

FT PARTNERS FINTECH INDUSTRY RESEARCH

October 28, 2016



China UnionPay Merchant Services Raises Approximately \$296 million in Financing

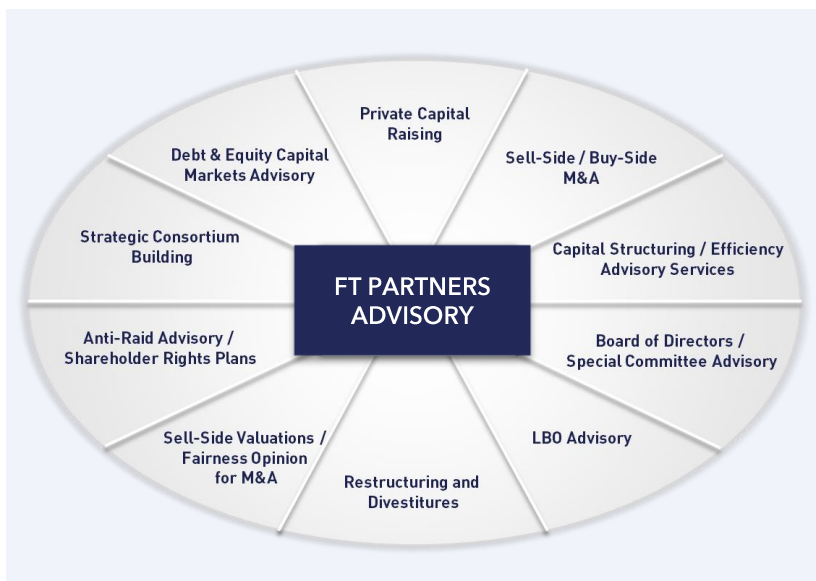
From Everbright-IDG Industrial Fund



Overview of FT Partners

- Financial Technology Partners ("FT Partners") was founded in 2001 and is the only investment banking firm focused exclusively on FinTech
- FT Partners regularly publishes research highlighting the most important transactions, trends and insights impacting the global Financial Technology landscape. Our unique insight into FinTech is a direct result of executing hundreds of transactions in the sector combined with over 15 years of exclusive focus on Financial Technology

FT Partners' Advisory Capabilities



FT Partners' FinTech Industry Research

FINTECH RESEARCH & INSIGHTS

- In-Depth Industry Research Reports
- Proprietary FinTech Infographics
- Monthly FinTech Market Analysis
- FinTech M&A / Financing Transaction Profiles



The Information

Named Silicon Valley's #1 FinTech Banker (2016) and ranked #2 Overall by *The Information*



Ranked #4 Most Influential Person in all of FinTech in *Institution Investors* "FinTech Finance 35"



Numerous Awards for Transaction Excellence including "Deal of the Decade"

Steve McLaughlin: *Founder & CEO*

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China UMS Raises ~\$296 million in Financing



Transaction Summary

Transaction Summary

- On October 21, 2016, Everbright-IDG Industrial Fund announced that it has invested RMB 2 billion (approximately \$295.7 million) in China UnionPay Merchant Services (China UMS)
 - Through this transaction, the Fund will become the second largest shareholder and a board member
 - The Fund plans to become actively involved in China UMS's business integrations and to develop the third-party payment market

About Everbright-IDG Industrial Fund

- Everbright-IDG Industrial Fund was launched at the end of June as a joint fund by China Everbright and IDG Capital Partners
 - The Fund's first investment was a controlling stake in the Shanghai Film Art Academy, announced in September
 - The fund has also invested in HC SemiTek Coporation and partnered with Forest Lightning to acquire Osram's global business
 - Since its launch, it has made a total investment of around RMB 10 billion
- The Fund targets sectors including financial technology and internet banking, entertainment and education, mobile e-commerce, as well as LED and semiconductors
 - Focuses on industry leaders with mature business models and high market recognition

Commentary

"As a first class cross-border asset management platform in China, CEL rides on the investment opportunities in China's industrial restructuring, consumption upgrading, as well as Internet plus and related industries, to accelerate our new strategic approach for sector investment this year. I believe partnering with IDG Capital through Everbright-IDG Industrial Fund will enable us to integrate our elite teams and experiences and resources in sector investment, as well as domestic and foreign capital operations, to establish the most influential industrial fund in China, and share with investors the opportunities brought by China's economic restructuring and upgrading, and the opportunity of steady development of capital markets."



Chen Shuang
Executive Director, CEO



"IDG Capital is among the first batch of international professional investment institutions to enter the China market. We have rich resources and investment experience in TMT, healthcare, industrial technology, retail, as well as culture and entertainment industries. Over the years, both IDG Capital and CEL have built broad and in-depth reach in TMT sector investments and a wealth of experiences in corporate governance and asset restructure. I believe the partnership between IDG Capital and CEL will not only maximize synergies for our clients, but also enable us to grow along side with them and bring opportunities throughout the industry chain to drive growth."



Hugo Shong
Founding General Partner



China UMS Raises ~\$296 million in Financing

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China UMS Overview

Company Overview



Headquarters: Shanghai, China

Founded: 2002

- China UnionPay Merchant Services specializes in bank card acceptance and provides comprehensive payment services
 - The Company is a subsidiary of China UnionPay
 - China UMS is China's largest bankcard acquirer and third party internet-enabled payment service provider
- China UMS processes card payments for over 5.7 million merchants and over 7 million point of sale terminals in over 300 cities in China

Product & Services Overview



Financial POS Acquiring



POS Quick Pay



Intelligent Terminal



Online Payment



Cross-border O2O Platform



ERP and cashier services



SME Financing



CUP Business App

Top Asia-Pacific Merchant Acquirers 2015 ⁽¹⁾

Rank	Company	Volume (\$ in bn)	Trans. (# in bn)
1	China UMS	\$1,766.26	3.13
2	BC Card	146.42	3.99
3	JCB	126.76	1.71
4	Commonwealth Bank	99.28	1.42
5	ANZ	97.89	1.87
6	Westpac Banking	77.91	1.24
7	Samsung Card	75.92	1.24
8	Nat'l Australia Bank	68.35	1.04
9	KB Kookmin Card	65.79	2.07
10	Hyundai Card	58.56	1.24

Note: Purchase volume in China reflects a higher than average amount because cards are used for big-ticket items, such as cars and real estate

Other Selected Chinese PSPs



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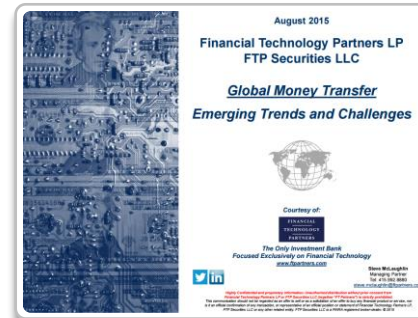
Selected FT Partners' Research – *Click to View*



Research Report: Transaction Security



Research Report: PayPal Spin-off Overview



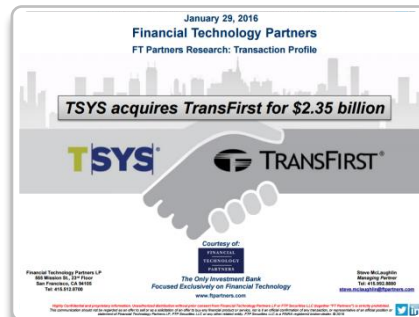
Research Report: Global Money Transfer



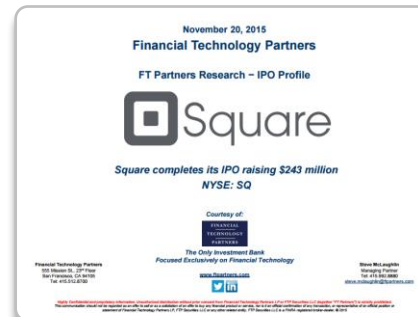
Research Report: Apple Unveils Apple Pay



Heartland's Sale to Global Payments



TransFirst's Sale to TSYS



Square Completes its IPO



First Data: Post Quiet Period Review

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FT Partners – Focused Exclusively on FinTech

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FT Partners is the Leader in Financial Technology Investment Banking



Unparalleled experience in Payment Processing across the entire spectrum of transaction types and dynamics, with extremely strong execution and outcomes

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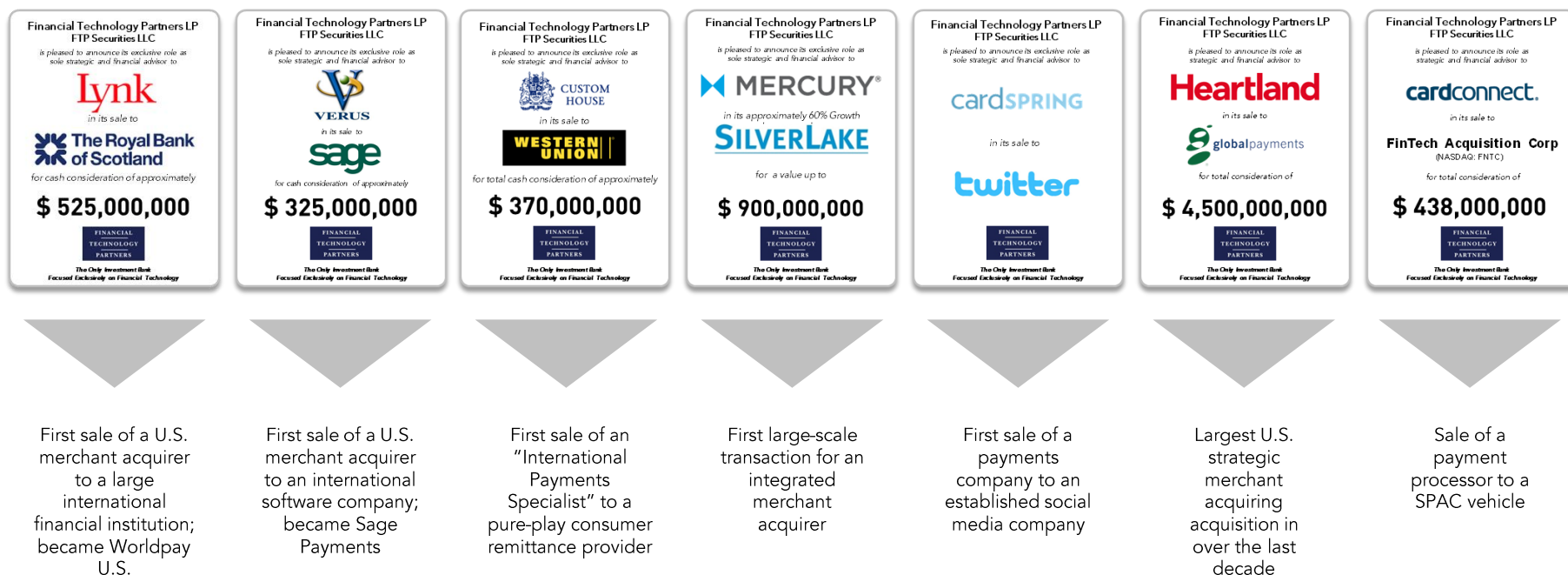
FT Partners has a history of executing on some of the most ground-breaking Payments transactions in the last decade+



FT Partners – Focused Exclusively on FinTech

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Ground-Breaking Transactions Pioneered by FT Partners



Transactions demonstrate success breaking new ground across the Payment Processing sector

Award-Winning Investment Banking Franchise Focused on Superior Client Results

FT Partners has been recognized as Investment Banking Firm of the Year and regularly achieves Merger and Financing Deal of the Year recognition



M&A Advisor Awards



Middle Market Financing Awards

2016	<ul style="list-style-type: none"> Investment Banking Firm of the Year Cross Border Deal of the Year
2015	<ul style="list-style-type: none"> Dealmaker of the Year Technology Deal of the Year
2014	<ul style="list-style-type: none"> Equity Financing Deal of the Year Professional Services Deal of the Year, Above \$100mm
2012	<ul style="list-style-type: none"> Dealmaker of the Year Professional Services Deal of the Year, Above \$100mm
2011	<ul style="list-style-type: none"> Boutique Investment Bank of the Year Deal of the Decade <i>10 Deal of the Year Nominations Across 9 Categories</i>
2010	<ul style="list-style-type: none"> Upper Middle Market Deal of the Year, Above \$500 mm IT Services Deal of the Year, Below \$500mm Cross-Border Deal of the Year, Below \$500mm
2007	<ul style="list-style-type: none"> Dealmaker of the Year – Steve McLaughlin Business to Business Services Deal of the Year Computer and Information Technology Deal of the Year, Above \$100mm Financial Services Deal of the Year, Above \$100mm
2015	<ul style="list-style-type: none"> Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List
2006 - 2008	<ul style="list-style-type: none"> Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology
2008	<ul style="list-style-type: none"> Equity Financing Dealmaker of the Year – Steve McLaughlin Information Technology Deal of the Year Financial Services Deal of the Year
2006	<ul style="list-style-type: none"> Financing Professional of the Year – Steve McLaughlin <i>Financing Deal of the Year - Equity</i> <i>Financing Deal of the Year - Debt</i>

The FT Partners Senior Banker Team

Name / Position	Prior Background	Experience / Education	Years of Experience
Steve McLaughlin <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York and San Francisco from 1995-2002 Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	21
Larry Furlong <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York, London and Los Angeles beginning in 1995 Wharton M.B.A. 	21
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Sterne Agee Recent coverage included V, MA, TSS, GPN, HPY WU, EEFT, DST, ENV, FISV, FIS & JKHY among others 	20
Steve Stout <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with J.P. Morgan and UBS Formerly Global Head of Strategy at First Data 	18
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 Started at FT Partners in 2002 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	14
Andrew McLaughlin <i>Managing Director, Research & Business Development</i>		<ul style="list-style-type: none"> Leads FT Partners' Research and Business Development Team Formerly with Deloitte Consulting 	10