



5CGROUP

Business Newsletter



BRIDGING

THE ECONOMIES AND CULTURES OF THE EAST AND WEST

一带一路

The One Belt One Road is a grand vision from the Chinese government, promising rich opportunities for investment. Spanning 65 countries with a total of 4.4 billion people, accounting for over 60% of the world's population but only 29% of the economic contribution, China's plan to rebuild the old 'Silk road', boasts huge opportunities for Chinese businesses to invest overseas. This ambitious plan has been embraced by a large number of countries globally, expressing their willingness to support the vision with their own development plans.

The One Belt One Road is being financed through a multi-billion dollar fund and will also be supported by the AIIB (Asian Infrastructure Investment Bank) in a complementary function.



Along the One Belt One Road, countries have suffered from infrastructure bottlenecks, inadequate capacity, knowledge and finance. Therefore the Chinese government and other investors will find significant profits from the investment opportunities found along this initiative.

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“ Investors will find significant profits ”

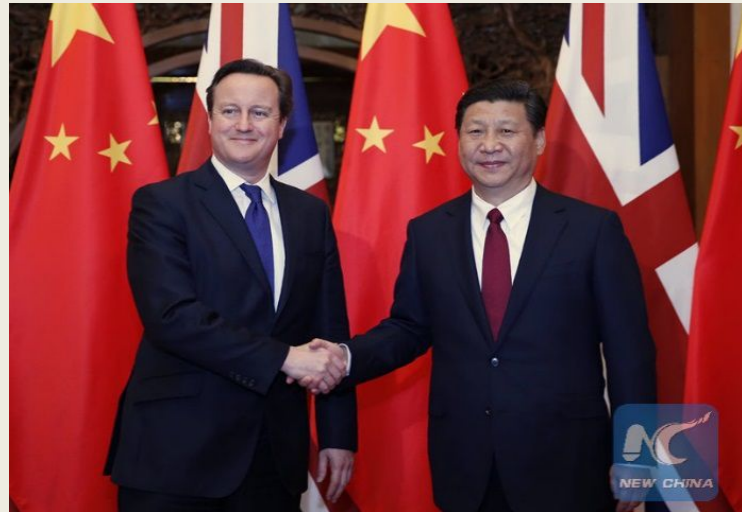


One Belt One Road

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The scale of the projects and variety of countries involved in the scheme, means that risk can be selectively managed through pinpointed investments, creating significant returns in more challenging scenarios.

Key sectors for investment are energy, industrial products, transport and utilities, with huge challenges of scale faced in linking the East and West. However, this opportunity will allow for Chinese companies to expand their investment overseas, especially private owned enterprises, whose opportunities remain the greatest as they partner up with large Chinese state-owned companies.



Chinese state visit to the UK

“Golden decade for the UK-China relationship”

In October, Chinese President Xi’s recent visit to the United Kingdom opened up a ‘Golden decade’ of bilateral relations and investment opportunities between the two nations. According to Pinsent Masons, China will invest over £100bn by the year 2015, marking a major move by the UK and creating vast opportunities for Chinese investors.

The United Kingdom offered the warmest welcome to the Chinese President, and following his visit hopes to continue to attract more trade in the coming years.

The advantages of investing in the UK for Chinese investors are numerous; as a member of the European Union the UK can easily exploit the huge European market and also has a large pool of talent and skills to draw upon. The UK has a simple tax rate system and a transparent regulatory system making conducting business incredibly simple, it is also however the largest trader of the Renminbi second only to Hong Kong.

So far the major beneficiaries for investment and cooperation agreed in Xi’s visit were the transport, real estate, and energy sectors. The UK has been warming to Chinese investment for some time now, with its announcement of joining the AIIB, as well as being the greatest recipient of Chinese FDI in Europe for the past few years.

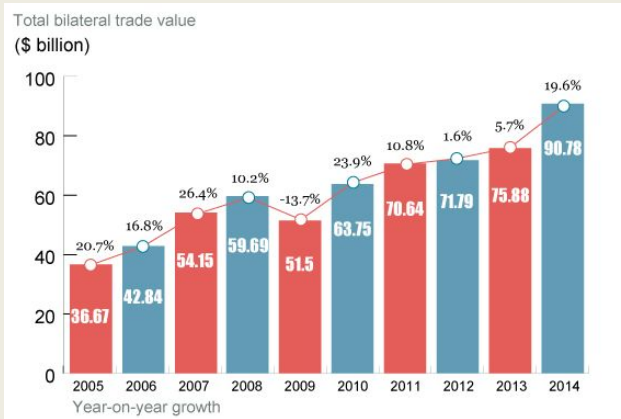


China's top exports to UK

- Machinery, electrical products
- Furniture & toys
- Textiles and raw materials

UK's top exports to China

- Precious metals and related products
- Transportation equipment
- Machinery and chemical products



Source: Ministry of Commerce of China



Chinese companies' business exploration trip along the One Belt One Road

From September 25st-27th, a 7-member delegation of the Hangzhou Construction Equipment Leasing Association travelled to Islamabad, Pakistan.

This delegation was headed by Zhejiang Huatie Construction Safety Science and Technology Co., Ltd, a public company dedicated to safe construction, protecting constructors' safety, as well as providing safety equipment leasing and package solutions to infrastructure projects.



India

Economic cooperation between India and China has exploded from \$2 billion in the year 2000 to \$73.9 Billion in 2011, as a result China is one of India's largest trade partners and export destinations. However India's infrastructure needs are massive, one in three rural people lack access to an all-weather road, and only one in five national highways has four lanes, Ports and airports have inadequate capacity and the rail network is outdated. As a result there are significant gains to be made from investing in India as the country surpasses significant economic bottlenecks.

From September 22-24th, a 7-member delegation of the Hangzhou Construction Equipment Leasing Association travelled to Kolkata, India. This delegation was headed by Zhejiang Huatie Construction Safety Science and Technology Co., Ltd, a public company dedicated to safe construction, protecting constructors' safety, as well as providing safety equipment leasing and package solutions to infrastructure projects.

Delegation visited the ICC (Indian Chamber of Commerce) in order to explore investment opportunities. As a result the ICC expressed willingness to provide their full support in facilitating future investment and also provided access to a large network of useful contacts. The delegation then discussed and established areas of cooperation for mutual benefit with these contacts.

One of these contacts was Simplex Infrastructures Limited, one of the largest construction companies in India. Simplex explained the current situation in both the construction and real estate industries in India to the delegation and provided an analysis of future trends. Following this meeting, both the delegation and Simplex frequently communicate through telecom meetings, assessing the next steps in their investment partnership. As an organizer of the business trip, 5C Group provided full support and guidance along the whole duration of the trip.



Joint Meeting at Indian Chamber of Commerce





Pakistan

Pakistan has one of the most liberal foreign investment regimes in South Asia, with 100% foreign equity permitted in the manufacture and infrastructure sectors. Pakistan has a very fruitful market and a large consumer base of more than 180 million people with great potential in the power, infrastructure and natural resource sectors. Pakistan's net FDI inflow stood at \$1,447.3 million USD during 2012-13 compared to \$820.6 million USD the previous year, posting an increase of 76%.

As a result of the potential for investment in Pakistan, in April this year President Xi announced \$46bn USD in investments and credit lines in a planned China-Pakistan Economic Corridor. During the delegation's trip to Pakistan in September, Zhejiang Huatie successfully signed a Strategy Cooperation Agreement with Exceed, a famous Pakistani construction company under the expert guidance and help of 5CGroup. Following this, Huatie will now have full access to lucrative Pakistani construction markets.



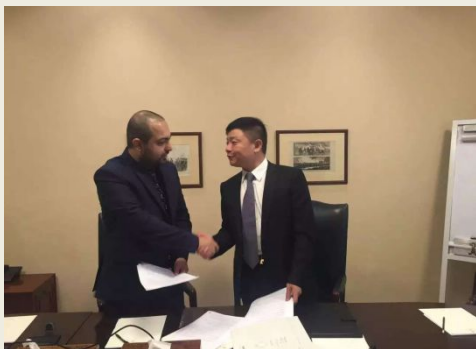
Joint Meeting at Ministry of Housing of Pakistan

CPE XJ, a subsidiary of China National Petroleum Corp. based in Xinjiang, also signed a Consortium Agreement with Exceed and Pacific Construction Group Co., Ltd, (listed as No. 156th in the Fortune 500 for 2014).

This 3-party agreement will lead to large scale engineering and construction projects such as of affordable housing in Islamabad. This project will see Billions of USD invested into low cost housing projects in Pakistan, solving the housing problems of millions of low income Pakistani people.

This project will see FWO, a large Pakistani military construction company involved in building roads, highways, ports and airports supporting Pacific and CPE with their civil projects.

As testament to the scale of this project, once this low cost housing project begins both the Chinese Premier Li Keqiang and the Pakistani Premier will attend the opening ceremony in Islamabad.

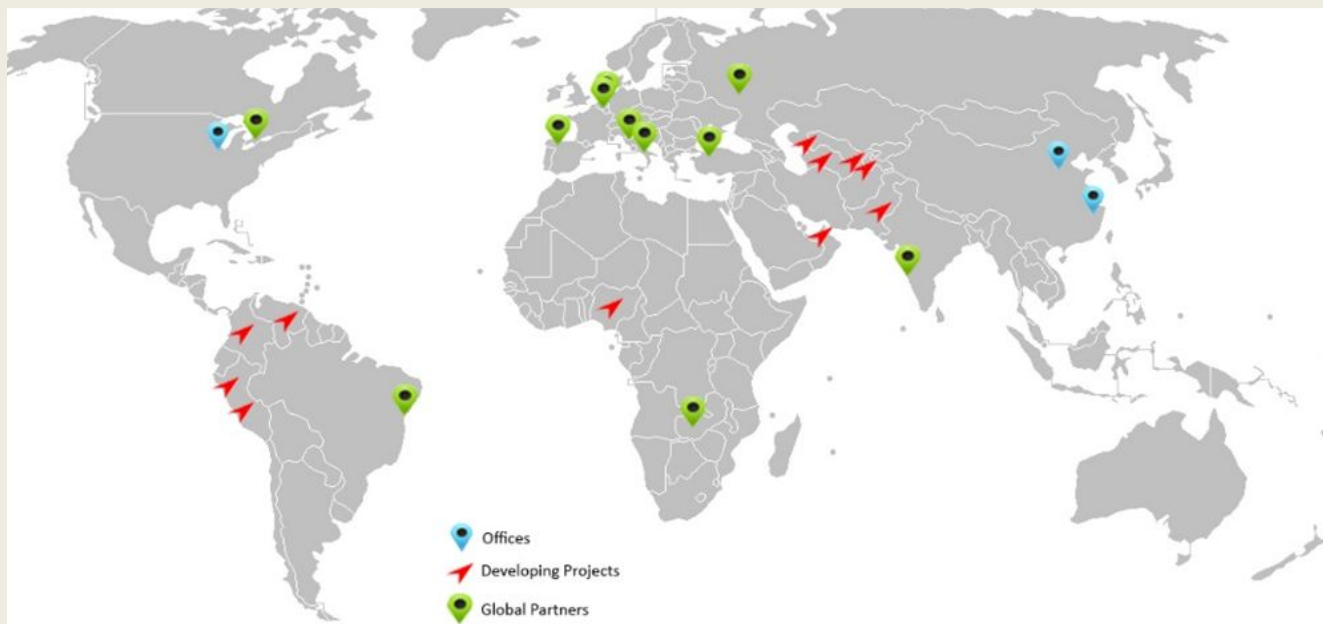


Joint Meeting at Frontier Works Organization of Pakistan



CONTACT US

5CGroup is a global consultancy group which not only provides consultancy services, but also provides matchmaking services for those searching for finance and investments. Please do not hesitate to get in touch to see if there is anything we can do in order to work for our mutual benefit.



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