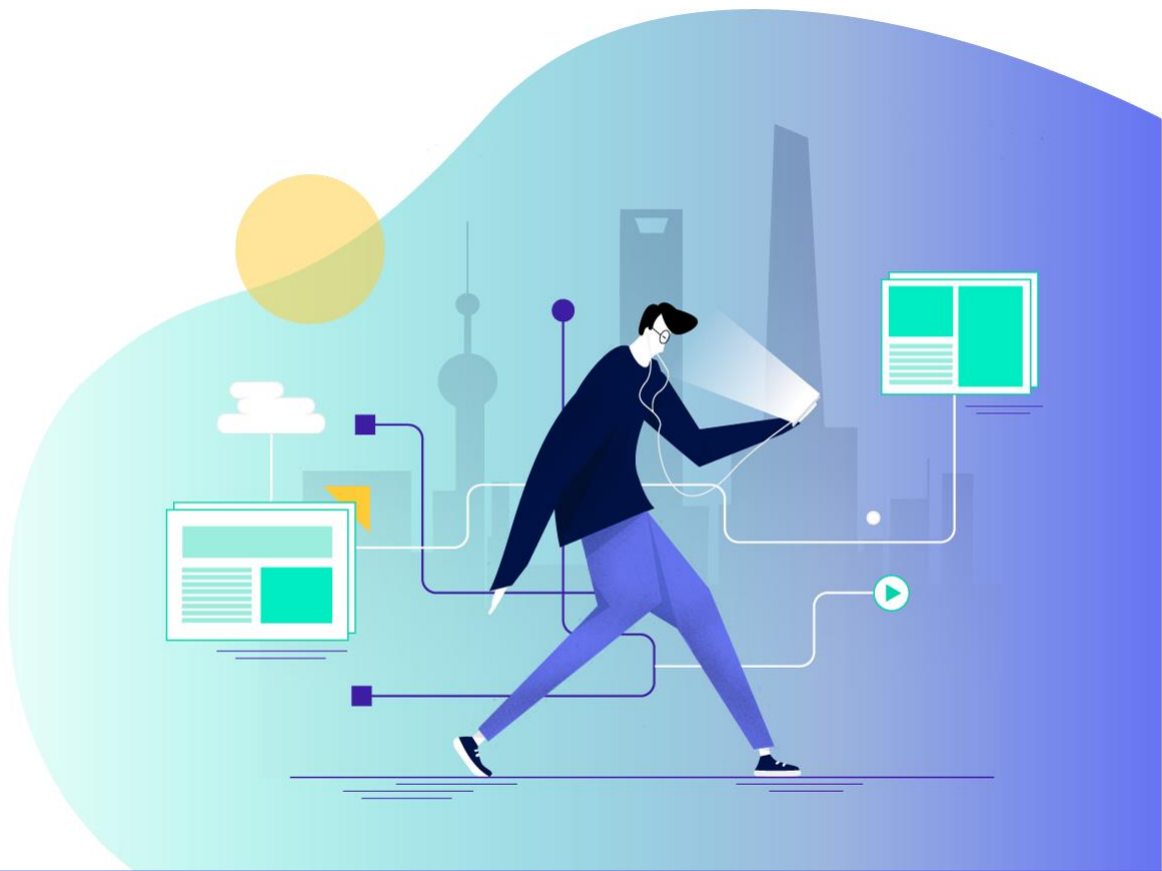


CHINA INTERNET REPORT

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South China
Morning Post



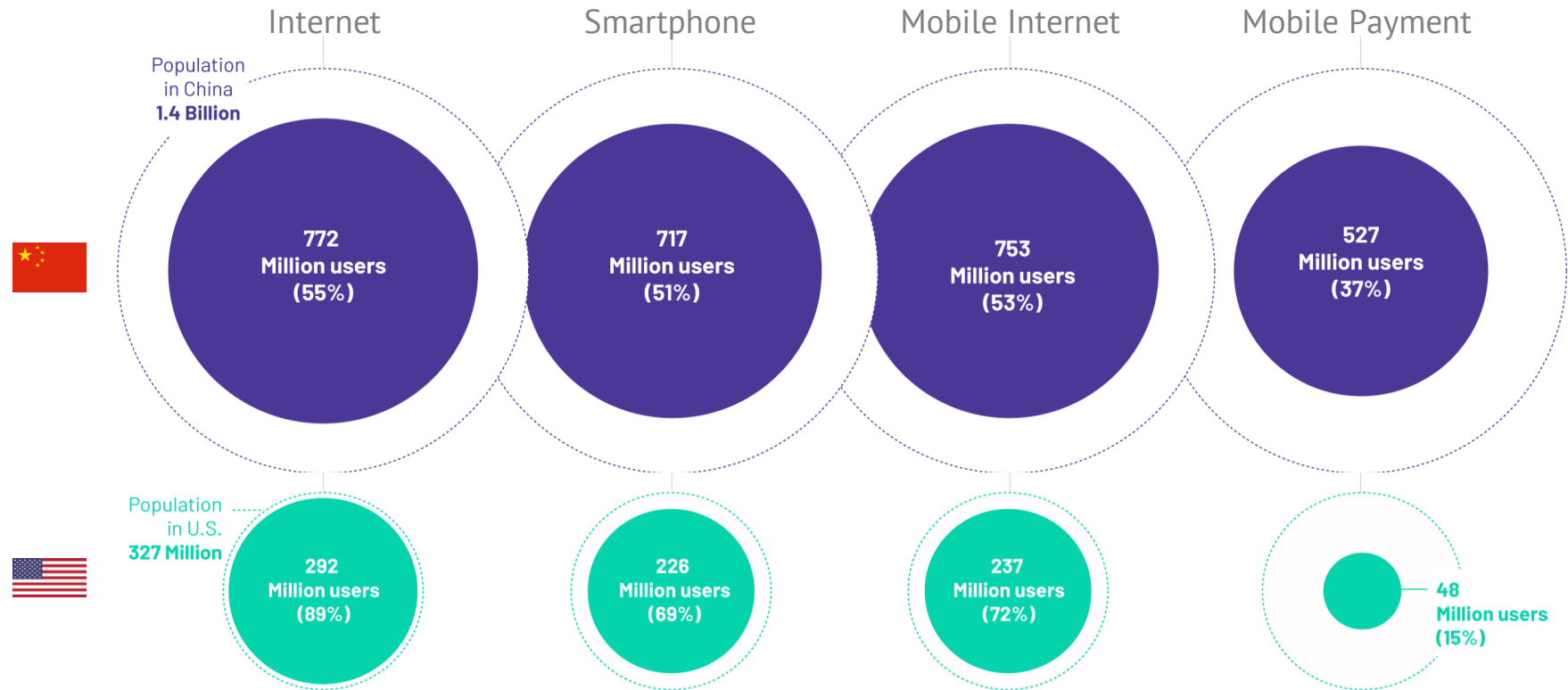
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At a Glance: China vs. US Internet

Although China's internet penetration is just over 50%, its sheer scale means there are 3x the number of smartphone users and 11x the number of mobile payment users in China than in the US.



China vs. US – Top Players for Key Verticals

IN CHINA



IN US



Top Chinese Startup Cities

Beijing is the country's top startup city based on valuation, followed by Hangzhou, Shanghai and Shenzhen.



	Total Valuation (\$B)	# of Unicorns
Beijing	305	61
Hangzhou	240	17
Shanghai	115	34
Shenzhen	61	11
Ningde	20	1
Guangzhou	7	2
Zhuhai	6	2
Suzhou	4	2
Tianjin	3	2
Nanjing	2	2
Wuhu	2	1
Guiyang	2	1
Hong Kong	2	2
Chongqing	2	1
Wuhan	2	1
Dongguan	1	1
Wuxi	1	1
Grand Total	773	142



































Top Chinese Internet Players (1 of 2)

	Company	CEO	Selected Investors	Listed on	Market Cap/ Valuation (US\$)
1	 Alibaba	Daniel ZHANG	G Squared, Vulcan Capital, Softbank, Goldman Sachs	 NYSE: BABA	492.4B
2	 Tencent	Pony MA	Naspers, IDG Capital Partners, PCCW	 HKG: 0700	479.6B
3	 Ant Financial	Eric JING	Alibaba Group, NSSF, CDIB, CCB International	Private	150.0B
4	 Baidu	Robin LI	ePlanet Capital, IDG Capital Partners, Google, China Equity Venture TDF	 NASDAQ: BIDU	87.8B
5	 Lufax	Gregory D GIBB	CICC, COFCO, Arbor Ventures, BlackPine Private Equity	Private	60.0B
6	 JD	LIU Qiangdong	Hillhouse Capital Group, Capital Today, Tiger Global Management	 NASDAQ: JD	56.6B
7	 Didi Chuxing	CHENG Wei	Alibaba Group, Softbank, Tencent Holdings, Ping An	Private	55.0B
8	 Xiaomi	LEI Jun	All-Start Investment, Morgan Stanley, Shunwei, YF Capital, Qiming Ventures Partners	 HKG: 1810	47.9B
9	 NetEase	DING Lei	SoftBank Capital, Capital Today	 NASDAQ: NTES	34.3B
10	 Qihoo 360	ZHOU Hongyi	Sequoia Capital, Matrix Partners, IDG Capital Partners	 SHA: 601360	28.7B














Top Chinese Internet Players (2 of 2)

	Company	CEO	Selected Investors	Listed on	Market Cap/ Valuation (US\$)
11	 Meituan Dianping	WANG Xing	Sequoia Capital, Google, Tencent, IDG Capital Partners	Private	31.8B
12	 Toutiao	ZHANG Yiming	Sequoia Capital, SIG China, Sina Weibo	Private	28.6B
13	 Tencent Music Group	Cussion PANG	Tencent	Private	25.0B
14	 TAL Group	ZHANG Bangxin	Tiger Global, KTB Ventures	 NASDAQ: TAL	21.6B
15	 Sina Weibo	WANG Gaofei	Alibaba	 NASDAQ: WB	20.2B
16	 Suning	ZHANG Jindong	Alibaba	 SHE: 002024	18.5B
17	 DJI	Frank WANG	Sequoia Capital, Accel Partners, LH Capital Management	Private	15.0B
18	 Momo	TANG Yan	Stonebridge Capital, Matrix Partners, Alibaba	 NASDAQ: MOMO	9.5B
19	 China Literature	WU Wenhui	Tencent	 HKG: 772	8.9B
20	 Giant Interactive Group	LIU Wei	SIG China	Private	7.7B

Xiaomi Is The Largest Chinese Internet IPO Since 2017












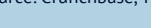
Largest Company IPOs		CEO/Founder	Listed on	Date of IPO	Market Cap (US\$) at IPO
	Xiaomi	LEI Jun	 HKG: 1810	2018/7/9	47.9B
	iQiyi	GONG Yu	 NASDAQ: IQ	2018/3/29	13.5B
	China Literature	WU Wenhui	 HKG: 0772	2017/11/8	11.8B
	ZhongAn	CHEN Jin	 HKG: 6060	2017/9/28	11.0B
	Qudian	LUO Min	 NYSE: QD	2017/10/18	7.9B
	Ping An Good Doctor	WANG Tao	 HKG: 1833	2018/5/4	7.4B
	Yixin Group	ZHANG Xu-An	 HKG:2858	2017/11/16	6.5B
	Sogou	WANG Xiaochuan	 NYSE:SOGO	2017/11/9	5.1B
	Best Express	ZHOU Shaoning	 NYSE: BSTI	2017/9/20	4.2B
	Paipaidai	ZHANG Jun	 NYSE: PPDF	2017/11/10	3.9B
	Jianpu.ai	YE Daqing	 NYSE:JT	2017/11/17	3.3B
	Bilibili	CHEN Rui	 NASDAQ: BILI	2018/3/28	3.2B
	Huya TV	LI Xueling	 NYSE:HUYA	2018/5/11	2.4B
	LEXIN	XIAO Wenjie	 NASDAQ: LX	2017/12/21	1.8B
	Rise Center	SUN Yiding	 NASDAQ: REDU	2017/10/20	913M
	G-bits	SU Huazhou	 SHA: 603444	2017/1/4	870M
	Longshine	XU Changjun	 SSE:300682	2017/8/1	678M
	hexindai.com	ZHOU Xinming	 NASDAQ: HX	2017/11/4	500M
	China Rapid Finance	WANG Zane	 NYSE: XRF	2017//4/28	350M
	SECOO	LI Rixue	 NASDAQ: SECO	2017/9/22	333M

Notable Acquisitions Of Chinese Start-ups Since 2017

Notable Acquisitions		CEO/Founder	Acquired by	Amount of Acquisition (US\$)
 饿了么	Ele.me	ZHANG Xuhao	Alibaba	9.5B ⁽¹⁾
	Mobike	HU Weiwei	Meituan-Dianping	2.7B
	Cheyipai	WANG Xuejian	Souche	1-2B
 dangdang.com	Dangdang	LI Guoqing	HNA Group	1.1B
	Waimai(Baidu)	GONG Zhenbin	Ele.me	800M
	Tantan	HAN Zhibai	Momo	600M
	Tian Tian Express	XI Chunyang	Suning Commerce Group	472M
	Lagou.com	MA Delong	51job	119M
	Hellobike	YANG Lei	Youon Bike	Undisclosed
 猫眼电影	Maoyan	WANG Xing	Enlight Media	Undisclosed
	Kanche.com	WEI Zheng	Yixin Group	Undisclosed
	Bluegogo	HU Yufei	Didi	Undisclosed
	FaceU	GUO Lie	Toutiao	Undisclosed

(1) \$9.5B is the enterprise valuation of Ele.me; Alibaba and Ant Financial owned 43% with Alibaba acquiring the remaining shares.

Most Active Chinese Venture Capital Firms

Venture Capital Firm		Selected Investments
 Zhen Fund 真格基金	Zhen Fund	Ofo, Mia.com, Zhaogang.com, Jumei.com, Meicai.cn, UR WORK, YITU, Vincross, Polly.ai, UMA, BeSound, EHANG, Mobnote, SUGR Cube, Vidoo
 IDG Capital Partners	IDG Capital Partners	Baidu, Xiaomi, SouFun, Ctrip, 360, Meitu, iQiyi, Sohu.com, Meituan, XPeng, Pony.ai, NIO, Razer, SenseTime, Pingduoduo, LingoChamp(liulishuo)
 Matrix Partners 经纬中国	Matrix Partners	Zhaogang.com, Babytree, Ofo, FUTUS.com, DIDI, 36kr, Lieping.com, MOMO, Baofeng.com, Ele.me, Yuantiku, VIPKID, Qingting FM
 Sequoia Capital	Sequoia Capital	JD, 360, VIPKID, Toutiao, ThinkForce, Horizon Robotics, Versa, NIO, BGI, Dajiang, YITU, 100Credit, Ping++, Dianping
 K2VC	K2VC	Fenqile, Zhaogang.com, Mia.com, Jumei.com, Tiger Brokers, Qichacha, Duodian
 Shunwei Capital	Shunwei Capital	51talk, iQiyi, Kuaishou, Renrenche, Xiaomi, DXY.cn, Jimu, iKongjian.com, 17zuoye.com
 Plum Ventures	Plum Ventures	Yiigo, CHJ, mia.com, Huoqiu.cn, Qudian, 8btc, Changba, NIU
 Legend Capital	Legend Capital	Bilibili, Paipaidai, Ribo, Zuoyebang, Musical.ly, Damai.cn, BitAuto, Zhaopin.com
 Sinovation Ventures	Sinovation Ventures	Zhihu, Jing Chi, Bitmain, BroadLink, ImbaTV, Meitu, Qingting.FM, URWork, Face++
 Shenzhen Capital Group	Shenzhen Capital Group	Maijing Gene, DidaTravel, Formlabs, Pagoda, Huada Emphyrean Software, Wetalk TV, Topline, Suning Finance
 Fortune Venture Capital	Fortune Venture Capital	Shihou TV, CloudIn, aihuishou, YOHO, BlueFocus, Hua Shu, Huayou Cobalt, COSHIP, Focus Media, NewRank, Yidou360
 Qiming Venture Partners	Qiming Venture Partners	Mi, Face++, UBTECH, BingoBox, Tongdun.cn, Xueba100.com, igetget.com, Zhihu, Wacai, Mobike



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Four Overarching Themes

**Chinese Internet Giants
Are Doing Everything**

**Chinese Internet
Empowers Rural Population**

**Chinese Internet Companies
Embrace 'Social+'**

**Government Is
The Visible Hand**

Chinese Internet Giants Are Doing Everything (1 of 2)

Whether it's building or investing/acquiring, Baidu, Alibaba and Tencent are present across the internet ecosystem.

Selected companies built or invested/acquired by BAT⁽¹⁾

Industry	Baidu		Alibaba		Tencent	
	Build	Invest/Acquire	Build	Invest/Acquire	Build	Invest/Acquire
Ecommerce / O2O / Retail	-	Bitauto, Uxin	Taobao, Tmall, Hema, Aliexpress	Ele.me, Xiaohongshu, Yiguo, Sun Art, Suning <i>Lazada, Paytm</i>	-	JD, Meitan Dianping, Bitauto, Pinduoduo, Xiaohongshu, Vipshop, Meili Inc, MissFresh, Yonghui
Content & Media	Baidu News, Baidu Tieba, Baidu Knows, Baidu Wiki	iQiyi, PPS	Alibaba Music, Alibaba Pictures	Youku Tudou, Wanda Film, Wasu Media	Tencent Video, Tencent News, Tencent Reading, Tencent Music, Tencent Pictures	Kuaishou, Bilibili, China Literature, Qutoutiao, Bona Film, Huayi Brothers Media, <i>SoundHound</i>
Messaging & Social	-	-	Dingtalk	Weibo, Momo, <i>Snap</i>	Wechat, QQ	Zhihu, <i>Snap</i>
Sharing Economy	-	Shouqi Limousine & Chauffeur, <i>Uber</i>	-	Didi, ofo, <i>Lyft</i>	-	Didi, Mobike, <i>Uber, Lyft</i>
AI	Baidu AI	SoundAI	Alibaba AI Lab	SenseTime	Tencent AI, Tencent Youtu	<i>ObEN</i>
Smart Devices	-	Raven Tech	Tmall Genie	-	-	LeTV, Tile

Investments outside of Mainland China

*For the full list of 400+ companies that BAT have built/invested/acquired, visit: <https://www.abacusnews.com/china-internet-report/full-list.html>

(1) Investments by holding company only.

Chinese Internet Giants Are Doing Everything (2 of 2)

Whether it's building or investing/acquiring, Baidu, Alibaba and Tencent are present across the internet ecosystem.

Selected companies built or invested/acquired by BAT⁽¹⁾

Industry	Baidu		Alibaba		Tencent	
	Build	Invest/Acquire	Build	Invest/Acquire	Build	Invest/Acquire
Autonomous Car	Apollo	Velodyne LiDAR	Alibaba ⁽²⁾	-	Tencent ⁽³⁾	Nio, Tesla, CYNGN
Blockchain	-	Circle	Alibaba and Ant Financial	-	-	Webank, Blockstream
Fintech	Du Xiaoman Financial	Yintai Capital, Zest Finance	Ant Financial	ZhongAn	Tencent Financial Technology	ZhongAn, Lufax, Webank, CICC
Education	Baidu Jiaoyu	Hujiang Education	Taobao Jiaoyu	iTutor Group	Tencent Class	VIPKID
Gaming	Baidu Game	-	Ali Games	Ejoy Technology	Tencent Games WeGame	Huya, Douyu, Supercell, Riot Games, Kakao Games
Esports	-	-	-	AGTech Holdings	Tencent Esports	VSPN
Others	Baidu Search, Baidu Cloud, Baidu Map	China Unicom, Ctrip, Qunar, Home Link, WM Motor	AliCloud, Alimama, Alibaba Health, UCWeb, Fliggy (Alitrip)	China Unicom, AutoNavi, Intime, Cainiao Logistics, Xiaopeng Motor, Magic Leap, Softbank Robotics	Tencent Cloud, Tencent Map	China Unicom, Home Link, Sogou, 58.com, Manbang, WM Motor

Investments outside of Mainland China

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(1) Investments by holding company only. (2) AI Resrch Lab. (3) Tencent Autonomous Vehicle Laboratory.

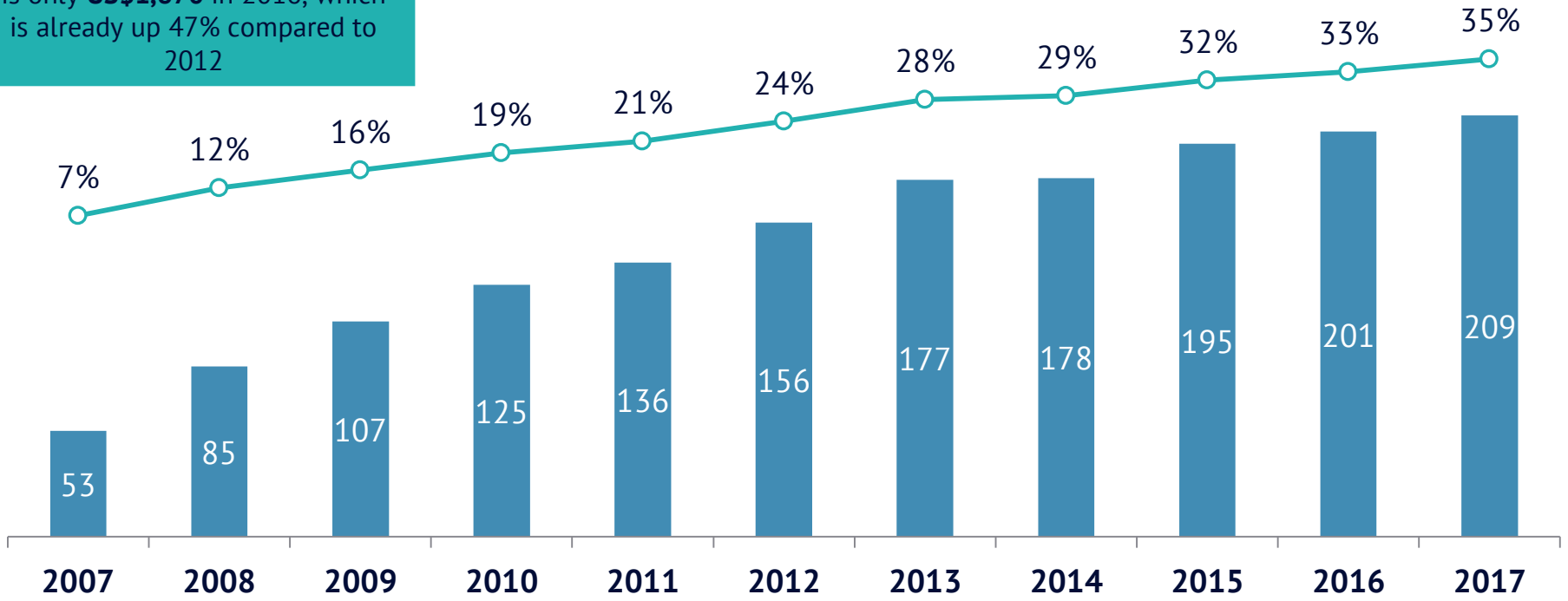
Source: Crunchbase, media reports

Chinese Internet Empowers Rural Population (1 of 2)

The number of rural internet users in China reached 209m in 2017 with a penetration rate of 35%.

Annual per capita **disposable income** of rural residents in China is only **US\$1,870** in 2016, which is already up 47% compared to 2012

■ Internet users in rural China (M) ○ Internet penetration rate in rural China



Source: CNNIC, China National Bureau of Statistics

Chinese Internet Empowers Rural Population (2 of 2)

The internet has contributed significantly to the development of ecommerce, education and media in rural China.

Ecommerce

50%

The percentage of **poor villages** that will be equipped with **ecommerce capabilities** by 2020

Education

55M

The number of **students** in rural schools that are reachable by **live-streaming classes**

News & Entertainment

78M

The number of rural users who **read news** from the three primary **news apps** at least once a month

2,100+

The number of **Taobao villages**¹ in 2017, accounting for 490,000 active online shops, US\$19 billion in annual sales and 1.3 m new jobs created

8%

The **minimum** of a local government's **annual budget** that must be spent on **digitalization of education**

175M

The number of **short video app users** from rural China

(1) Any rural village where at least 10% of households sell goods online with annual sales of at least US\$1.6M

Chinese Internet Companies Embrace ‘Social+’ (1 of 2)

Chinese ecommerce companies have adopted a Social+ model where their business is anchored by a social pillar that drives user engagement and growth.



Pinduoduo

Social commerce app with 156M monthly active users (“MAUs”) at the end of 2017

Discounts are offered if a user successfully starts a “group buy” by sharing the deal with friends and encouraging them to also make a purchase



Above robot vacuum normally retails for ¥399 but a “group buy” can bring the price down to ¥288

The app’s main tab is a feed featuring influencers with product photos, videos, reviews and tips



Xiaohongshu

Social commerce platform which operates like a combination of Instagram, Pinterest and Amazon with 30M MAUs in 2018

Users are encouraged to post photos of themselves and tag clothes, accessories, or make-up products they use to the corresponding ecommerce listings within the platform

Chinese Internet Companies Embrace 'Social+' (2 of 2)

Ecommerce platforms aren't the only ones who have adopted the Social+ model though... other verticals such as media and education have incorporated these social elements into their business model.



News app with 10M+ daily active users (DAUs)

Uses financial incentives to build followers, relying heavily on users' existing social networks

Offers cash when users and their followers read news on consecutive days.



Hulu-like online video platform with 126M+ DAUs
Launched its own social media platform iQiyi Paopao, which has 46M+ DAUs

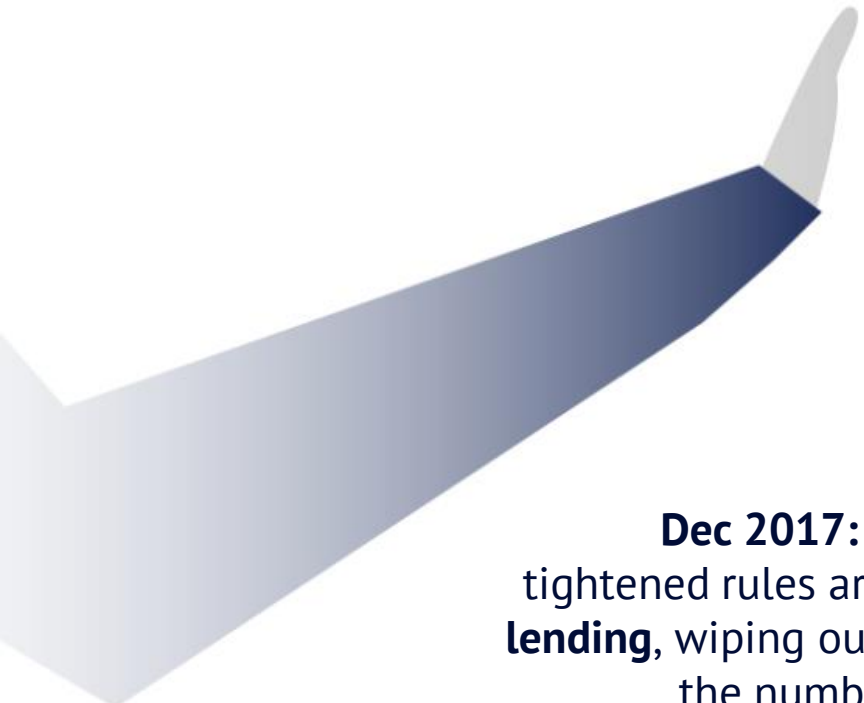


English-learning app that encourages users to share their progress daily on their WeChat Moments feed in return for an incentive

If readers stick to the plan and share their progress for 80 consecutive days, they are rewarded with free English books

Government Is The Visible Hand (1 of 2)

Success or failure in China's internet landscape, especially fintech, is contingent upon government authority.

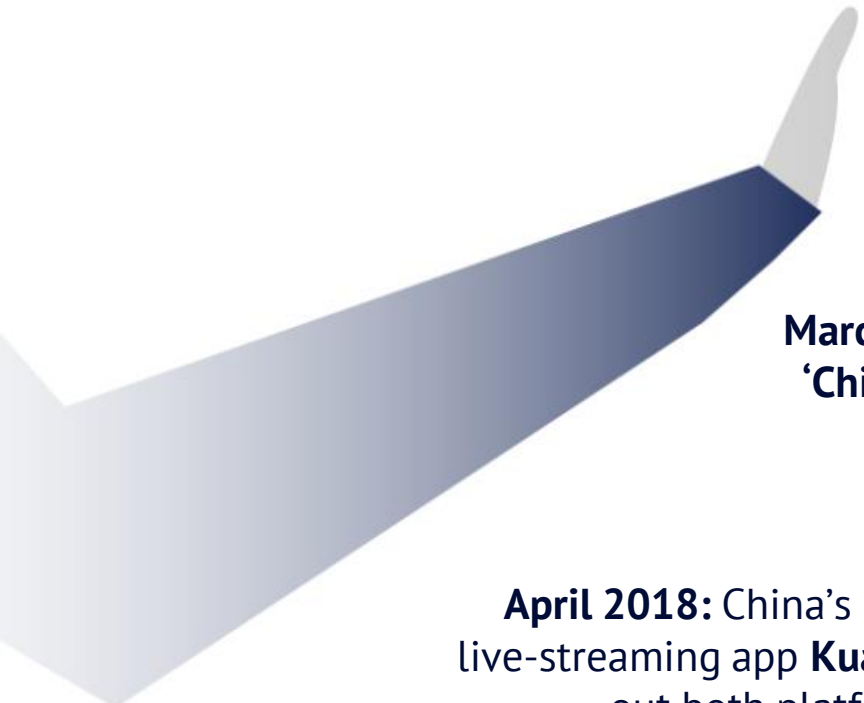


Sept 2017: Cryptocurrency exchanges and initial coin offering banned by the government.

Dec 2017: China's central bank and regulatory commission tightened rules around **internet financing** and **peer-to-peer online lending**, wiping out smaller players. The last three years have seen the number of P2P companies shrink from 6,000 to 2,000.

Government Is The Visible Hand (2 of 2)

Chinese content-driven internet companies are also closely monitored and faced restrictions from government.



Feb 2018: 17 online quiz app makers were halted by the State Administration of Press, Publication, Radio, Film and Television and told to clean up their act

March 2018: Beijing cyberspace authorities ordered **Zhihu**, ‘China’s Quora,’ to delist from all app stores from March 2 to March 9 due to their inefficiency in purging “illicit information” on the platform.

April 2018: China’s media regulator ordered news aggregator **Toutiao** and live-streaming app **Kuaishou** to clean up content on their platforms, singling out both platforms for disrupting order in the online media industry.



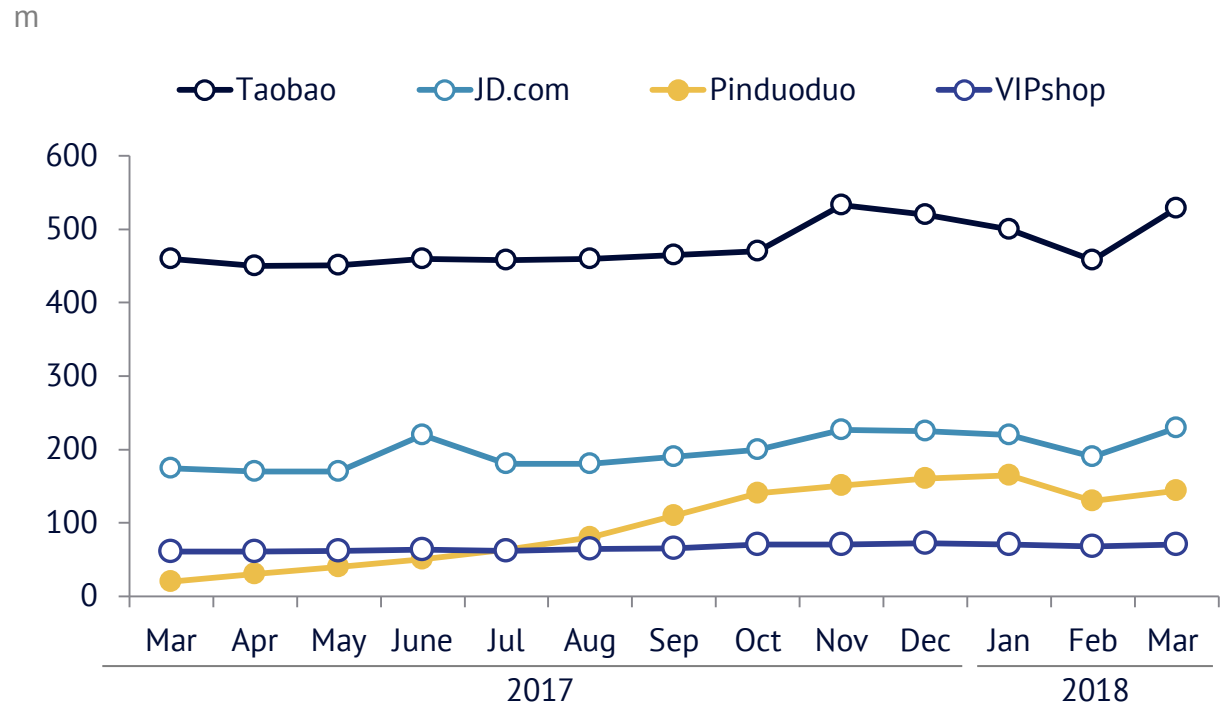
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Alibaba And JD Still Dominate, But Social Commerce Is On The Rise

In the past year, Pinduoduo has grown to become the 3rd most popular ecommerce platform in China.

China's Top Ecommerce Platforms By Monthly Active Users



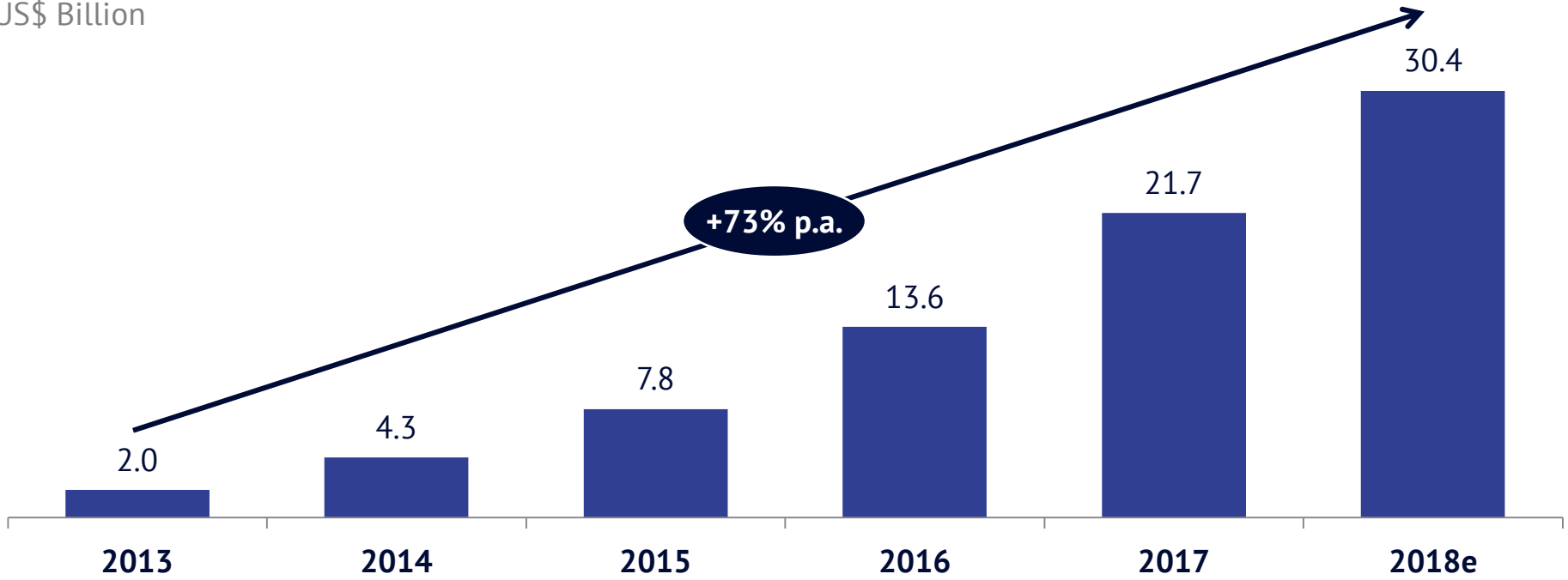
- Launched in 2015, Pinduoduo is a **social commerce** platform that allows users to participate in **group buying deals**.
- Last July, **Pinduoduo** surpassed VIPshop to become the **3rd most popular ecommerce platform**.
- In 2017, 2.5 years since Pinduoduo launched, the company's **Gross Merchandise Value exceeded RMB100B (US\$15.6B)** – it took JD 10 years, VIPshop 8 years and Taobao 5 years to achieve this milestone.

Ecommerce Is Reshaping Grocery Shopping In China (1 of 3)

China's online grocery market is expected to reach US\$30B this year.

China's Online Grocery Market

US\$ Billion



Ecommerce Is Reshaping Grocery Shopping In China (2 of 3)

New forms of online-to-offline (O2O) grocery stores have emerged across China.



- **Alibaba's Hema** supermarket spearheaded the new **O2O grocery shopping** in China.
- It features **mobile app** shopping and payment, has **in-store dining** and also serves as a **warehouse** with a **ceiling conveyor** system.
- Hema has **46 stores** in **13 cities** as of May 2018 and recently announced **24-hour delivery service** for its stores in Beijing and Shanghai.

Ecommerce Is Reshaping Grocery Shopping In China (3 of 3)

New forms of online-to-offline (O2O) grocery stores have emerged across China.



- **Tencent** has invested heavily in **Super Species**, the fresh grocery store brand of Yonghui Superstores.
- Super Species employs a **hybrid model** of “high-end supermarket + fresh food restaurant + O2O”.



- **JD** launched its first offline fresh-food supermarket, called **7Fresh**, in Beijing in early Jan 2018.
- The new store has 4,000 m² of floor space and **smart carts** which guide shoppers to their desired aisles.
- It has **cooked-food stalls**, offers **fresh food** and provides **delivery** within a 5 km radius so users receive groceries in 30 minutes.

Digital Retail Has Transformed Mom & Pop Shops

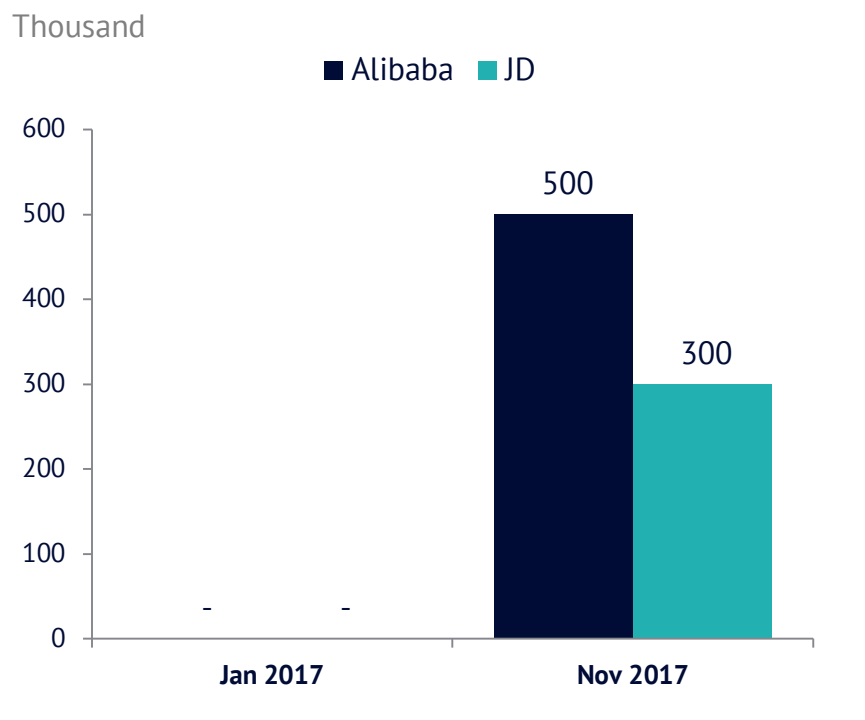
Alibaba and JD aim to transform the six m convenience stores across China.

Integrated Retail For China's Mom & Pop Convenience Stores

- Alibaba and JD have launched 'Ling Shou Tong' and 'Zhang Gui Bao' initiatives aimed at integrating local convenience stores into their ecosystem by providing **modern analytics** and **operations**.
- Ling Shou Tong offers a **suite of digital services** to improve efficiency, including: **store makeover**, **mobile app to order inventory** from a single source, **consumer analytics** to determine highest selling goods and even mobile/data top-up plans.













Number Of Mom & Pop Stores Enrolled In Alibaba & JD Initiatives



Meituan-Dianping Is The Most Funded Chinese Ecommerce Startup

As of June 2018

Company	Total Funding ⁽¹⁾ (US\$ m)	Selected Investors
 China Internet Plus (Meituan-Dianping)	8,300	Tencent Holdings, DST, Capital Today, GIC, Baillie Gifford, Canada Pension Plan Investment Board, Trustbridge Partners
 Pinduoduo	3,100	Tencent Holdings, Banyan Capital, Cathay Innovation, New Horizon Capital
 Koubei	2,100	Alibaba, Silver Lake, CDH Investments, Yunfeng Capital, Primavera Capital
 Guazi	1,700	Sequoia Capital, Dragoneer Investment Group, Matrix Partners, YF Capital, IDG Capital, Capital Today
 Uxin	960	Baidu, Tencent, TPG, Jeneration Capital, Warburg Pincus, Tiger Fund, Hillhouse Capital, KKR, China Vision Capital, Huasheng Capital
 RenRenChe	760	Tencent, Didi, Shunwei Capital, Redpoint, Ceyuan Ventures
 Souche Holdings	635	Alibaba, Warburg Pincus, Primavera Capital, Cmb International, Morningside Ventures, VMS Investment
 Xiaohongshu	418	Zhen Fund, Tencent Holdings, Alibaba Group, GSR Ventures, Adrian Cheng, Genesis Capital, Tiantu Capital, GGV Capital
 Mogujie	412	MSA Capital, Ping An, Zhixin Capital, Hillhouse Capital, IDG Capital, Qiming Ventures, HOPU Investment Management Company, Banyan Mezzanine Funds
 Womai	330	Taikang Life Insurance, Baidu, IDG Capital, SAIF Partners China

(1) Total funding amount highly depends on company disclosure and may vary by sources. Best estimates apply here.

Source: Crunchbase, ITjuzi, Zero2IPO

Most Active Ecommerce Investors in China

As of June 2018

Most Active Investors		Top Ecommerce Deals
 IDG资本 <small>IDG Capital Partners</small>	IDG Capital	Xiaomi, FarFetch, Moncler, Yuantiku, Three Squirrels, Beibei.com, Mogu Street, Womai.com
 ZhenFund <small>真格基金</small>	Zhen Fund	Zhaogang.com, VIP.com, mia.com, Xiaohongshu, Lechun, ClubFactory, FlowerPlus
 <small>matrix</small> <small>经纬中国</small>	Matrix Capital	The Beast, Reflower, MSParis, MissPao, Udream
 <small>天图资本</small> <small>Tiantu Capital</small>	Tiantu Capital	mwee.cn, Pagoda.com, Mogu Street, Xiaohongshu
 <small>ChinaGrowthCapital</small> <small>华创资本</small>	China Growth Capital	700Bike. MAGMODE, KLOOK, MissFresh, Xiachufang, smzdm.com, Tongbanjie.com
 SIG <small>SUSQUEHANNA</small>	Susquehanna International Group, LLP	Yitiao, FlashEX, Meiyou, Easyflower, Piaoniu.com, 51zhaoyou.com
 FREE S	FreeS Fund	Three Squirrels, Xinliangji, Uber, Tingjiandan, Club Factory
 BAI <small>Bertelsmann Asia Investment Fund</small> <small>贝塔斯曼亚洲投资基金</small>	Bertelsmann Asia Investment Fund	SECOO, Mogu Street, Yijiupi.com. 352, Zaozuo
 <small>Vision Capital</small> <small>元璟资本</small>	Vision Capital	MissFresh, Xingbianli, lif8.com, Hamo, Chemaoy, Zaozuo, Zhaomei.com, Champzee
	Sequoia Capital	DJI, JD, VIP.com, Haocaitou, Liuliumei, Meituan-Dianping, Ele.me



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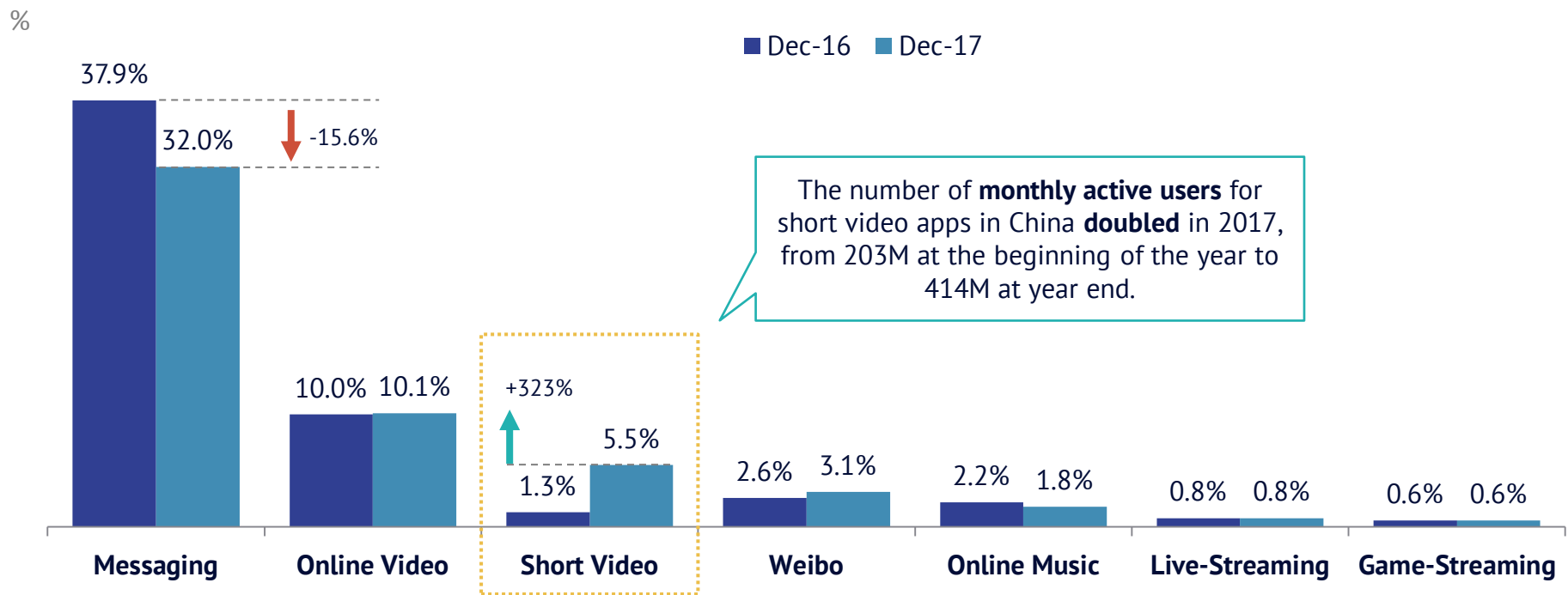
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Esports 91

2017 Was The Year Of Short Video

Although messaging remains the dominant mobile activity, users have more than tripled the amount of time they spend watching short videos in the last year.

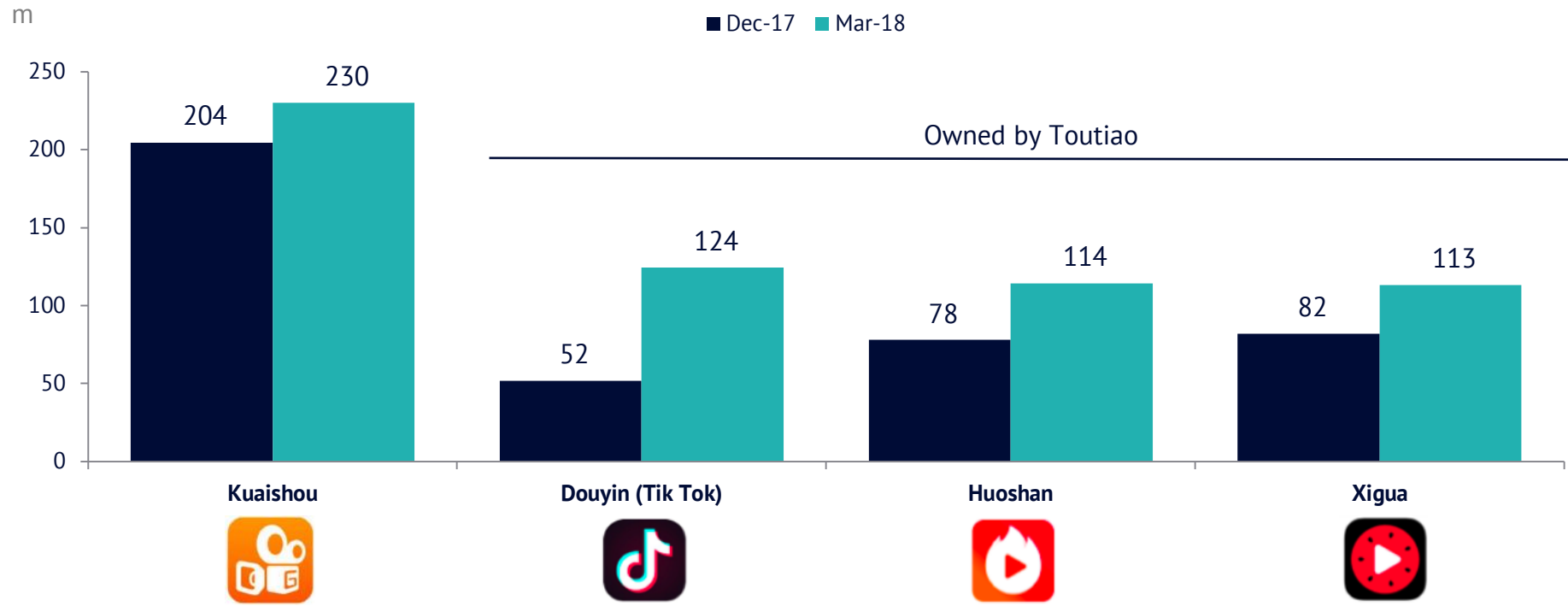
Percentage of Time on Spent on Mobile Internet by Activity



Short Video Users Have Grown At An Exceptional Pace (1 of 2)

As of March 2018, there are nearly 600M users in China who are actively using short video apps.

Number of Monthly Active Users Across China's Top-4 Short Video Apps



Source: QuestMobile, SensorTower, SCMP

Short Video Users Have Grown At An Exceptional Pace (2 of 2)

Kuaishou and Douyin (Tik Tok) are the two leading short video apps.



- Launched in **2011**, Kuaishou is the current **leader** of short video apps, capturing more than **50% market share**.
- The majority of its **users** are from **2nd to 4th-tier cities**.
- Kuaishou has more than **10M** daily active users **outside of China**.

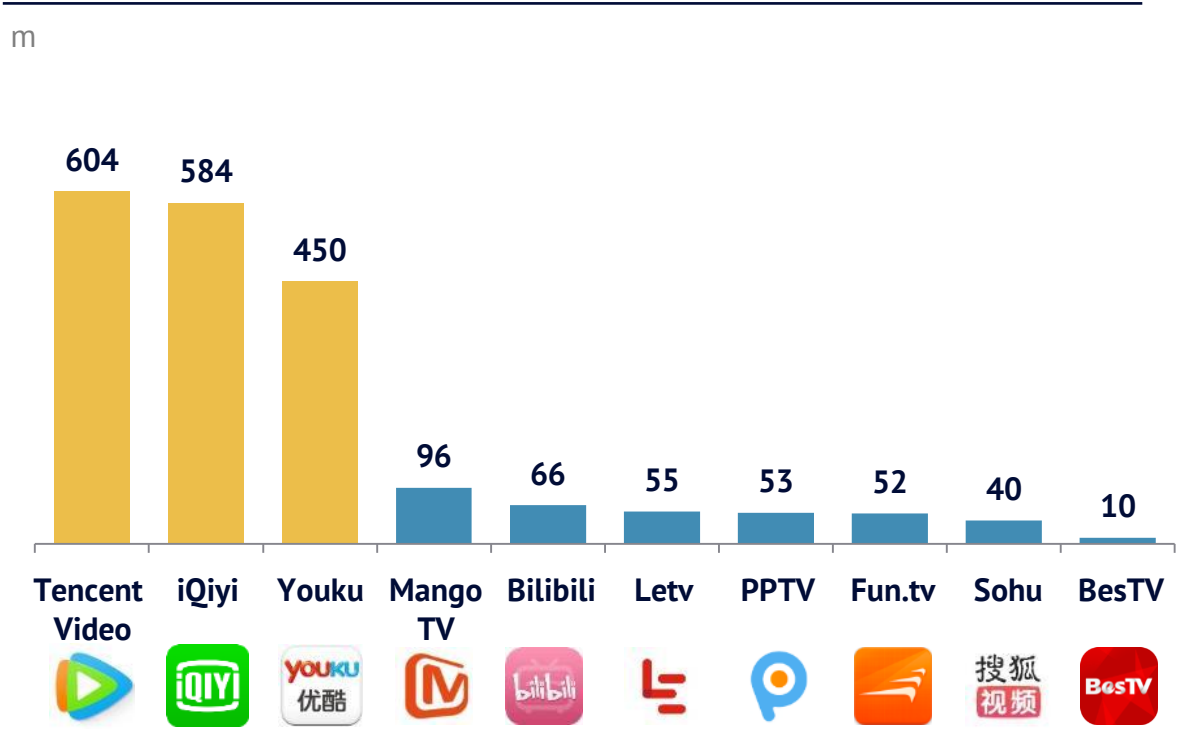


- Only launched in Sep 2017, **Douyin (Tik Tok)** has nearly **tripled** its **monthly active users** in Q1 this year.
- It was the **most downloaded iOS app** (45M+ downloads) in **Q1 of 2018 globally**, beating out YouTube, WhatsApp and Facebook.




Online Video Is Also A Game Of Three Giants

China's online video market is dominated by three players: Tencent Video, iQiyi (owned by Baidu) and Youku (owned by Alibaba).

Monthly Active Users On China's Top Online Video Apps as of May 2018



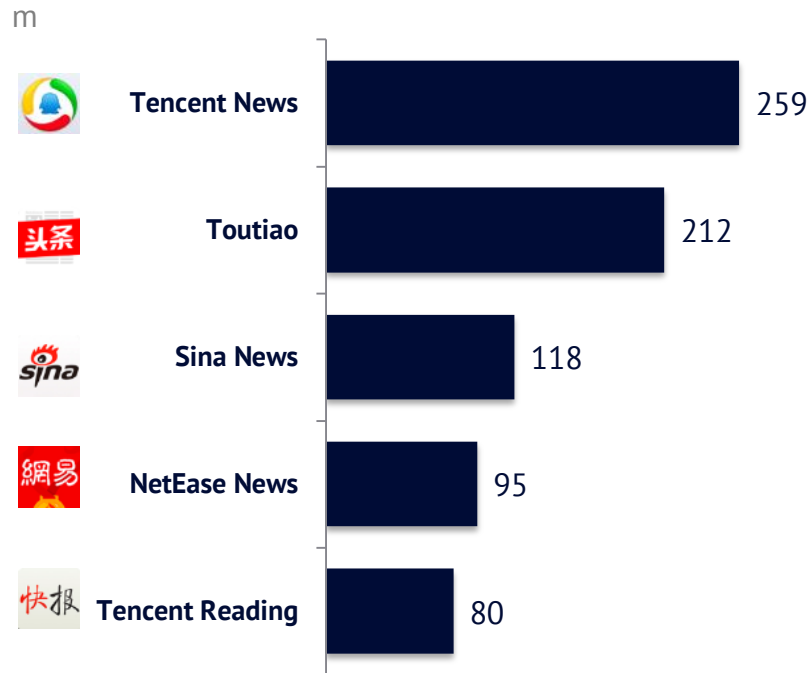
Quick Facts

- 
 - Launched in **2011**
 - Has **63m paying subscribers** as of Feb 2018
- 
 - Launched in **2010** by Baidu
 - Listed in Mar 2018 raising **\$2.3B**
 - Has **60m paying subscribers** as of Feb 2018
- 
 - Launched in **2006** and acquired by Alibaba in 2015 for **\$3.7B**
 - Merged with **Tudou** but remained separate brands
 - Youku streams **hit shows and dramas** while Tudou focuses on **user-generated content**

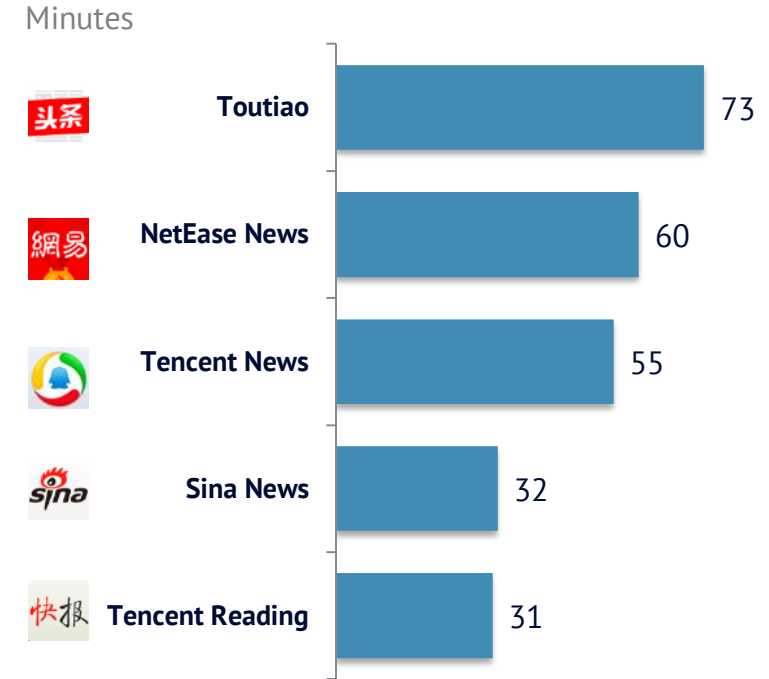
Tencent and Toutiao Lead The Way For News In China

Tencent News has the largest user base while Toutiao has the longest user time spent.

Top 5 News Apps By MAU (Apr 2018)













Top 5 News Apps By Average Time Spent (Dec 2017)



Toutiao Is The Most Funded Chinese Content & Media Startup

As of June 2018







Company	Total Funding ⁽¹⁾ (US\$ m)	Selected Investors
 TouTiao	3,100	SIG, DST, General Atlantic, Sina Weibo
 Ximalaya	450	SIG, KPCB, Sierra Ventures, WestSummit Capital, Mi, Puhua Capital, China Creation Ventures, China Broadband Capital
 Qingting.fm	230	Sinovation Capital, Baidu, CMIG, Shenzhen Guozhong Venture Capital
 Qutoutiao	200	China Innovision Capital, Advantech Capital, Tencent, XiaoMi, Chuangban Investment, Lighthouse Capital
 Zhihu	185	Tencent Holdings, Sinovation Ventures, Capital Today, SAIF Partners, Sogou, Qiming Ventures Partners
 Yidian Zixun	178	Phoenix New Media, Xiaomi, OPPO
 igetget.com	170	Sequoia Capital, Qiming Ventures Partners, Tencent Holdings, Youku, Shunwei Capital, Zhen Fund
 MobiExchanger	72	PreAngel, New Margin Capital, Envision Capital, Mytech China
 ZMT	70	Kinzon Capital, IDG, Fosun Kinzon Capital, YF Capital
 NewsDog	50	Tencent Holdings, Legend Capital, Dotc United Group, Danhua Capital

(1) Total funding amount highly depends on company disclosure and may vary by sources. Best estimates apply here.

Source: Crunchbase, ITJuzi, Zero2IPO

Most Active Content & Media Investors In China

As of June 2018

Most Active Investors	Top Content & Media Deals
 <p>Tencent Holdings</p>	<p>Qutoutiao, Jike, NewRank, Weimob, NewsDog, SNM</p>
 <p>IDG Capital</p>	<p>ZMT, huoxing24.com, Vzan.com, xmt.cn</p>
 <p>Zhen Fund</p>	<p>Papi, Mianbao Xiaoke, New Rank, Jike, WeSee, News Break</p>
 <p>Matrix Partners</p>	<p>Weiboyi, Adsame, Focus Media, data100</p>
 <p>Sequoia Capital</p>	<p>Mianbao Xiaoke, igetget.com, zongheng.com, Toutiao</p>
 <p>Plum Ventures</p>	<p>youshu, tingwen.me, MKIT, palmax, Mena</p>
 <p>Shenzhen Capital Group</p>	<p>Infinitas Interactive Media, ipinyou, dodoca.com, Naqu</p>
 <p>Fortune Venture Capital</p>	<p>Focus Media, NewRank, yidou360</p>
 <p>Qiming Venture Partners</p>	<p>Zaojiu, Zhihu, igetget.com</p>
 <p>Hongtai Capital</p>	<p>Nanyouquan, Happy Juzi, baozouribao.com</p>



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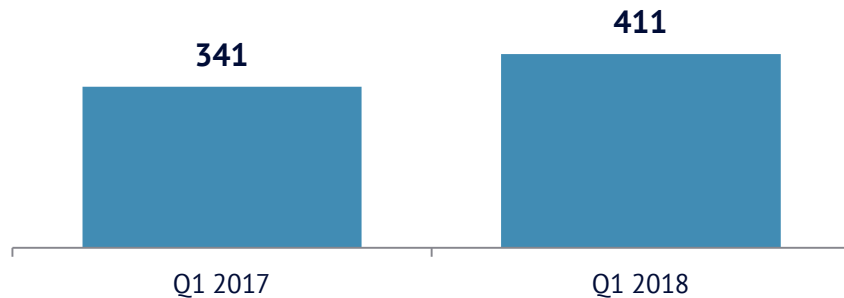
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Smart Devices	58
Autonomous Car	63
Blockchain	68
Fintech	75
Education	81
Gaming	86
Esports	91

WeChat and Weibo Among the World's Largest Services

WeChat MAUs have crossed 1 billion as of February 2018.

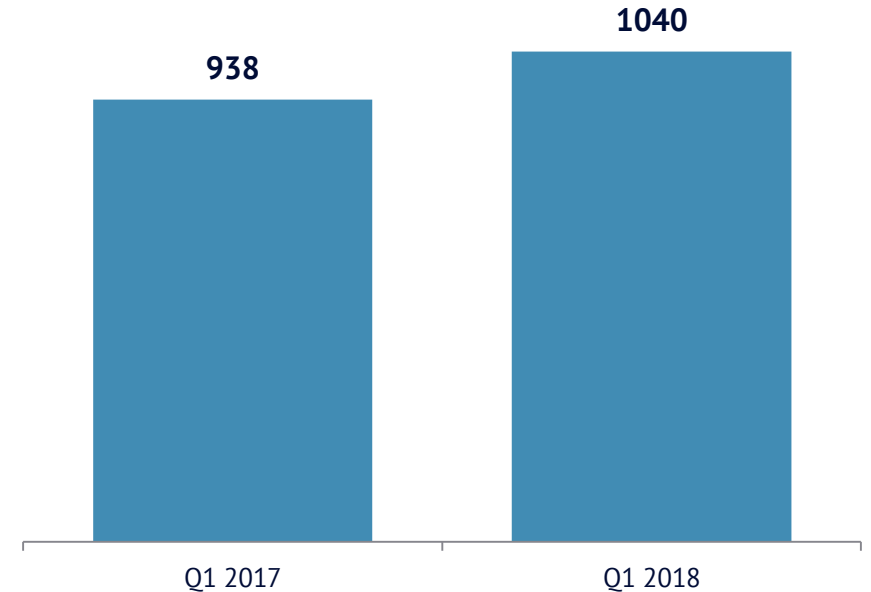
Weibo's MAUs grew 20.5% between Q1 2017 and 2018 

Million



WeChat's MAUs grew 10.9% between Q1 2017 and 2018 

Million



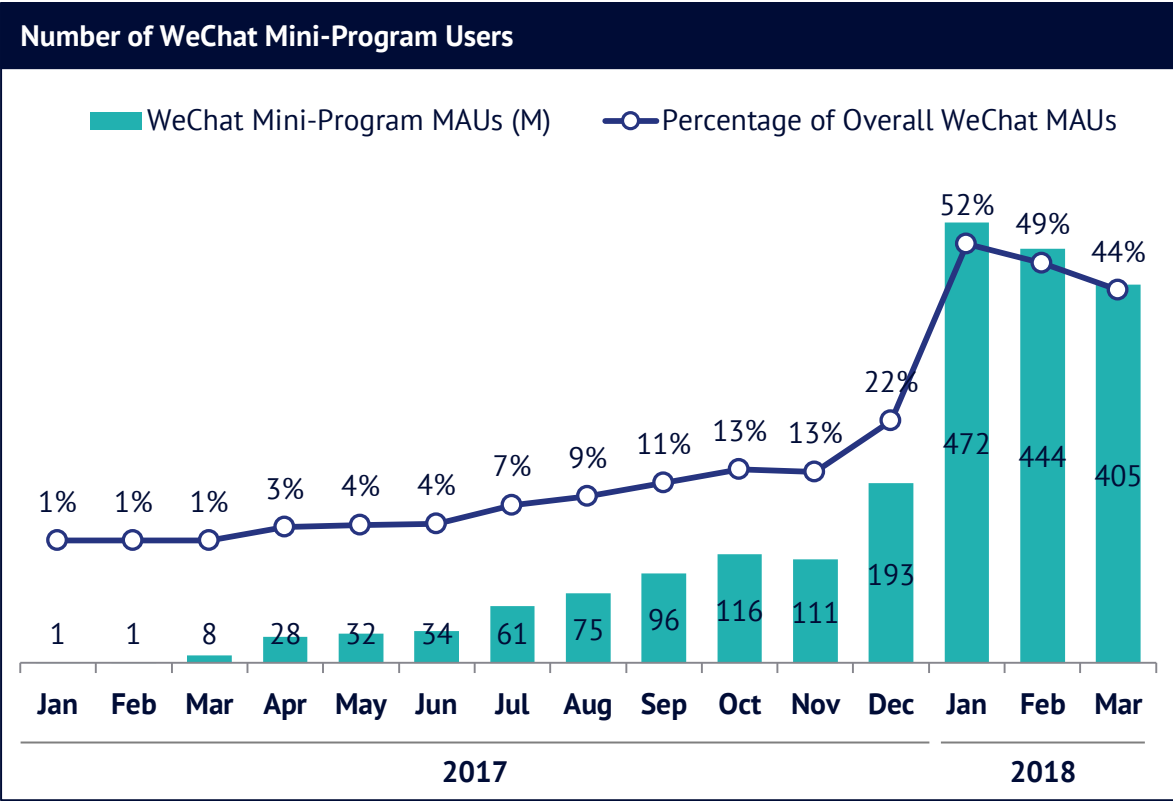
Mini-Programs Have Burst Onto The Scene This Past Year

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

What is a Mini Program?



- Launched in Jan 2017, mini-programs are **sub-applications** smaller than **10 megabytes** within the **WeChat ecosystem**.
- WeChat has more than **580,000 mini-programs** after just one year of development.



Mini-Programs Have Created An Ecosystem Within WeChat











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



Most Funded Chinese Social & Messaging Startups

As of June 2018











Company	Total Funding ⁽¹⁾ (US\$ m)	Selected Investors
 快手 Kuaishou	1,350	Tencent Holdings, DCM, Sequoia Capital, Baidu, Morningside Venture Capital
 秒拍 Miaopai	775	Sequoia Capital, Shanghai Media Group, Kleiner Perkins Caufield & Byers, iDreamsky Technology, Morningside Group, StarVC, Weibo, New Industry Investment Fund, Axiom Asia Private Capital
 花椒直播 Huajiao	215	Tiange.com, Mango investment, CIC, CDI Fund, 360.cn
 知乎 Zhihu	185	Tencent Holdings, Sinovation Ventures, Capital Today, SAIF Partners, Sogou, Qiming Ventures Partners
 Blued Blued	132	UG Capital, CDH Investment, Vision Knight Capital, Ventech China, Shunwei Capital, DCM Ventures, Zhonglu Capital, Crystal Stream Capital
 脉 Maimai	100	IDG Capital, DCM Ventures, Morningside Ventures Capital
 豆瓣 douban Douban	59	Sequoia Capital, Ceyuan Ventures, BAI Fund, Trustbridge Partners
 Yalla Yalla	30	Orchid Asia, SIG, Hongfan Capital
 same Same	23	Tencent Holdings, Trustbridge Partners
 最右 ZUIYOU Zuiyou	18	SIG, Qiming Ventures

(1) Total funding amount highly depends on company disclosure and may vary by sources. Best estimates apply here.

Source: Crunchbase, ITjuzi, Zero2IPO

Most Active Social & Messaging Investors In China

As of June 2018

Most Active Investors	Top Social & Messaging Deals
 <p>IDG Capital</p>	<p>Maimai, Microvcard, SegmentFault, Echo, Faceu, Huoliao APP, Zuoyou, Tencent</p>
 <p>Matrix Partners</p>	<p>Hihing, in APP, Shudong, Nice, Momo, ZANK, Lookle</p>
 <p>Tencent Holdings</p>	<p>Kuaishou, Zhihu, 17Paipai, Snapchat, Hike Messenger, Kik, Kakao Talk, Same</p>
 <p>Zhen Fund</p>	<p>Microvcard, Weilian, Nice, Jiayuan</p>
 <p>Sequoia Capital</p>	<p>Kuaishou, Miaopai, Momo, Douban</p>
 <p>Morningside Capital</p>	<p>ShareChat, Maimai, Nice, Taoyou, time2plato</p>
 <p>Alibaba Group</p>	<p>Snapchat, Weibo, Momo, Tango, Xiaoshengshuo</p>
 <p>Shunwei Capital</p>	<p>Myhug.cn, ShareChat, Paime, Renmaitong</p>
 <p>Qiming Venture Partners</p>	<p>Zuiyou, Jiayuan, Kaixin001.com</p>
 <p>GGV Capital</p>	<p>Myhug.cn, Verlocal, HOLLA, Wiselike</p>



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Gaming	86
Esports	91

Three New Players Enter China's Ride-Sharing Battlefield

Market giant DiDi sees new competition coming from Meituan Dianping, Ctrip and Alibaba's AutoNavi unit.



Meituan Dianping

- Leading **provider of on-demand online services** with a private valuation of **US\$30B** as of 2017
- Rolled out its own **ride sharing** services in Dec 2017 and has since expanded its service to **seven cities in China**
- One week after Meituan was launched in **Shanghai**, it achieved **300K active users**



Ctrip

- China's leading **travel services platform** with a market cap of **\$25B** as of end of May 2018
- Obtained a **ride hailing license** from **Tianjin** Municipal Transportation Commission to operate ride hailing business nationwide



AutoNavi Holdings

- **Alibaba's mapping unit**, AutoNavi Holdings Ltd. (Gaode Map), launched its own **carpooling business** starting in Chengdu and Wuhan with plans to roll out nationally in 2018
- AutoNavi has **700M+ users**



US\$80B estimated valuation

450M+ users

China's Bike-Sharing Industry Has Consolidated To Three Players


Ofo and Mobike command over 90% of the market; Hellobike surging quickly in third place.

Before




- More than **40 bike-sharing services** have sprouted in China **since 2016**.
- The bike-sharing market in China has undergone **significant consolidation**, with more than **20 start-ups going bust** as of Feb 2018.

Today




ofo

- In March 2018, ofo secured **US\$866M** in a new round of financing led by **Alibaba**.
- Ofo has more than **200M users** in China, **26M MAUs** and **32M rides per day**.



Mobike

- In April 2018, Mobike was acquired by **Meituan Dianping**, China's largest provider of on-demand online services, at a valuation of **US\$3.7B**.
- Mobike has more than **200M users**, **22M MAUs** and **30M rides per day**.



Hellobike

- Founded in 2016 and became the **fastest-growing** bike-sharing company in 2017
- Hellobike has approximately **100M users** and **10M rides per day**.

China's Sharing Economy Expands Overseas

China's leading co-working, home-sharing and bike-sharing companies are now looking for success abroad.



Co-Working

China's URWork opened its first overseas location in Singapore in June 2017 and formed a JV partnership with New York's Serendipity Labs. URWork also made a strategic investment in Sept 2017 in Rework, a co-working provider in Indonesia, to strengthen its network in SE Asia.



Home-Sharing











Xiaozhu, China's Airbnb, now has listings in over 100 overseas cities and entered a strategic partnership with global online booking platform, Agoda, a member of Booking Holdings.



Bike-Sharing

As of Dec 2017, ofo has covered 50 cities across 20 countries. Mobike has expanded to 11 international cities.

Didi Is The Most Funded Chinese Sharing Economy Startup











Company	Total Funding ⁽¹⁾ (US\$ m)	Selected Investors
 滴滴 Didi	20,100	Mirae Asset Financial Group, GSR Ventures, Tencent Holdings, Alibaba, Ping An, China Investment Corporation, Sailing Capital, GGV Capital, DST Global
 ofo	2,200	GSR Ventures, Hongdao Capital, Zhen Fund, Vision Plus Capital, Matrix Partners China, CITIC PE, Xiaomi, Shunwei Capital, DST Global, Didi, Alibaba
 北汽新能源 BAIC BJEV	1,660	Daimler, China Cinda Asset Management, Zhongji Investment
 途家 Tujia	755	All-Stars Investment, G Street Capital, Ctrip, HomeAway, Lightspeed China Partners, MSA, Qiming Ventures, CBC Capital, CDH Investment
 WiFi万能钥匙 WiFi Skeleton Key	652	Haitong Internation Securities Group, Northern Light Venture Capital, Eight Roads Ventures
 猪八戒 Zhubajie	431	Chongqing New North Zone Government Investment Fund, IDG Capital, Cybernaut Venture Capital
 C Caocao Zhuanche	380	Zhejiang Geely Holding Group
 小猪 Xiaozhu	272	Joy Capital, YF Capital, Legend Capital, Morningside Venture Capital, MSA, BAI, Capital Today, CITIC Capital Holdings, Heyu Capital, YF Capital
 首汽约车 Shouqi Limousine & Chauffeur	229	NIO Capital, Baidu, Harvest Capital, China Jianyin Investment, Oceanwide Holdings, Silk Road Hua Chuang
 小电 Dian	120	Sequoia Capital, Tencent Holdings, InCapital, GSR Ventures, Vision Plus Capital, DT Capital Partners, CDH Investments, Banyan Capital

(1) Total funding amount highly depends on company disclosure and may vary by sources. Best estimates apply here.

Source: Crunchbase, ITjuzi, Zero2IPO

Most Active Sharing Economy Investors

As of June 2018

Most Active Investors	Top Sharing Economy Deals
 <p>Matrix Partners China</p>	<p>Didi, ofo, Yunniao, zuzuche.com, Huangbaoche</p>
 <p>Sequoia Capital</p>	<p>ymm56.com, Dian, Mobike, Xingbianli</p>
 <p>Zhen Fund</p>	<p>Ofo, TOGO, YCLOSET, First Class, Hami</p>
 <p>CDH Investment</p>	<p>Didi, FlashEx, Tujia, Dian, Grab</p>
 <p>GSR Ventures</p>	<p>Didi, ofo, YCLOSET, Dian</p>
 <p>Lightspeed China Partners</p>	<p>xingren.com, ymm56.com, Tujia, fangdd.com</p>
 <p>Joy Capital</p>	<p>UCAR Inc, Mobike, xiaozhu.com</p>
 <p>Vision Capital</p>	<p>Ofo, Dian, Xingbianli</p>
 <p>Qiming Ventures</p>	<p>Tujia, Mobike</p>
 <p>Panda Capital</p>	<p>Mobike, atzuche.com</p>



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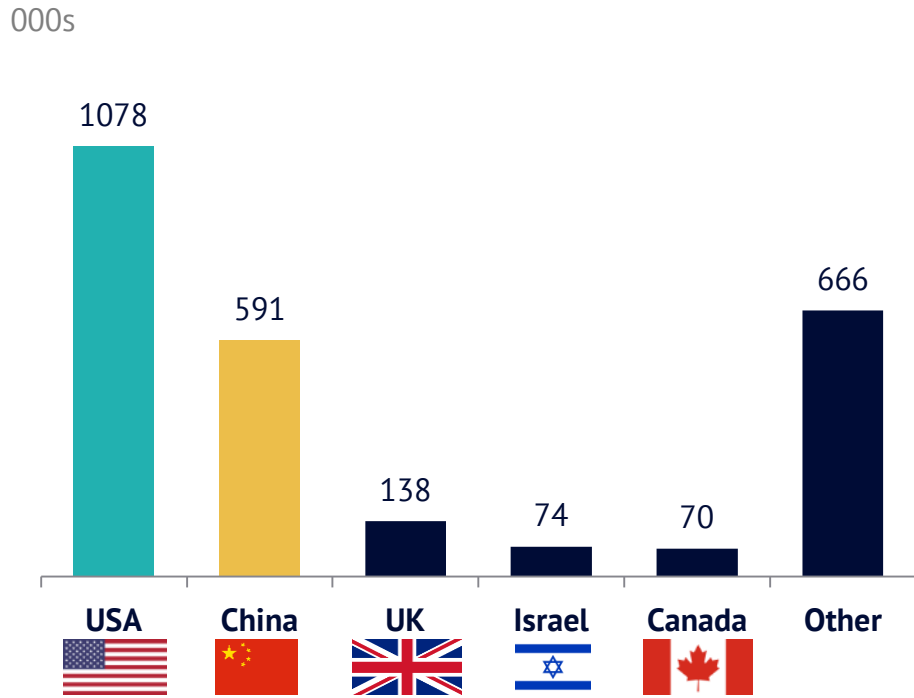
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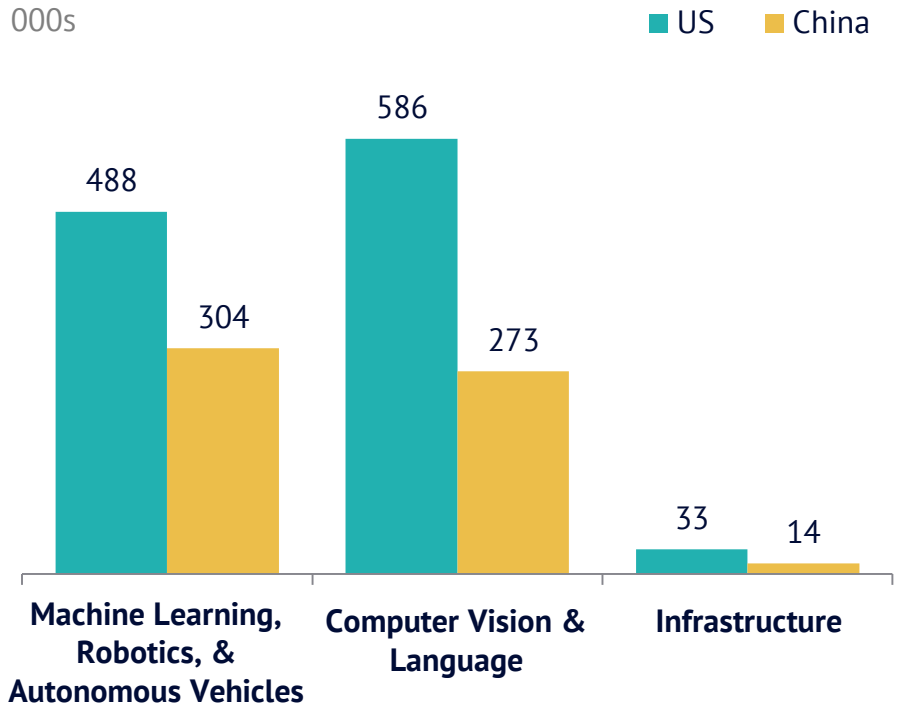
China's AI Development Still Lags Behind The US

As of June 2017, the US was home to the most AI startups in the world at 1,078 with China in second at 591.

Number of AI Startups By Country as of June 2017



US vs. China: Number of AI Startups By Sector



But The Chinese Government Has Ambitious Plans To Catch Up

Baidu, Alibaba, Tencent and iFlyTek have been a driving force behind China's AI advancement.

AI Strategic Plan

In July 2017, China's State Council released its roadmap to create a **domestic 1 trillion yuan (US\$148B) AI industry** and leapfrog the US to be the **global leader in the field of AI by 2030**.

- Keep pace with **leading AI technology and applications** in general by **2020**
- Make major **breakthroughs** by **2025**
- Be the world **leader** in the field by **2030**

Leading Chinese Companies In AI



Baidu's focuses **autonomous driving**.



The **cloud computing division of Alibaba** is working on a project called "city brains", a set of AI solutions to improve urban life, including smart transport.



Tencent focuses on **computer vision** for **medical diagnosis**.



Shenzhen-listed **iFlyTek**, a dominant player in **voice recognition**, specializes in **voice intelligence**.

Investment and Training

- In Jan 2018, the government announced that it would spend **US\$2.1B** to build an **AI industrial park** in the suburbs of Beijing.
- In April 2018, the Ministry of Education launched a **five-year AI talent training program**, where 500 teachers and 5,000 students would train at top universities.

Facial Recognition Technology Is A Leading AI Application in China

Major Chinese cities are employing facial recognition to improve transportation and security.



Facial recognition systems are being tested in major **train stations** like Wuhan. China's Spring Festival this year saw over **400 m people** traveling by train.



In **Shenzhen**, AI-firm Intellifusion works with local police to display the faces of **jaywalkers** on **large LED screens** at intersections. It is now collaborating **with local mobile phone carriers** and **social media platforms** such as WeChat to develop a system where offenders will receive **personal text messages** as soon as they violate the rules.



Police arrested a **fugitive** in southeast China after facial recognition technology helped identify him in a **crowd of about 50,000** people attending a **pop concert**.

Use of Big Data Continues To Grow And Is Being Applied To Farming

Farms are leveraging AI technologies to enhance efficiency, yields and income.



- JD launched its **AI chicken project** called “**running chicken**” in 2018.
- With the help of AI, the chicken farm is monitored 24/7 with functions including **automatic feeding**, cleaning and health diagnose.



- Alibaba uses AI to **raise pigs** by using a **digital ID** for each pig, which can help track **vital signs, pregnancy, sickness, sleeping** and **eating** schedule and their **mood**.
- This has helped Tequ Group, a Sichuan-based pig farming enterprise, to **raise more newborn pigs, reduce death rates** and **increase income by 10 percent**.

Robotics Is An Area Of Major Development In China

Intelligent service robots continue to upgrade across industries, including ecommerce and healthcare.



- Cainiao x Tmall's **warehouse** is powered by **delivery self-charging robots**; each robot can carry up to 500 kilograms.
- The robots save time by three-fold for warehouse clerks.



- In September 2017, a **robot dentist** in China became the world's first to perform 3D-printed teeth implants in a patient's mouth without any human involvement.

China's intelligent service robots market will reach US\$2.4 Billion by 2019

Voice and Language Applications Are Seeing Greater Adoption

Chinese consumers are increasingly using AI for translation and voice command.

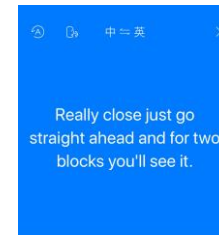


- The Sogou Travel Translator receives over **200M daily voice requests**, approximately **240,000 hours of data** with **97% translation accuracy**.



你好，我不会说英语，请问这个，时代广场怎么走？

按住说话 Hold to talk





非常接近，直走两个街区就可以看到了。

按住说话 Hold to talk














- Over **500M Chinese** use **iFlytek voice input** via its 400,000 developers in various industries such as smart home and mobile internet.

SenseTime Is The Most Funded Chinese AI Startup

Company	Total Funding ⁽¹⁾ (US\$ m)	Selected Investors
 SenseTime	1,600	Morningside Venture Capital, Sailing Capital, CICC, Co-Stone Capital, Alibaba, IDG, TCL Capital, StarVC, WANDA Group, CDH Investment
 Megvii	607	Sunshine Insurance, Sinovation Ventures, Ant Financial, Foxconn Technology Group, China State-Owned Assets Venture Investment Fund, CCB International, SK Group, Qiming Venture Partners
 United Imaging	530	China Life Insurance, SDIC Fund, China International Capital, CITIC Securities, CMB International
 CloudWalk	397	Shunwei Capital, Oriza Holdings, Puhua Capital
 Wecash	328	IDG, Lingfeng Capital, Sea Limited, China Merchants Innovation Investment Management, SIG Ventures, Hongdao Capital, Forebright Capital, ORIX Asia Capital Ltd
 Mobvoi	253	Volkswagen China, Google, Sequoia Capital, Zhen Fund, SIG China
 Unisound	211	Hanfor Holdings, China Electronics Health Fund, Qihoo 360 Technology, Zhongdian Health Fund, Qiming Venture Partners, Qianhai Wutong Mergers and Acquisitions Funds
 CloudMinds	131	SoftBank, Foxconn, Keynote Ventures, Walden International, Bojiang Capital, Shenzhen Capital Group, Qiming Ventures
 Horizon Robotics	100	Intel Capital, Sinovation Ventures, Morningside Capital, Hillhouse Capital, Linear Venture, Harvest Investment, Wu Capital, Tsing Capital
 Cambricon	100	Yonghua Capital, SDIC Chuangye Investment Management, Alibaba, Lenovo, CAS Investment Management, Turing, Oriza Seed Capital, Lenovo Capital

(1) Total funding amount highly depends on company disclosure and may vary by sources. Best estimates apply here.

Most Active AI Investors In China

Most Active Investors		Top AI Deals
 Sequoia Capital		JD, 360, Mobvoi, Toutiao, ThinkForce, Horizon Robotics, Versa, NIO, BGI, Dajiang, YITU, 100Credit
 Tencent Holdings		Yonghong Tech, JD, Sougou, iCarbonX, UBTECH, NIO
 IDG Capital		Baidu, Mi, SenseTime, 100Credit, Liulishuo, Rokid, APEAKIN
 Matrix Partners		Yonghong Tec, Mobile, 360, 12Sigma, Sensing Tech, ccint.com
 GGV Capital		Momenta, Liulishuo, Zhuiyi, EHANG, Deepinfar, binguohezi
 YF Capital		Sougou, Mi, ThinkForce, YITU, Video++, Alibaba
 Qiming Ventures		Xiaomi, Face++, UBTECH, binguohezi, tongdun
 Morningside Ventures		Xiaomi, SenseTime, Horizon Robotics, Zhuiyi
 Oriental Fortune Capital		Hydata, Geetest, Quant Group, Yonghong Tech, Learnta
 Sinovation Ventures		Dorobot Inc., ImageDT, class100, STEM Cloud
 Pine Ventures		SenseTime, BGI, UBTECH, Gaomuxuexi



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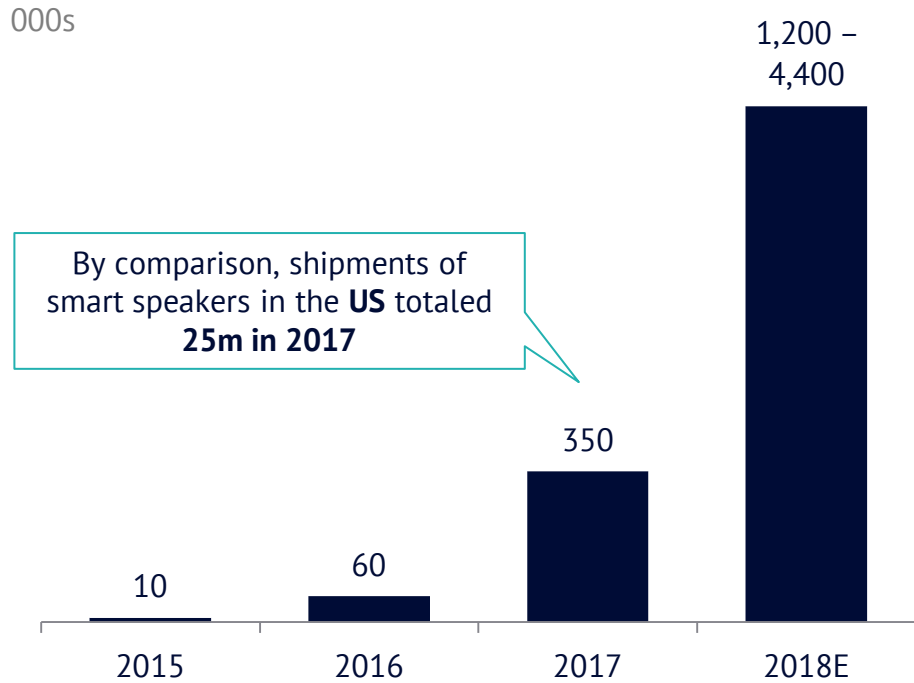
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Smart Speakers Are Still Nascent In China But Quickly Growing

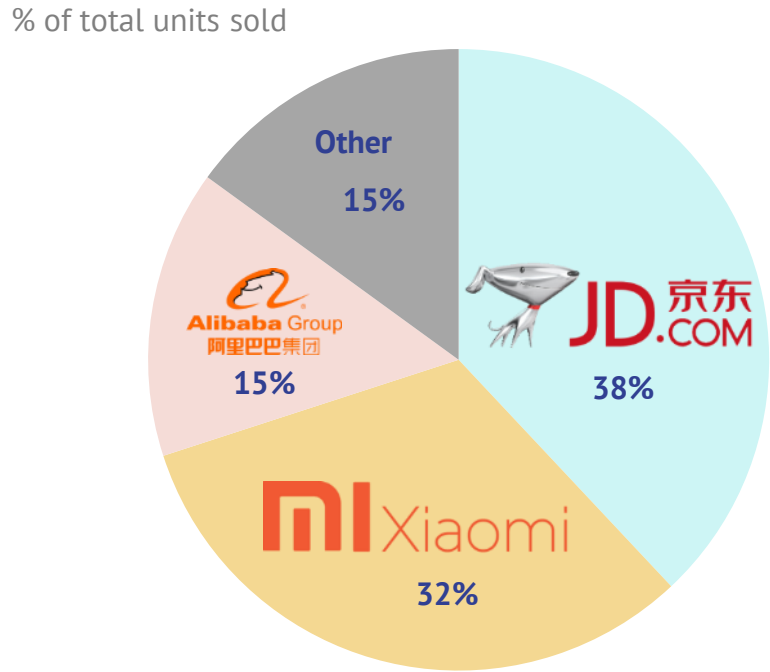
JD, Xiaomi and Alibaba are the current leaders in China's small but growing smart speaker market.

Number of Smart Speakers Sold in China



By comparison, shipments of smart speakers in the US totaled 25m in 2017

Smart Speaker Sales Share By Manufacturer For 2017



The Battlefield For Smart Speakers Is Intensifying In China

The market is overcrowded with more than 100 smart speaker developers and Baidu is the latest entrant.











Selected Speakers



LingLong DingDong	Tmall Genie X1	Mi AI Speaker	Raven H	Little Fish VS1 & Sengled Smart Lamp Speaker
US\$126	US\$76	US\$47	US\$256	N/A
Nov 2016	July 2017	July 2017	Nov 2017 ⁽¹⁾	N/A
				

(1) Raven H production reported to have stopped in June as only 10K units were manufactured.

Xiaomi Is The Most Funded Chinese Smart Device Startup











Company	Total Funding ⁽¹⁾ (US\$ m)	Selected Investors
 Xiaomi ⁽¹⁾	3,400	All-Stars Investment, Shunwei Capital, Green Bay Ventures, Morningside Group, GIC, YF Capital, DST Global, Ratan Tata, Qiming Venture Partners, NGP Capital
 Royole	1,100	Shenzhen Capital Group, Shanghai Pudong Development Bank, IDG Capital Partners, Tanshi Capital, Green Pine Capital, Hanfor Capital Management, Warmsun Holding Group, Zhongtai Chuanghui Equity Investment Fund
 UBTECH	940	CITIC Securities, Tencent Holdings, CDH Investment, Qiming Venture Partners
 Meizu	890	Alibaba, Haitong Kaiyuan Investment
 Smartisan	234	PurpleSky Capital
 XGIMI	160	CDF Capital, Sailing Capital, Lucion Venture Capital, Matrix Partners China, Baidu, Bojiang Capital, Pan-Lin Asset Management
 Rokid	158	Credit Suisse, M Fund, IDG Capital Partners, Advantech Capital, Temasek Holdings, Linear Ventures, Walden International, CDIB Capital
 JMGO	125	Golden Brick Capital, SkyChee Ventures
 Codoon	111	Susquehanna International Group, Shenzhen Capital Group, FountainVest Partners, SBCVC Fund III Company, CITIC Capital Holding, SBCVC, Focus Media, Advanced Power Electronics Corp
 DJI	111	Sequoia Capital, Accel Partners, LH Capital Management

(1) Total funding amount highly depends on company disclosure and may vary by sources. Best estimates apply here. (2) Xiaomi listed in HKEX on Jul 9, 2018; funding amount is before IPO.

Source: Crunchbase, ITjuzi, Zero2IPO

Most Active Smart Devices Investors In China

As of June 2018

Most Active Investors		Top Smart Devices Deals
 Zhen Fund	Zhen Fund	Vincross, Polly.ai, UMA, BeSound, EHANG, Mobnote, SUGR Cube, Vidoo, YOGO, FLEXIV, IMIO
 Sequoia Capital	Sequoia Capital	Pony.ai, LinkedSee AR, Horizon Robotics, Huami, Viomi, DJI, iRay, Microduino, Janez T, ChargeDot
 IDG Capital Partners	IDG	RDA, Montage, ISSC, Sane Chips, MUCH, YOGO, TMiRob, DKVision
 PreAngel	PreAngel	Mech-Mind, Dobot, EHANG, LYRobotix, Aeris Aura
 Northern Light Venture	Northern Light Venture	Leishen Lidar, Shenzhen Smart Drone, Casun
 Legend Star	Legend Star	OneSpace, CarRobot, LisaWatch, TONY watch
 Matrix Partners China	Matrix Partners China	AutoBot, GLXSS, MaxStone, Vidoo, Convenient Power
 Sinovation Ventures	Sinovation Ventures	Wonder Workshop, AlNemo, Dorabot, Goluk, Fineck, Mobnote
 Qiming Ventures	Qiming Ventures	VINNO, Convenient Power, Xiaomi, UBTECH
 Tencent	Tencent	Pacewear, Meta, Moon Express, Whaley, PICOOC, Tile



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China vs. US In Autonomous Cars

China is formulating technology standards and industry guidelines to close the gap with the US.

In September, the US approved a bill that laid out a **framework for federal autonomous vehicle regulation**, speeding up deployment of self-driving cars in the country.

The US Transportation Department plans to unveil **revised self-driving car guidelines this year.**



In December, the National Development and Reform Commission, China's top economic planning agency, unveiled a **three-year plan** making the development of **smart cars a national priority.**

Beijing also became China's **first city** to green light **open road tests** for autonomous cars.

In March, **Shanghai** issued **licenses** for self-driving cars from **NIO** and **SAIC.**

In April, China's Ministry of Industry and Information Technology released **national guidelines for smart internet connected cars**, giving **local authorities** a freer hand to arrange road tests for autonomous vehicles.

China is likely to emerge as the **world's largest market** for autonomous vehicles and mobility services, worth more than **US\$500 billion** by **2030.**










The Last Year Has Seen Major Development In Autonomous Cars

Leading Chinese internet companies and automakers are making headway, with Baidu leading the pack.

Company	Development
<p>Chinese Internet companies</p>	<div data-bbox="241 327 454 398">  </div> <ul style="list-style-type: none"> Identified by China’s Ministry of Science & Technology as national champion in self-driving cars Announced plans to commence mass production of an L4 autonomous driving bus with King Long Motor Group in July 2018, L3 passenger vehicles with JAC Motor and BAIC Motor in 2019, L3 vehicles with Chery in 2020 and L4 vehicles in 2021¹ <hr/> <div data-bbox="241 496 454 540">  </div> <ul style="list-style-type: none"> Now running road tests of autonomous cars on a regular basis and has the capabilities for open road trials with the goal is to achieve L4 autonomous capability Partnered with SAIC Motor to launch internet-connected cars powered by Alibaba’s AliOS <hr/> <div data-bbox="241 633 454 671">  </div> <ul style="list-style-type: none"> Has partnered with six Chinese automakers – GAC, Changan, Geely, BYD, Dongfeng, FAW – since 2017 Received its first license to conduct open-road tests for its autonomous cars in Shenzhen in May 2018
<p>Chinese Auto Manufacturers</p>	<div data-bbox="241 731 454 808">  </div> <ul style="list-style-type: none"> Electric vehicle start-up NIO, backed by Tencent, Baidu and Xiaomi, received a license to road test autonomous driving in Shanghai for its 7-seater sport utility vehicle <hr/> <div data-bbox="280 840 415 993">  </div> <ul style="list-style-type: none"> Partnered with Intel in the beginning of 2018 to develop Level 3, 4 and 5 autonomous vehicles Also awarded licenses to road test autonomous driving in Shanghai for two models of its smart car

(1) The Society of Automotive Engineers have defined six levels (0-5): L3 = cars safely control all aspects of driving in mapped environment, L4 = no driver interaction needed, L5 = completely autonomous

Nio Is The Most Funded Chinese Autonomous Car Startup











Company	Total Funding ⁽¹⁾ (US\$ m)	Selected Investors
 NIO	2,100	Tencent Holdings, Baillie Gifford, Lone Pine, Sequoia Capital, IDG, China Asset Management Co, GIC, CITIC Capital, TPG, MSA, Baidu, Hillhouse Capital
 WELTMEISTER 威马汽车 WM Motor	1,200	Susquehanna International Group, Sequoia Capital, Amiba Capital, Tencent Holdings, Baidu Capital, Minmentals Development, Zhejiang Geely Holding Group
 Xiaopeng Motors	706	CICC, Kinzon Capital, Alibaba, Shunwei Capital, GWC Innovator Fund, IDG Capital Partners, UCAR, Matrix Partners China, Morningside Venture Capital, Lightspeed Venture, YF capital, GGV Capital, Foxconn Group
 CHJ Automotive	594	Yintai Group, SourceCode Capital, Future Capital AG, Matrix Partners China, LEO Group, Funcity Capital, Plum Ventures, BlueRun Ventures
 Zhiche Auto	580	Intel Capital, GX Capital, One Capital, NetPosa
 Roadstar.ai	128	Shenzhen Capital Group, Wu Capital, China Vision Capital, Yunqi Partners, CMBI International Capital, Glory Ventures, Green Pine Capital
 JingChi	120	China Growth Capital, Nvidia GPU Ventures, Qiming Venture Partners
 pony.ai	112	Sequoia Capital, Legend Capital, Puhua Capital, IDG Capital Partners, DCM Ventures, Silicon Valley Future Capital, Morningside Venture Capital, Legend Star, Polaris Capital Group
 图森未来 TuSimple	83	Fuhe Capital, Sina, Zhiping Capital, Nvidia, Composite Capital Management
 MOMENTA	51	Shunwei Capital, Zhen Fund, Sinovation Ventures, Unity Ventures, Daimler, NIO Capital, Blue Lake Capital AG

(1) Total funding amount highly depends on company disclosure and may vary by sources. Best estimates apply here.

Source: Crunchbase, ITjuzi, Zero2IPO

Most Active Autonomous Cars Investor In China

As of June 2018

Most Active Investors	Top Autonomous Car Deals
 Sequoia Capital	NIO, Lingyun, NIU, Ninebot, WM Motor, LingYun Technology
 IDG Capital	Carsmart, CloudCar, Navya, Commsigna, SINGULATO
 Zhen Fund	Hyperloop Technologies, Lingyun, Momenta.ai
 Tencent Holdings	WM Motor, NIO, Tesla, Yixin Group
 Matrix Partners	Xiaopeng Motors, CHJ Automotive
 Morningside Ventures	Xiaopeng Motors, Pony.ai
 SourceCode Capital	CHJ Automotive, DeepMotion
 Qiming Ventures	JingChi
 GGV Capital	Xiaopeng Motors
 YF Capital	Xiaopeng Motors



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Chinese Consumers Are Crazy About Cryptocurrency

There are multiple cryptocurrencies and exchanges in China with huge scale.

A few Chinese cryptocurrencies have reached over \$1 billion in market cap



Binance, OKex, Huobi are the top 3 crypto exchanges in the world with over \$1 billion in daily trading volume



China Says 'No' To Cryptocurrency But 'Yes' To Blockchain

China wants to be a frontrunner in blockchain technology even if the ban on crypto remains.

No To Cryptocurrency...

Domestic closure: In September 2017, China ordered the closure of all cryptocurrency exchanges and pronounced all initial coin offerings (ICOs) illegal, marking the start of the official crackdown on the digital currency that saw a number of bitcoin traders relocate to other countries.

Funding halted: In January 2018, the People's Bank of China ordered financial institutions to stop providing funding to any activity related to cryptocurrencies.

Foreign platforms banned: In February 2018, China blocked all overseas websites related to cryptocurrency trading and ICOs as well.

...But Yes To Blockchain

Local support: Shanghai, Shanxi, Henan, Guangzhou, Guiyang and Hangzhou have all issued policies to encourage blockchain development.

New funding: Shenzhen established a 500 m yuan fund focused on blockchain investments. Hangzhou announced its plan to invest 10 billion yuan in a blockchain fund, which officials claimed as the world's biggest fund investing in blockchain projects.

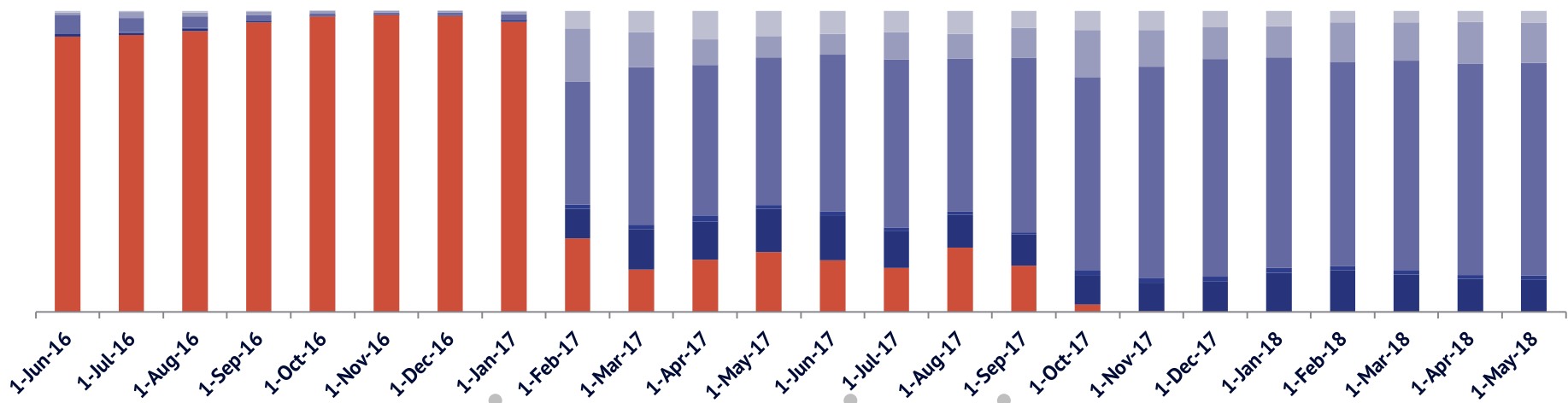
Central government support: The master plan for the Xiongan New Area economic zone, created under the direct order from President Xi Jinping, highlights the use of blockchain technologies to create a smart city.

Startups on the rise: 41% of startups that received funding in China in the first quarter of 2017 were blockchain-related.

China's 'No' To Cryptocurrency Can Be Illustrated With Bitcoin

CNY-denominated Bitcoin trading volume plummeted in early 2017 and ultimately ceased by Oct 2017.

■ CNY
 ■ EUR
 ■ GBP
 ■ USD
 ■ JPY
 ■ Other



Government warns investors about the risk controls of China's largest bitcoin exchanges, which temporarily suspend withdrawals

Chinese exchanges lift suspension on withdrawals

China deems initial coin offerings illegal, orders mainland exchanges to shut down

Blockchain Will Have Many Business Use Cases In China

Although still in its infancy, blockchain technology can be applied across industries.



Healthcare Patient Records



Logistics



Supply Chain



IoT Message and Asset Tracking



Identity Management



Luxury Goods Tracking



Digital Asset Tracking













Money Remittance

Alibaba partnered with the city of **Changzhou** in August 17 to launch China's **first application** of Blockchain technology in the **medical sector**.

Tencent partnered with **China Federation of Logistics & Purchasing** in Mar-18 to develop an industry application based on Tencent blockchain-**TrustSQL**, including platforms for **e-waybill service**, **transportation** management system and **warehouse** management system.










The **Hong Kong Monetary Authority** went live with its **Trade Finance Platform**, built on blockchain technology in September 2017.

Bitmain Is The Most Funded Chinese Blockchain Startups

Company		Total Funding ⁽¹⁾ (US\$ m)	Selected Investors
 BITMAIN	Bitmain	450	Sequoia Capital, IDG Capital Partners, GIC, DST Global
	Hyperchain	230	Xinghu Zhongbao, China Gaoxin Investment Group
	Canaan	47	Baopu Investment, Jin Jiang Group, Tunlan Capital
	OKCoin	47	Giant Network, Ceyuan Ventures, Mandra Capital, Sinovation Ventures Lab, PreAngel
	Shuidihuzhu	33	IDG, Gaorong Capital, Tencent, Zhen Fund
	Jinghang Blockchain	31	Tunlan Capital
	TokenClub	30	INBlockchain, Shunwei Capital
	HOTchain	24	Qtum Capital, Qtum Foundation, Bitcoin Faith, IBT Ventures, Arrival Capital, IPTChain, FBTC, Genesis Capital
	BKBT	20	JRR Crypto
	8btc	16	Puhua Capital, QF Capital, Funcity Capital, Bitmain

(1) Total funding amount highly depends on company disclosure and may vary by sources. Best estimates apply here.

Most Active Blockchain Investors In China

Investor	Top Blockchain Deals
 Fenbushi Capital	Stream, TenX, Zcash, GEM, ABRA, TIERION, Everledger, Symbiont, CIRCLE, Factom, OTONOMOS, bitSE, POE, soc
Qianfang Capital	Genaro, Bytom, Delphy, Primas, Cybex, Vechain, Loopring, ATMMatrix, IOTA, Tezos
 INBlockchain	Stream, InkChain, EOS, BOTTOS, BigONE, sia, QTUM, Maggie, ITC, WanChain, Oracle Chain, Insurance, uip, Decentraland, hot, iost, dta
 NODE CAPITAL	Huobi, Coldar, Bochen Inc, Fengwo, Jinse Finance, Chainup, Dochain, soc
 L I N K V C	sosobtc, AICoin, QUOINE, Ripio, Genaro, Tenx, Measurable, Blockv, Raiden, BBEX, Cybermiles, Maggie, IOT Chain, Pro Chain
 DHVC	Meta, aelf, theat, data, bat, IOST
 Sequoia Capital	Huobi, IOST, ugc, filecoin, orchid
 ZhenFund 真格基金	Lino, IOST, data, yee, HOT, GXB, EDU
 IDG 资本 IDG Capital Partners	Ripple, Coinbase, Cirlce, Bitmain, Bitkan
 FUNCITY 泛城资产 capital	8btc, IOST, Binance, huoxing24.com



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Chinese Internet Companies Play Across The Fintech Value Chain

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

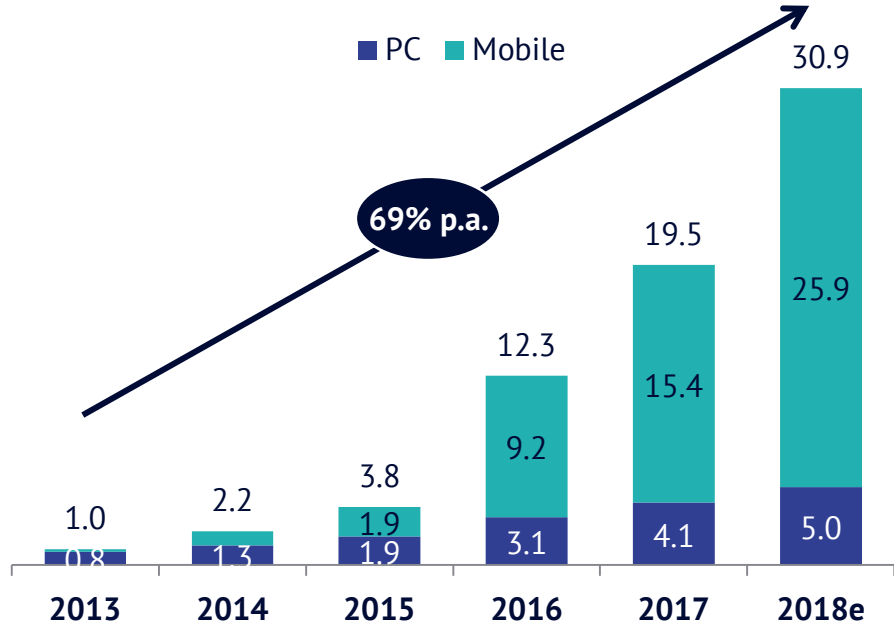


Mobile Payments Continue To Surge With Alipay and WeChat Pay

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

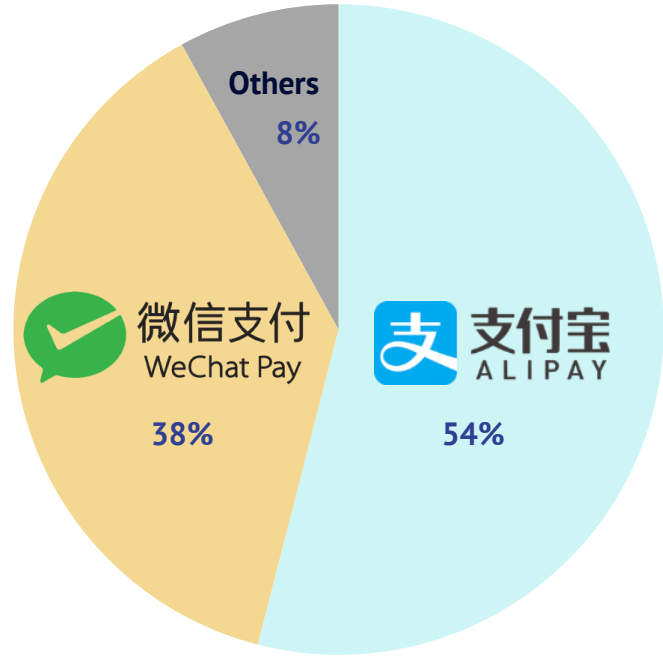
China's Total Transaction Value Via 3rd Party Online Payments

US\$ Trillion



China's Mobile Payment Market Split, 2017

%



Regulation Will Shape China's Fintech Landscape

Tighter regulation and consolidation of regulatory bodies point to tougher fintech environment in the short-term.

There has been tightened regulation in China's internet financing and online lending segments.

New rules











- In Nov 2017, China issued an administrative order ceasing the issuance of new online peer-to-peer (P2P) company licenses.
- In Dec 2017, China's central bank and banking regulatory commission jointly ordered that all organizations and individuals must obtain a license and operate with strict requirements.
- Regulators set high capital requirements, a rule mandating the appointment of a custodian bank, full disclosure of fund information and a ban on unsecured cash loans.

In addition, China's financial regulatory bodies are being consolidated to reduce financial risk.

- In March, China merged its banking (CBRC) and insurance (CIRC) regulators to heed President Xi's calls to reduce financial risk.
- Legislative powers would be transferred and centralized with the People's Bank of China.

Regulatory Body	Responsible areas of fintech
People's Bank of China (PBoC)	Third-party fund payments and transfer
Securities Regulatory Commission (CSRC)	Crowdfunding and online fund products
Banking Regulatory Commission (CBRC)	P2P online lending, online trust products and online consumer finance
Insurance Regulatory Commission (CIRC)	Internet insurance

Ant Financial Is The Most Funded Chinese Fintech Startup











Company	Total Funding ⁽¹⁾ (US\$ m)	Selected Investors
 Ant Financial	14,500	China Development Industrial Bank, Alibaba Group, National Social Security Fund, CCB International, Primavera Capital Group, China Investment Corporation
 JD Finance	3,000	CICC, Sequoia Capital, China Taiping Insurance, Oils and Foodstuffs Corporation, China Creation Ventures, Harvest Global Investments, China National Cereals
 Lufax	1,700	CICC, COFCO, CDH Investments, China MinSheng Bank, Guotai Junan Securities, Arbor Ventures, BBlackPine Private Equity Partners
 U51.com	825	Yintai Group, Shunwei Capital, JD, Meridian Capital China, Xinhua Zhongbao, Tiantu Capital, GGV Capital, Harvest Capital
 Jiedaibao	694	JD Capital
 OneConnect	650	SBI, IDG Ventures, Ping An
 CGTZ	521	Geo- Jade Petroleum, China Media Capital, Guangzhou YUEXIU Industrial Investment Fund, Shunwei Capital
 Dianrong	509	Standard Chartered Bank, EG Capital Advisors, CITIC Securities, Max Giant Capital, GIC, Bohai Leasing, Sun Hung Kai Properties, China Fintech Fund, Cross Pacific Capital Partners, Norther Light Venture Capital, GMIC Leasingm Simone Investment Mangers, ORIX Asia Capital Ltd, MindWorks Ventures, FinSight Ventures, Tiger Global Management
 WeBank	450	WI Harper Group, Temasek
 Dashu Finance	211	PAG, Primavera Capital Group, Sequoia Capital

(1) Total funding amount highly depends on company disclosure and may vary by sources. Best estimates apply here.

Source: Crunchbase, ITjuzi, Zero2IPO

Most Active Fintech Investors In China

As of June 2018

Most Active Investors		Top Fintech Deals
 源码资本 SOURCE CODE CAPITAL	Source Code Capital	Qudian, Smart Finance Group, INK, feidee.com, Nongfenqi, Huifenqi, zichan360, licai.com, Lantouzi, Xiao Hu Group, juaicai.com, BMOB.com, ABC Fintech, Lean Work
 IDG资本 IDG Capital Partners	IDG	China UMS, Qingsongchou, Shuidihuzhu, EasyTransfer, Tongdun, Qiandai, Tongbanjie, wacai.com, Wecash, 100credit.com, Yixin, Formax, TransferEasy
	Sequoia Capital	ddjf.com, Shoujidai, Xiaoyusan Insurance, Zhongan, Pai Pai Dai, Jinfuzi, feidee.com, 19pay, rong360.com
 GAORONG CAPITAL 高榕资本	BANYAN Capital	Zhongrongjin, Qiandai, Shuidihuzhu, Yuanbaopu, Qianbao, QuantGroup, Jcaimao
 BAI 贝塔斯曼亚洲投资基金	BAI	Yixin Group, Fenqile, Nongfenqi, Meixin Global, Bigo Live, Baca, Linklogis
 远毅资本 MARATHON VENTURE PARTNERS	Marathon Venture Partners	Baozhunniu, Knowlegene, ejsino.com, Cihon, gevent.com, au23.cn, Totodi
 蓝驰 BLUERUN VENTURES	Bluerun Ventures	Qudian, Shuidihuzhu, au23.cn, 51dang, Zhimahezi
 QIMING VENTURE PARTNERS	Qiming Ventures	ABC Fintech, wacai.com, SequoiaDB
 创世伙伴 CHINA CREATION VENTURES	China Creation Ventures	id5.cn, Yixin, Sinowel, rong360.com
 vertex VENTURES 祥峰投资	Vertex Ventures	InstaReM, Turnkey Lender, Maxent

Source: Crunchbase, ITjuji, Zero2IPO



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Online Education Connects Students In China With Int'l Resources

Top online English-learning platforms are all leveraging videoconferencing technology to connect students in China with teachers overseas for real-time one-on-one lessons.

Top Online English-Learning Platform	Overseas Teachers Network
	Over 40,000 teachers in the US and Canada
	14,800 teachers in the Philippines and the US
	Teachers in the UK, the US, Australia and Canada
	Over 20,000 teachers from 80 countries
	Teachers from North America and Europe



VIPKid, one of the top players in the industry, follows an Uber-like model that connects overseas teachers with parents & students.

There are online tutorials on how to become a teacher on platforms such as VIPKid.



VIPKid is also expanding the business model overseas – i.e. connecting overseas students with teachers in China for Chinese-learning.



Online Education Is Empowering Students In Rural China

Online education could be the answer to the challenges students face in rural China.

Challenges

- **Shortage of teachers** – not enough qualified teachers willing to take up jobs in remote and impoverished areas.
- **Outdated textbooks** – rural students often use textbooks more than a decade old.











Solutions

- **Live-streamed classes** - enable educators in cities to reach out to students in rural areas with updated teaching resources.
- **AI-enabled education** – frees up teachers' capacity and leads to more personalized education based on individual students' needs.

Examples

- **Government policy** -
 - China's Education Ministry has required governments at all levels to spend a minimum of 8% of their funding on digitalization of education.
 - 87% of primary and middle schools in mainland China had access to the internet by 2016, according to the ministry.
- **Ed tech companies** -
 - **VIPKid x Jack Ma Charity Foundation** – launched the Rural Education Project in 2017, which aims to bring online education to 10,000 classrooms.
 - **CCtalk** (online learning platform from Hujiang EdTech) – offers free online lessons taught by experienced teachers based in cities on a voluntary basis.

VIPKID Is The Most Funded Chinese Education Startup

Company	Total Funding ⁽¹⁾ (US\$ m)	Selected Investors
 VIPKID	825	Sequoia Capital, Zhen Fund, Tencent Holdings, Sinovation Ventures, Bryant Stibel Investments, Learn Capital, Matrix Partners China, Northern Light Ventures Capital, YF Capital
 Yuantiku	244	New Horizon Capital, IDG Capital Partners, Tencent Holdings, Matrix Partners China, Warburg Pincus, China Media Capital
 Zuoyebang	235	Sequoia Capital, H Capital, Legend Capital, GGV Capital, Xianghe Capital, Tiger Global Mauritius Fund
 Qingting.fm	230	Sinovation Capital, Baidu, CMIG, Shenzhen Guozhong Venture Capital
 Zhangmen	200	Warburg Pincus, Genesis Capital, StarVC, Shunwei Capital
 Qingqing Jiajiao	188	Sequoia Capital, IDG Capital, FREES Fund, TAL Education Group, ClearVue Partners, Trustbridge Partners
 Huijiang EdTech	187	Wanxin Media, China Minsheng Investment Group, Baidu
 Zhihu	185	Tencent Holdings, Sinovation Ventures, Capital Today, SAIF Partners, Sogou, Qiming Ventures Partners
 igetget.com	170	Sequoia Capital, Qiming Ventures Partners, Tencent Holdings, Youku, Shunwei Capital, Zhen Fund
 Xueba100.com	121	Anhui Xinhua Media, M Fund, Grand Fight Investment, China Wisdom, Yada Education, Vertex Ventures, Qiming Ventures Partners, China Merchants Capital, Trustbridge Partners

(1) Total funding amount highly depends on company disclosure and may vary by sources. Best estimates apply here.

Source: Crunchbase, ITjuzi, Zero2IPO

Most Active Education Investors In China

Most Active Investors		Top Online Education Deals
 Zhen Fund 真格基金	Zhen Fund	VIPKID, igetget.com, VIPCODE, ToDoEN, LiveEdu.tv, Duia.com, Koala Reading
 Shunwei Capital	Shunwei Capital	Zhangmen, Hujiang EduTech, igetget.com, Qingting.fm, 17Zuoye, zhan.com
 Matrix Partners China 经纬中国	Matrix Partners China	VIPKID, BBTREE, Yuantiku, Qingting.fm, Baicizhan
 Sequoia Capital	Sequoia Capital	VIPKID, Qingqing Jiajiao, igetget.com, Zuoyebang, Baicizhan
 IDG Capital IDG Capital Partners	IDG Capital	Qingqing Jiajiao, Yuantiku, LingoChamp (liulishuo) , MSSVOCAL
 Sinovation Ventures 创新工场	Sinovation Ventures	VIPKID, Zhihu, Qingting.fm, VIPCODE, Waijiaoyi
 Trustbridge Partners 睿信资本	Trustbridge Partners	xueba100.com, Qingqing Jiajiao, LingoChamp (liulishuo)
 GGV Capital	GGV Capital	Zuoyebang, LingoChamp (liulishuo) , Koala Reading
 Qiming Ventures QIMING VENTURE PARTNERS	Qiming Ventures	Xueba100.com, igetget.com, Zhihu
 Warburg Pincus 华平投资	Warburg Pincus	Yuantiku, Zhangmen



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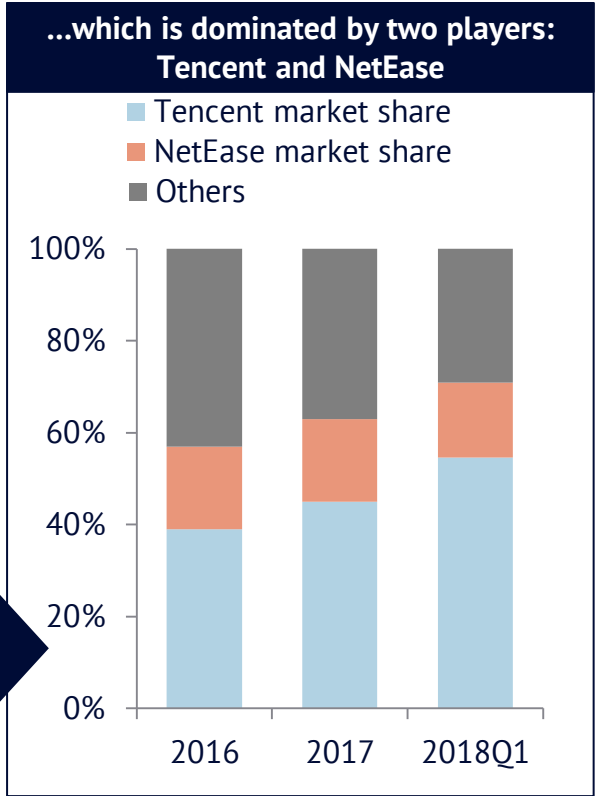
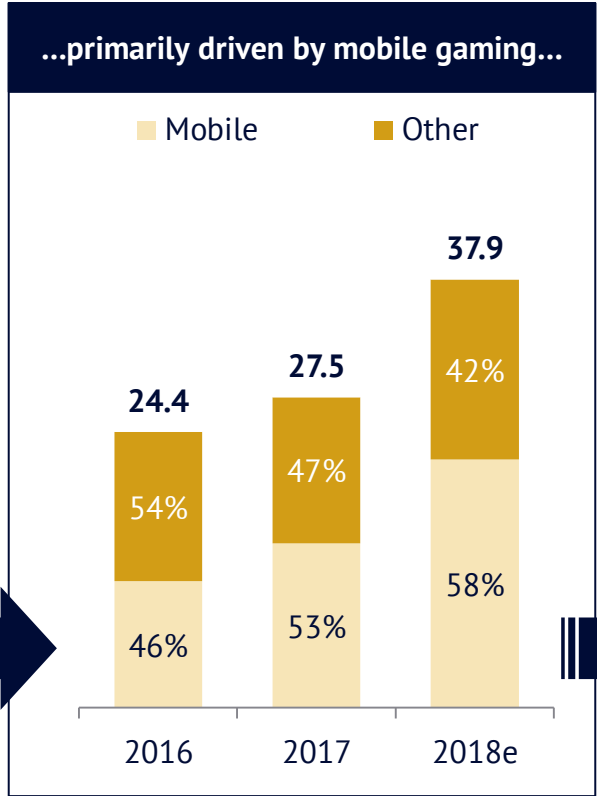
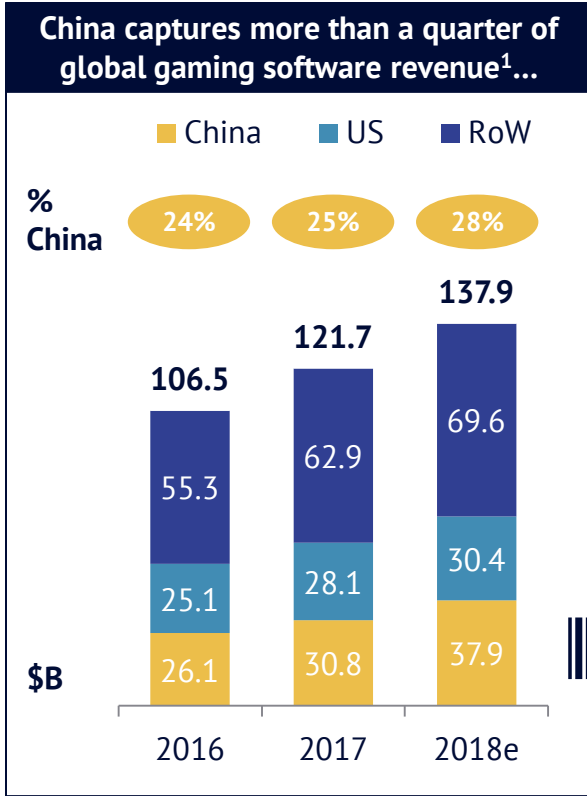
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China Further Solidifies Its Place As The Largest Gaming Market

Most of China's growth comes from mobile gaming with Tencent and NetEase leading the way.



(1) Consumer revenues generated by companies in the global games industry, excluding hardware sales, tax, business-to-business services and online betting.

Battle Royale Is All The Rage

Survival and shooter games have evolved into a new genre of battle royale which is sweeping mobile gaming. Chinese developers are capitalizing and have developed multiple versions globally.

NetEase

NetEase had first mover advantage, launching Knives Out and Rules of Survival in November 2017 in Chinese, English and Japanese. Normally, NetEase works to establish games in China before releasing them overseas but this time they changed their strategy.



Knives Out
50 m monthly active users as of Jan 2018



Rules of Survival
25 m monthly active users as of Jan 2018

Tencent

Shortly after in Feb 2018, Tencent launched two different versions of PUBG (PlayerUnknown's Battlegrounds, the overnight success originally launched in March 2017 for PC) in China. The international mobile version of PUBG was launched in March.










PUBG: Exhilarating Battlefield
7.3 m downloads in China on iOS in debut month (#1 mobile game)
10 m daily active players (outside of China) as of May 2018



PUBG: Army Attack
2.9 m downloads in China on iOS in debut month (#2 mobile game)

Zeus Interactive Is The Most Funded Chinese Gaming Startup

As of June 2018

Company	Total Funding ⁽¹⁾ (US\$ m)	Selected Investors
 Zeus Interactive	410	Legend Capital, ENLIGHT MEDIA
 iDreamsky Technology	356	Hwa Xiu Investment Group, Legend Capital, Legend Star, Redpoint
 Linekong	228	IDG Capital Partners, New Enterprise Associates, SAIF Partners, Orchid Asia Group Management, Starwish Global Limited, Northern Light Venture Capital, Profitable Century International Limited
 Forgame	150	Qiming Venture Partners, Kongzhong, TA Associates
 Mokylin Group	92	Pine Capital Partners, Cowin Capital, DELI Group
 FunPlus	87	Signia Venture Partners, GSR Ventures, Orchid Asia Group Management, Steamboat Ventures
 Laoyuegou	70	Tiantu Capital
 Cheng Guang	55	Greenwoods Investment, Atlas Capital LLC, Guojin Capital
 Hoolai Games	38	Sequoia Capital, Zero2IPO Capital, CyberAgent Ventures, Greylock Partners, BAI, Tencent, Wanda
 EGLS Technology	23	Matrix Partners, Yinxinggu Capital, IFG, Galaxy Internet

(1) Total funding amount highly depends on company disclosure and may vary by sources. Best estimates apply here.

Source: Crunchbase, ITjuzi, Zero2IPO

Most Active Gaming Investors In China

Most Active Investors	Top Gaming Deals
 <p>Tencent Win-Win fund</p>	Kamcord, Tianfeng, Pocket Gems, Heijing, Fireforge Games, Grinding Gear Games, VSPN
 <p>IDG</p>	PlaySimple, Banana Culture, flamingo-inc.com, FUZE GAME, Sevenga
 <p>Sinovation Ventures</p>	limboworks, iLongyuan, ENJOYGAME, 5EPlay, ImbaTV, Kamcord
 <p>Sequoia Capital</p>	Zenjoy, Capstone Gaming, shiwan.com, BlingStorm, MYBO, CocoaChina
 <p>Matrix Venture Partners</p>	mofang.com, Ismole, Kaiqigu, EGLS Technology, Forever Game
 <p>Zhen Fund</p>	Jindouyun, Haichuan Game, Dreamobi, Taiyouxi, OtakuGames
 <p>Fortune Venture Capital</p>	is-vr.com, iDreamSky, Miqtech, aiyounet.com, freeg.cn
 <p>Green Pine Capital Partners</p>	Mokylin Group, Youzu Interactive, Niuqu Internet, HuoYoo
 <p>Prometheus Capital</p>	Palmstar Game, Lanyou Culture, Forgame, iDreamsky Technology



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Live Streaming Of Esports Remains Dominated By Two Players

In China, more than 200M viewers tune in to Esports via live streaming each year, mostly on Huya and Douyu.

Rank	Video Platform	May 2017 MAU (app only)
1	 虎牙直播 huya.com	18.0M
2	 Douyu	16.2M
3	 触手	8.6M
4	 熊猫直播	7.8M
5	 龙珠直播 longzhu.com	4.5M

As of Q4 2017, Huya had **610K monthly active streamers** (desktop and mobile), more than that of **Twitch** which had **551K** in Dec 2017.

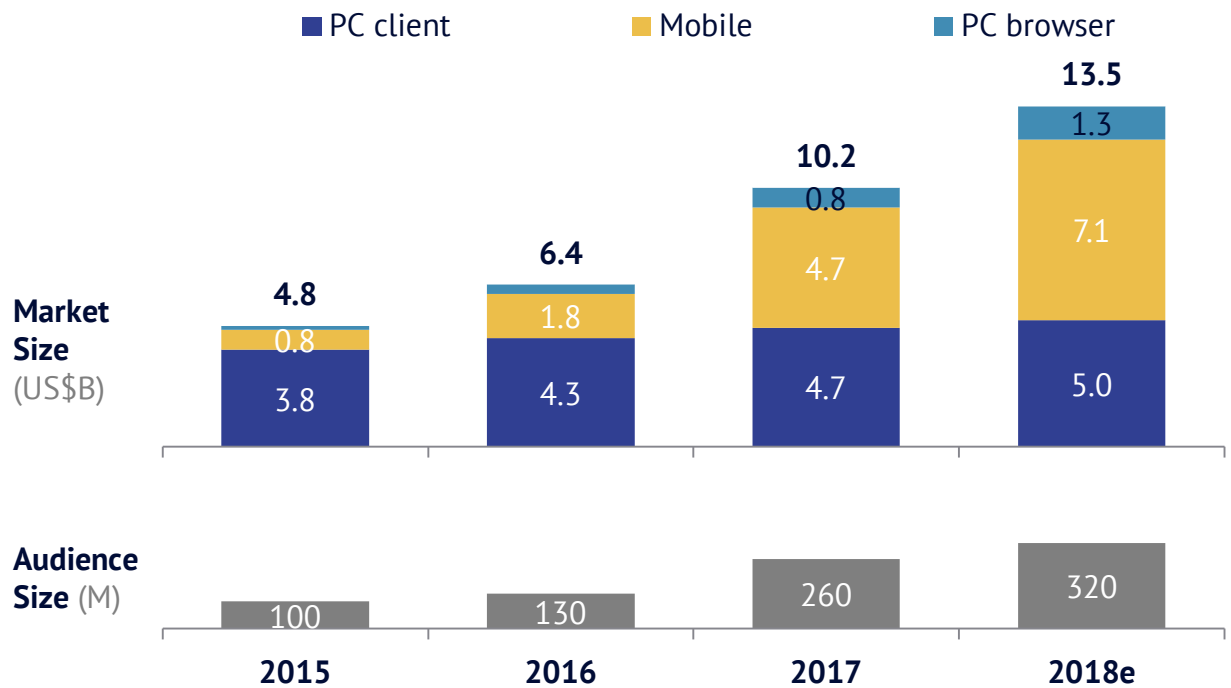


More than **126 m people** in China tuned in to watch the finals of the League of Legends tournament, Mid-Season Invitational (MSI). The viewing audience in China alone is equivalent to the entire population of Japan.

Mobile Is The Main Growth Engine For Esports in China

Mobile Esports revenue surpassed PC Esports in 2017 and is expected to outpace it.

China's Esports Market



Many top mobile titles have professional leagues, live stadium events and ms of viewers

Tencent's "Honor of Kings" has over 200 m users and drew 20m viewers for its King Pro League Fall tournament.

(1) Esports revenue defined by desktop, mobile and ecosystem revenue, which includes sale of sponsorship, media rights, advertising, publisher fees and tickets and merchandising.

Douyu TV Is The Most Funded Chinese Esports Startup

Company	Total Funding ⁽¹⁾ (US\$ m)	Selected Investors
 Douyu TV	1,130	Tencent holdings, Cmb International, Sequoia Capital, Phoenix Capital
 Hero Entertainment	560	Sequoia Capital, Zhen Fund, Huayi Brothers, Pusi Capital
 Panda.tv	260	Lighthouse Capital, Hanfor Holdings, Zhen Fund, 360.com, Autobot Capital Partners
 ImbaTV	230	Cowin Capital, Sinovation Ventures, Suzhou International Development Venture, Addor Capital, Pusi Capital
 Chushou	57	Alpha X Capital, Shunwei Capital, Google, Feidian Capital, Qiming Venture Partners, GGV Capital
 Wangyu Master	50	Zhejiang Jinkong Capital Management, Mishuo Fund, Shenzhen Capital Group
 Longzhu TV	43	SoftBank, Tencent Holdings
 Banana Culture	36	Wargaming, IDG Capital Partners, Seeinfront Capital, Matrix Partners China, Esport Capital
 HK Esports	30	Autobot Capital Partners
 XianyuGame	28	Yao, Huayi Brothers, Jinke Holdings

(1) Total funding amount highly depends on company disclosure and may vary by sources. Best estimates apply here.

Source: Crunchbase, ITjuzi, Zero2IPO

Most Active Esports Investors In China

Most Active Investors	Top Esports Deals
 <p>Tencent Win-Win Fund</p>	<p>Douyu TV, Xishanju, tthl.qq.com, Gameley, Jingle Game, Kamcord, eeyy.com, iDreamsky Technology, Longzhu TV</p>
 <p>Zhen Fund</p>	<p>Hero Entertainment, Panda TV, Wangyu Master, Kaiheikeji</p>
 <p>Sequoia Capital</p>	<p>Douyu TV, Hero Entertainment, Kaiheikeji, 5EPlay, Cyphytech</p>
 <p>Matrix Venture Partners</p>	<p>Kuka Shuzi, Mofang, Ismole, EGLS</p>
 <p>Autobot Capital Partners</p>	<p>Panda TV, Kaiheikeji, HK Esports, Zhangmeng</p>
 <p>Prometheus Capital</p>	<p>ImbaTV, Hero Entertainment, PentaQ</p>
 <p>Fortune Venture Capital</p>	<p>dj.sina.com, YOOZOO, sqage.com</p>

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