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Dr Wang Chen
Executive Director of CDHK and CCSHK

Hong Kong – the Ideal Conduit Linking Mainland China and International Capital Markets

With its international development and new open business model, Changchun Urban Development & Investment Holdings (Group) hopes to help more Jilin enterprises explore overseas markets.

Chang Development (Hong Kong) Ltd. (CDHK) is a wholly owned subsidiary under Changchun Urban Development & Investment Holdings (Group) Co. Ltd (CCDG). Incorporated in December 2014, CDHK aims to assist the group to broaden its financing channels, diversify business development and to provide a launch pad to the international markets.

CDHK and its subsidiary Changchun Securities Ltd. (CCSHK) are responsible for the management and fund raising of the overseas bonds issued by the group; facilitating financial cooperation as well as achieving industry synergy between Hong Kong and Northeast China; and attracting investments as well as talents. CDHK acts as the window for CCDG to access to the international capital markets and serves as CCDG's overseas financial services headquarters. As of 2018, serving also as CCDG's treasury centre, CDHK issued US\$1.2 billion of overseas bonds for the group. Some of the funds raised from these bonds retain in Hong Kong not only to support the group's overseas developments, but also to maintain sufficient capital flow.

CCSHK has been granted type 1 (securities dealing), type 4 (securities advisory services) and type 9 (asset management) licences by the Hong Kong Securities and Futures Commission since June 2018. According to Dr Wang Chen, Executive Director of CDHK and CCSHK, CCSHK will closely entwine with bond issuing, asset management, and assisting more Mainland enterprises to develop, invest and finance in Hong Kong. Through establishing different types of funds, the company will focus on participating in infrastructure

projects under the Belt and Road Initiative, assisting pre-IPO companies in Changchun to set up in Hong Kong, and exploring business opportunities which have synergy effect with the Group's industrial layout.

Window to the World

“In recent years, Mainland China's rapid economic growth has attracted increasing amount of overseas capital. Hong Kong is the ideal channel for this capital to enter the Mainland Chinese market. The city enjoys a strategic location that attracts many global financial institutions and financing platforms to establish their presence here,” said Wang.

“Hong Kong is a leading international financial hub. For Mainland Chinese companies, the city will continue to act as an important window to connect to the overseas capital markets,” he added.

According to Wang, CCDG will leverage Hong Kong's unique geographical advantage and enhance its role as CCDG's window to identify new opportunities created by the Belt and Road Initiative. CDHK will continue to strengthen the group's presence in overseas markets, and to enhance the image of local state-owned enterprises.

In addition to helping the group grow its overseas business, CDHK works with the Hong Kong University of Science and Technology to develop new FinTech applications, including trading models and quantitative models, data visualisation technology and artificial intelligence. It also collaborates with FinTech companies

to develop new media platforms and interactive intelligent systems.

“We are very grateful for the support from InvestHK, and we hope to leverage its worldwide offices and networks to better promote the group and the company.” Wang concluded.

CCDG

- CCDG is the largest local state-owned enterprise in Jilin province
- In 2015, CCDG was awarded a Baa1 rating (stable outlook) by the international credit rating agency Moody's
- CDHK and CCSHK employ a team of 10 staff and plan to create at least 20 new positions in 2019 and 2020
- Currently, the fund under the management of CDHK and CCSHK is hundreds of million US dollars, safeguarding the liquidity for overseas investment and financing as well as enhancing international investors' confidence in CCDG

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