

Cross-border Internet Finance: Opportunities and Challenges

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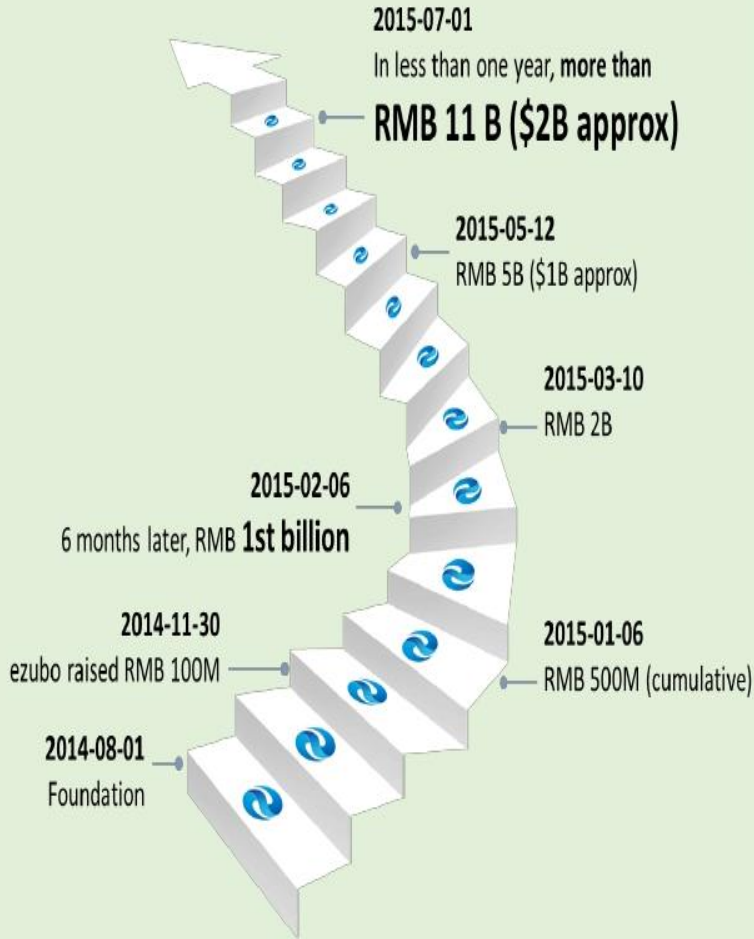
BUSINESSs

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Business

e租宝 MILESTONES



OUR GROWTH

FORECAST LOANS
IN Q3 FY2015

>\$2.5B

CURRENT
LOANS

\$30M
/ DAY

\$2B

LOANS SINCE
INCEPTION
(2014-08)

Cross-border internet financial investment

Innovation or traditional business expansion

- Internet shorten the distance between the investors and assets.
- Reality: the goods or services through internet platform are basically the same.
- China has the biggest market size of internet applications
 - The penetration of smartphone or 4 G is very high
 - On-line shopping
 - Taobao: 9% of total social retail sales in 2014
 - Internet financial investment
 - Over 3,000 p2p & a2p platforms
 - Expected one trillion RMB total trading volume 2015
 - Ezubao: RMB 800 million a day
- The future cross-border expansion and localization will eliminate the cultural barriers and regulatory restrictions.
- Localization means a physical team including IT, financial investments and risk management staffs.

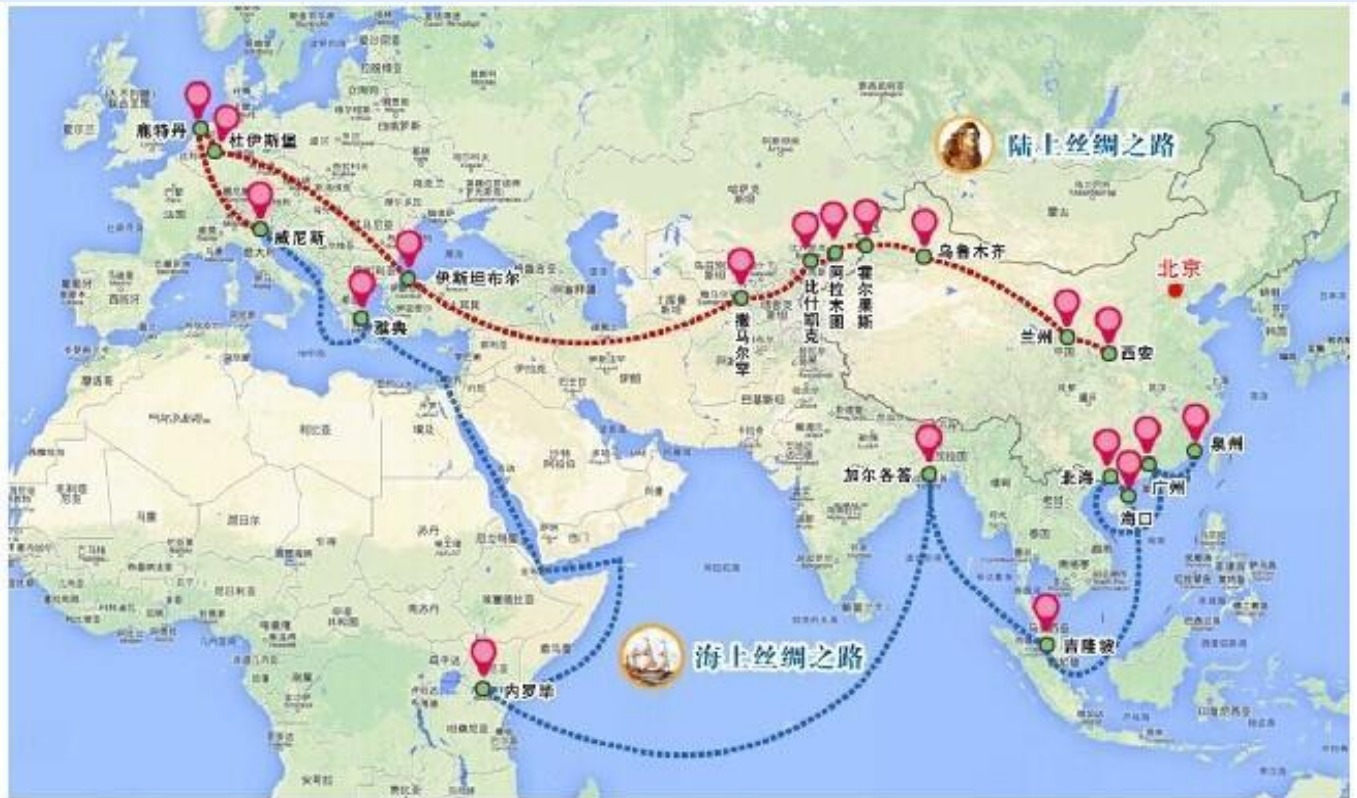
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Governmental Initiatives impacts to YUCHENG

- One belt one road by Xi, Jinping
 - Overcapacity of production
 - Oversupply of RMB
- Internet plus by Li, Keqiang
- Digital India by Narendra Modi

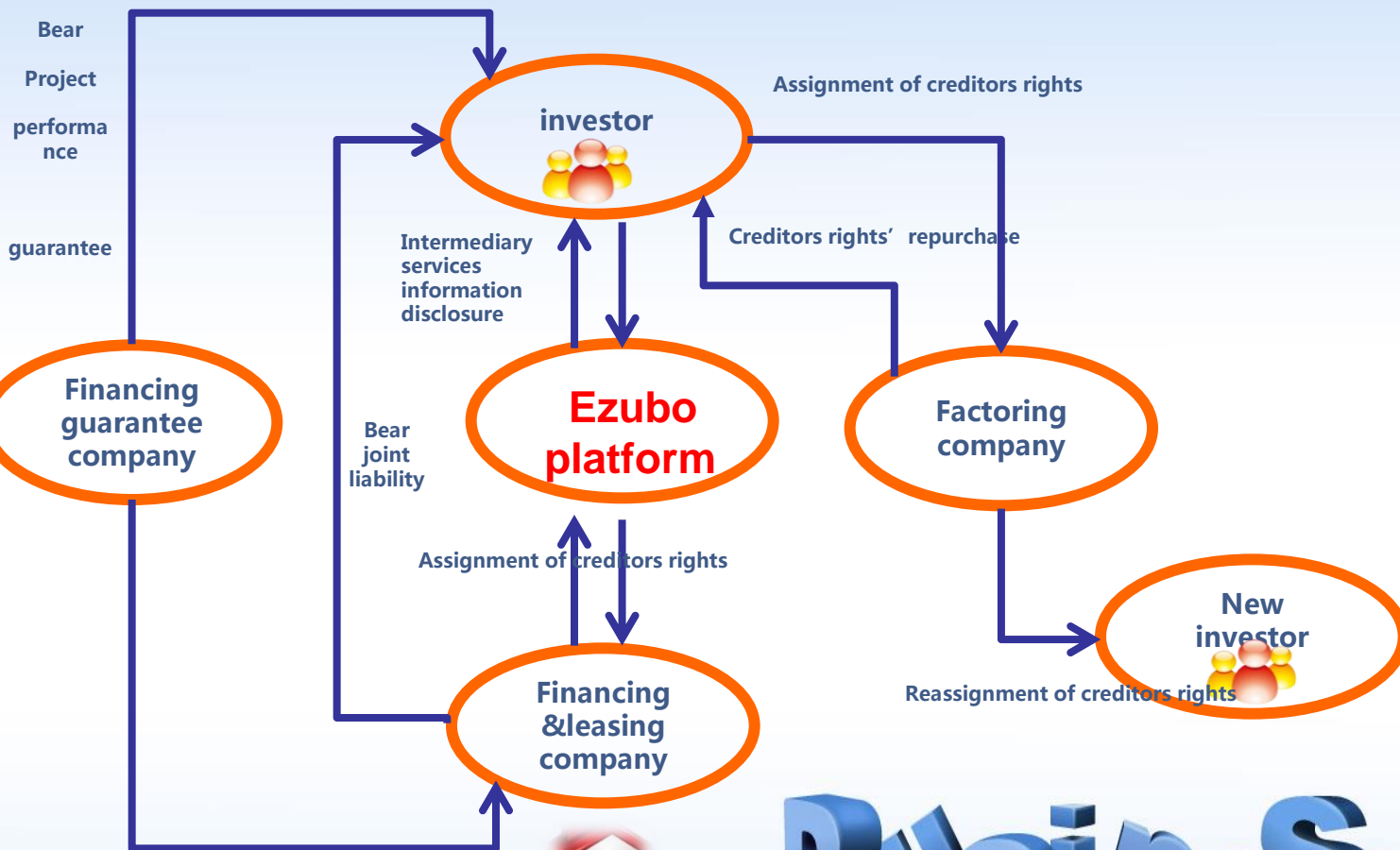
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One belt one road



BUSINESS

ezubao Business model : typical "Internet +"



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Digital India

- **Digital Infrastructure as a Utility to Every Citizen**
- Availability of high speed internet as a core utility for delivery of services to citizens
- Cradle to grave digital identity that is unique, lifelong, online and authenticable to every citizen
- Mobile phone & bank account enabling citizen participation in digital & financial space
- Easy access to a Common Service Centre
- Shareable private space on a public cloud
- Safe and secure cyber-space



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How to replicate ezubo model into other countries

- Leasing assets acquisitions
- Demographical analysis
 - Saving rate
 - Scam issues in India
- Internet penetration rate
- Laws and regulatory requirements

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Current expanding strategies

- India
 - Feasibility study
- Lao
 - Vice prime minister, Mr. Somsavat Lengsavad
 - Securities Supervisory Committee
 - IT and mobile users analysis
- Cambodia
 - Premier Hun Sen

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Challenges from regulatory requirements

- Currently no particular regulations or laws available for the internet finance investments
- Indirectly apply to the followings
 - The Contract Law
 - The Leasing Law
- On July 18th, ten Chinese government departments issued an instruction on the health development of the internet finance investment

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