

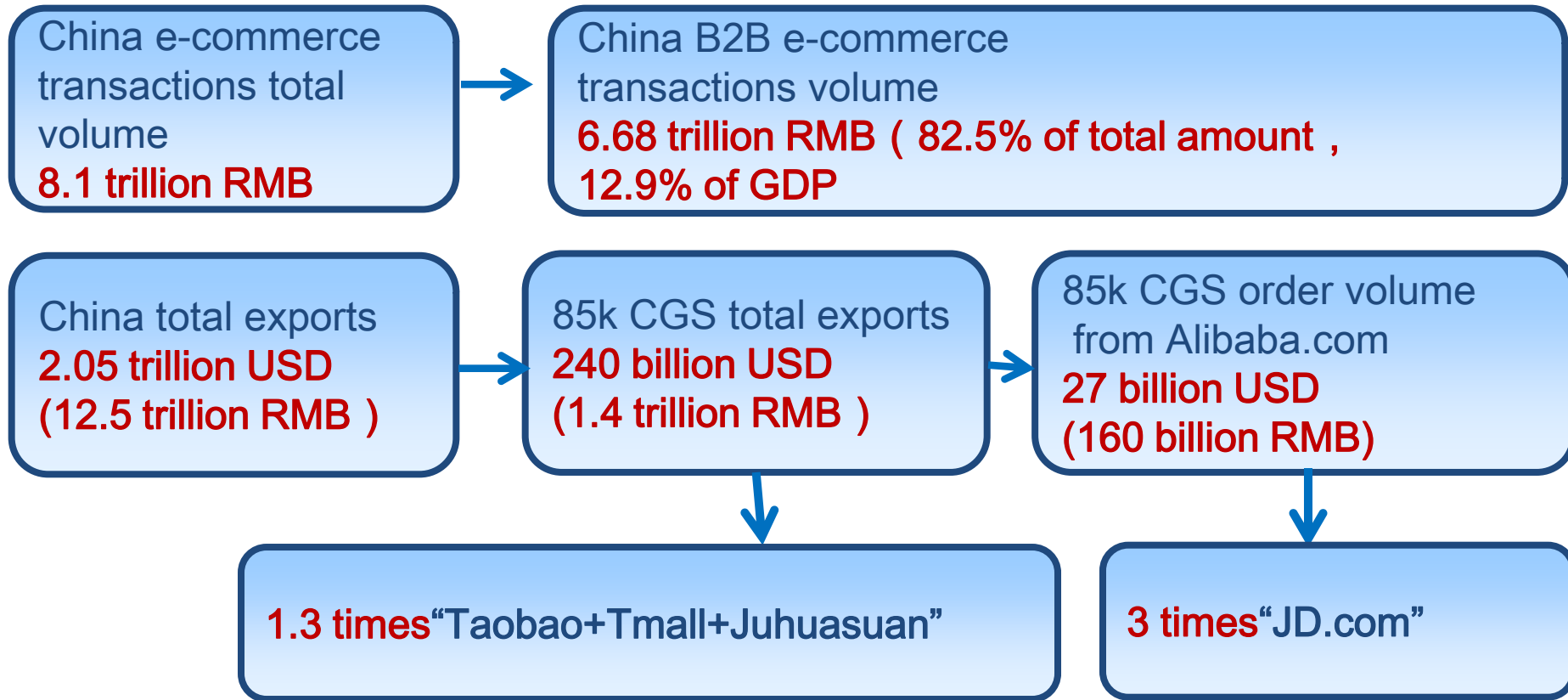
X-border E-commerce Supply Chain



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International Supply Chain Director
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E-commerce CBT Overview

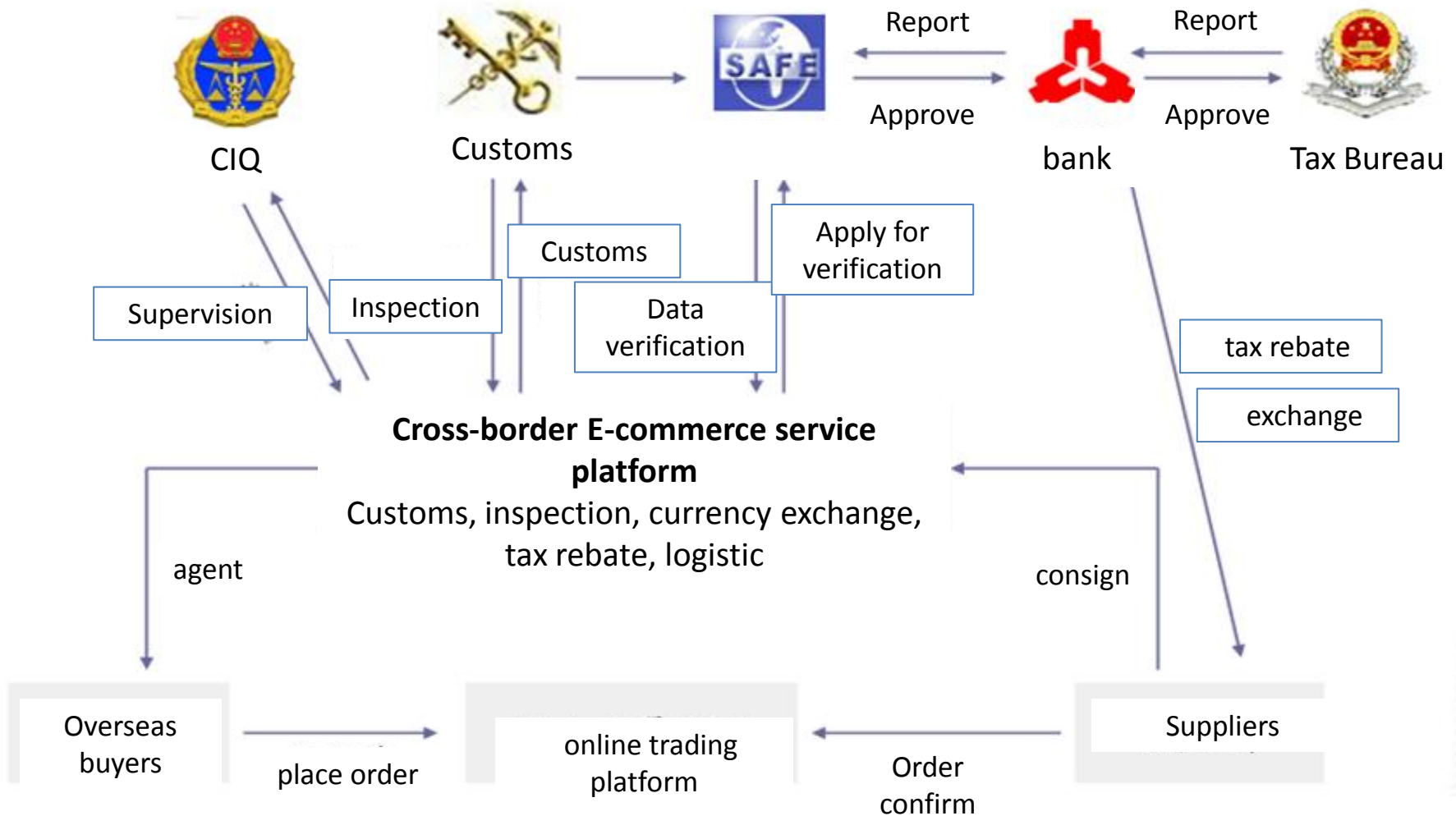
Data from 2012



Our thinking



One-stop Cross-border E-commerce service



Thinking from a marketing research result

Targets : 305 suppliers (including ordinary e-commerce suppliers, traditional manufacturers who are transforming to e-commerce suppliers)

Main conclusions:

- 1、 Trends of cross-border e-commerce (base: 300)
- 2、 Easy to find new customers (base: 275)
- 3、 Reduce middleman 、 increase profit margin (base: 215)
- 4、 Standardization Transaction (base: 173)

- 1、 Overall logistics costs increase (base: 260)
 - a. Fragmentation
 - b. labor cost
 - c. difficulty of management
- 2、 Return money, High cost (base: 235)
(*Customs Declaration , Gray money*)

The policy formulation of current national foreign trade, customs, the foreign exchange control and financing are based on traditional international trade

Bright future

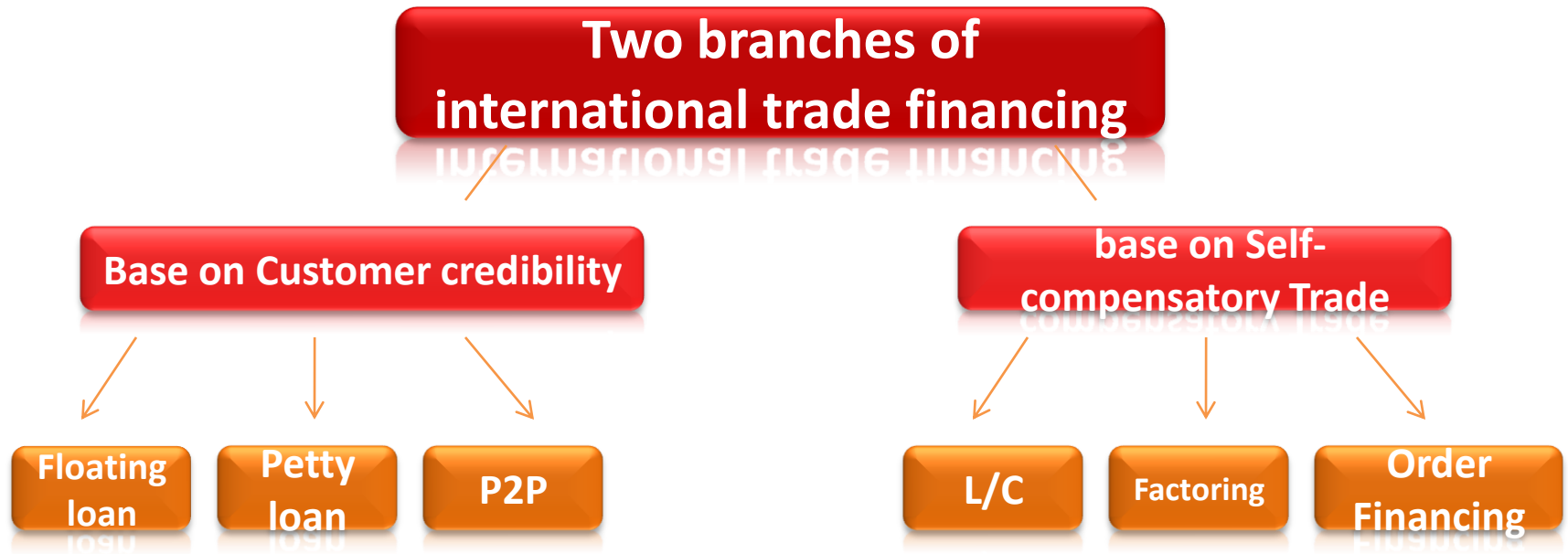


current obstacles

Bright future

current obstacles

Two branches of financing



Question

- 1 : Credit scale (especial to e-commerce)
- 2 : Flexibility
- 3 : price



Problems of Bank trade financing

In one bank, there is a 3 % defective rate among more than 2000 trade financing customers , reasons are :

1. Authenticity of Trading background

Bank credit audit : based on documents,

① False trading ② False documents (B/L 、 declaration form)

Differences of goods category

Discrepancies of goods quantity

2. Control the receivable account

soft restraints

3. Slow response

4. Big transaction,high risk

Main products and risks of supply chain Corporation

一、 Tax rebate

1、 Relatively , this product has low credit risk but high legal risk : Tax fraud 、 Subsidy fraud 、 Falsifying VAT invoices, Discrepancies of Declared goods and actual goods ; smuggle goods through HK harbor

The main risk : tax fraud person —————>supply chain Corporation

2012 Q4, huge risks

二、 L/C Financing Series

copy to Bank financing products

三、 SINOSURE Series



Products based on export credit insurance, the main risks:

- 1、 take limited guarantee as unlimited guarantee : except fraud
- 2、 difficulties and long process of claimant
- 3、 not create additional-risk benefit

Several banks recently have failed claims issues

Analysis based on the product above

- 1、 copy to products of financial institutions
- 2、 not stepped into the core of cross-border e-commerce trade financing
- 3、 not create benefit and values

Financial risk: The eternal theme

Find solutions of risk controlling, reduce risk rate, get risk premium, and finally make finance profit

Risk analysis of cross-border trade financing

A、 False trading

1. Contract performance record
2. Authenticity of orders

B、 Goods controlling (Violation cost repayment willingness)

1. Authenticity of goods
2. Full control of goods

C、 Receivable lock (Repayment)

1. Risk control
2. Self-liquidation trade finance

D、 Legal compliance

1. Gray-area cash flow
2. Prevent tax fraud

Risks of supply chain financing service

Risk types of supply chain financing service											
Market Risk			Credit Risk			Operation risk			Legal regulatory risk		
Interest rates, exchange rates risks	Supply chain financing product price risks	Commodity price risks	Buyer credit risks	Supplier credit risks	Supply chain risks	Fraud risks	Process risks	Technical risks	Property and obligatory right defined risks	contract Validity of the	Unstable Mortgage system risks

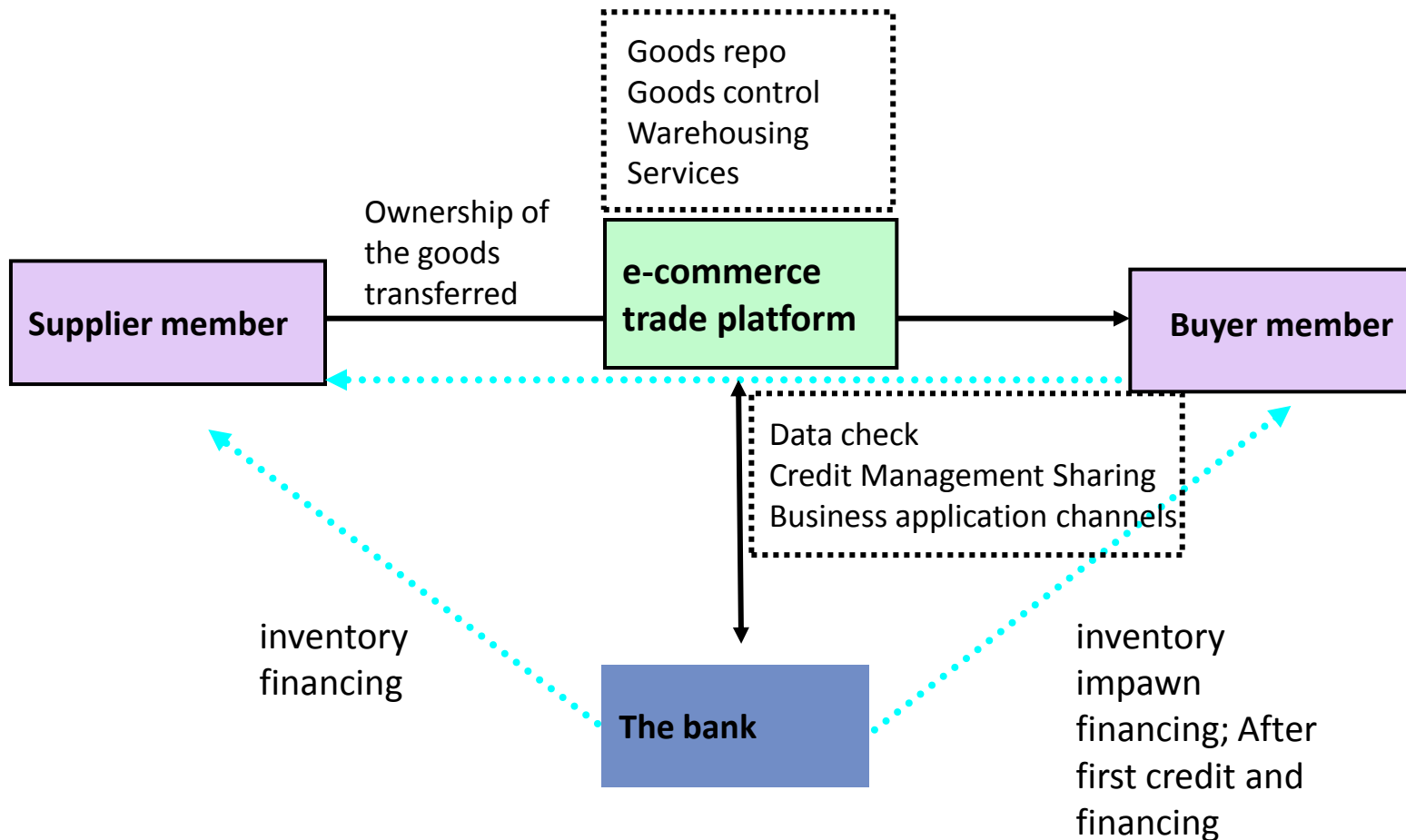
Idea : Under normal trade, financing risk controlled

Popular conception : integrate info flow, cash flow and logistic

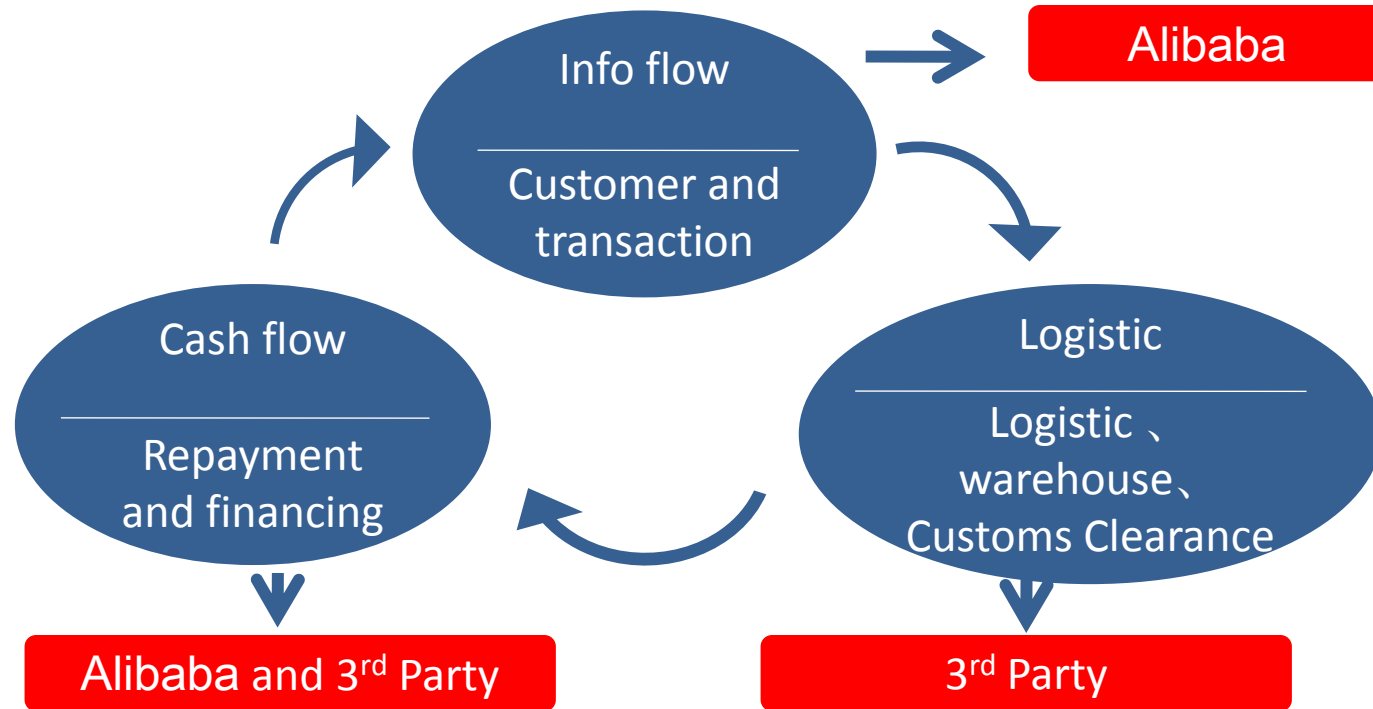
Credit : repayment willingness and ability

Main risks : closed loop , step by step (real trade, controlled logistic and smooth cash flow, the most important thing: authenticity of goods

Channel Innovation : connect to supply chain e-commerce trade platform



Cooperation opportunities between 3rd Party and Alibaba



One-stop service, risk-sharing, joint together to achieve Win-Win

Potential financing products :

Tax rebate、 L/C、 L/C finance (combined with SINOSURE product) etc.

(difference: Process traceability , quality assurance ; check the authenticity of goods and logistics)

financing for freight , cargo, order

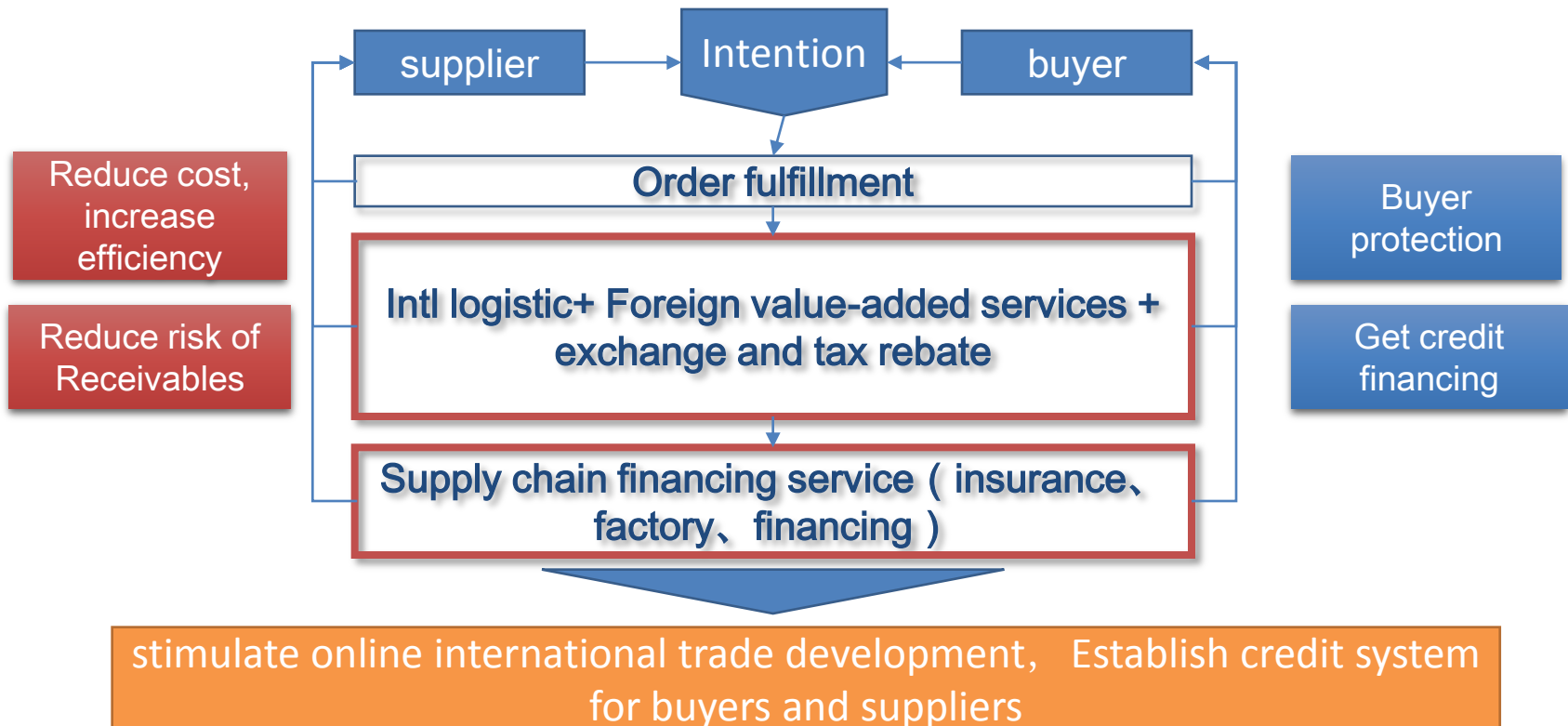
other products ;

**Unsecured Loan 、 Online Loans 、 Batch lending
、 Increases with the increasing loan also ;**

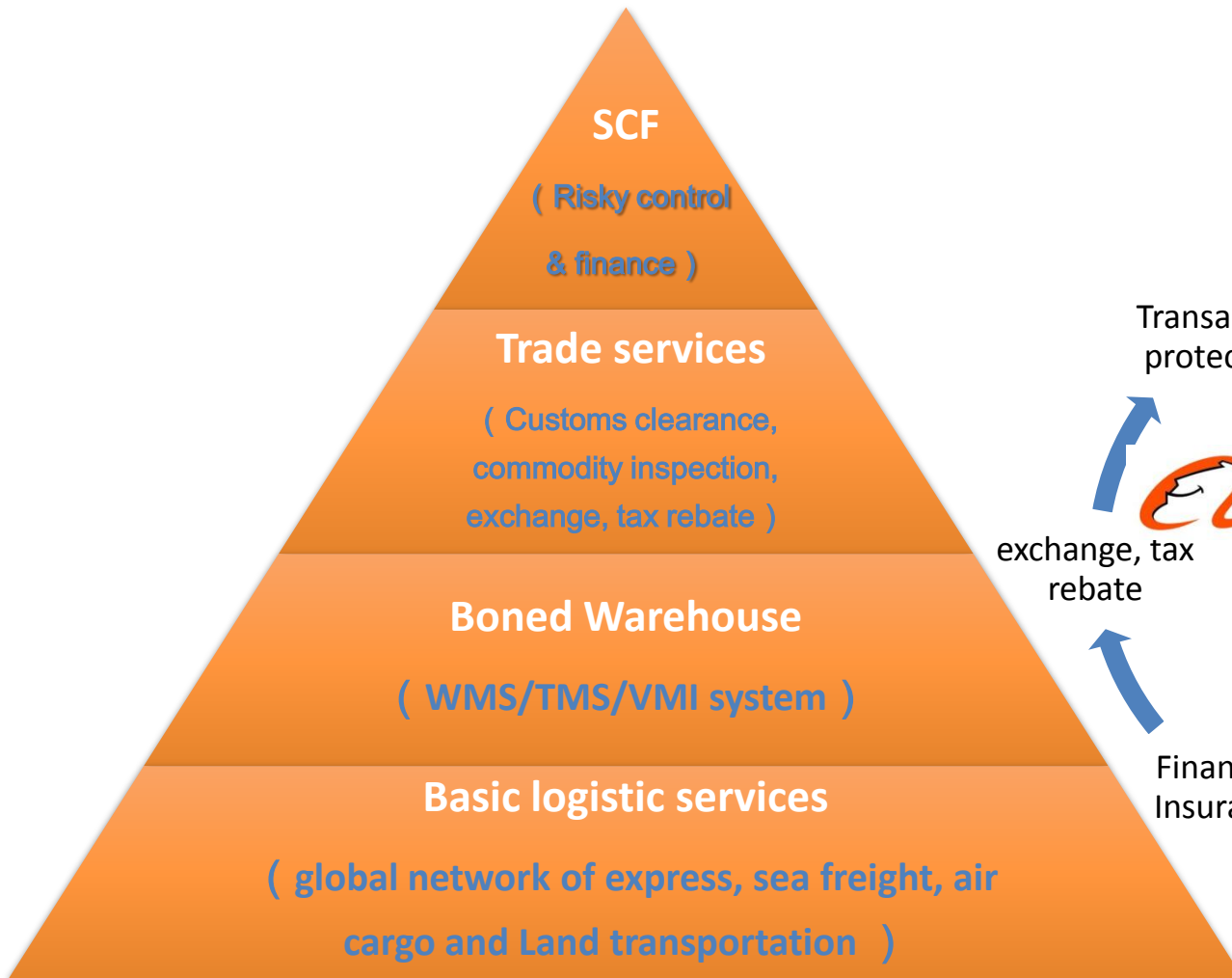
As long as realizing of the process controlling,
every step can create financing products

Alibaba e-commerce Supply chain

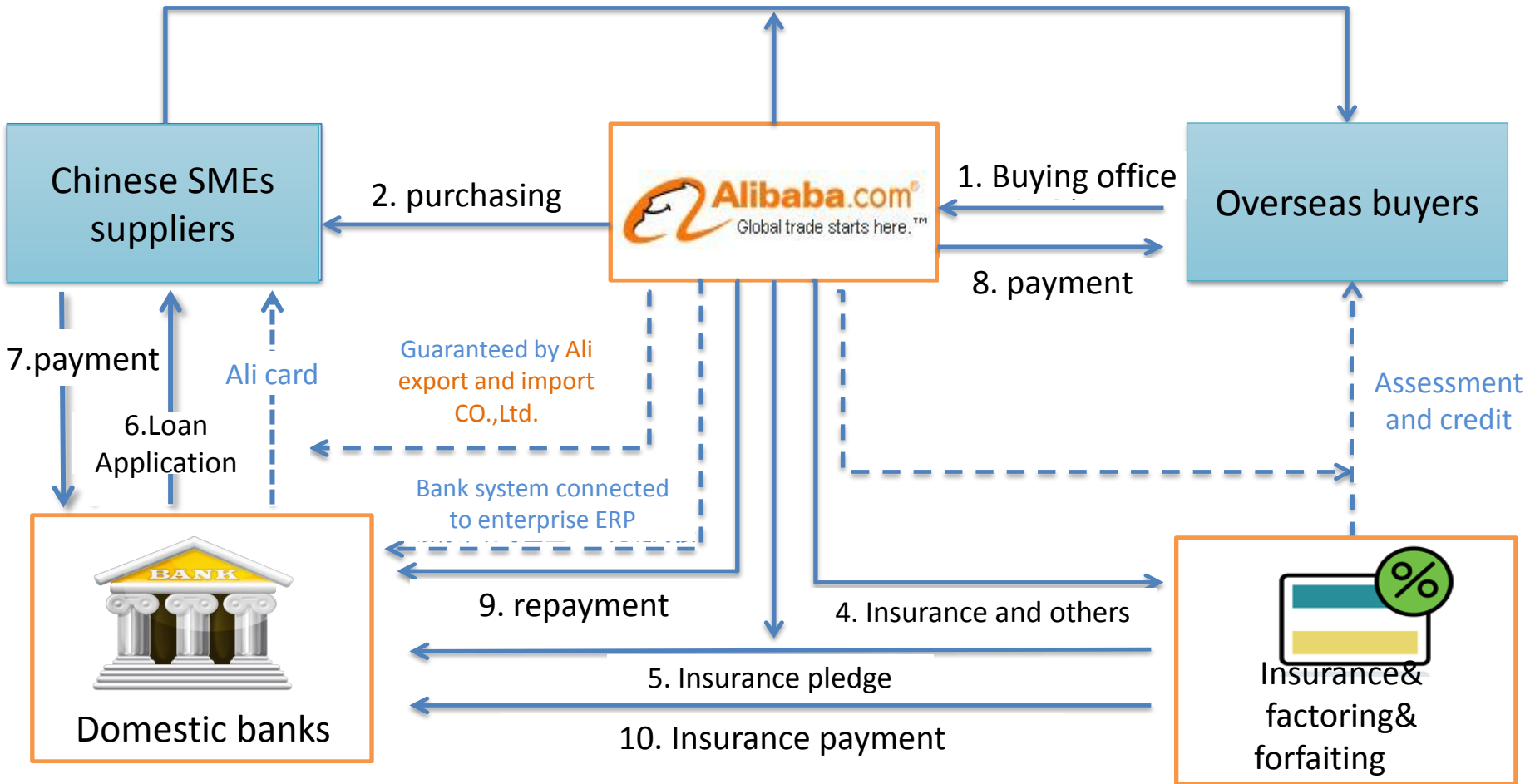
Core Values : 1. collect online real transaction record; 2. build buyer and supplier credibility database; 3. stimulate B2B online trading development by providing logistic and financing service; 4. help suppliers reduce foreign trade risks and solve financial issues



Alibaba E-commerce SCF



3. Goods pick up and export, arranged by Alibaba



Q&A

감사합니다

Korean

多謝

Traditional Chinese

ขอบพระคุณ

Thai

Спасибо

Russian

Gracias

Spanish

धन्यवाद

Hindi

Thank You

English

Hindi

شكراً

Arabic

Obrigado

Brazilian Portuguese

Merci

French

Grazie

Italian

多谢

Simplified Chinese

Danke

German

நன்றி

Tamil
Tamil

ありがとうございました

Japanese