

Haitong International Concluded 2nd AI Conference Successfully, Dissecting AI Development Trends in China

Hong Kong, 18 December 2020 – Haitong International Securities Group Limited (“Haitong International”, Stock Code: 665.HK) successfully concluded the second edition of its AI Conference today. Nine distinguished speakers gathered in the cloud, spanning from Shanghai, Shenzhen and Hong Kong to discuss the latest trends and investment opportunities of artificial intelligence development in China and across the globe. The event brought together a vast array of participants, including industry experts, scholars, entrepreneurs, economists, financial and investment circles and research institutions from all over the world.

At the Conference, Haitong International also unveiled the *Haitong International China AI Industry Development Report 2020*, the company’s third annual research report on the AI industry. The report summarizes the development of AI industry in Mainland China and Hong Kong market, and explores the applications, government policies and financing scene with regards to the AI industry currently, analyses the success factors of latest AI technology breakthroughs, and examines the future opportunities and challenges of the industry.

Professor Qiang YANG, Chief AI Officer at WeBank and Chair Professor at the Hong Kong University of Science and Technology, delivered his keynote speech at the AI Conference. He mentioned: “The evolution of artificial intelligence relies on providing machines with sufficient learning resources and learning capabilities, where big data and deep learning serve as the bridge between humans and machines. At the same time, the development of AI faces several challenges with regards to data, including data privacy, data rights, data fragmentation, and ‘small data’.”

Professor Yang also introduced Federated Learning and Transfer Learning, which are approaches used to tackle issues such as data fragmentation and small data, and shared case studies of AI applications in the financial industry.

Haofei CHEN, Head of Equity Research at Haitong International conducted an in-depth interview with **Professor Jianxiong XIAO, Founder and CEO of AutoX**, discussing the technological innovations, applications and commercialization of autonomous driving in China and around the world. Professor Xiao expressed optimism about the prospect of autonomous driving in China: “We expect it will take two to three more years for fully autonomous driving to achieve commercialization and operate extensively on the roads, meaning the time would be around 2022 and 2023. Once the first city begins operation, others will soon follow suit.”

Suyang ZHANG, Managing Partner of Volcanics Venture moderated a panel themed “AI in Retail”, during which **Jeff FENG, CEO of Cloudpick**, **Yun LING, Vice President of Weimob**, and **Natalie WU, Managing Director of Equity Research at Haitong International**, shared insights into the business changes in retail brought about by artificial intelligence and challenges which the industry is facing.

Natalie Wu remained positive about the growth potential of China’s e-commerce sector and expected the future penetration rate of e-commerce in the country to at least increase from the current 25% to above 50%. Jeff Feng believed that smart retail does not only pertain to online channels, as traditional brick-and-mortar retailers can also employ smart technologies to become as competitive as e-commerce players. Yun Ling pointed out that the pattern of online consumer activities has changed from “fragmented” to “pulverized”, which poses great challenges to marketing, as it has become difficult for companies to target, acquire and retain the right customers. Retailers need to establish comprehensive online-to-offline operations, which require omni-channel and private traffic building capabilities.

In another panel themed “AI in Industrials”, **Henry SHI, Executive Committee Member and Joint Group Head of Global Markets at Haitong International**, joined by **Tao LV, Partner of Mushiny**, **Kuikang CAO, Technical Director of TZTEK Technology**, and **Weichao SHE, Chief Analyst in**

Machinery Sector of Haitong Securities, partook in a discussion on the applications of artificial intelligence in the industrial field.

Weichao She shared that China's manufacturing sector has been continuously upgrading from extensive manufacturing to mid-to-high end over the past decade. As a result, manufacturers have raised their expectations and requirements for equipment, and we have seen equipment providers increasing investment in R&D and software development talent, developing AI technologies that can empower industrial automation. Tao Lv said the market size of China's warehouse logistics market is at least RMB500 billion, whereas that of the internal logistics market is expected to exceed RMB2.5 trillion, representing promising prospects of the industry. As an integral part of smart manufacturing, Kuikang Cao added that there exists a white space in semiconductor inspection in the domestic market. Although the country currently lacks talent and industry experience, it also presents an opportunity for key breakthroughs.

Today's AI Conference marked the second time that Haitong International has organized an industry forum focusing on artificial intelligence, setting a precedent among financial institutions. Capitalizing on its unique capital intermediary role in investment, financing, consultancy, research and brokerage, Haitong International will continue to keep abreast of AI industry breakthroughs, as well as investment and financing opportunities.

For reply of 2020 Haitong International AI Conference, please visit:

<http://htisec.com/ai2020/login>

For *Haitong International China AI Industry Development Report 2020* download, please visit:

http://htisec.com/sites/all/themes/hitong/files/2020_AI_report.pdf

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