

## **Hong Kong – Leading financial hub**

Hong Kong is Asia's leading financial hub and China's premier global financial centre. Thanks to the city's sound legal system, low and simple tax regime, sophisticated financial infrastructure, and large presence of financial institutions and professionals, Hong Kong – the world's freest economy – commands a leading position across many sectors of the financial industry.



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### **IPO raising platform**

Hong Kong is Asia's second biggest IPO raising centre. In 2017, around US\$16.5 billion was raised through IPOs. Hong Kong's deep liquidity and comprehensive options for raising capital can meet different financial needs of Japanese businesses.

### **Stock Market**

The Hong Kong stock market is the third biggest in Asia, with a market capitalisation of US\$4,220 billion. As at end July 2018, nine Japanese companies were listed on the Hong Kong Stock Exchange.



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## **Banking**

There are more than 200 banking institutions operating in Hong Kong. They include 75 of the world's 100 leading banks. Fourteen banks incorporated in Japan are doing business in Hong Kong, while 14 Japan-incorporated banks maintain representative offices in the city.

## **Insurance**

Hong Kong has Asia's highest concentration of insurers – 160 at last count. Two of them are incorporated in Japan, while four are controlled by Japanese interests. These six companies together take up 5 per cent of the total premiums of the general insurance market in Hong Kong.

## **Asset Management**

Hong Kong is Asia's No 1 wealth and asset management centre, with the combined fund management business amounting to US\$3.1 trillion at end-2017. Seventy of the world's 100 leading fund managers do business in the city.



*Hong Kong is a premier banking hub, with 75 of the world's 100 leading banks doing business in the city.*

### **Easy listing platform for innovative enterprises**

Hong Kong is a friend of promising start-ups, making it easy for them to get investment funding. Biotech companies, in particular, face financial challenges, due to the long and costly journey involved in turning research into products. To enable such promising companies to get up and running, the Hong Kong Stock Exchange now allows pre-revenue biotech companies and companies with weighted voting right structures to list on the Main Board. The new listing regime also provides a route for issuers seeking a secondary listing in Hong Kong.

### **Portal for Mainland investment**

Hong Kong enjoys first-mover advantages in leveraging Mainland China's economic growth.

With the Bond Connect and Stock Connect schemes, and mutual recognition of funds between Hong Kong and the Mainland, Hong Kong serves as the unique two-way portal connecting international and Mainland investors to each other's markets.

Hong Kong is also the largest offshore RMB centre, with the world's largest offshore pool of RMB funds. Investors from Japan can make use of Hong Kong for RMB trade settlement and other RMB-related financial transactions, thus facilitating Japan's trade with Mainland China.

So far, six banks and corporations from Japan have issued RMB bonds in Hong Kong. At end May 2018, 13 participating banks on Hong Kong's RMB Clearing platform were branches and subsidiaries of Japanese banks and overseas presence of Chinese banks in Japan. Financial institutions and corporations in Japan such as ORIX Corporation and Hitachi Capital have also issued RMB bonds in Hong Kong.

Japanese enterprises are welcome to take advantage of Hong Kong's unique advantages as a financial centre.