

Ample Opportunities for Family Offices to Flourish in the GBA

Huatai International maximises close connections between Hong Kong and Mainland China for its family business clients.



In recent years, Mainland Chinese family offices have increasingly allocated their assets beyond Greater China. As a recognised international financial centre with close cultural and geographical connections to Mainland China, Hong Kong is a good fit for family office businesses. With eyes firmly on this opportunity, Huatai International Financial Holdings Company Limited (Huatai International), under Huatai Securities, was established in 2017 to develop family offices business for the group.

Bolstering investor confidence

According to Vicky Li, managing director and head of private wealth management at Huatai Financial Holdings (Hong Kong) Limited, Hong Kong has an enviable reputation for free capital flow, stable financial infrastructure, robust talent, sound regulatory framework and respected legal system. These factors support investor confidence, particularly for the unique concerns of family offices. "Hong Kong's interconnection with Mainland financial markets provides a strategic opportunity for Huatai International to expand its family office business," Li says.

With Hong Kong being Asia's largest cross-border private wealth management centre, Li predicts the annual growth of asset under management to reach five to 10 percent in next five years. From the perspective of financial products, Hong Kong has a well-established investment banking system. It's the world's largest equity fundraising hub and the third largest bond centre (excluding Japan) as well as the second largest private equity market in Asia. The city is an ideal investment platform.

As the international business platform of Huatai Securities, Huatai International is fully connected with the group's business segments and committed to promoting interconnection between domestic and foreign capital markets. Its cross-border financial product platform spans primary and secondary markets, providing domestic customers with a full range of overseas investment and financing services. Reciprocally, it provides overseas

customers with investment opportunities in the domestic capital market.

Bridge to the West

Huatai International's predominantly Mainland Chinese client base makes Hong Kong's shared culture a natural bridge for international asset allocation. Through creative trading structures, Huatai International provides tailor-made cross-border investment products for its family office clients. To assist their needs, Huatai taps into the city's rich talent pool of more than 42,000 asset and wealth management specialists, 45,000 certified public accountants, and 13,000 certified lawyers and barristers.

Li noted that the total population of the Greater Bay Area (GBA) has already reached more than 86 million people. It's one of China's most open and economically dynamic regions with GDP exceeding US\$1.6 trillion and with numerous business opportunities. As restrictions for opening cross-border bank accounts are gradually relaxed, Li believes the new cross-boundary wealth management connect scheme will further consolidate Hong Kong's reputation as an offshore RMB centre and boost the city's importance in the GBA development blueprint, which is conducive to the growth of cross-border family offices.

In the development of GBA, there will be increasing demand for diversified trading and financing from companies, high-net-worth individuals, and their families. Family offices are well positioned to play a very important role in the GBA blueprint.

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Vicky Li
Managing Director and Head of Private Wealth Management
Huatai Financial Holdings (Hong Kong) Limited

"Huatai International will participate in the integration process of the Guangdong-Hong Kong-Macao Greater Bay Area – by fully utilising their unique advantages in system, talent, and legal framework, among others, to provide a full range of support for family offices," Li said.

Li also pointed out that technology and digital empowerment play a significant role in developing the family office business. As one of the most technology-driven Chinese securities firms, Huatai International strives to build digital platforms for private wealth management and family office service.

With strong support and assistance from InvestHK, Huatai International's business has grown considerably in Hong Kong. It will continue to collaborate with InvestHK to build private banking and family office platforms.

Huatai International

- Huatai International launched its family office business in Hong Kong in 2017 and provides a full roster of investment and financing services
- It is certified with Standard & Poor's BBB+ (long-term issuer) and A-2 (short-term issuer) credit ratings

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