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MEDIA · BUSINESS INSIGHTS



Hong Kong or Mainland China? Choosing the Right Company

A side-by-side look at the two most common choices for doing business with China, and which one fits what you plan to do.

By the Made in China Easy team, Guangzhou · 31 October 2026

If you trade with China, the first question is usually where to register. Both options are good; they serve different purposes.

The short answer

- **Hong Kong** suits international trading: buying from China and selling to the rest of the world, or holding your international business.
- **Mainland China** suits operating inside China: selling to Chinese customers, issuing Chinese tax invoices, hiring staff or running an office or factory there.

Many international buyers start with Hong Kong and add a Mainland company later if they begin selling inside China.

How they compare

Ownership. Hong Kong allows 100% foreign ownership. Mainland China allows it for most business types, usually as a wholly foreign-owned enterprise, with some restricted industries.

Tax. Hong Kong has a two-tier profits tax and generally does not tax profits earned outside Hong Kong, if you qualify. It has no sales tax. Mainland China has a corporate income tax, VAT on sales, and other local taxes. Tax depends on where your business actually operates, so confirm what applies to you with an accountant.

Money. Hong Kong has free movement of money and easy multi-currency banking. Mainland China controls foreign exchange, so payments abroad need supporting documents.

Language and law. Hong Kong uses English and Chinese with a common-law system. Mainland China uses Chinese and its own legal system.

Address. A Hong Kong company needs a registered address, which can be a virtual office. A Mainland company must register at a real office address.

Yearly upkeep. Both need accounts and annual filings. A Hong Kong company also needs a company secretary and a yearly audit.

Questions to ask yourself

1. Will I sell to customers inside China?
2. Do I need to issue Chinese tax invoices?
3. Will I hire staff or rent premises in China?
4. Do I mainly need a company to buy and pay suppliers?

If you answered yes to 1–3, look at Mainland China. If only 4, Hong Kong is often simpler.

Next step

See the full comparison and package prices on our business setup page, or get an instant estimate with our start a business calculator.

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