end of 2017.

The dates of entry into force for the remaining five ASEAN member states of Brunei Darussalam, Cambodia, Indonesia, Malaysia and the Philippines, will be announced as soon as they are confirmed.

## **Green bond offering successful**

By [www.news.gov.hk](http://www.news.gov.hk)

Wednesday, May 22, 2019

The Government today announced the successful offering of its inaugural green bond under the Government Green Bond Programme.

The green bond, with an issuance size of US\$1 billion and a 5-year tenor, sets an important new benchmark for potential issuers in Hong Kong and the region.

It saw strong demand from global investors, attracting orders exceeding US\$4 billion, which was more than four times the issuance size.

Orders were received from more than 100 global institutional investors, and 50% of the green bond was distributed to Asia, 27% to Europe and 23% to the US.

By investor type, 29% was distributed to banks, 30% to fund managers, private banks and insurance companies, and 41% to sovereign wealth funds, central banks and supranationals.

Proceeds raised under the programme will be credited to the Capital Works Reserve Fund to finance public works projects that provide environmental benefits and support the sustainable development of Hong Kong.

Financial Secretary Paul Chan said the Government is pleased to see such strong demand for its inaugural green bond.

“The favourable response from global investors indicates not only their recognition of Hong Kong’s credit strength but also their support of Hong Kong’s determination and efforts in promoting sustainable development and combatting climate change.”

The green bond is expected to be settled on May 28 and listed on the Hong Kong Stock Exchange and the London Stock Exchange.

## Alibaba turning again to Hong Kong

By [www.thestandard.com.hk](http://www.thestandard.com.hk)

Wednesday, May 29, 2019

Five years after Alibaba spurned the city's stock exchange for a US\$25 billion (HK\$195 billion) initial public offering in New York, the Chinese e-commerce giant is said to be mulling a second listing in Hong Kong that would raise US\$20 billion from investors.

The deal would mark a major victory Hong Kong, which rewrote its stock-market rules after failing to attract Alibaba in 2014.

The city is engaged in an increasingly crowded battle for technology listings as exchanges from Shanghai to Singapore ease their rules to attract fast-growing companies with dual-share classes and, in some cases, unproven business models.

Alibaba said it doesn't comment on market talk. A source close to the company said Alibaba has stressed it doesn't rule out the chances of listing in other markets.

If it listed in Hong Kong, it would be in line with its object of diversifying financing and increasing liquidity.

Hong Kong's move to allow dual-class shares has already had an impact, helping the city lure two of last year's hottest tech IPOs. Xiaomi and Meituan Dianping, the third-largest and seventh-largest debut offerings worldwide in 2018, both went public in Hong Kong, though their shares have since tumbled.

Alibaba, which has a market value of about US\$400 billion, has always been the biggest prize. Charles Li, the chief executive of Hong Kong Exchanges & Clearing (0388), has said repeatedly in recent years that he wants the company to list in the city.

HKEX shares rose 2.2 percent yesterday, outperforming the Hang Seng Index's 0.4 percent gain.

One development that could help Hong Kong is the fizzling of a mainland initiative to introduce so-called Chinese depository receipts, which were meant to lure tech titans like Alibaba to Shanghai.

Pursuing a Hong Kong listing could be a deft political move for Alibaba founder Jack Ma, amid an increasingly tense relationship between the United States and China.

There are still some uncertainties since if the Sino-US relationship turns good, the urgency of the second listing will decrease, said Tengard Fund Management's Shum Hing-hung.

With the CDR route closed for now, having Alibaba's shares traded in Hong Kong may be the next best option. Starting in July, investors in China will be able to buy Hong Kong-listed companies with dual-class share structures via exchange links between the two markets.

## **Economy maintains top ranking**

By [www.news.gov.hk](http://www.news.gov.hk)

Wednesday, May 29, 2019

Hong Kong was again ranked the second most competitive economy by the International Institute for Management Development in its World Competitiveness Yearbook 2019.

Responding to the report, the Government said it is committed to enhancing the competitiveness and vibrancy of Hong Kong's economy, adding the yearbook once again recognised Hong Kong as one of the most competitive economies globally.

Amid keen competition among global economies, the city must keep up the effort in consolidating its competitive advantages, including an open and free market, an efficient public sector and a favourable business environment with a level playing field, it said.

The Government added it will continue to assume the role of a facilitator and promoter, and strive to enhance government-to-government co-operation to explore more opportunities for Hong Kong.

It also said it would step up investment in infrastructure, innovation and technology, nurturing talents and increasing land supply to provide a favourable environment for Hong Kong's long-term economic development.

Out of the 63 economies assessed, Singapore ranked first, Hong Kong second, followed by the US, Switzerland and the United Arab Emirates.

Among four competitiveness factors, Hong Kong maintained the top rank in government efficiency and was ranked second in business efficiency and 10th in economic performance.