

## Haitong International 3<sup>rd</sup> AI Conference Draw to Successful Close

**Hong Kong, 26 November 2021** – Haitong International Securities Group Limited (“Haitong International”; Stock Code: 665.HK) announced a successful completion of its third Haitong International AI Conference (“the Conference”) in Shanghai on 25 November. With “Software and Hardware Technology” as the main theme, the Conference facilitated in-depth discussions and analysis on AI-related software and hardware technology development trends, including semiconductor manufacturing, healthcare, smart transportation etc. The two-day conference has attracted nearly a thousand of AI experts, corporate representatives and investors to participate.

**ZHOU Jie, Chairman and Secretary of the CPC Committee of Haitong Securities Co., Ltd**, said at the opening remarks, “AI is now achieving technological breakthroughs in unprecedented speed, connecting our world in unprecedented scale, and empowering multiple industries in unprecedented depth. Haitong Securities and Haitong International have long been assisting numerous AI-related software, hardware and application companies to gain access to both China onshore and overseas capital markets, which ultimately propelled the AI technological advancement and application in China. This year marks the third edition of our AI Conference with increased interests and participation from the industry. We hope to continue creating this platform for corporates and experts in the AI space to exchange ideas and facilitate further technology breakthroughs.”

### **Decoding the era of AI – Technology, Applications, Trends and Opportunities**

**Lianfeng WU, VP China and Chief Analyst of IDC** elaborated in the speech on the landscape evolution and future opportunities of the AI market in China. He was optimistic about the prospect of the AI market in the future when China and the rest of the world have a huge room of growth. He predicted that China’s AI market size would exceed USD16.3 billion by 2025 in which the software market might see the fastest growth, with CAGR outshooting 35% in 2020-2025. By technology segment, machine learning platform could be the niche market with high growth potential due to a small base currently. Besides, the emerging industrial user construction data middle office and AI middle office will also boost the growth of machine learning platform. By sub-sectors, he predicted that public utilities, medical service and central government might bring great growth, with CAGR close to 25% in 2020-2025. He believed that AI public cloud would become an important disruptive force in the market and public cloud proportion in China’s AI software market would jump from around 10% in 2020 to 36% in 2025.

**Wei WU, Chairman of Qingzhihongke and Deputy Head of the Financial instruments expert Group of the Central Bank** made a speech on China’s digital currency architecture and briefly introduced the R&D history, technical architecture and challenges of official launching of digital RMB. China was the first to issue digital currency by the Central Bank in the world and is already in a leading position in digital payment with a high penetration rate. Against the backdrop of fast development of encrypted currencies worldwide, China’s

development of digital RMB system would promote inclusive finance and improve operation efficiency and security of the whole currency and payment system. The undergoing pivot project is proceeding smoothly but before official launch, some further upgrading to the processing system to improve user experience and a robust security and risk management scheme must be established.

**Zhewei WEI, Professor and Ph.D. Supervisor of Gaoling School of Artificial Intelligence, Renmin University of China** shared his views on AI algorithms. He introduced the edgy technology development and industrial applications, and pointed out that the development of GPT, Transformer and Graph Neural Networks would enable the humankind to use a larger scale of data, data with more complicated structure and look into the more important part of big data. Going forward, development of AI algorithm still face some challenges, including increased carbon emissions caused by model training, the lack of causal inference and interpretability in deep learning, and ethical and legal regulations.

**Jeff WU, Chief Analyst of electronics at Haitong International** also shared his views on the latest electronic researches. As per his analysis, semiconductor industry was in a plateau period with sub-sectors diverged. The storage sector had entered a downward circle, thus prices were estimated to see a dramatic drop in 1H2022 while wafer foundry continued to go upward and might see a normalized shortage of supply going forward. In terms of consumer electronics, smart phones were in a sluggish growth period with the market share dynamics coming under the spot light. Looking into 2022, he is positive on the potential of servers and data centers, AR/MR/VR, automotive electronics and domestic substitution of semiconductors.

#### **A bright future for AI – The key is empowerment and integration**

**Natalie WU, Managing Director of Equity Research at Haitong International**, delivered an opening speech on day two of the Conference and shared her thoughts on the value of AI technology development. She thinks that the key to propel the development of the digital sector is integration between industries and technologies such as AI, big data and internet. No matter the company is a niche or sector player in the AI field, or a traditional TMT corporate, they should all think about the application of AI technologies and thereby utilize AI to empower the real economy, optimize business processes, and transform business productivity.

**YANG Fan, Co-founder and Vice President of SenseTime**, gave a presentation on the AI development trends. He estimated that by 2030, China will become the world's major AI innovation center, with core AI sector size exceeding RMB 1 trillion, and related industries market size to exceed RMB 10 trillion. Currently, an explosive growth can be seen in terms of demand and application of AI technology in various sectors and areas, and the AI industrial chain is also being more fragmented, with the service ecosystem becoming increasingly comprehensive. Driven by the rise in both supply and demand, innovation supported by general infrastructure and cross-organizational synergized innovation will become the upcoming development trends in the AI sector.

Over 20 sessions hosted by industry experts and corporate representatives were arranged during the two-day conference, in which the corporates included Huawei, SenseTime Group, MetaX, Innoscience etc. delivered



sessions covering latest technological advancements and market trends on chips manufacturing, algorithm, self-driving, AI healthcare technologies etc. Two AI roundtable discussions were conducted, which invited corporate representatives from Youdao, Craiditx, Agile Robots, Congtoo and Vlavr etc. to discuss on topics including the latest AI software and hardware ecosystem growth outlook, AI technology integration in various sectors etc.

Alongside the conference sessions, Haitong International also facilitated multiple closed-door small group and one-on-one roadshows for leading corporates in the AI space to communicate with investors, which testifies Haitong International's rich resources and network in AI and TMT field and the professional capabilities to provide bespoke solutions for clients.

To learn more about the Conference agenda and list of attended corporates, please visit:

<http://www.hti-aiconference2021.com/>

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