

# In Style - Hong Kong

## Hong Kong – Vietnam: Partnering for Prosperity

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Wallace Lam  
Managing Director, Co-head of Global Banking, Hong  
Kong, HSBC



# Hong Kong – the financial hub of choice for Vietnamese companies



1

## Business-friendly regulatory regime

- ✓ Low level of market intervention from the government
- ✓ Simple taxation structure
- ✓ No barriers of access to the market by foreign businesses
- ✓ No restrictions on foreign exchange/ capital flows into and out of Hong Kong

2

## Robust and well-tested legal framework

- ✓ A common law jurisdiction that is trusted by international companies
- ✓ English is a common legal language
- ✓ Well-established judiciary system, upholding the rule of law

3

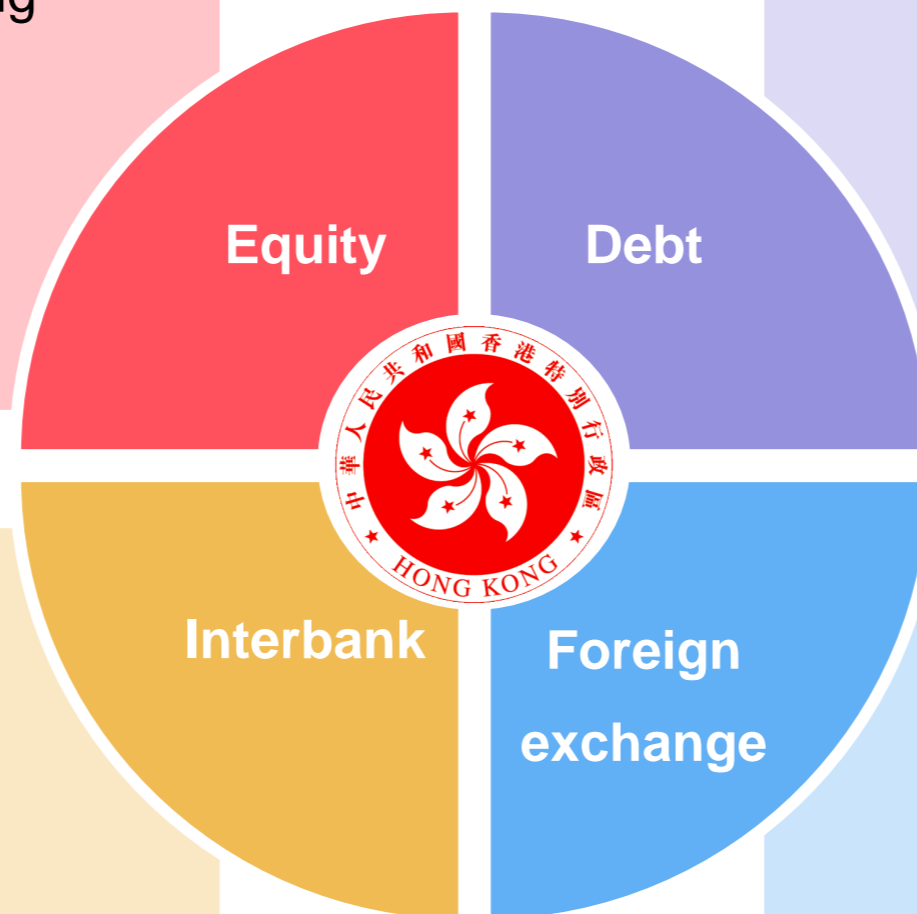
## Long experience in connecting capital

- ✓ Deep and liquid equity, debt, interbank and foreign exchange markets
- ✓ Transparent financial market regulations that are in line with international standards

## Hong Kong – deep and liquid financial markets

- As of June 2018, over **2,000** companies are listed on the Hong Kong Stock Exchange
- Total market capitalisation of **~USD4.2tn**

- Strong balance sheets of banks in Hong Kong
- As of June 2018, **~USD3.0tn of assets** and **~USD1.2tn of loan balances** in the banking system

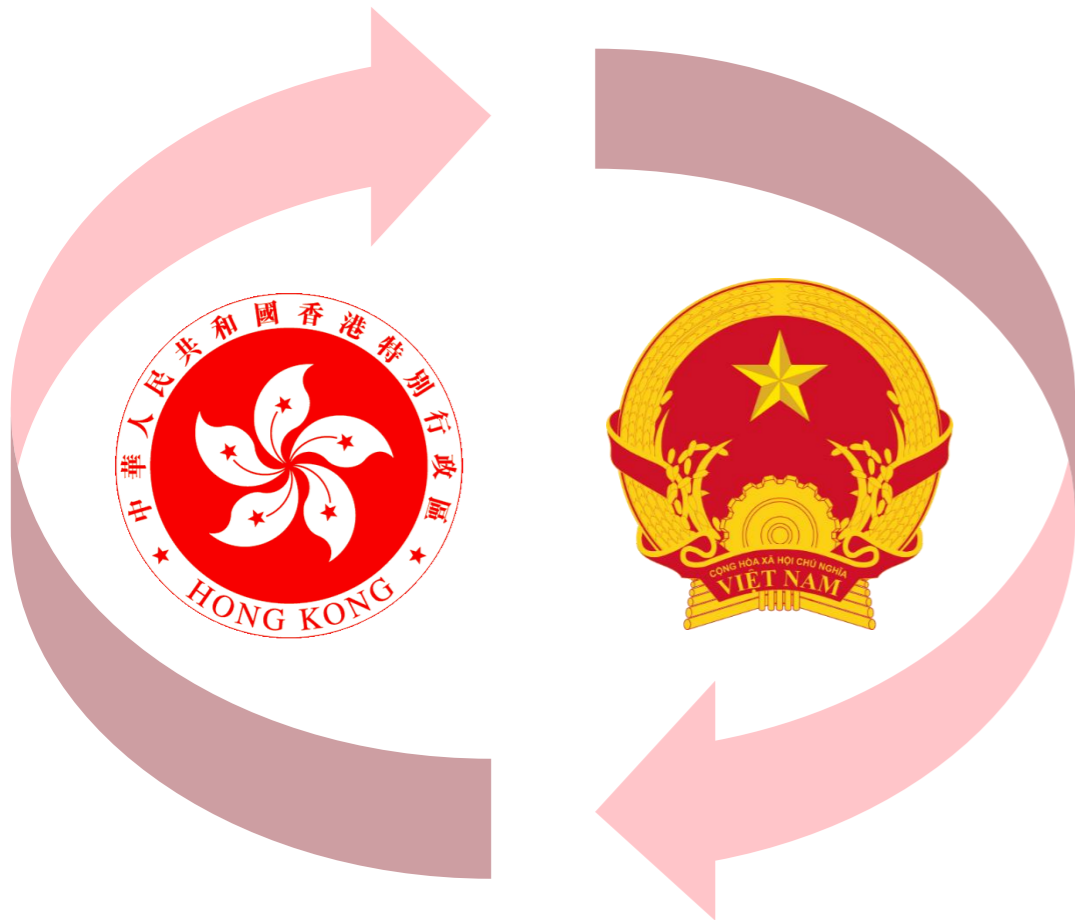


- As of June 2018, over **USD100bn** of outstanding issues in Central Moneymarkets Unit (“CMU”)
- Linked to other major exchanges, e.g. Euroclear, Clearstream

- **4<sup>th</sup> largest** foreign exchange market globally in 2016 according to the Bank for International Settlements
- Daily average volume amounted to **~USD437bn**

## Strong financial ties between Hong Kong and Vietnam

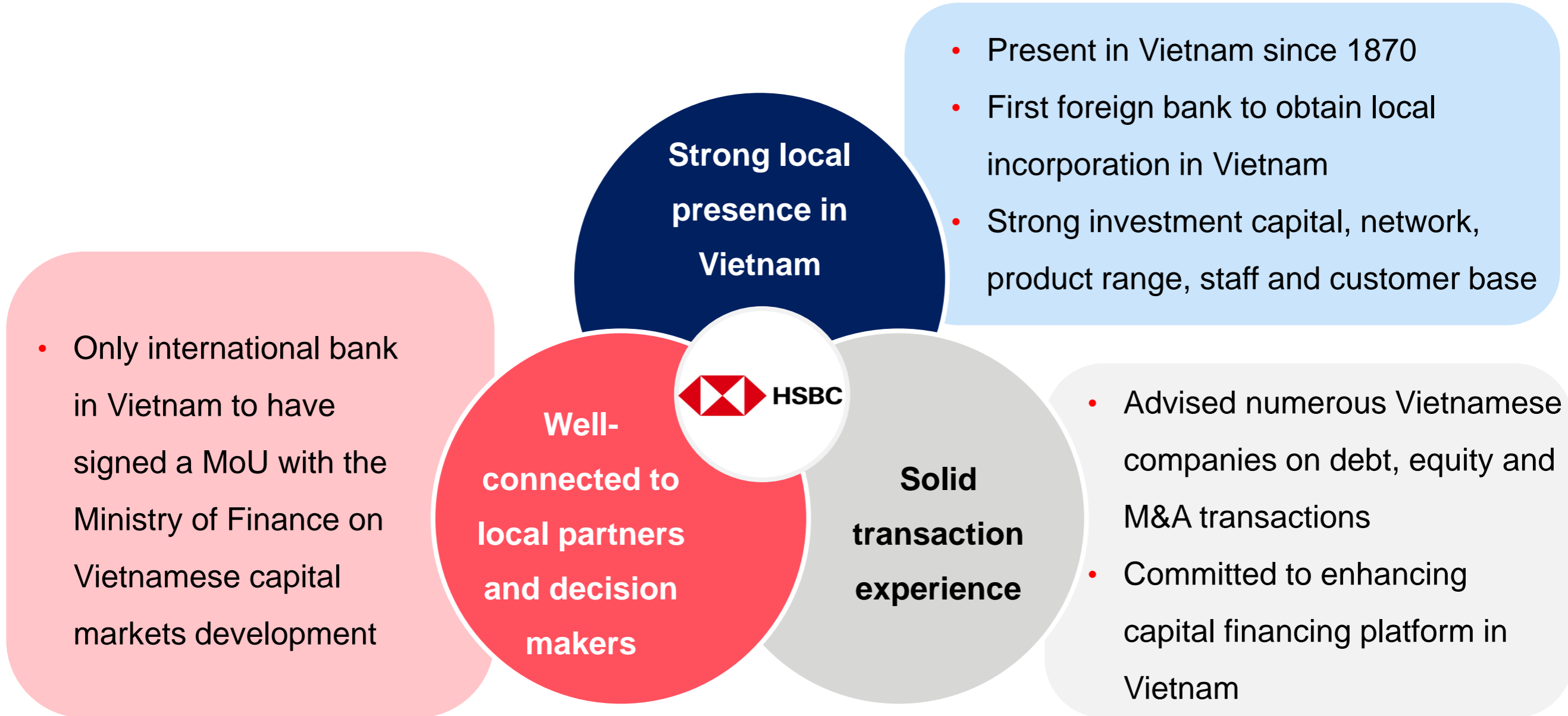
- The recent conclusion of ASEAN-Hong Kong Free Trade Agreement is expected to deepen the relationship between Hong Kong and Vietnam



### Investment

- Investors from Hong Kong have been active in the hotel, garment, and real estate industries in Vietnam
- Hong Kong is consistently listed among the **top 10** countries and territories having the biggest sources of foreign direct investment (“FDI”) into Vietnam
- As of 2017, FDI from Hong Kong into Vietnam amounted to **~USD18bn** across over 1,000 projects

# HSBC's successful business collaboration with Vietnamese companies



# Collaboration in trade



**FinanceAsia**

**Best Foreign Bank in Vietnam**



**FinanceAsia**

**Best Foreign Bank, Best Foreign Investment Bank in Vietnam**



**FinanceAsia**

**Best Foreign Bank in Vietnam**

- Hong Kong has a proven success in supporting **international trades** in Asia
- As the centre of China's **Belt-and-Road Initiative**, Hong Kong is anchored to support trades to and from Vietnam
- HSBC offers a **full suite of trade solutions** including:
  - ✓ Documentary Credits
  - ✓ Documentary Collections
  - ✓ Export and Import Finance
  - ✓ Structured Trade Finance Solutions
  - ✓ Supplier Finance Solutions
  - ✓ Shipping Guarantee
  - ✓ Factoring (Invoice Discounting)

# HSBC's unique E-solutions for trade

1

## HSBCnet-ITS

Global electronic banking platform that allows customers to initiate trade transactions and access real-time trade account information

2

## Instant@dvice

Tool to receive copies of import and export transactions by email immediately after approval

3

## Document Tracker

Enables customers to quickly track and trace trade documents internationally anytime

4

## HSBC e-PO Trader

Enables buyers to automate their payment decision process and provides suppliers with the ability to create and submit electronic documents

## Collaboration in the financial markets

### Cross-border M&A

- Key theme: privatisation of Vietnamese state-owned enterprises
- With an increased interest in Vietnamese investments, Hong Kong investors can actively participate in cross-border M&A transactions

### Equity Capital Markets

- Vietnamese companies have had previous successful listings in Hong Kong:
  - Vietnam Manufacturing & Export Processing: ~USD45m market cap
  - Luks Group (Vietnam Holdings): ~USD160m market cap
- Cornerstone investors in Hong Kong can support IPOs of Vietnamese companies

### Debt Capital Markets

- Vietnamese entities raised over USD6bn in the international bond markets
- Hong Kong has a wide array of institutional fixed income investors that can support international debt issuances of Vietnamese entities



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