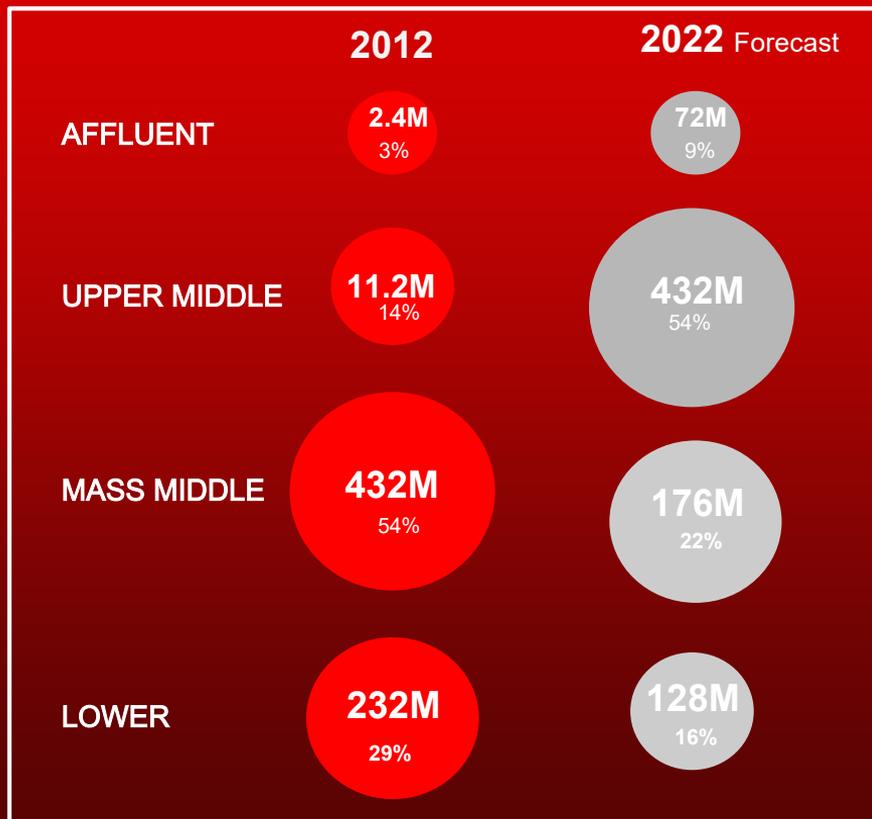


40 Years of Economic Growth



In the last 40 years 800 million Chinese have been lifted above the poverty line.

In 1981 90% of Chinese lived in extreme poverty. By 2013, this number had dropped to less than 2%.

The upper middle class is surging from a small minority to become, by 2022, the biggest sector, three times bigger than the baby boomer generation that motored consumer capitalism in the West.

They want to consume top brands, they want the best holidays, they want elite education, they want:

International brands, products & services.

*Source: <https://www.china-briefing.com/news/chinas-middle-class-5-questions-answered/>

Luxury Goods



Spend on luxury retail

Set to double to US\$147 billion by 2025

China represents 32% of global luxury consumption*, with millennials and Gen Z at the forefront of driving growth.

Chinese spend on luxury goods is set to double to 1 trillion yuan (US\$147 billion) by 2025, or **37% of the overall global luxury market**. French wine exports to China are estimated to reach US\$20 billion by 2023 as just one example.

The value of the global luxury goods market is expected to climb to 2.7 trillion yuan by 2030, for which **Chinese consumers are expected to account for 44%**. **

Evolution: from status-seeking through ownership to self-realisation through experiences

*Bruno Lannes of BAIN & Company

**Source: McKinsey

Travel and Tourism



128 million

Yearly outbound trips expected by 2022



\$258 billion

Chinese spend on international tourism in 2017 (U.S. travellers spent \$135 billion)

Driven by burgeoning wanderlust amongst younger Chinese China is becoming a nation of increasingly bold travellers and a key driver of global travel growth both domestically and internationally.

Chinese will take almost **70% more trips overseas in 2020** compared to 2015.

They spend **60% more per person on shopping** whilst overseas compared to non-Chinese tourists.

China's luxury travellers are placing a higher premium on comfort when they travel, with an increasing number choosing business or first class.

*Source: Euromonitor

Beauty and Cosmetics



YOY growth 20-30%
Chinese consumer attitudes drastically changing

The cosmetics sector in the Chinese mainland has been growing at a fast pace in tandem with the rapid development of the Chinese economy in recent years.

Consumers' attitudes have changed drastically. China's skincare-products market is trending towards the high-end. Young Chinese are increasingly aware of cosmetics safety issues and in turn they are favouring major international brand skincare products.

Spending habits are switching from price-focused to quality and brand driven. Online cosmetics shopping has seen rapid growth.

Fast growing sectors include male skincare and cosmetics, 'natural' makeup, DIY kit makeup and cosmeceuticals.

*Euromonitor

Automotive



30% of global auto sales
of luxury vehicles come from China*

The changing landscape of the China auto market highlights the consumption upgrade trend amid the rise of the middle class. Increasing wealth and the government's reduction of taxes on foreign imports have both driven growth. Projections are that the Chinese car market will grow 3%-5% per year until 2022 and with middle income households continuing to rise it is expected that prospective buyers for premium cars in China will grow fast.

Almost half of the automotive sales growth in China in 2018 came from luxury brands, driven by consumers' increasing household wealth and consumer confidence.

More than 50% percent of luxury auto brands are available on China's top retail Web site Tmall.

*RetailNewsAsia

**L2's research in its "China: Luxury Auto" report

***<https://www.businesswire.com/news/home/20190214005358/en/Assessment-Chinas-Luxury-Car-Market-2018->

Millions and Millions of Netizens



Reach at sheer scale

731 million internet users, Over 95% are on mobile

731 Million Netizens

695 Million Mobile Users

469 Million Mobile Payment Users

731 million Netizens in China, roughly the entire population of Europe.

695 million of them are mobile internet users and 469 million are mobile payment users.

30% of netizens use the internet service platform provided by the government.

*Forbes

China Is A Digital Economy



\$4.5 Trillion USD
or 34.8% of GDP is China's digital economy

As digitisation continues, a new spending power is emerging and so are new consumer behaviours and expectations, new consumption models, and new opportunities to deliver differentiating products, services and experiences.

The digital economy in China represented 31 TRILLION YUAN (4.5 TRILLION USD) in 2018, or 34.8% of GDP.

*report released by the Cyberspace Administration of China May 2019

The Digital Spending Trend



Ad spending on digital overtook traditional media in 2016 and since then digital has only grown in its dominance as the preferred channel among advertisers in China. Digital ad spending is expected to **surpass \$65 billion in 2019** and will capture 65% of total media ad spending.

By 2021, digital advertising will reach another milestone, accounting for 75.6% of total spend.

The powerhouse trio - Alibaba, Baidu and Tencent, are leading the market therefore the cost to reach Chinese on these platforms is rising.

Source: eMarketer Digital Spend Report China March 2019

The Bridge to Chinese Consumers



- China Elite provides brands outside of China with the opportunity to engage with high net worth individuals and aspirational middle and upper-middle classes in China.
- China Elite provides brands with comprehensive access to BOTH the 'Walled Gardens' and thousands of independent Chinese websites, overcoming the numerous barriers to trying to deal directly with Chinese DMPs.
- China Elite deploys automated programmatic buying which allows precise targeting of these powerful and growing audiences.
- China Elite uses algorithms which continuously target the most responsive consumers with the right messages on their path to purchase in an environment in which they are engaging.