

Global Investment in China's Hainan Free Trade Port "3E International Permanent Exhibition" – Full-Process Guide

— A Full-Process Guide for Global Sovereign and Institutional Investment Funds Investing in China's Hainan Free Trade Port: Investing via EF Accounts in the International Trade Online-Offline Permanent Exhibition Platform — "Shangyu Youdan Net International Exhibition Center (Hainan) Co., Ltd."

This guide is specially tailored for global sovereign wealth funds, pension funds, family offices, and institutional investors, with a focus on highlighting the policy dividends, mature financial infrastructure, and investment channels of the Hainan Free Trade Port as a strategic gateway into the Chinese market. [Click here to download the PDF version of this guide or read it online]

I. Investment Target Overview

Shangyu Youdan Net International Exhibition Center (Hainan) Co., Ltd. was established on August 7, 2025, with its registered address at Nanyang International, No. 21 Guomao Sanheng Road, Jinmao Street, Longhua District, Haikou City, Hainan Province. The registered capital is RMB 10 million, and the legal representative is Xie Lianggen.

Core Business: International trade online-offline permanent exhibitions. The company operates the "3E Global Trade B2B Platform," positioned as a "permanent international exhibition center based in the Hainan Free Trade Port, providing global enterprises with integrated online-offline exhibition and trade services." Its core business covers 365-day offline international trade exhibitions, technical services, software development, internet sales, information system integration services, advertising publication, and more.

⚠ Important Update (as of June 25, 2026): The company has been registered and established for over six months and now fully meets the registration tenure requirement for opening an EFE account.

Core Investment Value: The company's "international trade online-offline permanent exhibition" business model aligns with the Hainan Free Trade Port's "modern service industry" industrial orientation and falls within the encouraged industry category. The Hainan Free Trade Port officially commenced island-wide customs closure operations on December 18, 2025. Post-closure, sectors such as exhibition services and

international trade platforms will benefit from overlapping policy dividends.

Strategic Positioning: The project is highly aligned with Hainan's national strategic deployment—positioning Hainan as China's window to the world and the world's gateway to China. The international market exhibits a "near-insatiable" demand for international trade exhibitions, and Hainan's visa-free access policy for nearly 100 countries provides fertile ground for the project. The core business model is "physical permanent international exhibition center + 3E foreign trade B2B platform (both website and APP are already online)," driven by the strategy of "broad, numerous, lasting" to achieve the goal of "everyone can participate in exhibitions."

II. Hainan Free Trade Port: A Strategic Gateway for Global Investors

The Hainan Free Trade Port offers unique strategic opportunities for global institutional investors, featuring distinctive policy advantages and mature financial infrastructure.

(1) EF Account System: Core Financial Infrastructure

The **Multi-functional Free Trade Account (EF Account)** system, officially launched on May 6, 2024, has become the cornerstone of cross-border capital flow facilitation in Hainan. As of the end of November 2025, 11 banks in Hainan Province had launched EF account services, opening 729 EF accounts with a business volume equivalent to RMB 295 billion. Account-holding entities have engaged in fund transfers with 80 countries and regions.

The EF account system adheres to the principle of **"liberalization at the 'first line,' controlled management at the 'second line,' and limited permeability between same-name accounts"** :

- **"First Line" (Cross-Border):** Funds can be freely transferred between EF accounts and overseas accounts based on payment and receipt instructions. Except for securities investment, capital account transactions are not subject to limits on the difference between investment and borrowing, cross-border financing, overseas lending quotas, or approval requirements, and there is no need to conduct pre-approval registration, filing, or open special accounts with the foreign exchange regulatory authorities.
- **"Second Line" (Domestic):** Between EFE accounts (entities registered in Hainan) and domestic same-name ordinary accounts, limited "permeability" is implemented under the principle of **"negative list + quota management,"** with the net inflow/outflow quota calculated at one times the audited owner's equity of the previous year.

(2) Post-Customs-Closure Policy Dividends

Following the island-wide customs closure on December 18, 2025, significant policy dividends have been unlocked:

1. **Corporate Income Tax – 15%:** Encouraged industry enterprises (modern services / international trade online-offline permanent exhibitions) enjoy a 15% corporate income tax rate, extended until December 31, 2027.
 2. **Zero Tariff Policy:** Covers 6,600 tariff lines, accounting for 74% of China's total tariff lines, significantly reducing import costs for agricultural products, mineral products, and manufactured goods.
 3. **Tariff Exemption for Value-Added Processing:** Products with a value-added of 30% or more in Hainan can enter the Chinese mainland market tariff-free. This policy has already saved enterprises RMB 860 million in tariffs.
 4. **Visa-Free Access for 86 Countries:** Facilitates business inspections, exhibition participation, and investment opportunity exploration.
 5. **Cross-Border Asset Management Pilot:** Initial pilot scale of RMB 10 billion, allowing overseas investors to purchase wealth management products, public and private asset management products, and insurance asset management products issued by Hainan financial institutions.
 6. **Individual Income Tax – 15%:** For high-end and urgently needed talents, the portion of individual income tax exceeding 15% is exempted.
-

III. Investment Modality Options

Global institutional investors may choose from the following three investment modalities:

Modality 1: Direct EF Account Equity Investment (Most Convenient – Highly Recommended)

Applicable Scenario: Institutional investors directly make equity investments in the target company using their overseas entity status through the EF account system.

⚠ Key Update: The target company has been registered for over six months and now fully meets the registration tenure requirement for opening an EFE account.

EF Account Categories:

Account Type	Eligible Applicants	Account Opening Conditions
EFE Account	Institutions registered in the Free Trade Port	Registered in Hainan for over six months + compliance requirements
EFN Account	Overseas institutions	Legally registered overseas for over one year + compliance requirements
EFF Account	Overseas individuals	Overseas individuals working/studying/living in Hainan

Core Advantages:

- **"Cross-First-Line" Free Transfers:** Funds can be freely transferred between EF accounts and overseas accounts based on payment and receipt instructions. Except for securities investment, capital account transactions are not subject to quotas or approval requirements, and there is no need to conduct pre-approval registration, filing, or open special accounts with the foreign exchange regulatory authorities.
- **Domestic and Foreign Currency Integration:** Cross-border receipts and payments can be made directly in the original currency (USD, GBP, EUR, etc.).
- **Extremely High Efficiency:** Cross-border settlement is fully processed online, with remitted funds arriving on the same day, significantly reducing intermediary bank clearing links.
- **Offshore Exchange Rate Settlement:** Fund conversions within the account apply the offshore exchange rate, which is generally more favorable. For example, converting USD 1 million can yield approximately RMB 16,000 more than the onshore rate.

EFE Account Opening Conditions:

1. ✓ Registered and established in the Hainan Free Trade Port for over six months (inclusive) – **the target company already meets this requirement**
2. Not on the key regulatory list for cross-border RMB business
3. Enterprise 名录 for goods trade foreign exchange receipts and payments not rated Category B or C
4. No major violations of laws or regulations in the past year
5. Not on the anti-money laundering high-risk or watchlist

"Cross-Second-Line" Fund Usage Rules:

Between EFE accounts and domestic same-name ordinary accounts, limited "permeability" is implemented under the principle of **"negative list + quota management"**:

- Net inflow/outflow quota is managed at one times the audited owner's equity of the enterprise from the previous year
- Fund usage "Four Prohibitions": Not for expenditures outside the business scope; not for securities investment (except for R2-level and below wealth management products and structured deposits); not for loans to non-affiliated enterprises; not for purchasing non-self-use real estate

Operational Path:

1. The target company applies to one of the 11 pilot banks (ICBC, ABC, BOC, CCB, BOCOM, CITIC, SPDB, CMB, Everbright, Industrial Bank, CDB, etc.) to open an EFE account
2. The investor (from an English-speaking country) remits the investment funds from their overseas account to the target company's EFE account
3. Funds can be used for company operations, platform construction, permanent exhibition operations, etc.

Modality 2: QFLP Fund Investment (Suitable for Large-Scale, Structured Investment)

Applicable Scenario: Investment in the target company through private equity investment via the establishment of a QFLP (Qualified Foreign Limited Partner) fund.

Policy Basis: Hainan QFLP operates under a negative list management system, with a pilot balance management system for QFLP in Yangpu Economic Development Zone. To date, Hainan has established 130 QFLP funds with cumulative cross-border inflows of approximately USD 2 billion.

Core Advantages:

- **"No Joint Review":** No joint review mechanism; the provincial financial regulatory bureau issues a recommendation letter within one day
- **"Zero Threshold":** No restrictions on registered capital, subscribed contribution amount, initial contribution ratio, or contribution period
- **"Non-Discriminatory":** Equal treatment for domestic and foreign capital, allowing "domestic management of foreign capital" and "foreign management of domestic capital" business models
- QFLP business has been included in the encouraged industry catalog, eligible for the 15% corporate income tax preference
- **Balance Management System:** After obtaining the pilot scale, fund managers can independently establish funds within the scale, freely remit funds in and out, and complete profit remittance with a tax commitment letter

Operational Process:

1. Apply to establish a QFLP fund manager → Obtain recommendation letter → Business registration → Foreign exchange registration → Registration with Asset Management Association of China
2. Apply to establish a QFLP fund → Obtain recommendation letter → Business registration → Foreign exchange registration → Filing with the Association

Modality 3: Direct Establishment of a Foreign-Invested Enterprise

Applicable Scenario: Global investors directly establish a foreign-invested enterprise in Hainan, which then invests in the target company.

Policy Basis: The Hainan Free Trade Port implements the country's "shortest" negative list for foreign investment access, fully implementing pre-establishment national treatment. The Hainan Free Trade Port Foreign Investment Regulations, passed on July 30, 2025, have been formally implemented. The Hainan provincial market regulatory authorities have selected registration specialists with strong professional capabilities, high foreign language proficiency, and good service awareness to form a foreign investment service team, providing "one-on-one" bilingual services to foreign enterprises.

IV. Summary of Investment Incentive Policies

(1) Corporate Income Tax – 15%

If the target company is identified as an encouraged industry enterprise (modern services / international trade online-offline permanent exhibitions), it can enjoy the 15% corporate income tax rate, extended until December 31, 2027. The Catalogue of Encouraged Industries for Foreign Investment (2025 Edition) includes 102 entries for Hainan Province, the highest number among all provinces nationwide.

(2) Individual Income Tax – 15%

For high-end and urgently needed talents, the portion of individual income tax exceeding 15% is exempted.

(3) Zero Tariff and Tariff Exemption for Value-Added Processing

- **Zero Tariff:** Covers 6,600 tariff lines
- **Tariff Exemption for Value-Added Processing Exceeding 30%:** American agricultural products, British high-end consumer goods, Australian beef, Canadian timber, and other products can enter the mainland market tariff-free after value-added processing in Hainan
- The policy has been expanded to a pilot across the entire island of Hainan

(4) Cross-Border Asset Management Pilot

In July 2025, the Implementation Rules for the Cross-Border Asset Management Pilot Business in Hainan Free Trade Port were issued, with an initial pilot scale cap of RMB 10 billion. Overseas investors can use domestic and overseas funds to purchase wealth management products, public and private asset management products, and insurance asset management products issued by Hainan financial institutions.

(5) EF Account Conveniences

- **"Cross-First-Line"** free fund transfers with overseas funds, not subject to quota limits
 - Offshore exchange rate settlement, lower costs
 - Capital account transactions exempt from pre-approval registration, filing, or opening of special accounts
-

V. Full-Process Operational Guide

Phase 1: Pre-Investment Preparation (Estimated 2-4 Weeks)

Step	Specific Matter	Responsible Party
1	Confirm the target company's business falls under encouraged industries (modern services)	Investor + Legal Counsel
2	Confirm the investment area is not on the foreign investment negative list	Investor + Legal Counsel
3	Select investment modality (EF account direct / QFLP / new enterprise establishment)	Investor Decision
4	Arrange on-site inspection visit to Hainan Free Trade Port utilizing the 86-country visa-free policy	Investor
5	Obtain policy consultation and bilingual service support through the Hainan International Economic Development Bureau	Investor
6	Conduct due diligence	Investor + Intermediaries

Phase 2: Account Opening and Entity Establishment (Estimated 1-2 Weeks)

✓ **If choosing EF account direct investment (target company has been established for over six months, can proceed directly):**

- The target company applies to one of the 11 pilot banks to open an EFE account
- Required submissions: Account opening application, business license, legal representative identification, account opening commitment letter, account management agreement, etc.

For overseas institutions establishing a Hainan entity:

- May apply to open an EFN account at a pilot bank for cross-border fund allocation
- Must meet conditions such as being legally registered overseas for over one year

If choosing QFLP:

- Establish a pilot fund management enterprise in Yangpu Economic Development Zone
- Submit application to the park window unit; the provincial financial regulatory bureau issues a recommendation letter within one day

Phase 3: Capital Entry into China (Estimated 2-3 Hours to Same Day)

EF Account Path:

- The investor remits the investment funds from the overseas account to the target company's EFE account
- Payment and receipt instructions are sufficient for processing; no pre-approval review required
- Funds arrive on the same day

QFLP Path:

- Overseas investors remit funds to the QFLP fund account; cross-border receipts and payments can be processed directly within the pilot scale
- The fund then makes equity investments in the target company

Phase 4: Fund Utilization and Post-Investment Management

- EFE account funds are used under the "**negative list + quota management**" principle
 - **Profit Remittance:** Processed with payment and receipt instructions or a tax commitment letter
 - The company's "international trade online-offline permanent exhibition" platform can directly serve the exhibition and trade needs of products from the investor's country entering the Chinese market
-

VI. Core Selling Points Emphasized to Investors

For U.S. Investors

1. **Mature Financial Infrastructure:** The EF account system operates on the principle of "liberalization at the first line, controlled management at the second line," with operational logic highly aligned with the international financial center rules familiar to U.S. financial professionals.
2. **Strategic Channel into the Chinese Market:** As U.S.-China trade relations evolve, Hainan provides a direct channel for U.S. products and services to enter the Chinese market with zero tariffs and reduced tax burdens.
3. **Investment Efficiency:** Traditional cross-border investment requires months of approval; the EF account model achieves same-day settlement.

For UK Investors

1. **Legal System Familiarity:** Hainan's foreign investment legal framework aligns with international standards. The "negative list + quota management" approach provides regulatory certainty comparable to UK financial practices.
2. **Gateway for High-End Products:** UK luxury goods, financial services, and consumer products can leverage Hainan's zero tariff and 15% corporate income tax environment.
3. **Common Law System Comfort:** The transparency and predictability of Hainan's investment policies appeal to UK institutional investors accustomed to common law jurisdictions.

For Canadian, Australian, and New Zealand Investors

1. **Resource and Agricultural Synergies:** Canada, Australia, and New Zealand

are major exporters of agricultural and resource products. Hainan's zero tariff and tariff exemption for value-added processing provide a direct channel for these products into the Chinese market.

- 2. **Geographic Diversification:** Hainan offers a strategic alternative to traditional Asian financial centers, with superior tax incentives and capital flow facilitation.
- 3. **Language and Cultural Connectivity:** Hainan's financial institutions have strong English-language service capabilities, with 11 banks offering EF account services and a foreign investment service team.

Universal Selling Points

- 1. **✔ Company Established Over Six Months:** EFE account opening conditions are fully met; immediate commencement is possible
 - 2. **Efficiency Revolution:** Traditional cross-border investment requires months of approval; the EF account model achieves same-day arrival
 - 3. **Optimal Tax Burden:** 15% corporate income tax + 15% individual income tax + tax exemption on overseas investment income
 - 4. **Broadest Access:** The country's shortest negative list; Hainan has 102 encouraged entries, the highest nationwide
 - 5. **Convenient Exit:** Under the QFLP balance management system, free remittance with a tax commitment letter
 - 6. **New Cross-Border Asset Management Channel:** The RMB 10 billion cross-border asset management pilot has been implemented
 - 7. **Mature Policy:** The EF account system had reached RMB 295 billion in business volume as of end-November 2025, covering 80 countries and regions
-

VII. Risk Alerts and Mitigation Measures

Risk	Mitigation Measure
Company establishment tenure has exceeded six months	✔ EFE account opening conditions are met; account opening can proceed immediately
Whether "international trade online-offline permanent exhibition" is explicitly listed in the encouraged industry catalog	The modern service industry category explicitly includes business services; it is recommended to confirm with the Hainan Provincial Development and Reform Commission in advance
Fund "second line" transfer restrictions	EFE account funds follow the "negative list + quota management" principle; use compliantly through same-name ordinary accounts
Cultural and regulatory differences with China	Rely on experienced local partners and pilot banks. Hainan has established regular economic and trade exchange mechanisms, and the Hainan International Economic Development Bureau provides bilingual

Risk	Mitigation Measure
	service support

VIII. Conclusion

With the Hainan Free Trade Port officially commencing island-wide customs closure operations on December 18, 2025, leveraging its innovative EF account system, QFLP policies, and the core advantages of "zero tariffs and tariff exemption for value-added processing," it offers a unique strategic opportunity for global sovereign wealth funds, pension funds, and institutional investors.

The EF account system has been operating smoothly since its launch in May 2024, with business volume reaching RMB 295 billion as of end-November 2025, covering 80 countries and regions. The RMB 10 billion cross-border asset management pilot has been implemented. The Hainan Free Trade Port is becoming China's new gateway connecting to global markets, and global capital has the opportunity to efficiently enter the Chinese market through this gateway to achieve strategic positioning.

Global Investment in China's Hainan Free Trade Port "3E International Permanent Exhibition" – Full-Process Guide

This guide is specially designed for global investors, including sovereign funds, institutional investors, and corporations, aiming to provide a clear and actionable roadmap that comprehensively presents the unique opportunities, compliance pathways, and practical steps for investing in the Hainan Free Trade Port's "3E International Permanent Exhibition" project (Shangyu Youdan Net International Exhibition Center (Hainan) Co., Ltd.).

I. Why Invest in "3E International Permanent Exhibition": Perfect Timing, Strategic Location, and Enabling Environment

Following the Hainan Free Trade Port's island-wide customs closure on December 18, 2025, this project has entered a historic policy window period.

1. Perfect Timing: Concentrated Release of Post-Closure Dividends

Nearly six months since the customs closure, the openness effects have demonstrated strong momentum. In the first quarter of 2026, Hainan's goods trade grew at an impressive rate of 38.5%, with exports surging 83.1%. Over 1,000 new foreign-invested enterprises were established, with investment sources covering 180 countries and regions worldwide. This signals that Hainan has transitioned from a "policy testing ground" to a "period of tangible returns."

2. Strategic Location: Unique Advantages of a Free Trade Port

The Hainan Free Trade Port benchmarks the highest level of openness globally. Its core advantages can be summarized as **"Five Freedoms and Facilitations"** : freedom and facilitation of trade, investment, cross-border capital flows, personnel movement, and transportation, as well as the orderly flow of data. The "3E Project," as an online-offline (O2O) integrated exhibition and trade platform, perfectly aligns with Hainan's strategic positioning as "China's window to the world and the world's gateway to China."

3. Enabling Environment: Dual Safeguards of Policy and Law

- **Legal Safeguard:** The Hainan Free Trade Port Foreign Investment Regulations have been formally implemented, legally guaranteeing that foreign investors' contributions, profits, capital returns, and other proceeds can be freely remitted in and out in RMB or foreign currency in accordance with the law, with no entity or individual permitted to unlawfully restrict currency, amount, or frequency of remittance.
 - **Tax Incentives:**
 - **Corporate Income Tax 15%:** Encouraged industry enterprises registered and with substantive operations in the Hainan Free Trade Port are subject to a reduced corporate income tax rate of 15%.
 - **Tax Exemption on New Overseas Direct Investment Income:** Enterprises in the tourism, modern services, and high-tech industries established in the Hainan Free Trade Port are exempt from corporate income tax on income derived from new overseas direct investments made before 2025. The modern services sector in which the 3E project operates fully falls within this scope.
-

II. Investment Project Details

Based on publicly available financing information, the "3E International Permanent Exhibition" project is operated by Shangyu Youdan Net International Exhibition Center (Hainan) Co., Ltd., a typical modern service enterprise in the Hainan Free Trade Port.

Project Element	Specific Information
Company Full Name	Shangyu Youdan Net International Exhibition Center (Hainan) Co., Ltd.
Date of Establishment	August 7, 2025
Registered Capital	RMB 10 million
Legal Representative	Xie Lianggen
Registered Address	Guomao Road, Longhua District, Haikou City, Hainan Province
Project Positioning	Providing integrated online-offline (O2O) exhibition and trade services to global enterprises
Core Carrier	Offline: Self-operated international exhibition center showrooms; Online: "3E" Foreign Trade B2B Platform (website and APP already launched)
Financing Round	Angel Round
Funding Requirement	RMB 200 million, offering 15% equity

The core advantage of this project lies in its integration of Hainan's policy dividends with an innovative "online-offline integrated exhibition and trade" business model, positioning it as a two-way springboard for Chinese products going global and global goods entering the Chinese market.

III. Full-Process Guide for Global Capital Investment

Step 1: Access Compliance Review

Before investing, first confirm that your investment project complies with China's foreign investment access regulations.

- **Negative List Management:** The Hainan Free Trade Port implements the country's shortest negative list for foreign investment access. You should verify

against the Special Administrative Measures for Foreign Investment Access in Hainan Free Trade Port (Negative List).

- **Key Encouraged Sectors:** The modern services, tourism, high-tech industries, and tropical high-efficiency agriculture sectors—to which the 3E project belongs—are the key encouraged investment areas in Hainan at the current stage.

Step 2: Establishment of Domestic Investment Entity

This is the mandatory "identity" registration step for foreign capital entering China.

1. **Project Filing/Approval:** Handle foreign investment project filing/approval procedures through the "Haiyiban - Hainan Government Service Network." For non-sensitive projects below USD 300 million, direct filing can be completed by the Hainan Provincial Development and Reform Commission with efficient procedures.
2. **Business Registration:** Apply to the Hainan Provincial Market Regulatory Authority to establish a foreign-invested enterprise (such as a Wholly Foreign-Owned Enterprise or joint venture) and obtain a business license.
3. **Key Financial Account Opening:** Handle Foreign Direct Investment (FDI) foreign exchange registration at a domestic bank and open a capital account. Additionally, it is strongly recommended to apply to open the Hainan Free Trade Port's unique Multi-functional Free Trade Account (EF Account). This account is the core vehicle for the free flow of funds in the Free Trade Port and greatly facilitates subsequent cross-border fund management.

Step 3: Legal Capital Entry and Utilization

Capital entry and utilization must strictly comply with foreign exchange management regulations.

4. **Capital Remittance:** The overseas investor remits legally sourced investment funds into the capital account opened at the domestic bank.
5. **Compliant Utilization:** After conversion, funds must be used for approved actual operating expenditures within the business scope, such as project construction, equipment procurement, and market promotion, and may not be used in areas prohibited by national laws and regulations.
6. **Profit Reinvestment Facilitation:** The Hainan Free Trade Port encourages the reinvestment of profits by foreign-invested enterprises, applying the same supporting policies as for new foreign investment, and reinvestment within the Hainan Free Trade Port is exempt from foreign exchange registration.

Step 4: Enjoying Policy Dividends and Long-Term Operations

7. **Tax Incentive Application:** After completing investment and operations, you may apply to enjoy the 15% corporate income tax preferential rate and the 15% individual income tax preference for high-end and urgently needed talents.
8. **Cross-Border Data Flow:** Under the premise of security and controllability, the Hainan Free Trade Port has established a management system for the secure and orderly cross-border flow of data, supporting the cross-border flow of data related to R&D, production, and sales of foreign-invested enterprises with their headquarters.
9. **Ongoing Compliance:** Annual foreign investment information reporting must be completed on time to ensure continuous compliance of business activities.

IV. Action Recommendations and Risk Alerts

Action Recommendations

10. **Professional Team:** Given the complexity of cross-border investment, it is strongly recommended to engage local legal and tax advisors familiar with Hainan Free Trade Port policies to provide full-process professional support for your investment.

11. **Official Channels:** Closely follow official documents such as the 2026 Hainan Free Trade Port Investment Guide issued by the Hainan Provincial Department of Commerce and the Hainan International Economic Development Bureau—this is the most authoritative policy map.

Risk Alerts

12. **Policy Timeliness:** Free Trade Port policies are subject to dynamic optimization, particularly the specific implementation details of tax incentive policies, which must be based on the latest interpretations from the competent authorities.

13. **Project Due Diligence:** This guide is based on publicly available market information. Before making a final investment decision, be sure to conduct independent commercial, financial, and legal due diligence on the "3E" project party.

This guide is based on publicly available policy and project information as of June 2026 and does not constitute formal legal advice. For specific operations, please refer to the latest official regulations and advice from professional advisors.