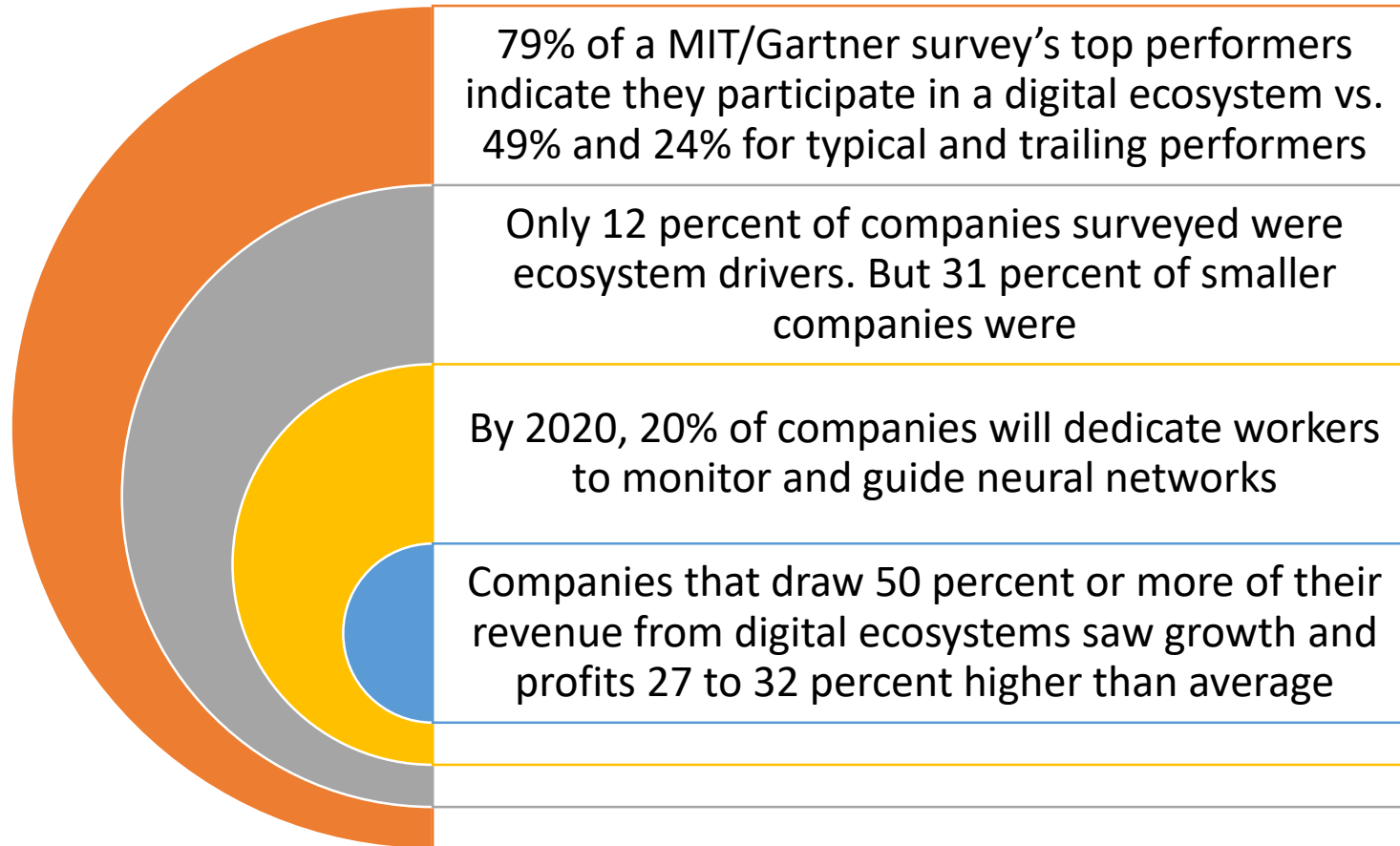


# Evolution of FinTech

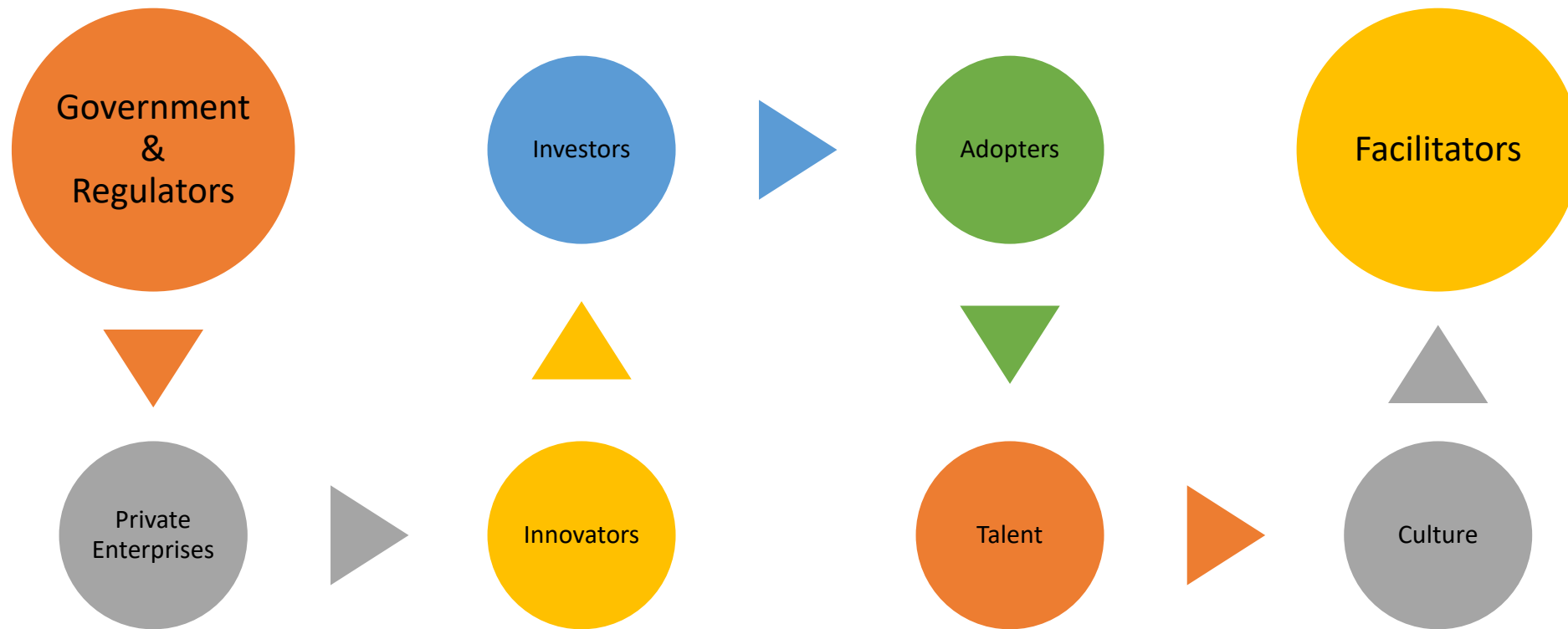


# Innovators: Start ups are Key



Source: MIT Sloan Survey, Gartner.

# Key Players Ecosystem





# HONG KONG FINTECH: THE NEXUS FOR GROWTH



SYED MUSHEER AHMED  
GENERAL MANAGER & Co-FOUNDER,  
FINTECH ASSOCIATION of HONG KONG

# One Country, Two Systems

After 155 years of British rule, the sovereignty of Hong Kong was transferred back to China in 1997.

As with Macau, Hong Kong is a part of China, but operates as a Special Administrative Region (S.A.R.). Both regions

retain their own capitalist economies, while the rest of China uses the socialist system. Each of the three regions is able to have its own currency, legal, economic and political system, including foreign policies.

## Hong Kong in numbers

**GDP**  
US\$341.4 B  
(2017)

**GDP Growth**  
3.6%  
(2018)

**Per Capita GDP**  
US\$48,830 (2018)  
**Hong Kong ranks**  
**18<sup>th</sup> globally**  
(IMF 2018)



Startup Ecosystem Value  
**> US\$15 BN (2018)**



Annual Inflation  
**+2.2% (2018)**



Retail Sales Growth  
**10% (2018)**



Labour Force  
**3,979,500**



Population  
**7,470,000 (2018)**



Unemployment rate  
**3.1% (2018)**

Source: [Startup Genome 2018](#) | WHub estimate for 2018

Source: WHUB Fintech White Paper: [www.whub.io](http://www.whub.io)

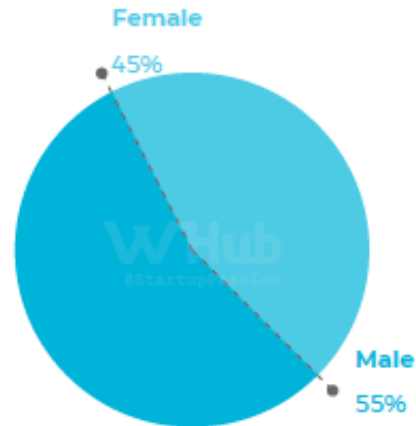
# Startup Ecosystem in Hong Kong

3,000+ startups 2018	2,600+ startups 2017	2,500+ startups 2016	1,558+ startups 2015	998 startups 2014
----------------------------	----------------------------	----------------------------	----------------------------	-------------------------

Source: WHub estimate for 2018

## Gender of Entrepreneurs

Source: He for She report 2018 by Wavestone



## Origins of Founders

Source: InvestHK 2018



## Age Group Most Likely to Start a New Business



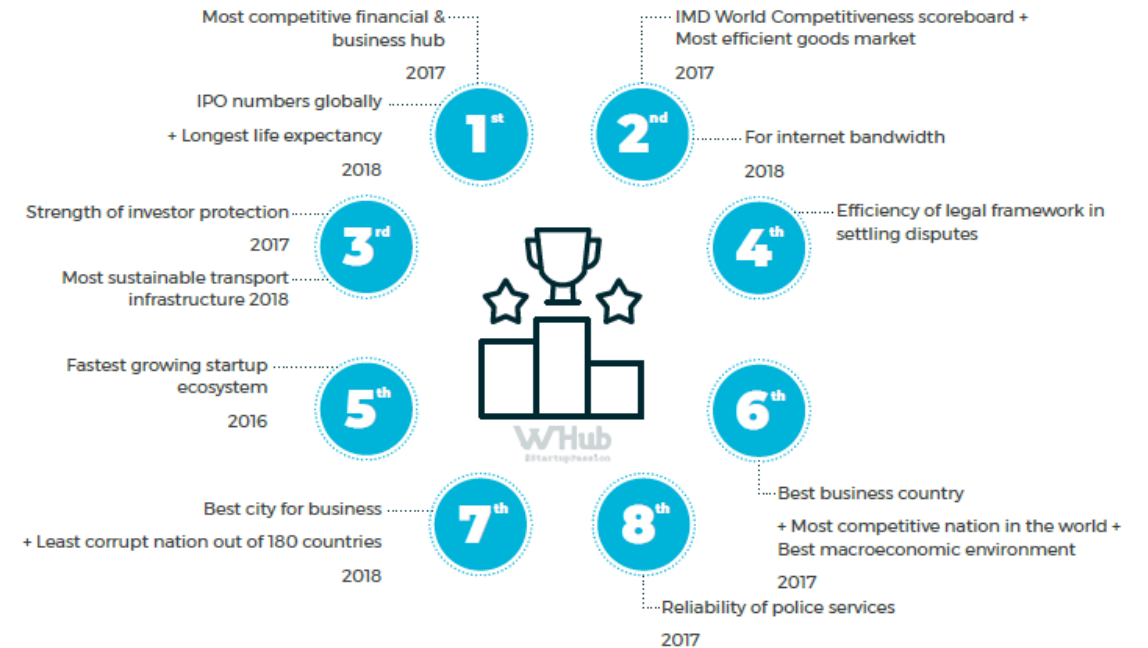
## Age Groups Least Likely to Start a New Business



## Common Barriers for Young Entrepreneurs

Lack Funding	Market Changes & Competition	High Cost of Living
62.9%	43.4%	38.2%

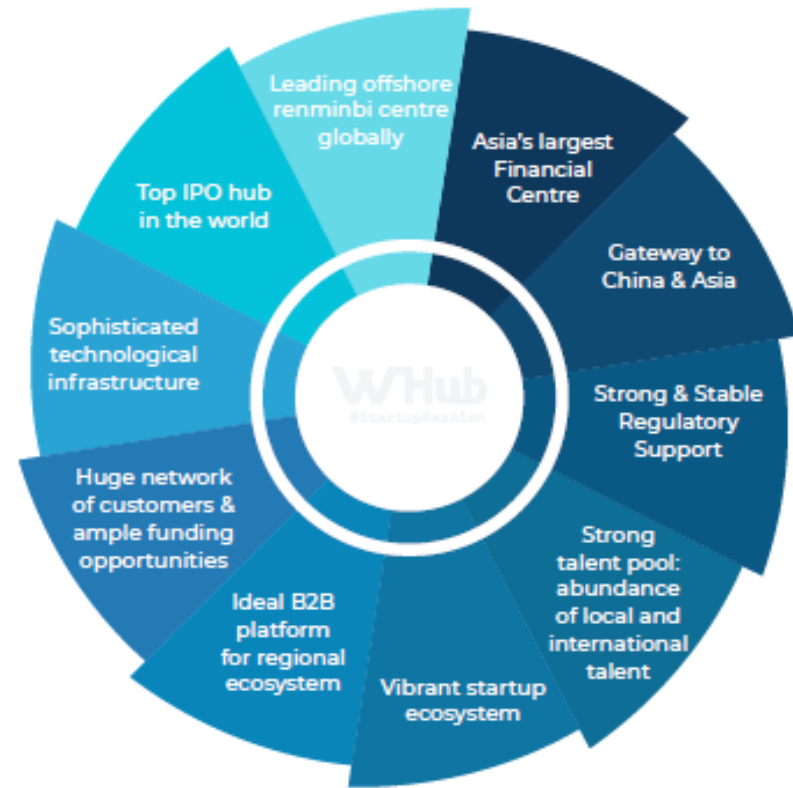
Source: Global Entrepreneurship Monitor Hong Kong and Shenzhen Report



Source: WHUB Fintech White Paper: [www.whub.io](http://www.whub.io)

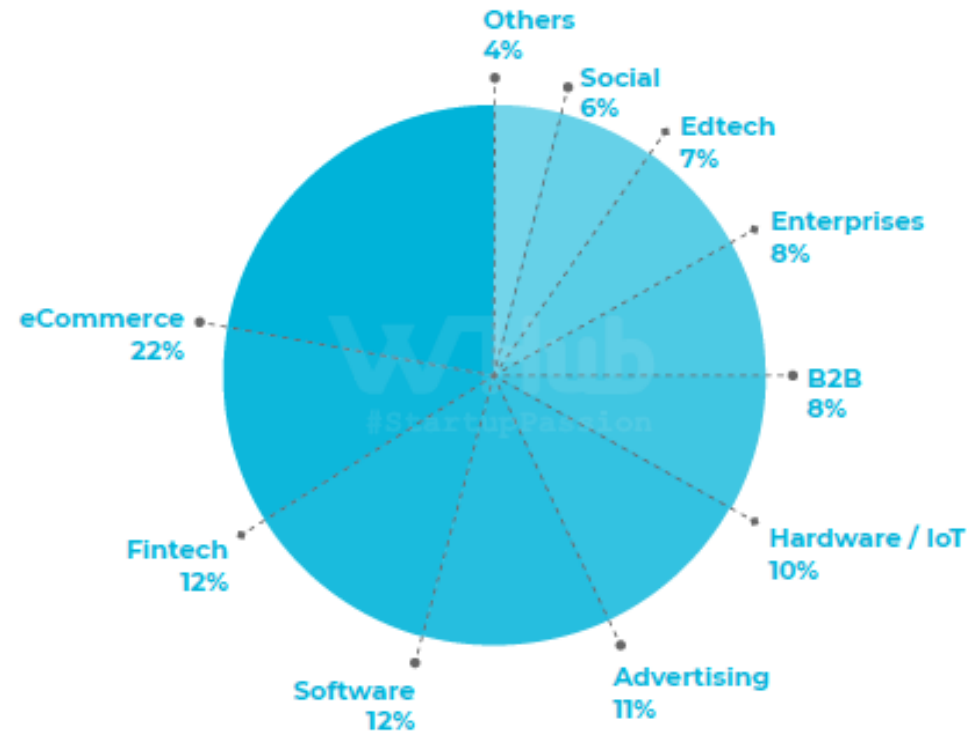
# Ecosystem

Hong Kong has the ideal ecosystem  
for FinTech enterprises to succeed



Diverse and Growing Ecosystem

3,000+ Distribution Startups of Popular in Hong Kong Startup Sectors

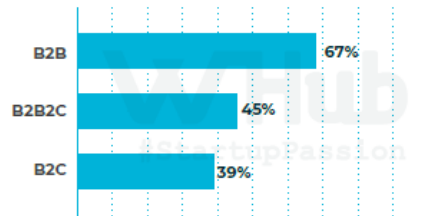


Source: WHub estimate for 2018

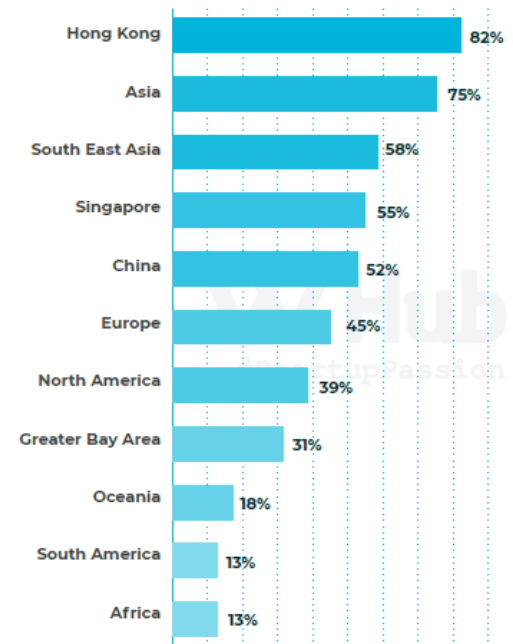
Source: WHUB Fintech White Paper: [www.whub.io](http://www.whub.io)

# Startup Business Models

Business Model



Target Market

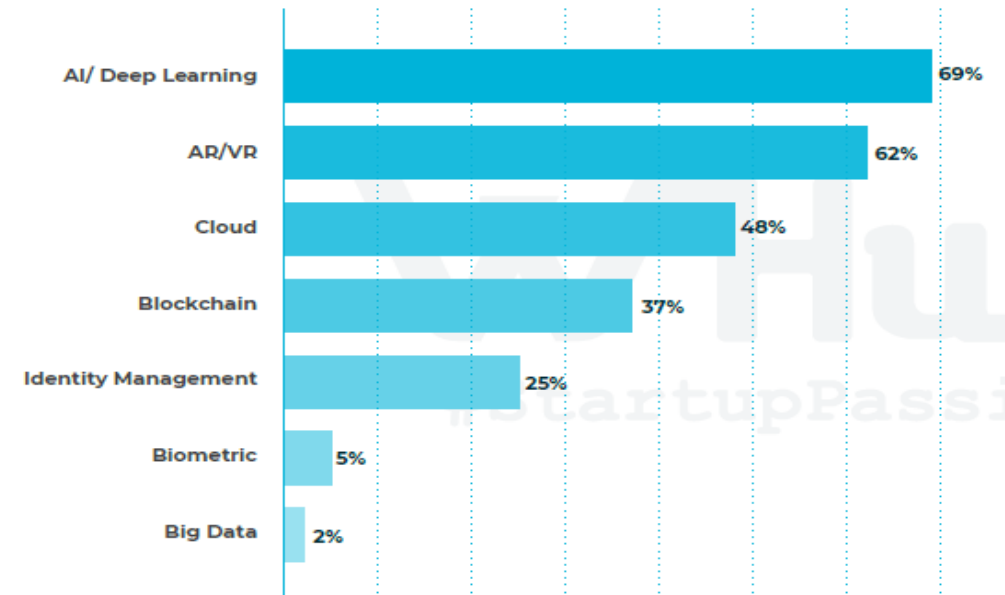


**Business Model** Through the survey, we were able to notice that most FinTech startups in Hong Kong are B2B (business to business) model.

**Target Market** 52% of the FinTech startups chose China as their target market.

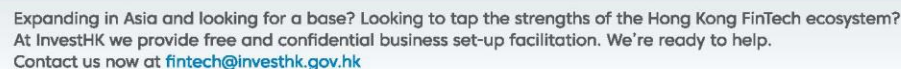
**Median of Funds Raised by FinTech Startups in Hong Kong** US\$1 Million.

Technologies used by FinTech startups in Hong Kong



Source: WHUB Fintech White Paper: [www.whub.io](http://www.whub.io)





Disclaimer: The information contained in this publication is for general reference only. While every effort has been made to keep information current and accurate, InvestHK does not accept any responsibility whatsoever in respect of such information. There is no implied endorsement of any material or recommendation of a company or service provider over another. Due to the space limitation, we are not able to include all company loans in this infographic. Company loans are chosen by random selection.

# Top FinTech Startups

TNG Asia, WeLab

## Startups That Have Raised Funds

Neat, Paycelerate, Bitspark



**WeLab** offers mobile lending experience, operates Wolaidai in China and WeLend in Hong Kong.

**US\$425M** in 3 rounds.

Nov 2017

**US\$220M** in Series B+ from Alibaba Hong Kong Entrepreneur Fund, International Finance Corporation and other global banks.

Sense Time, Blue Fire

8 Securities, Prive Managers, Aidiya, Sentient, Kristal.AI

FinFabrik, Bond IT, leverate

Compare Asia, Dragon Law



**TNG** is an e-wallet that supports real-time remittance, bill payment, mobile SIM top-up and transfer of funds across 12 countries.

SEP 2017

**US\$115M** in a Series A round from New Margin Capital, Nogle Group and Infinity-KBR Group.

ANX, Bitmex, Gatecoin

Seasonalife, Covergo



**MioTech** develops an artificial intelligence-based investment management platform.

Oct 2017

**US\$7M** in a Series A round from Horizons Ventures, Simon Loong Pui-chi and Zhenfund.



**CompareAsia** is a financial marketplace that operates online comparison platforms for financial, telco and utility products.

**US\$93M** in 3 rounds.

Jul 2017

**US\$50M** in a Series B round from World Bank's International Finance Corporation, Alibaba Entrepreneurs Fund, SBI Group, and other 5 investors.

Source: WHUB Fintech White Paper: [www.whub.io](http://www.whub.io)



**Media / Content / Events** Includes a hub for information exchange & knowledge sharing and professional networks



**Technology** Includes companies that focus on blockchain technologies to various industries and verticals



**Research / Education / Universities** Includes research, education, and training services for blockchain technologies.



## FINTECH ASSOCIATION OF HONG KONG

### Hong Kong Blockchain Ecosystem

**Ecosystem Supporters** Includes associations and organisations supporting the growing blockchain community



**Service Providers** Includes legal, taxation and technical professional services



**Financial Services** Includes capital, liquidity and trading services



Missing from the map? Contact us at [contact@ftahk.org](mailto:contact@ftahk.org)

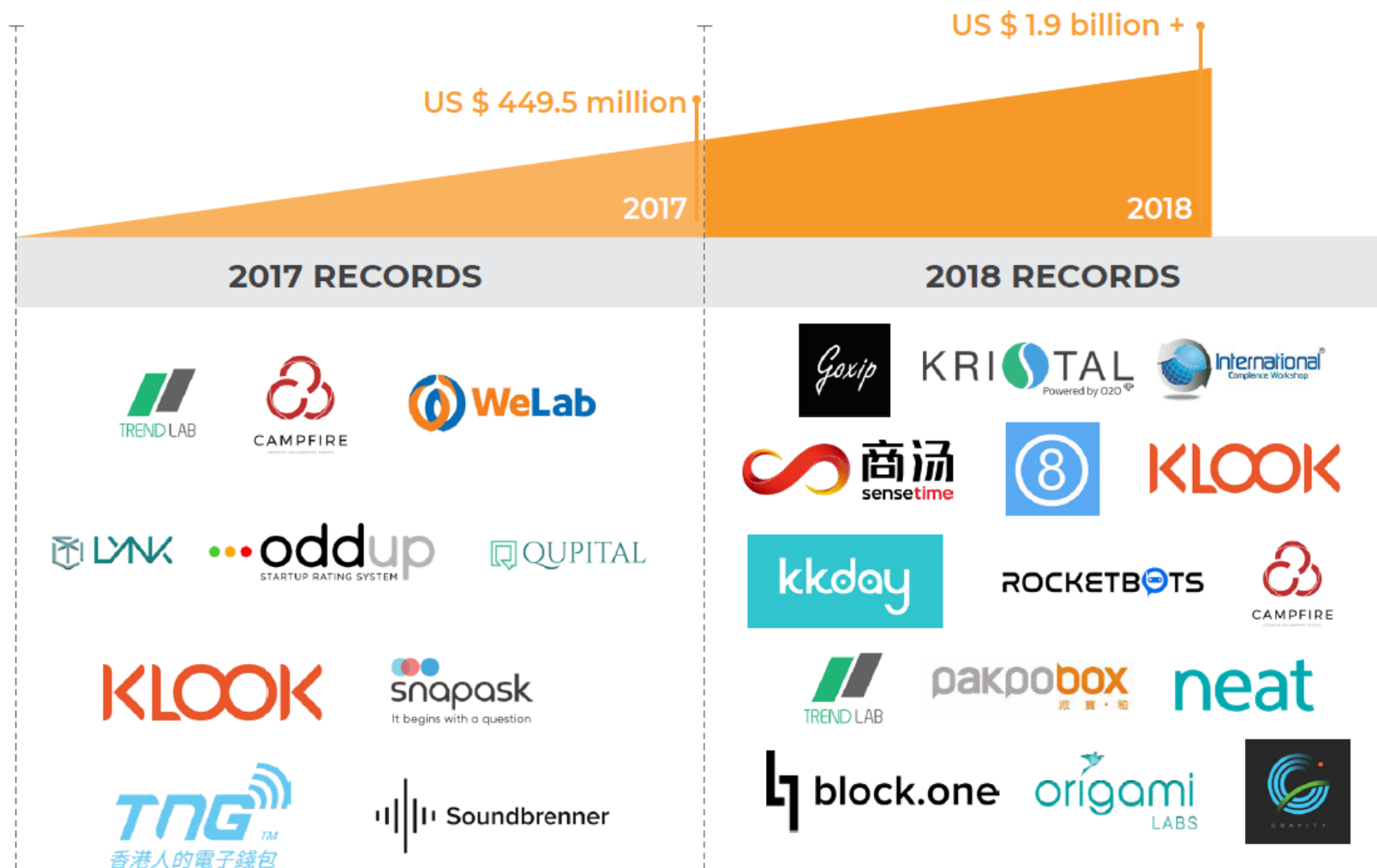
Disclaimer: FinTech Association of Hong Kong (FTAHK) has made every attempt to ensure the accuracy and reliability of the information provided here. However, the information is provided "as is" without warranty of any kind. FinTech Association of Hong Kong (FTAHK) does not accept any responsibility or liability for the accuracy, content, completeness, legality, or reliability of the information contained herein.

No warranties, promises and/or representations of any kind, expressed or implied, are given as to the nature, standard, accuracy or otherwise of the information provided nor to the suitability or otherwise of the information to your particular circumstances. In particular, FinTech Association of Hong Kong (FTAHK) has not independently reviewed or verified the scope, depth or quality of products/services provided by any of the entities stated herein.

<https://ftahk.org/>

# Fund Raising in Hong Kong

Fundraising records by Hong Kong-based startups over the last two years



Source: WHUB Fintech White Paper: [www.whub.io](http://www.whub.io)



## WeLab “Democratizing Finance”

Founded in 2013, WeLab offers **seamless mobile lending experiences**. WeLab analyses unstructured mobile big data within seconds to make credit decisions for individual borrowers. WeLab operates WeLend in Hong Kong, and Wolaidai in China.

WeLab has raised **US\$ 425 Million** in 4 rounds. US\$20M in January 2015, US\$160M in January 2016, US\$25M in September 2016 and US\$220M in November 2017.

The Series B round in Nov 2017 was led by Alibaba Entrepreneurs with participation of International Finance Corporation and Credit Suisse.

In July 2018, WeLab filed for an IPO on the Hong Kong stock exchange, seeking to expand in Southeast Asia.



Source: WHUB Fintech White Paper: [www.whub.io](http://www.whub.io)



## World's highest Fintech Series A

### Hong Kong TNG Wallet : Promoting Financial inclusion for the 2 Billion Unbanked Population Globally

The Hong Kong TNG Wallet is an **electronic wallet** launched in 2015 by the TNG FinTech Group.

It offers secure and convenient e-payment and financial services, including top-up and cash withdrawal services across 13 countries and territories through a network of more than 850 banks and over 183,000 cash pick-up points.

The TNG wallet is a founding member of the "Global E-Wallet Alliance", which currently covers Hong Kong and 12 Asian countries, facilitating frictionless global money transfer.

TNG Wallet secured the Stored Value Facilities License from the HKMA in 2016, and raised **USD 115 M** in Series A in 2017, **one of the largest Series A rounds for a FinTech company in the world.**



Source: WHUB Fintech White Paper: [www.whub.io](http://www.whub.io)



# HKMA Smart Banking

The initiatives to be launched by the HKMA include:

1. **Faster Payment System (FPS)** – Both banks and Stored Value Facilities (SVF) operators can participate in the FPS, which supports the use of mobile phone numbers or email addresses for payments in Hong Kong dollar and Renminbi anytime and anywhere. FPS is scheduled to be launched in September 2018. In addition, an industry working group has been established to facilitate a common QR code standard, which would promote the wider use of mobile retail payments and greater convenience to customers and merchants.
2. **Enhanced Fintech Supervisory Sandbox (FSS) 2.0** – FSS 2.0 will have three new features: (i) a Fintech Supervisory Chatroom will be set up to provide speedy feedback to banks and tech firms at an early stage of their Fintech projects; (ii) tech firms may have direct access to the sandbox by seeking feedback from the Chatroom without necessarily going through a bank; (iii) the sandboxes of the HKMA, the Securities and Futures Commission and the Insurance Authority will be linked up so that there will be a single point of entry for pilot trials of cross-sector fintech products. The FSS 2.0 will be launched by the end of 2017.
3. **Promotion of Virtual Banking** – The HKMA welcomes the introduction of virtual banks in Hong Kong and will consult the industry to review and amend the Guide to Authorization of Virtual Banks issued in 2000.
4. **Banking Made Easy initiative** – A new task force will be set up within the HKMA to work with the banking industry to minimise regulatory frictions in customers' digital experience, including remote onboarding, online finance and online wealth management.
5. **Open Application Programming Interface (API)** – A policy framework on Open API will be formulated to facilitate the development and wider adoption of API by the banking sector, thereby stimulating innovations and improving financial services through collaboration between banks and tech firms. The HKMA aims to finalise the policy on Open API for the banking sector around the end of 2017.
6. **Closer cross-border collaboration** – The HKMA will strengthen its efforts to collaborate with several authorities in other jurisdictions in the development of Fintech. Latest initiatives being pursued include cooperation with the Office of Financial Development Service of the Shenzhen Municipal Government, and the development of a Distributed Ledger Technology (DLT) platform to digitalise banks' trade finance processes in Hong Kong, with potential connectivity with Singapore's trade platform.
7. **Enhanced research and talent development** – The HKMA will step up collaboration with the Hong Kong Applied Science and Technology Research Institute, Science Park and Cyberport to promote the introduction of new technology and processes that will bring about higher speed and greater convenience to bank customers, and to nurture fintech talents in Hong Kong.



# Hong Kong Virtual Banking Licenses

## Livi VB Ltd.

- Joint venture between BOC Hong Kong Holdings (44 percent stake), JD Digits (36 percent) and Jardines (20 percent)
- Combined [initial investment](#): HK\$2.5 billion

## SC Digital Solutions Ltd.

- Joint venture between Standard Chartered's Hong Kong unit (65.1 percent), PCCW (10 percent), HKT (15 percent), Ctrip Financial (9.9 percent)
- HKT and PCCW to invest [as much as](#) HK\$801.5 million

## ZhongAn Virtual Finance Ltd.

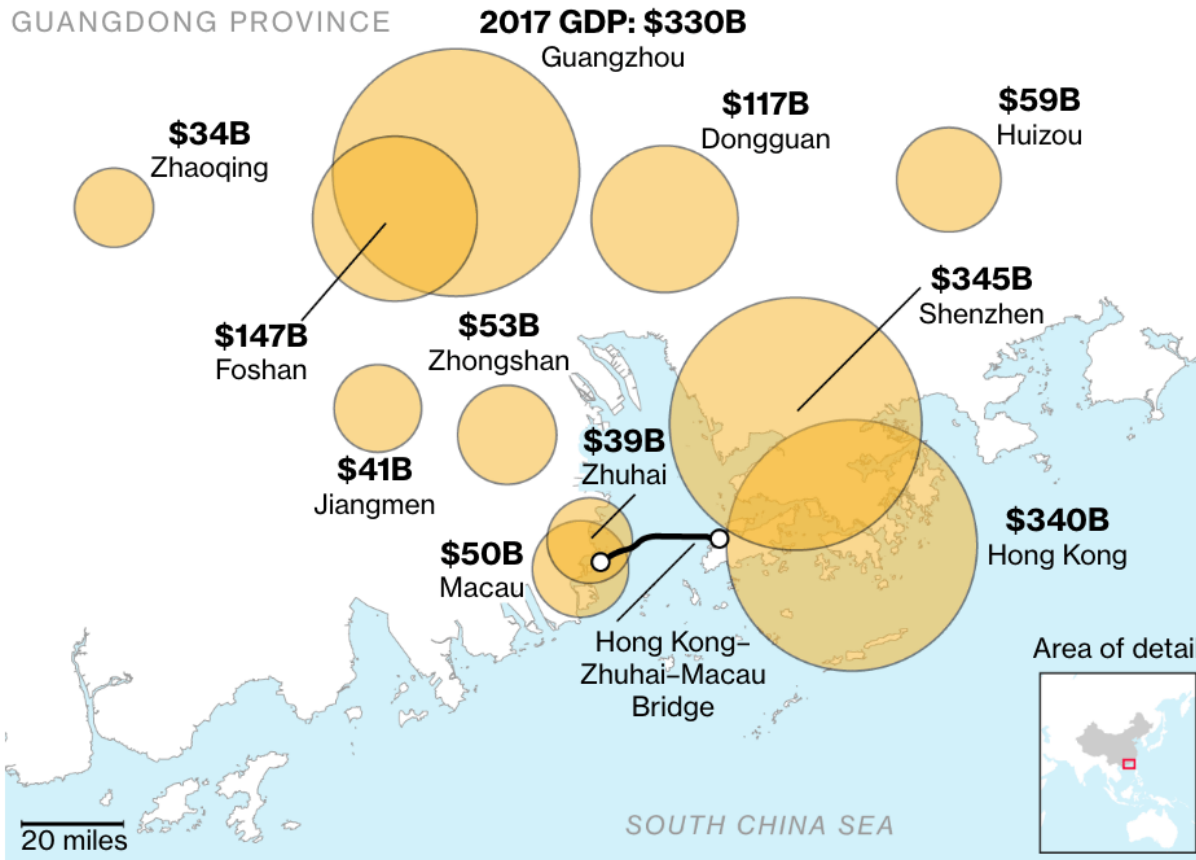
- Company set up by ZhongAn Online (51 percent) and Sinolink Group (49 percent)
- Registered capital: HK\$1.5 billion

## Welab Digital Limited

- Home grown Hong Kong Unicorn.



# CHINA Greater Bay Area (GBA)



1. An international innovation and technology hub

2. Expediting infrastructural connectivity

3. Deepen ties between Hong Kong and mainland financial systems

4. Quality of life, work and travel

5. Education in the bay area

6. Cooperation between Guangdong, Hong Kong and Macau

7. Ecological conservation

Sources: Statistics Bureau of Guangdong Province, Census and Statistics Department Hong Kong, Macau Statistics and Census Bureau

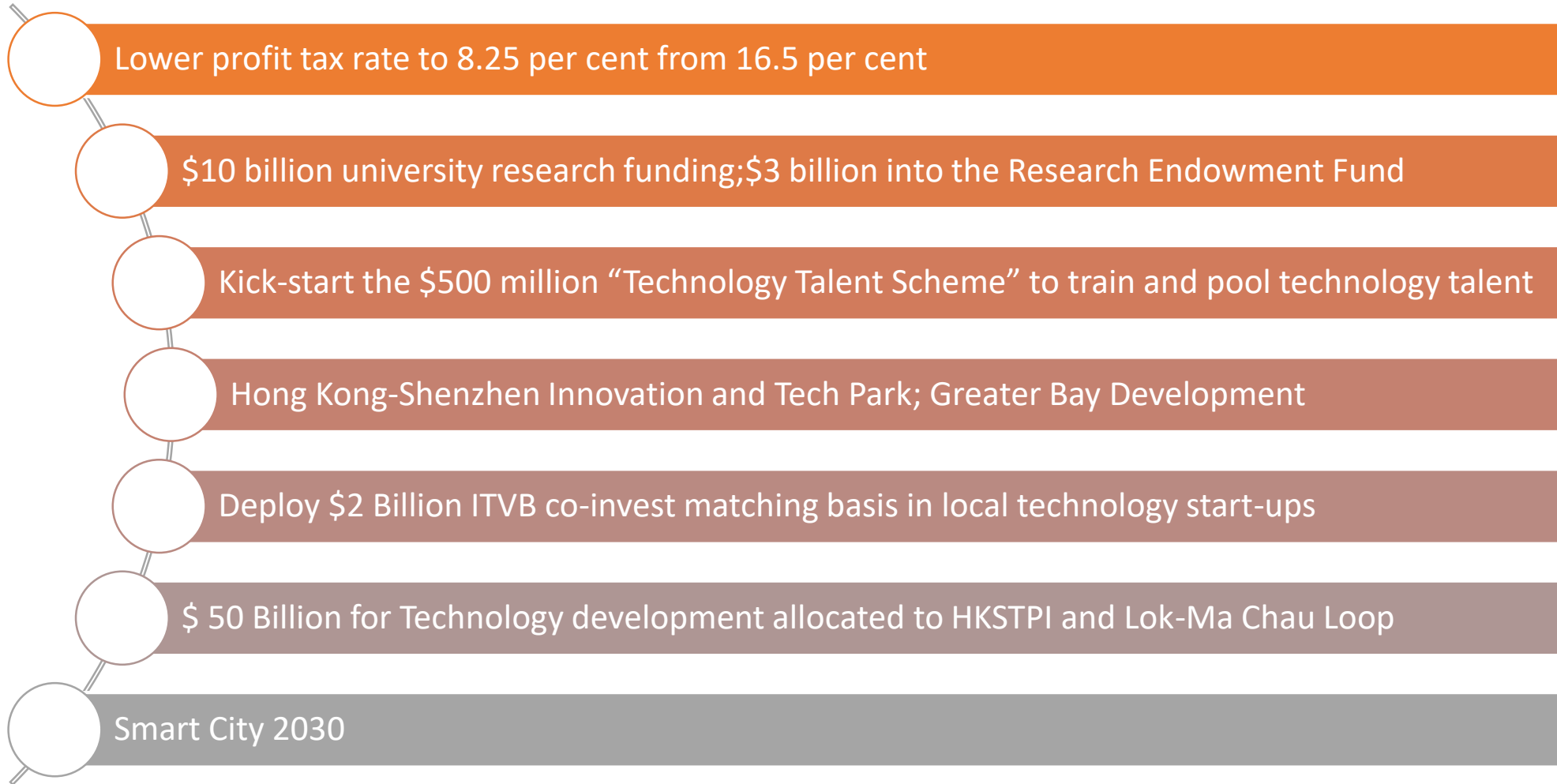
# CHINA Greater Bay Area (GBA)

San Francisco Bay Area	New York Metropolitan Area	'Greater Bay Area'	Tokyo Bay Area
<i>Population</i> <b>7.6m</b>	<b>20.2m</b>	<b>69.6m</b>	<b>44m</b>
			
<i>GDP</i> <b>US\$781.2b</b>	<b>US\$1,657.5b</b>	<b>US\$1,513.4b</b>	<b>US\$1,774.2b</b>
<i>GDP per capita</i> <b>US\$102,230</b>	<b>US\$80,050</b>	<b>US\$21,750</b>	<b>US\$40,360</b>

Source: HKTDC Research

SCMP

# Policy Facilitation



# Future State of Play





FINTECH ASSOCIATION  
OF HONG KONG

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[www.ftahk.org](http://www.ftahk.org)



Powering Hong Kong's FinTech  
Community





FINTECH ASSOCIATION  
OF HONG KONG

## Powering FinTech Community

FTAHK is an independent, not-for-profit, member-driven organisation representing Hong Kong's local and global FinTech community.

We are organised and led by the community, for the community.

- **Advocate**
- **Collaborate**
- **Educate**

By and for the community

The Association is lead by 12 Board of Directors & a General Manager



**HENRI  
ARSLANIAN**



**MATT DOOLEY**



**MARC  
ENTWISTLE**



**KAREN CONTET FARZAM**



**VERONICA  
FUNG**



**LAWRENCE LI**



**SIMON LOONG**



**ALEX MEDANA**



**BENEDICTE  
NOLENS**



**BENJAMIN  
QUINLAN**



**MAAIKE  
STEINEBACH**

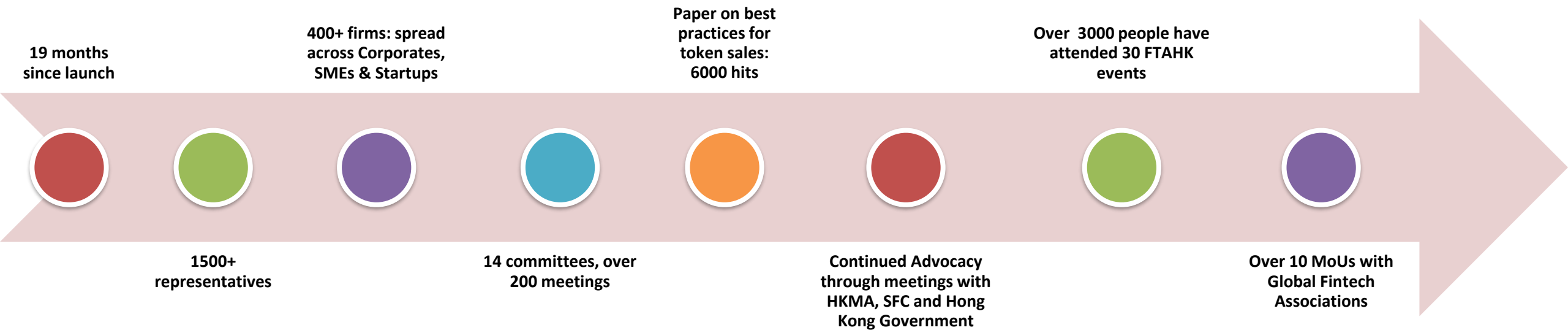


**AMANDA TUNG**

**General Manager**



**MUSHEER  
AHMED**





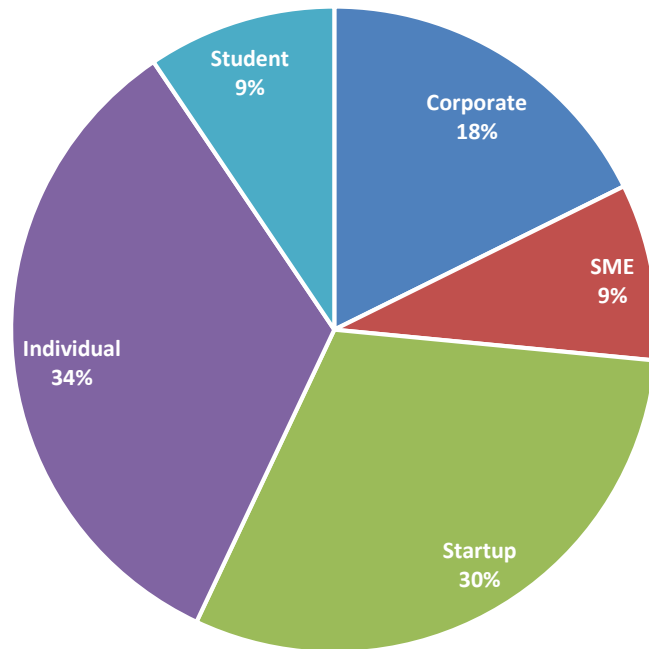
# Founding Members

  
FINTECH ASSOCIATION  
OF HONG KONG

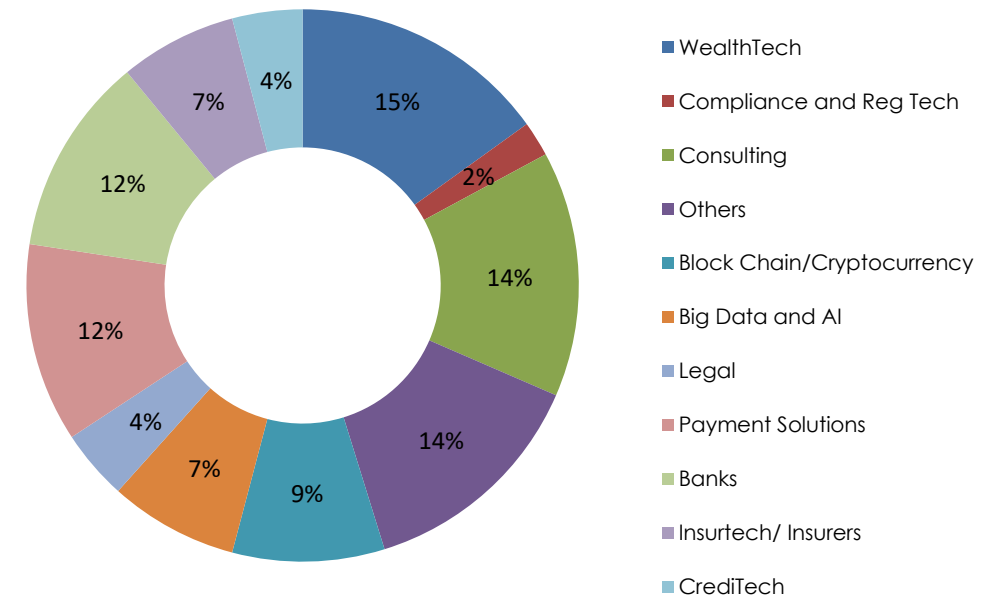


# MEMBERSHIP AS OF Q4 2018

## MEMBERSHIP BREAKDOWN



## BUSINESS CATEGORY



# MEMBERSHIP Categories & Fees



**All membership details including payment gateway available here: (<http://hkfintech.org/membership/>)**

Membership brings a wide range of benefits, including opportunities for increased business growth and partnerships, greater exposure and influence, access to investment opportunities, exclusive business insights and commercial offers and discounts. Details of membership types, costs and specific perks are detailed below:

MEMBER TYPES	Corporates	SME	FinTech Startup	Individual	Student
Requirements	>organisations with over 50 employees	>3 years & less than 50 employees	< 3 years since incorporation	Discretion of board	Full time study
# of members	10	5	3	1	1
Perks	Full as below	Full as below	Full as below	Full as below	Newsletter & Information on events
Digital Directory	Yes	Yes	Yes	Yes	No
Annual Fees for First Year HKD	25,000	10,000	1,000 for 1 <sup>st</sup> Year; 5,000 subsequently	3000	200

# Partnerships

## Partners

- Legal -Bryan Cave; Media & PR- Cognito, Ruder Finn; Administration – Vistra; HK Ecosystem - Invest Hong Kong; Community –Whub, Metta; Insurance – Sunlife; Co-working - Campfire

## MoUs Signed

- Taiwan, Singapore, Switzerland, Australia, Japan, Ireland, Vizag Fintech Valley, HK Internet Finance Association

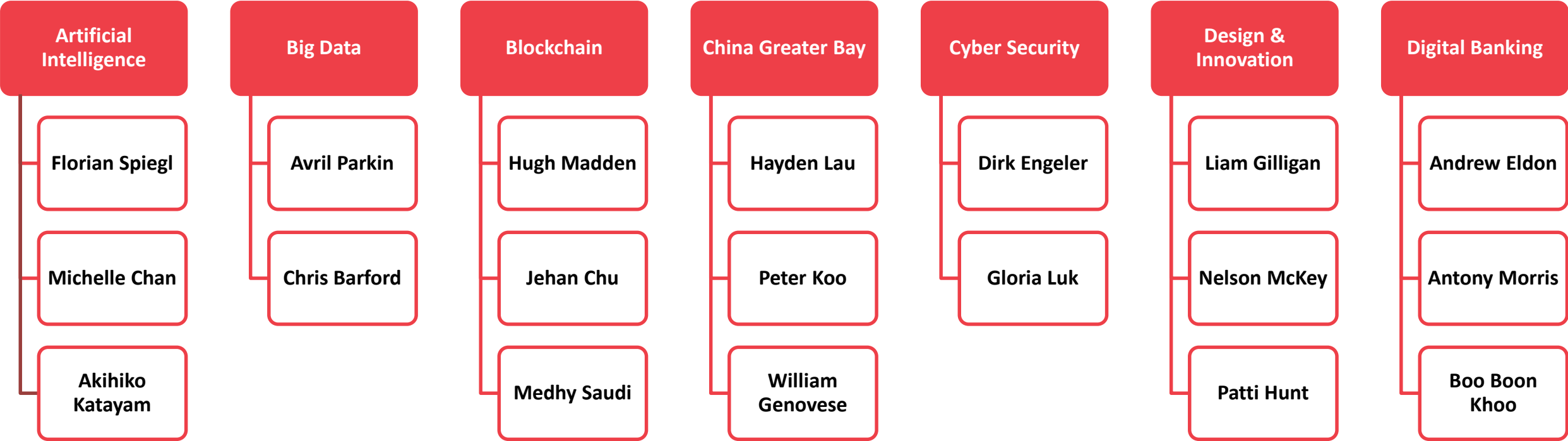
## MoUs in Discussion

- Thailand, Malaysia, Bahrain, Dubai, Qatar, MENA, France, UK, Germany, Shenzhen Fintech Associations

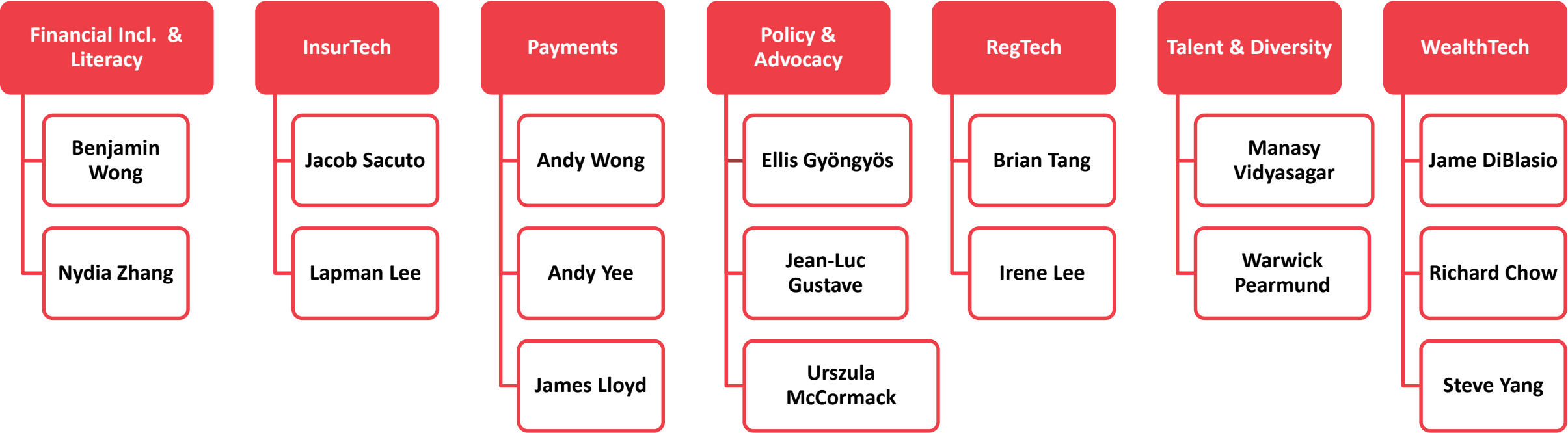
## Supporting Partners at over 30 events

- Hong Kong Fintech Week, Fintech Education Week, Finnovate, Asian Financial Forum, Fintech Finals, InsurTech Asia, ASIFMA annual conference, Family offices conference, Fintech 020, RISE, AI in Finance, and many more

Organised and **led by the community, for the community** through a series of committees, headed by Industry leaders



Organised and **led by the community, for the community** through a series of committees, headed by Industry leaders



# HK FINTECH WEEK: FTAHK ENGAGEMENT

## Booths:

- Fastrack booth - 31st Oct/1st Nov
- Ftahk pavilion: 8 startups under ftahk: 31st Oct/1st Nov.

## Innovation lab tour: 29/30th October:

- ftahk + invest hk + finnovasia assisting with logistics. Each lab to run their own agenda on this

## Panel discussions on Finnovasia Stage:

- A) Fintech Funding on Oct 31
- B) Virtual Banking on Nov 1<sup>st</sup>

## Breakfast with other Fintech Associations

# HK FINTECH WEEK: FTAHK ENGAGEMENT

## White Papers:

- Updated Best Practices for Token Sales

## Speaking Slots: Finnovate + HK Fintech Week

- many board + cochairs speaking

## Fintech Education Week:

- Seminar on financial inclusion at HKUST
- Joint event on Greater Bay Area fintech with HKUST on 30th Oct
- Partners with HKU on 29th Oct

## Drinks: FTAHK + Women in Tech Drinks on Nov 2nd



# **COMMITTEES' INITIATIVES**

# Committee Initiatives– Advocacy

	Name of Event	Organising Committee	Date
1	HKEX's Gold Futures and New Board Proposal Discussion - FTAHK x HKEX	FTAHK Board	15th Aug'17
2	White Paper on Best Practices for Token Sales	Policy & Advocacy, supported by Blockchain	6th Dec'17
3	Response to HKMA paper on Open APIs	Digital Banking	15th March'18
4	Response to HKMA paper on Virtual Banks	Digital Banking	15th March'18
5	Regulatory Workshop on Cryptocurrency trading & regulations	FTAHK Board, Policy & Advocacy, Blockchain	12th April'18
6	HKMA lead discussion on Faster Payments System	Payments	4th May'18
7	HKMA Working group on Account Opening and Maintenance	FTAHK Board	14th June'18

# Committee Initiatives– Advocacy

	Name of Event	Organising Committee	Date
8	Meeting with ITB and FSTB	FTAHK Board	Q3 2018
9	Working Group on HKMA Account Opening and Maintenance	FTAHK Board	Q3 2018
10	Soft Consultation on Public Cloud to SFC along with ASIFMA	FTAHK Board	Q3 2018
11	Industry Round Table on Digital Assets with regulators	Wealthtech & Blockchain	Nov 2018
12	Workshop for regulators on Artificial Intelligence and Machine Learning	AI Committee	Nov 2018
13	Industry Round Table on SFC's new rules on Crypto exchanges and fund management with regulators	Blockchain & Policy-Advocacy	Nov 2018
14	Keynote on eMPFA & RFI for Centralized platform by Ms. Alice Law, Managing Director & Deputy Chairperson, Mandatory Provident Fund Authority (MPFA)	WealthTech	Mar 2019
15	CXO level Industry Round Table on Insurtech and Insurance	InsurTech	Mar 2019
16	Female Leaders in Fintech	Talent & diversity	Mar 2019

# Committee Initiatives– Collaborate

	Name of Event	Organising Committee	Date
1	Launch Party for FinTech Association of Hong Kong	FTAHK Board	27th June
2	Artificial Intelligence in Finance: Joint Event with AI society	Artificial Intelligence	31st Aug
3	Investable FinTech: Lessons from Hong Kong: an 100 Women in Finance and FTAHK event	FTAHK Board & Talent & Diversity	4th Dec
4	FTAHK Members Christmas Networking Drinks	FTAHK Board	6th Dec
5	InsurTech Demo Night hosted by the InsurTech Committee of FTAHK	InsurTech	14th Dec
6	Breakfast with Sophia Leung, CIO of JP Morgan	Talent & Diversity	9 <sup>th</sup> March
7	Breakfast Roundtable on Roboadvisory's impact on Wealth Management	WealthTech	21 <sup>st</sup> March

# Committee Initiatives– Collaborate

	Name of Event	Organising Committee	Date
8	RegTech Live! Demo of AML/KYC Solutions from top RegTech 100 firms	RegTech	May 2018
9	Challenges in Design in Financial Services	Innovation & Design	Aug 2018
10	Joint event on Faster Payments System with HKGCC	Payments	Sept 2018
11	Fintech Week pre-launch party with Finnovasia	FTAHK Board	Aug 2018
12	Hong Kong Blockchain Ecosystem Map	Blockchain	Feb 2019
13	Cross Border Collaboration trip to Qianhai and Shenzhen: China Greater Bay	FTAHK Board	Feb 2019
14	Combatting AML in Digital Assets	RegTech, Blockchain, Policy	Mar 2019
15	Wealth Management in a Digital World – Joint event with PWMA	WealthTech	Mar 2019

# Committee Initiatives– Educate

	Name of Event	Organising Committee	Date
1	Token Sales and Initial Coin Offerings (ICOs)- The Road towards Best Practices for Developers and Backers	Blockchain, Policy & Advocacy , RegTech	27th July
2	A New Era of Smart Banking in Hong Kong	Financial Inclusion & Literacy	17 <sup>th</sup> Jan'18
3	Regulatory Workshop on Cryptocurrency trading & regulations	FTAHK Board, Policy & Advocacy, Blockchain	12 <sup>th</sup> April'18
4	Blockchain for the Enterprise: From Proof of Concept to Production	Blockchain	15 <sup>th</sup> March'18
5	Summer Internship Platform for SME & Startups and Hong Kong Universities	Talent and Diversity	April'18
6	Regulatory Workshop on Roboadvisory	WealthTech Committee	26 <sup>th</sup> June'18
7	Talks on Hong Kong & China Ecosystem at Various Hong Kong Universities	FTAHK General Manager	2017-18
8	Lunch & Learn Sessions for Members	FTAHK General Manager	2017-18
9	AI in Finance	Artificial Intelligence & Big Data Committees	23 <sup>rd</sup> Oct' 18



# FINTECH ASSOCIATION OF HONG KONG

Contact: [generalmanager@ftahk.org](mailto:generalmanager@ftahk.org)

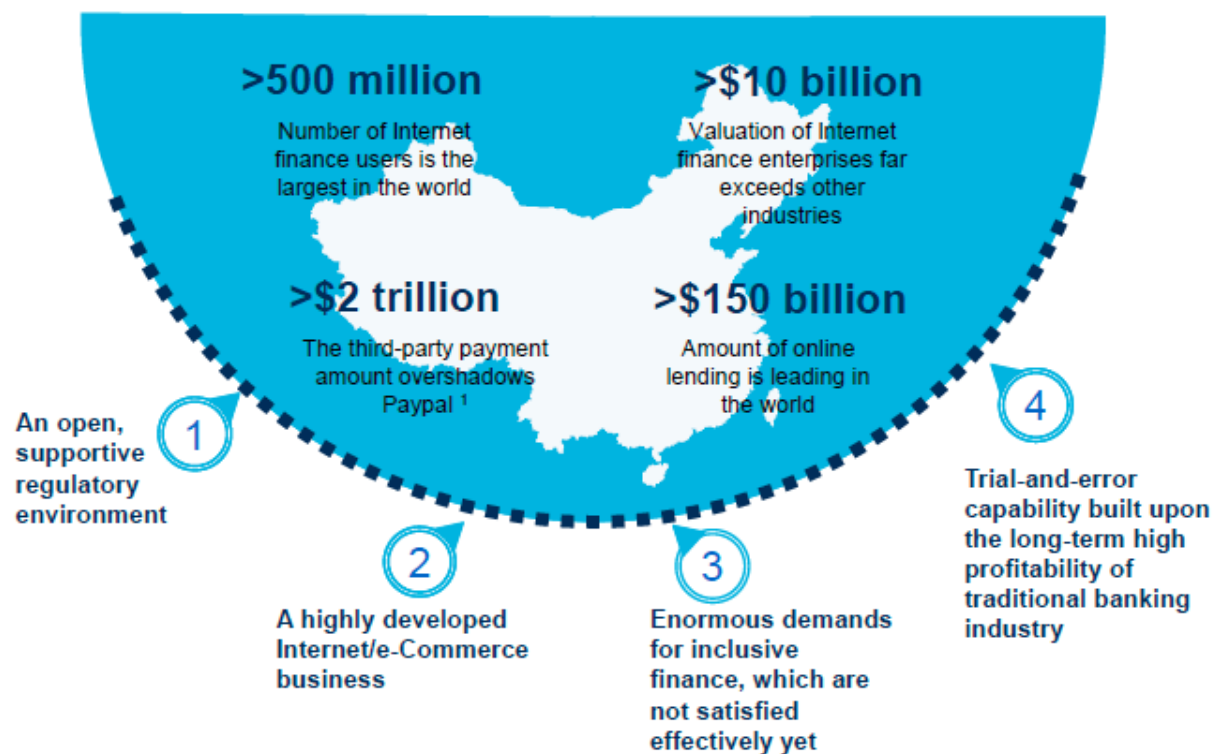
Website: [www.ftahk.org](http://www.ftahk.org)

# CHINA FINTECH ECOSYSTEM



# Top Enabling Factors

Four favorable factors benefit the rise of China's Internet finance market and facilitate its leading position in the world

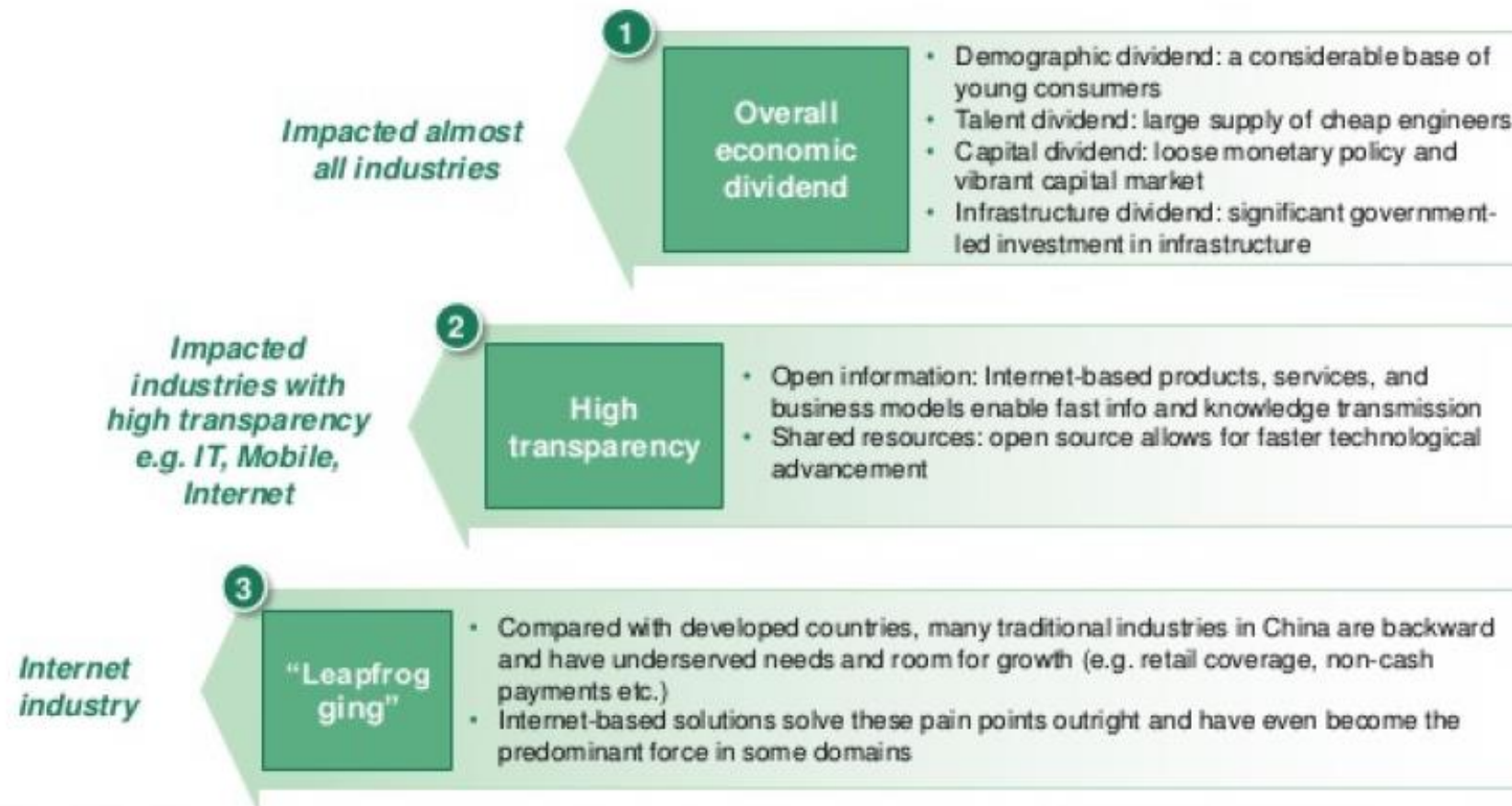


<sup>1</sup> Transaction amount of Paypal in 2015 approximated to USD 282 billion

Source: iiMedia Research

# Leapfrogging

## Industries impacted by each driving force



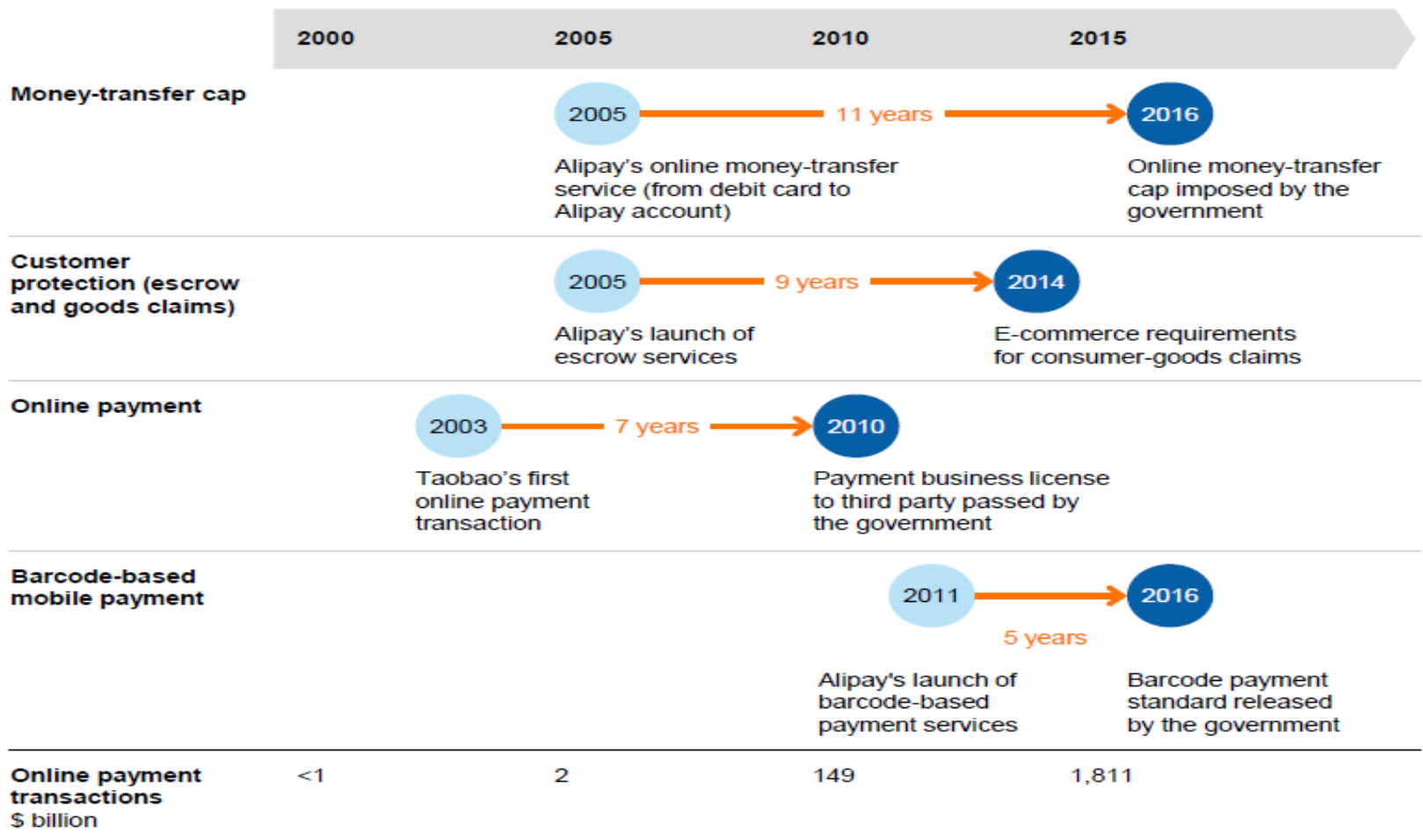
Source: BCG analysis.

# Regulations

In mobile payments, government policy left space for innovators to experiment

Selected examples

● Commercial move ● Regulation event



SOURCE: Official regulatory announcements; SAIC and Ministry of Commerce; Alibaba, Baidu, and Tencent annual reports; McKinsey Global Institute analysis

# Private Enterprises

# Top FinTech Players

## Chinese Internet Companies Play Across The Fintech Value Chain

For these five major players, their fintech businesses serve to strengthen their core business.



# Top Chinese Virtual Banks

## December 2014

Tencent Holdings leads partners to set up Shenzhen-based WeBank with registered capital of three billion yuan. It is the largest shareholder with a 30 per cent stake. The bank's target customers include individuals and small and micro enterprises

**Tencent** 腾讯

## June 2015

Alibaba Group Holding leads partners to establish Zhejiang E-Commerce Bank, or known as MYbank, as the largest shareholder with a 30 per cent stake. With four billion yuan in registered capital, the Hangzhou-based banking venture targets small and micro enterprises, the rural market and smaller financial institutions

**Alibaba Group**  
阿里巴巴集团

## June 2016

Xiaomi wins the approval from the China Banking Regulatory Commission to set up XW Bank with three billion yuan in registered capital. It holds a 29.5 per cent stake in the Chengdu-based lender as the second-largest shareholder while New Hope Group holds 30 per cent as the largest shareholder

**小米**  
xiaomi.com

## December 2016

Suning Commerce Group secures the approval from the regulator to set up Suning Bank as the largest shareholder with a 30 per cent stake. The Nanjing-based bank has four billion yuan in planned registered capital

**SUNING**  
苏宁云商

## January 2017

Baidu obtains regulatory approval for Baixin Bank, a direct bank without any brick-and-mortar branches. China Citic Bank Corp holds 70 per cent of the Beijing-based lender and Baidu holds the remainder

**Baidu** 百度

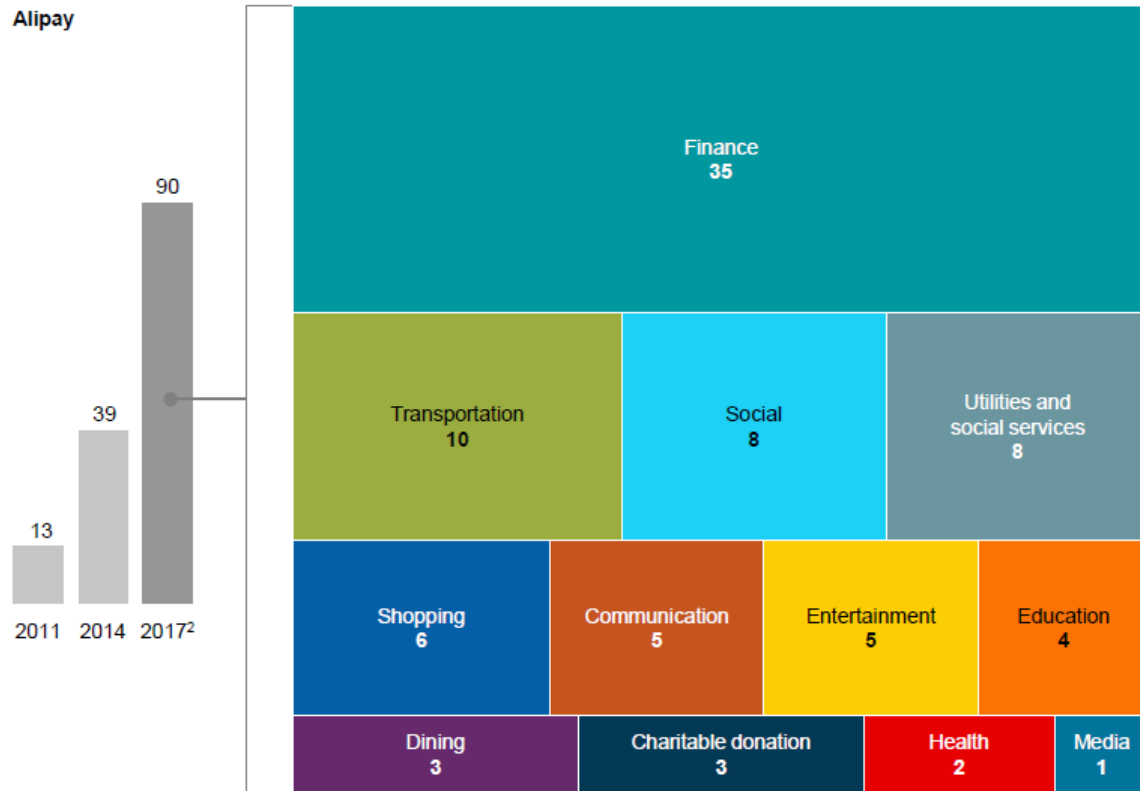
Source: China Banking Regulatory Commission, banks' websites, SCMP research

SCMP

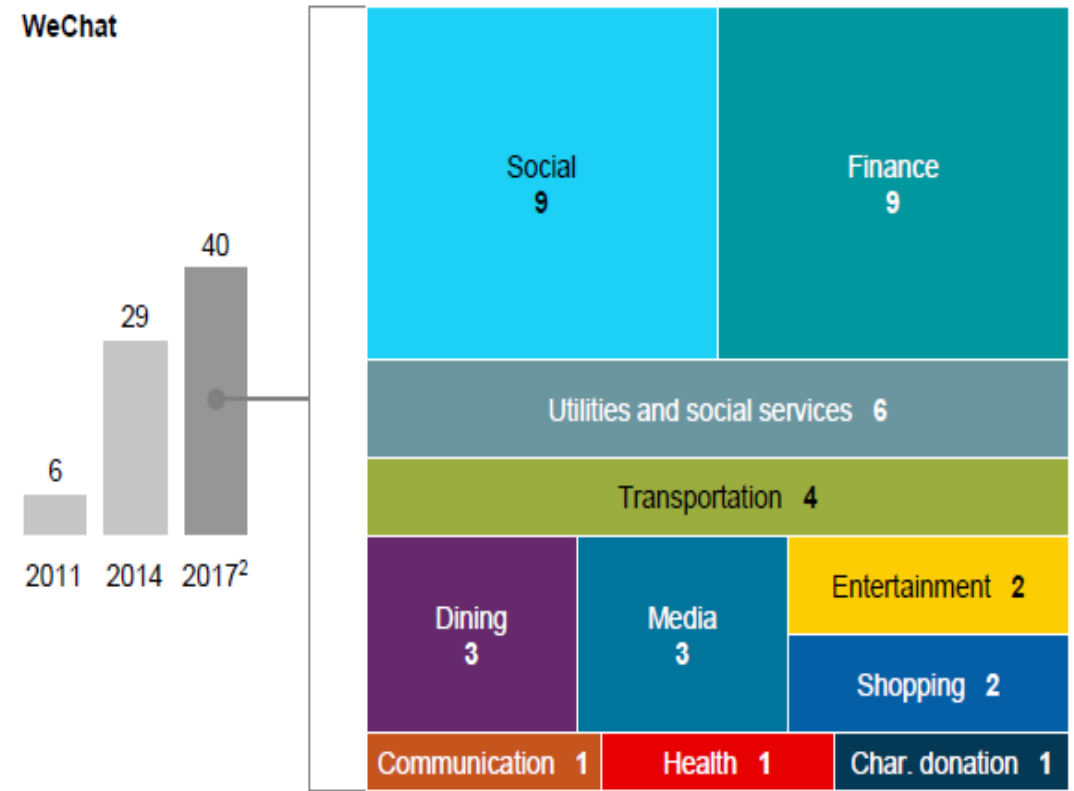


# Platform Economy

Alipay

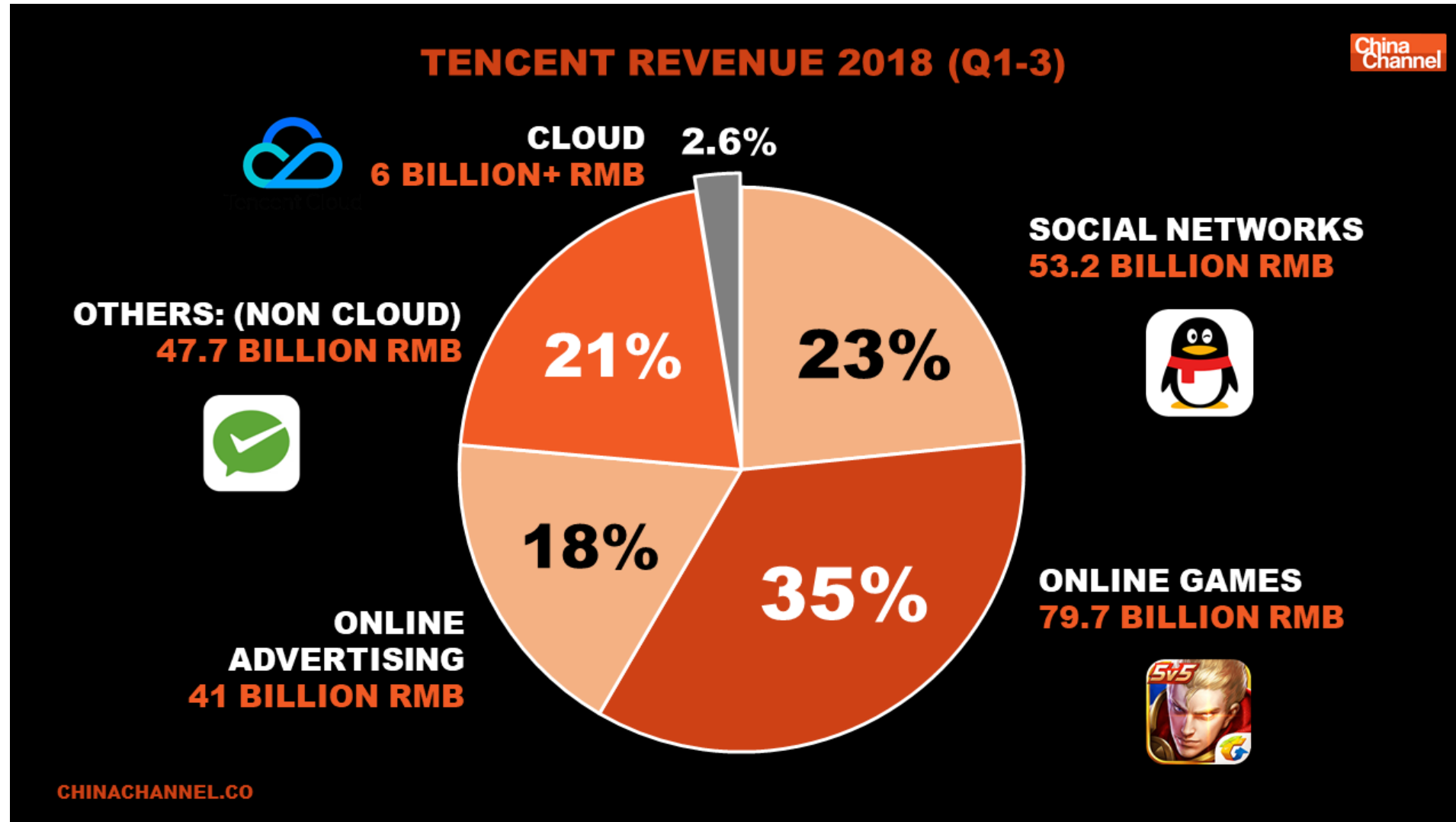


WeChat



Number of features by key application categories: McKinsey & Co<sub>1</sub>

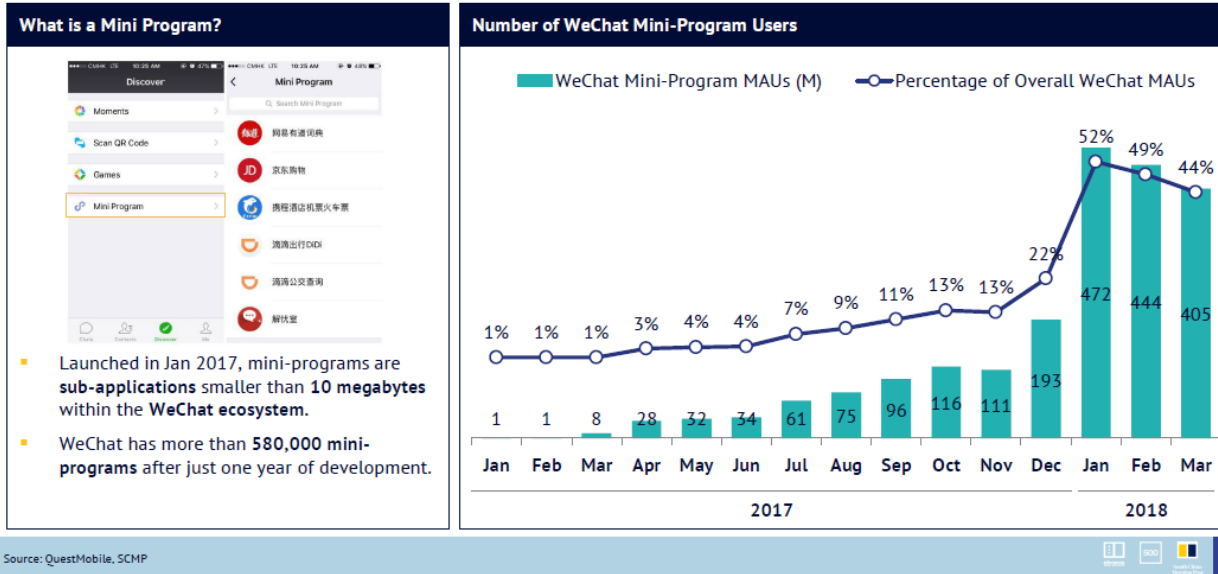
# Platform Economy





# Platform Economy – mini programs

In the beginning of 2018, 50% of WeChat's MAUs (472M) were using mini-programs.



Mini-programs are enabling WeChat to be the dominant all-in-one application on mobile.

Top 100 Mini-Programs By Type As Of March 2018



Source: QuestMobile, SCMP

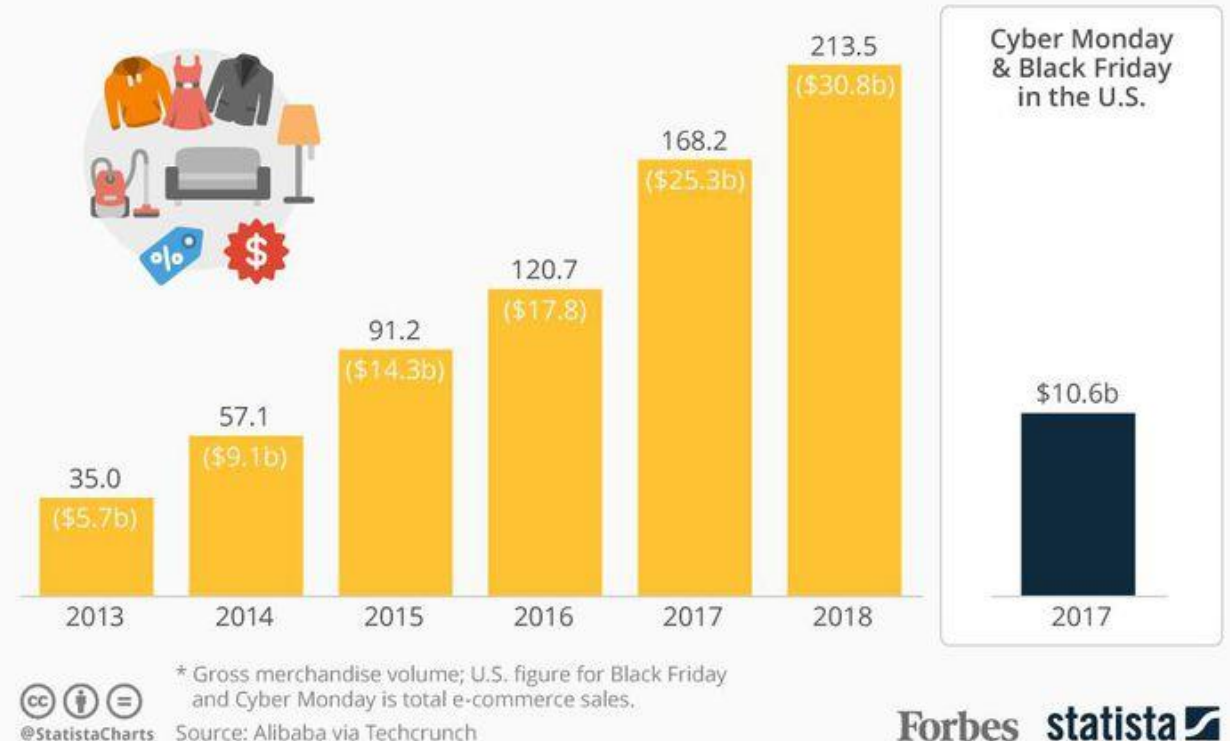
# Payments & E-Commerce

# Singles Day 11/11

- Alibaba Sales 2018: **US \$30.8 Billion** vs 2017: US \$25.3 Billion
- Within **the first two minutes**, Alibaba sold **\$1 Billion** and **US \$10 Billion** within an hour
- **JD.com** sold **RMB 159.8 billion (\$23 billion)** over **11 days** up 26 percent on last year when it recorded 127.1 billion RMB in GMV
- **1.48 billion** payments processed through Alipay, and 90% were through mobile phone
- At its peak, the company's processors handled 256,000 transactions per second
- Over **one billion packages** were shipped throughout the shopping day
- 27% of purchases were from international brands or merchants. This year, merchants from over 200 countries participated
- 180,000 brands, including more than 40% sales to international brands
- By the end of the sale, more than 200 other brands joined the '100 million yuan club'

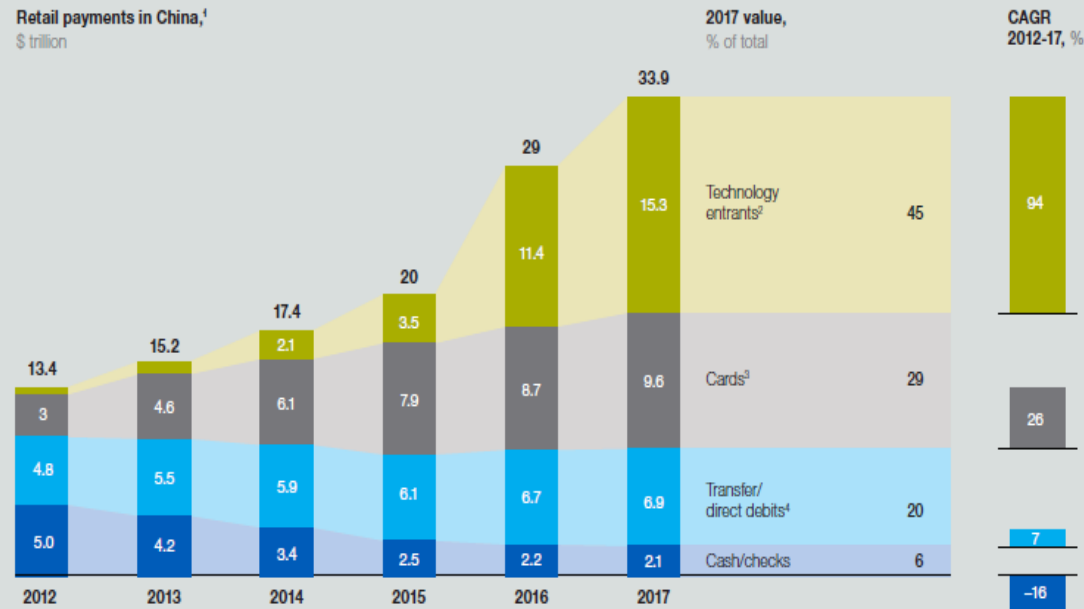
## Singles' Day Sets Another Sales Record

GMV for Alibaba on Singles' Day compared to Black Friday & Cyber Monday\* (in RMB)



# Mobile Payments

Technology giants now account for nearly 50% of domestic retail payments volume in China.



<sup>1</sup> All retail transactions by domestic Chinese customers by domestically issued cards and domestic bank accounts across all sectors and use cases.

<sup>2</sup> Includes pure pass-through wallets and pass-through and staged wallets.

<sup>a</sup> Includes only transactions done locally by locally issued credit cards.

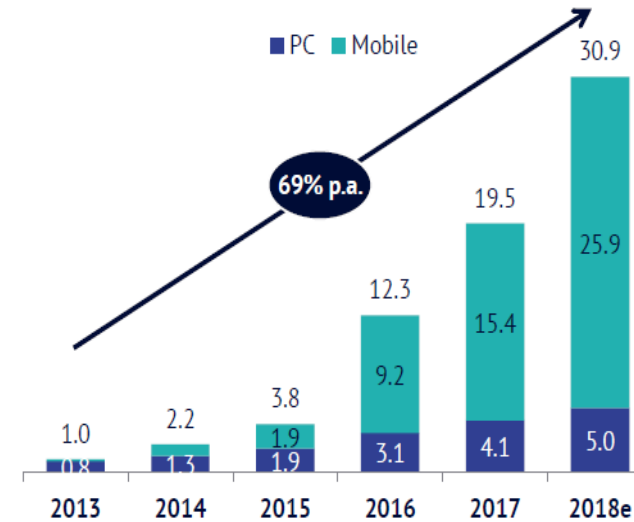
<sup>4</sup> 3PP transaction volume includes both consumption-related and non-consumption related.

Source: McKinsey Global Payments Map, IResearch, PBOC

China's mobile payment transaction volume hit US\$15 trillion in 2017 with the duopoly taking 92% of the market.

### China's Total Transaction Value Via 3<sup>rd</sup> Party Online Payments

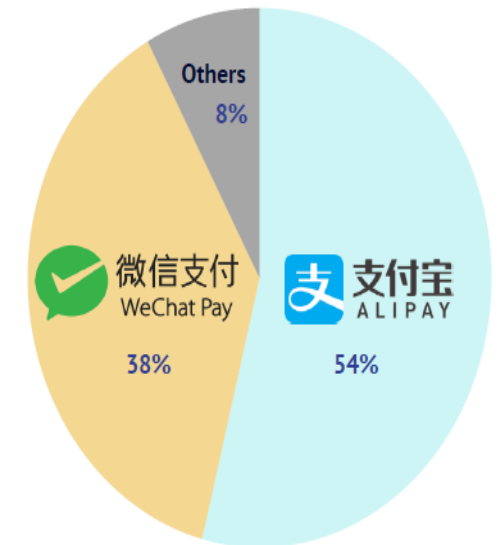
US\$ Trillion



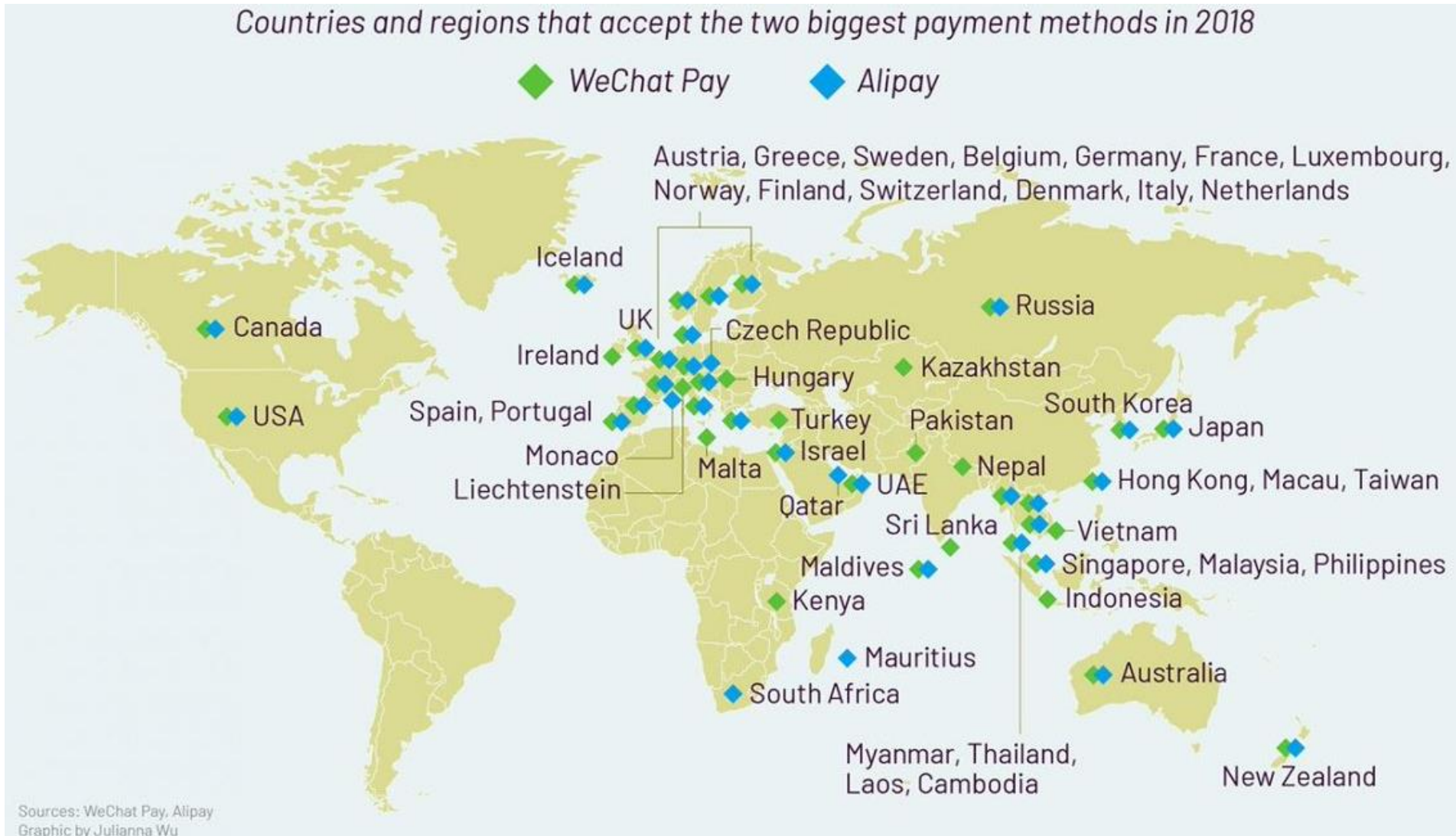
Source: iResearch, Analysys

### China's Mobile Payment Market Split, 2017

%

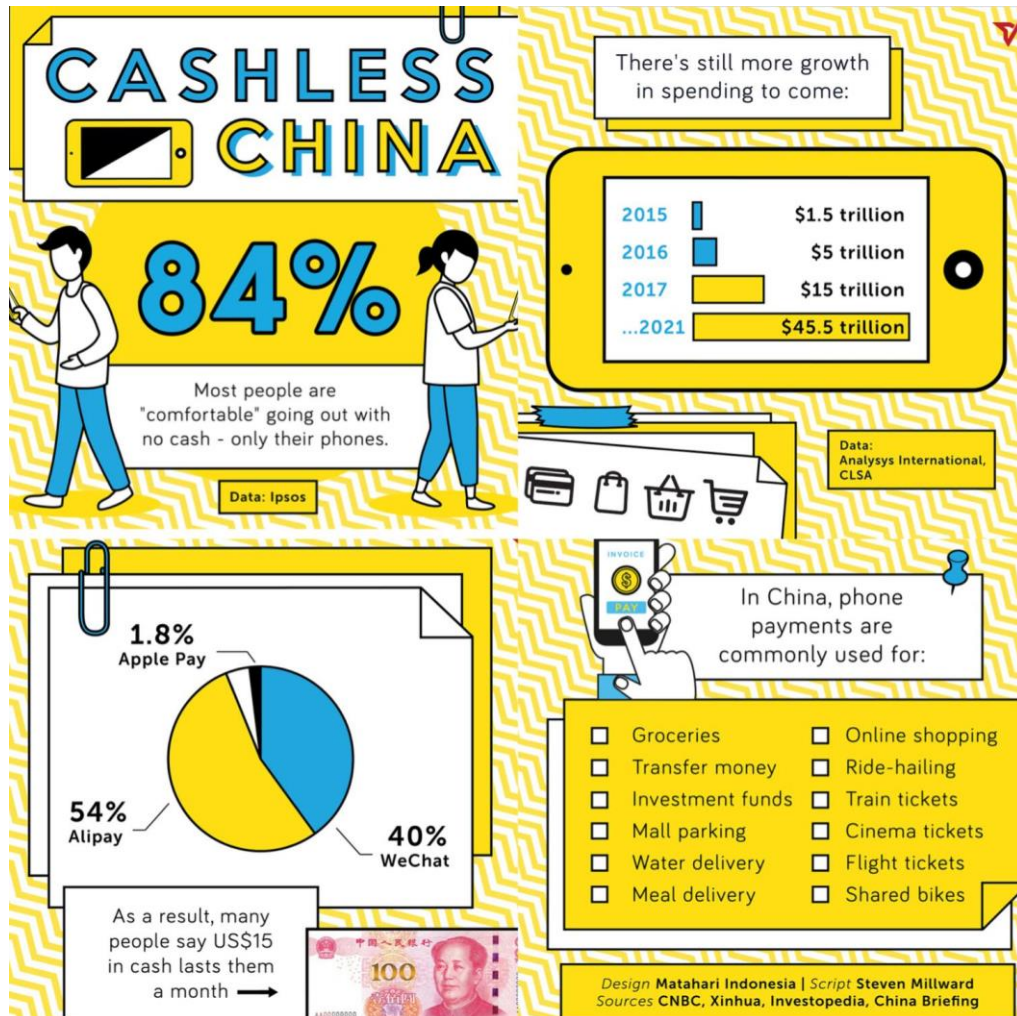


# Mobile Payments





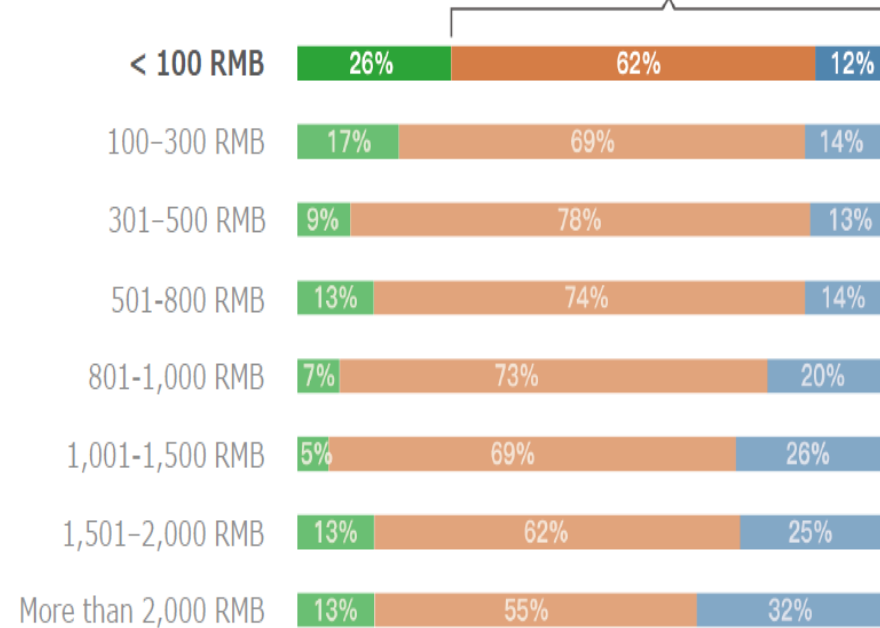
# Cashless Economy



## HOW LONG CAN YOU SURVIVE WITH LESS THAN 100 RMB IN CASH?

Less than a week 1-4 weeks More than 1 month

74% of people stated that they can live for more than a single week with only 100 RMB.

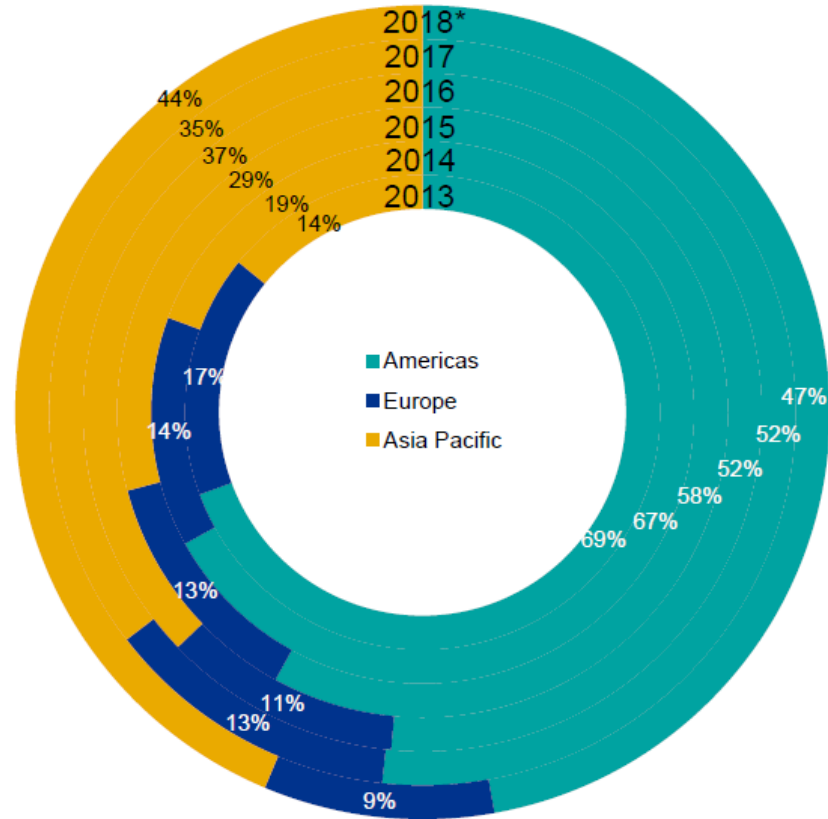


# Investors

# Venture Capital

## Financing of VC-backed companies by region

2013 — 2018\*, VC invested (\$B)



## Top 10 global financings in Q2'18

- 1 Ant Financial** — \$14,000M, Hangzhou  
Financial software  
Series C
- 2 Weltmeister** — \$3,176M, Shanghai  
Transportation  
Late-stage VC
- 3 Pinduoduo** — \$3,000M, Shanghai  
Internet retail  
Series C
- 4 Faraday Future** — \$2,000M, Los Angeles  
Transportation  
Late-stage VC
- 5 Manbang Group** — \$1,900M, Beijing  
Transportation  
Late-stage VC
- 6 Ubtech** — \$820M, Shenzhen  
Robotics  
Series C
- 7 Hellobike** — \$700M, Shanghai  
Transportation  
Series E1
- 8 SenseTime** — \$620M, Beijing  
Artificial Intelligence  
Series C
- 9 SenseTime** — \$600M, Beijing  
Artificial Intelligence  
Series C
- 10 Lyft** — \$600M, San Francisco  
Transportation  
Series I

Source: Venture Pulse, Q2'18, Global Analysis of Venture Funding, KPMG Enterprise. Data provided by PitchBook, July 11, 2018.



# Investments

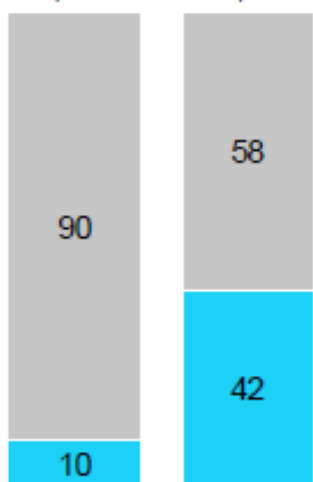
Venture capital investment from China vs. United States, 2016<sup>1</sup>

%; \$ million

BAT<sup>2</sup> FANG<sup>2</sup> Others

China

100% = 2,334

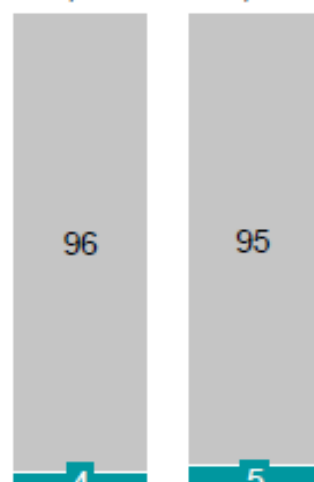


2013

2016

United States

100% = 36,987



2013

2016

Top 50 startups in China<sup>3</sup>

