



Klako Group
Beijing Hong Kong Shanghai Shenzhen

To Manufacture Goods in China

Example: Manufacturing WFOE, Hong Kong Holding Company, Trademark Registration and Recruitment

An overseas manufacturer with clients worldwide planned to expand into China and establish a factory in Southern China. After discussing the advantages of a Hong Kong holding company with Klako Group consultants, management decided to set up a Hong Kong holding company to benefit from the preferential tax treatment and the additional layer of limited liability.

Klako's professional teams in the different locations then achieved the following:

- While Klako Hong Kong set up the holding company, the Klako team in Southern China performed a location analysis including cost of land, building, labor, utilities, taxation, suppliers, etc.
- Based on this information, the client chose the location and, with the assistance of Klako, found suitable premises to rent.
- At the same time, Klako registered the client's trademarks in Hong Kong and China, so that the client's intellectual property would be protected.
- In order to speed up the incorporation process, Klako experts prepared the application documents for the Wholly Foreign Owned Enterprise in advance, so that the application procedures could start immediately after the Hong Kong company was set up.
- During the WFOE set up process, Klako recruitment specialists interviewed and shortlisted suitable candidates for the positions of General Manager and Operations Manager - based on the client's specific requirements.
- By the time the WFOE was set up, the client had a reliable factory management in place.
- The company's patents and trademarks were transferred to the Hong Kong company, which now receives all license fees and royalties tax free.
- All shipments to countries outside of China are being invoiced through the Hong Kong entity and only 50% of those profits are taxable in Hong Kong.
- In order to save on overhead expenses, all administrative and shipping functions in Hong Kong are being managed by Klako professionals.
- Klako tax experts in Hong Kong and China are handling the accounting, financial reporting and tax filing for both the WFOE and the Hong Kong company.
- The WFOE in China is preparing to repatriate the first round of dividends to Hong Kong - tax free - and the client has already made plans on how to further invest these profits to expand the business in Asia.

For further information, please contact our director, Mr. Sven Koehler, in our Hong Kong office

Beijing
14/F IBM Tower, Pacific Century
Place, 2A Workers Stadium
Road, Chaoyang District
Beijing, 100020
Tel: (86) 10 6539 1263
Fax: (86) 10 6539 1060
Email: beijing@klako.com

Hong Kong
10A Seapower Ind. Centre
177 Hoi Bun Road, Kwun Tong
Kowloon, Hong Kong
Tel: (852) 2345 7555
Fax: (852) 2357 5452
Email: info@klako.com

Shanghai
1504 Cross Tower
381 Fuzhou Road,
Huangpu District
Shanghai, 200001
Tel: (86) 21 63913188
Fax: (86) 21 63912032
Email: shanghai@klako.com

Shenzhen
901 Kerry Center,
2008 Renmin Nan Road,
Luohu District
Shenzhen, 518001
Tel: (86) 755 8236 4941
Fax: (86) 755 8230 0547
Email: shenzhen@klako.com