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An: [REDACTED]
Betreff: Thoughts on Wirecard's China Business plan

Dear [REDACTED] and [REDACTED],

Since Ulf/SP and the china team have signed on with Wirecard, we have been working on a plan to develop China market.

Based on our knowledge of Chinese market, given existing Chinese PSP and main foreign PSP, in addition to leverage Wirecard global network and strength. We would recommend the following 2 Key areas.

1. B to C

will first design a key product~ prepaid card to partner with several key markets in China to serve Chinese individual consumers.

a. Tour & travel. work with both off line travel agency and on line travel agency. co~brand a card with them to their clients.

size of the market:

130millions travellers in 2017

Ave. spending per person: 1000 euro

1% market share of this market =revenue 26millions Euro per year.

b.Chinese students studing aboard:

in 2017~ 608,000 ppl

spending: 13000-15000 euro

total: 7.909 billions euro

revenue(2-3%) 159million euros

this markets we can partner with Chinese banks we could also present this to China Mobile's customers.

In order to conduct the above, we will need to have prepaid card license, cross border license, internet payment licence.

we could start by using Apple Finance's license by investing the group while we apply license for ourself.

Corss board payment service:

c. E commerce /SMEs selling goods to overseas: major destination: USA, Japan, korea, uK, asia...

This market we could work with Chinese e commerce platform i.e. by ranking of sellings goods from China to overseas market and buying goods from overseas to China. data is from Chinese custom sources in 2017.

1.Kaola.com, Tmall.hk, Global .VIP.com, JD.HK, ymatou.com, xiaohongshu.com, mia.com

Volume: 60.1billions Euro

this is the data only the number between Japan and China.

2. B to B

Launching Bloc Chain serving Business coummunity.

identify a major bank as partner to serve major chinese soes and german companies. this will be a long term project, but we need to start as PBOC is writting up standards for using Bloc Chain system.

3.Financial service/micro financing:

Working with major brands in China to offer "payment by installments" in all service/goods. This will need to have Wirecard bank's support.

For example: iphone is 6000rmb, a consumer will pay in 10 installments Wirecard will pay the whole amount minus 6-7% discount from seller. The customer who has credit limit with bank is over 6000rmb, so the bank will pass "pre authorized " 6000line to wirecard at the same time.

business model: transaction fee is 3-4% for wirecard and very safe.

this s a new trend and two companies are focusing this area(Ali pay) invest in them.

These are initial thoughts, a team of experts that are needed to further fine tune a good business plan. This is also a learning time for me to lean about Chinese market. The entry ticket is high compare to other markets, but the potential and upside is also very high. Right now its right time to come, further delay will damage Wirecard global standing in China.

World First become the first foreign firm got payment license on July 20th, not Papal. I hope Wirecard is the 2nd to follow.

We could discuss this further among three of us first if you like.

regards,

marina

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