



DARE & HABERE CONSULTING LTD.

Tax • Transaction Advisory • Dispute Support

Introduction to Hong Kong Company and Incorporation



- ❁ Hong Kong, situated at the southeastern tip of China and at the centre of East Asia, serves as the gateway to Mainland China.
- ❁ With world class infrastructure and international lifestyle.
- ❁ An international centre for trade, commerce and finance.
- ❁ Being the best and friendly place to open up China market for your business.



Type of Hong Kong Companies

- **Limited company**
- **Unlimited company**
- **Company limited by guarantee**

Other Classification

- ◆ **Private company**
- ◆ **Public company**
- ◆ **Listed company**

Compare for different type of companies



- ❑ **Statutory basis : Most are incorporated under Companies Ordinance, Cap 32**
- ❑ **Limited/Unlimited liability**
- ❑ **Shares capital structure**
- ❑ **Restrictions on shares transfer**
- ❑ **Management and governance**
- ❑ **Shareholders' rights**
- ❑ **Annual compliance requirements : documents filing and audited accounts**
- ❑ **Power of Companies Registry**

Private company is defined
in s 29(1) Companies



Ordinance
Its article:

- i. Restricted the right to transfer its shares (by pre-emption clause or directors' discretion on refusal of transfer)**
- ii. Number of members restricted to 50 (except employee/former employee)**
- iii. Prohibition on invitation to public to subscribe shares or issue debentures.**

Effects of Incorporation



- ◆ **Artificial legal person**
- ◆ **Exist indefinitely**
- ◆ **Perpetual succession**
- ◆ **Own assets**
- ◆ **Incur debts**
- ◆ **Sue and be sued**
- ◆ **Shareholders protected by limited liabilities**
- ◆ **You may set up a 'Sole Person' Company.**

The Constitutional Documents



1. **Memorandum of Association**
2. **Articles of Association**

Section 23 Companies Ordinance

- i. **Contract between a company and each member.**
- ii. **Contract between each member and among other members.**

Memorandum of Association



- **Company Name**
- **Objects (Optional)**
- **Registered address**
- **Limited by shares or by guarantee**
- **Signatures of subscriber(s)**

Articles of Association



- **Provides rules for internal administration**
- **Appointment, retirement or disqualification of directors**
- **Procedures for meetings**
- **Voting right**
- **Share transfer**
- **Pre-emptive right**
- **Dividend**
- **Surplus distribution**
- **Modification of rights**
- **Shares issue**
- **You may adopt Table A of Companies Ordinance.**

Ways to Setup



- (1) Set up a whole new company:
You can specify your preferred company name. The company can be ready for use in about 10 working days later, **OR**
- (2) Purchase a readymade shelf company by selecting a company name from our lists of shelf companies. The company can be put into use within 12 workings days. You may also change to your desired name later on.

Incorporation Requirements



- ❁ Company name: Must be unique. In English or both in English and Chinese.
- ❁ Shareholders: Minimum one (can be a nominee).
- ❁ Directors: Minimum one (can be a nominee).
- ❁ Company secretary: Must appoint a company secretary who must be a Hong Kong resident or Hong Kong company.

Incorporation Requirements



- ❁ Registered office: Must have a registered office address in Hong Kong.
- ❁ Share capital: No restriction on the minimum or maximum share capital. (Though the usual authorized capital is HK\$10,000, you can maintain a minimum HK\$1 as issued and allotted share capital.)



Compliance Requirements

- ❁ Business tax: Hong Kong profits tax is charged on profits generated in Hong Kong. (2007: 17.5%)
- ❁ Statutory Compliance: A company must observe its statutory obligations under the Companies Ordinance such as file annual returns, specific forms within the prescribed time period on an annual or other ongoing basis, and also carry out annual audit.



Dare & Habere specializes in providing tax, transaction advisory and dispute support consulting services to a wide variety of business enterprises and organisations.

Corporate Services aims to enhance the capabilities of your company acts and work as an extension of internal support and resources of your company.

Tax Services helps enterprises to deal with a multitude of tax issues ranging from preparation and structuring to dispute and appeal.

Transaction Advisory can help you gain enhanced value with information and knowledge, and identify risks and benefits for investment decision.

Dispute Support assists you in managing complex commercial disputes and guarding against unusual transactions and events that might undermine your case or performance.

You are welcome to visit our website at www.darehabere.com



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Thank you.