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RESEARCH DEPARTMENT

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Companies mentioned in this report
(price as 2/28/19 market close)

Ticker	Price 2/28/19	WoW
MOMO.O	\$ 33.17	4.94%
WB.O	\$ 72.25	10.22%
FB.O	\$ 161.45	0.88%
TWTR.N	\$ 30.78	0.07%
AMZN.O	\$1,639.83	1.26%
BABA.N	\$ 183.03	6.62%
PDD.O	\$ 29.94	5.05%
JD.O	\$ 27.71	14.17%
EBAY.O	\$ 37.15	0.46%
CTRP.O	\$ 34.13	4.95%
BKNG.O	\$1,697.04	-10.98%
EXPE.O	\$ 123.31	-3.74%
TRIP.O	\$ 53.17	-2.23%
TOUR.O	\$ 4.98	1.63%

TMT INDUSTRY REPORT

2/28/2019

VOLUME 3, ISSUE 3

Despite the street concerns that market is too bullish on trade talk outcome, we don't see the sign for current rally to stop. Although Trump administration announced to postpone March 1st tariff increase, key trade talk representative testified on Capital Hill that US-China still has a long way to go. We believe on March 1st, an MOU, including agriculture and trade deficit, will take place, leaving room open for IP and cybersecurity for further negotiation.

Key stock takeaways: NASDAQ marched to Nov'18 high and closed to Oct'18 peak. In the last trading day of Feb'19, NASDAQ is closed at 7097.5, up 5% YTD. **TMT stocks:** Vanguard IT EFT was closed at 193.31 on Feb 28th, up 9.6% MoM and 11% YTD. **Individual stocks:** entering to earnings season, performance of individual stocks diverged. Travel stock EXPE was up 7% due to strong guidance in Q1'19 while BKNG was down 13% for weak guidance. Meanwhile, JD surged 6% after earnings release while AMZN remained flat post earning.

What's happening?

- U.S. retail sales weakened in Dec'18.** On 2.14.19, Department of Commerce released an unexpected and surprising retail sales data, falling 1.2% MoM, including 5.1% decline in gas stations, 3.9% decline in internet sellers and 1% increase in auto sales, representing the worst drop in 9 years. Many experts believed the data was another prove point of slower economic concern.
- China released strong export data for Jan'19.** On 2/14/19, China released Jan'19 trade data. Total exports was \$217.57bn, up 9.1% YoY and down 1.5% MoM, and total imports was \$178.41bn, down 1.5% YoY and up 8.7% MoM. The market is surprised by the strong export number since trade talk was expected to bring in negative impact on the data. However, Chinese government executed massive simulation on economics since 2019, and the data can be the good indicator on that.



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- **Amazon decided to withdraw HQ2 plan in Long Island City, NY.** On 2/14/19, Amazon announced the cancellation on its HQ plan in NYC due to local oppositions. At this point, Amazon will not search for its second headquarter location.
- **Mobile data usage doubled during the 2019 Chinese Spring Festival.** On 2/12/19, Ministry of Industry and Information Technology of China released report on mobile data usage during the week of Spring Festival holiday. mobile Internet usage was 1.957 million TB, up 130% YoY, and No. of SMS messages was 13.33 billion, up 7.7% YoY. Notably, WeChat message was up 64.2% YoY.
- **S.E.C. requested court to hold Tesla's Elon Musk in contempt for Twitter posts.** On 02/25/19, New York Times released SEC filing to request in contempt for Elon Musk's misleading Twitter on 02/20. In the tweet, Musk posted 500K annual production by 2019 and later corrected the number to 400K. SEC believed the tweet once again misled investors. TSLA's stock dropped 4% after market on 2/25/19 and bounced back during regular session on 2/26/19
- **Pinduoduo announced Follow-on Public Offering (FPO).** On 2/8/19, PDD announced FPO of 40,185,000 shares at \$25/share, representing 32% upside from its IPO last August. Leading bookrunners include Goldman Sachs, Merrill Lynch, Morgan Stanley, CICC and China Renaissance. PDD's stock once surged to \$30 after the announcement (**upside: ▲ for PDD**).

Earnings Summary

- **FB released Q4'18 earnings.** On 1/30/19, FB reported Q4'18 earnings after-market with revenue of \$16.91bn, up 30.4% YoY, beat consensus by \$510mn and GAAP EPS of \$2.38, beat consensus by \$0.20. Both daily active users and monthly active users were up 9% YoY to 1.52bn and 2.32bn. Strong user data indicated FB's fundamental business is solid despite the recent privacy issue. The stock surged 7% after-market (**upside: ▲ for FB**).
- **TWTR released Q4'18 earnings.** On 2/7/19, TWTR reported Q4'18 earnings pre-market with revenue of \$909mn, up 24.3% YoY, beat consensus by \$42mn and Adj EPS of \$0.31, beat consensus by \$0.06. However, management provided a disappointing Q1 guidance with revenue of mid-\$740mn, miss consensus of \$766mn and announced to stop disclosing MAU. Due to the weak outlook, the stock plunged 9% pre-market (**downside: ▼ for TWTR**).
- **EBAY released Q4'18 earnings.** On 1/29/19, EBAY reported Q4'18 earnings after-market with revenue of \$2.88bn, up 6.3% YoY, beat consensus by \$20mn and GAAP EPS of \$0.8, miss consensus by \$0.09. The company highlighted global active buyers rose 4% QoQ to 179mn. Looking ahead, management provided Q1 guidance with revenue of mid \$2.58bn, higher than consensus of \$2.66bn, and EPS of \$0.63, topping consensus of \$0.61. The stock jumped 3% after-market (**upside: ▲ for EBAY**).
- **AMZN released Q4'18 earnings.** On 1/31/19, AMZN reported Q4'18 earnings after-market with revenue of \$72.4bn, up 19.8% YoY, beat consensus by \$520mn, and GAAP EPS of \$6.04, beat consensus by \$0.39. The company delivered strong AWS sales, growing 46% YoY but missed on physical stores (Whole Foods) by 8%. Notably, the international expansion tackled as Indian government new regulations aiming to protect local business. Due to the uncertainties on international expansion, the stock dropped 4.6% after-market (**downside: ▼ for AMZN**).
- **EXPE released Q4'18 earnings.** On 2/7/19, EXPE reported Q4'18 earnings after-market with revenue of \$2.56bn, up 10.3% YoY, beat consensus by \$20mn, and Non-GAAP EPS of \$1.24, beat consensus by \$0.16. The stock jumped 7% after-market (**upside: ▲ for EXPE**).
- **BABA released Q3'18 earnings.** On 1/30/19, BABA reported Q3'18 earnings pre-market with revenue of \$17bn, up 42.6% YoY, miss consensus by \$380mn, and Non-GAAP EPS of \$1.77, beat consensus by \$0.09. The company highlighted its annual active buyers increasing 5.8% QoQ to 636mn and mobile MAU increasing 5% QoQ to 699mn. The stock jumped 4% pre-market (**upside: ▲ for BABA**).



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- **TRIP released Q4'18 earnings.** On 2/12/19, TRIP reported Q4'18 earnings after-market with revenue of \$346mn, up 7.8% YoY, beat consensus by \$3.1mn, and Non-GAAP EPS of \$0.27, miss consensus by \$0.01. Management provided a weak guidance of double-digit Adj EBITDA, identical to consensus of 11%. The stock plunged 10% after-market (**downside: ▼ for TRIP**).

Key Events:

Date	Ticker	Company Name	Event	Location	Note
2/12/19-2/14/19	GS	Goldman Sachs	GS Tech and Internet Conference	San Francisco	over 500 attendees
2/24/19-2/28/19	MS	Morgan Stanley	TMT Conference	San Francisco	over 500 attendees
2/14/19-2/26/19		KeyBanc	KeyBanc Capital 2019 Emerging Summit	San Francisco	over 500 attendees
2/25/19-2/26/19	JPM	JP Morgan	JMP Securities Technology Conference	San Francisco	over 500 attendees

Data Tracker:

- **We updated FB MAU table (Exhibit 1).** FB released Q4'18 earnings on 1/30/19, reporting MAU of 2.32bn in Q4, up 9% YoY.
- **We updated TWTR MAU table (Exhibit 2).** TWTR released Q4'18 earnings on 2/7/19, reporting MAU of 321mn in Q4, down 2.7% YoY.
- **We updated MAU value analysis table (Exhibit 2):** FB, TWTR and BILI announced Q4'18 MAU. On QoQ basis, MKT/MAU increased 15.7%, 5.7% and 51.2% for FB, TWTR and BILI, respectively.
- **Consensus Book of Q4'18 (Exhibit 4):** Most of stocks delivered beats on earnings. JD, EXPE, FB surged after earnings while BKNG, TWTR and AMZN dropped.
- **Estimated earning schedule table (Exhibit 5).** TRIP, WB and MOMO will release earnings in 1st half of March. We are still waiting for PDD to announce its next earnings date.
- **Stock performance (Exhibit 6-9):** Over the past week, social media index underperformed the S&P 500. Individual stocks performed diversely. JD and WB were up 10.7% and 5.3% WTD, respectively.
- **Short interest tracker (Exhibit 12):** The latest short interest data with an 2/15/19 settlement was released on 2/27/19. Short interest, when compared with the 1/31/19 settlement data is down 3.07% for SNAP and down 1.22% for JD
- **Currency Tracker (Exhibit 14-18):** Last week, the USD has depreciated against the CNY, EUR, CAD, INR and GBP but appreciated against JPY.



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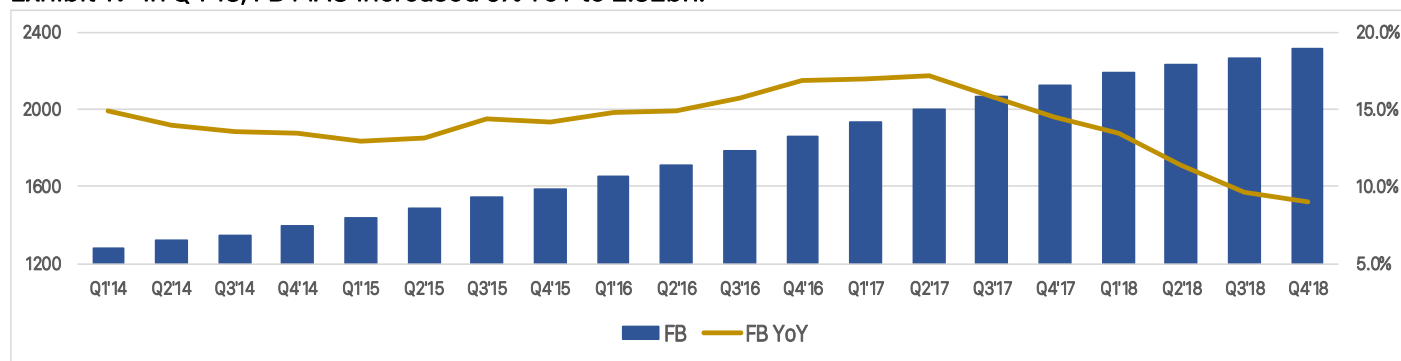


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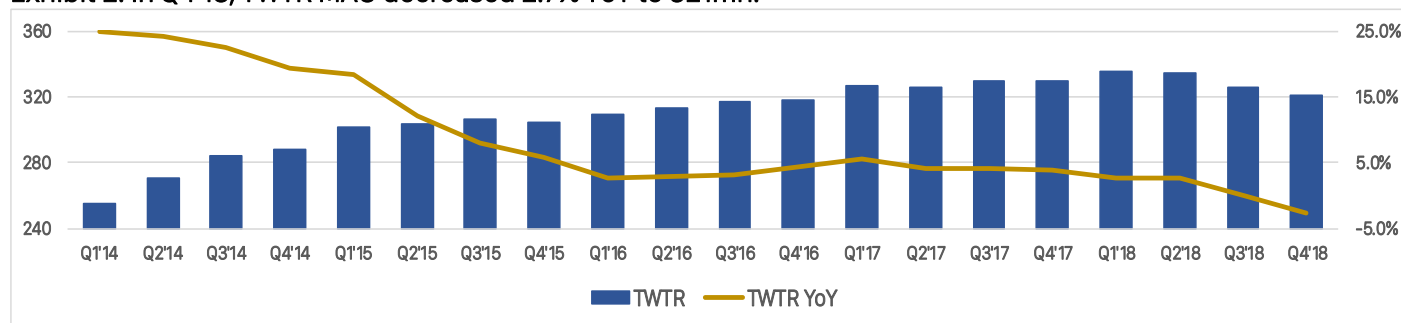
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Exhibit 1: In Q4'18, FB MAU increased 9% YoY to 2.32bn.



Source: Company Profile, Grandation

Exhibit 2: In Q4'18, TWTR MAU decreased 2.7% YoY to 321mn.



Source: Company Profile, Grandation

Exhibit 3: MAU analysis table update----FB, TWTR and BILI announced Q4'18 MAU. On QoQ basis, MKT/MAU increased 15.7%, 5.7% and 51.2% for FB, TWTR and BILI, respectively.

Ticker	Company	Market Cap (\$bn)	Revenue LTM (\$bn)	MAU (mn)	Mkt cap/MAU (US\$)	Average Monthly Revenue (LTM) /MAU (US\$)
MOMO.O	Momo Inc	6.85	1.85	110.5	62	1.4
WB.O	Weibo Corp	16.12	1.61	446	36	0.3
FB.O	Facebook Inc	460.78	55.84	2,320	199	2.0
TWTR.N	Twitter Inc	23.6	3.04	321	74	0.8
BILI.O	Bilibili Inc	5.76	NA	93	62	NA

Source: Thomson Reuters, Grandation



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Exhibit 4: Consensus Book of Q4'18----Most of stocks delivered beats on earnings. JD, EXPE, FB surged after earnings while BKNG, TWTR and AMZN dropped.

Ticker	Company Name	Earnings Release	Revenue	GM	EBITDA	EBIT	EPS
JD.O	JD.com Inc	2/28/2019	1.8%	-	2517.2%	128.8%	292.7%
TOUR.O	Tuniu Corp	2/28/2019	10.9%	-	-	45.2%	50.0%
BKNG.O	Booking Holdings Inc	2/27/2019	-0.3%	-	2.7%	2.1%	15.8%
TRIP.O	TripAdvisor Inc	2/12/2019	0.9%	-0.1%	8.2%	17.5%	-8.3%
EXPE.O	Expedia Group Inc	2/7/2019	0.7%	1.4%	11.1%	29.7%	15.0%
TWTR.N	Twitter Inc	2/7/2019	4.7%	1.2%	14.2%	21.8%	24.3%
AMZN.O	Amazon.com Inc	1/31/2019	0.7%	-3.2%	4.0%	2.1%	6.3%
FB.O	Facebook Inc	1/30/2019	3.2%	-0.1%	2.8%	5.9%	8.9%
BABA.N	Alibaba Group Holding Ltd	1/30/2019	-1.4%	4.2%	3.2%	6.1%	8.0%
EBAY.O	eBay Inc	1/29/2019	0.4%	0.9%	0.5%	1.1%	4.8%
MOMO.O	Momo Inc	12/5/2018	0.4%	-2.7%	1.5%	-1.9%	1.1%
WB.O	Weibo Corp	11/28/2018	0.8%	-0.2%	4.7%	3.6%	6.5%
PDD.O	Pinduoduo Inc	11/20/2018	12.2%	-	-	-	59.5%
CTRP.O	Ctrip.Com International Ltd	11/7/2018	1.0%	-1.9%	-	3.6%	52.2%

Source: Thomson Reuters, Grandation

Exhibit 5: Estimated earning schedule----TRIP, WB and MOMO will release earnings in 1st half of March. We are still waiting for PDD to announce its next earnings date.

Next Earnings Schedule (Est)	Company	Ticker	Comment/Pre-earning Announcement
2/14/2019	Pinduoduo Inc	PDD.O	
3/4/2019	Ctrip.Com International Ltd	CTRP.O	
3/5/2019	Weibo Corp	WB.O	
3/12/2019	Momo Inc	MOMO.O	
4/23/2019	Facebook Inc	FB.O	
4/23/2019	Twitter Inc	TWTR.N	
4/23/2019	eBay Inc	EBAY.O	
4/24/2019	Amazon.com Inc	AMZN.O	
4/24/2019	Expedia Group Inc	EXPE.O	
5/2/2019	Alibaba Group Holding Ltd	BABA.N	
5/7/2019	Booking Holdings Inc	BKNG.O	
5/8/2019	JD.com Inc	JD.O	
5/9/2019	TripAdvisor Inc	TRIP.O	
5/25/2019	Tuniu Corp	TOUR.O	

Source: Thomson Reuters, Grandation



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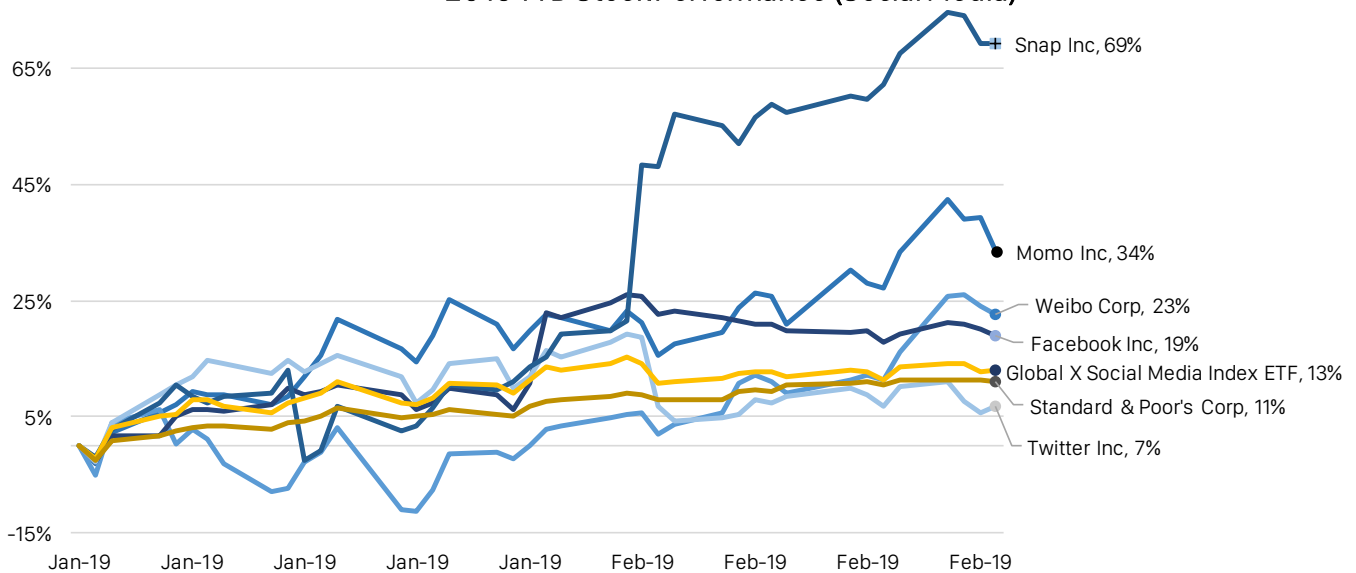
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Exhibit 6: Stock Performance---- Over the past week, social media index underperformed the S&P 500. Individual stocks performed diversely. JD and WB were up 10.7% and 5.3% WTD, respectively.

Ticker	Name	Price 2/28/19	Market Cap (\$bn)	WTD	MTD	YTD
Index:						
SOCL.O	Global X Social Media Index ETF	31.2	0.13	-0.4%	0.1%	13.4%
.SPX	Standard & Poor's Corp	2784.49	NA	0.4%	0.7%	11.8%
Companies:						
JD.O	JD.com Inc	27.71	39.74	10.7%	3.7%	37.3%
WB.O	Weibo Corp	72.25	16.12	5.3%	-0.2%	23.3%
CTRP.O	Ctrip.Com International Ltd	34.13	18.61	4.8%	0.7%	27.0%
BABA.N	Alibaba Group Holding Ltd	183.03	474.45	3.9%	0.5%	34.2%
AMZN.O	Amazon.com Inc	1639.83	805.49	2.5%	1.9%	11.3%
PDD.O	Pinduoduo Inc	29.94	34.55	2.1%	0.2%	33.6%
MOMO.O	Momo Inc	33.17	6.85	0.4%	0.3%	40.1%
FB.O	Facebook Inc	161.45	460.78	0.2%	0.5%	23.8%
EBAY.O	eBay Inc	37.15	33.99	-0.4%	0.5%	33.1%
EXPE.O	Expedia Group Inc	123.31	18.15	-1.3%	1.6%	11.2%
TOUR.O	Tuniu Corp	4.98	0.60	-2.8%	-2.8%	-0.4%
TWTR.N	Twitter Inc	30.78	23.60	-3.4%	-0.5%	6.5%
TRIP.O	TripAdvisor Inc	53.17	7.34	-4.4%	-1.2%	-2.6%
BKNG.O	Booking Holdings Inc	1697.04	76.39	-10.3%	1.0%	-0.5%

Source: Thomson Reuters, Grandation

Exhibit 7: In 2019, all social media companies were up after 18' sell-off. SNAP surged after earnings, up 69% YTD.
2019 YTD Stock Performance (Social Media)



Source: Thomson Reuters, Grandation



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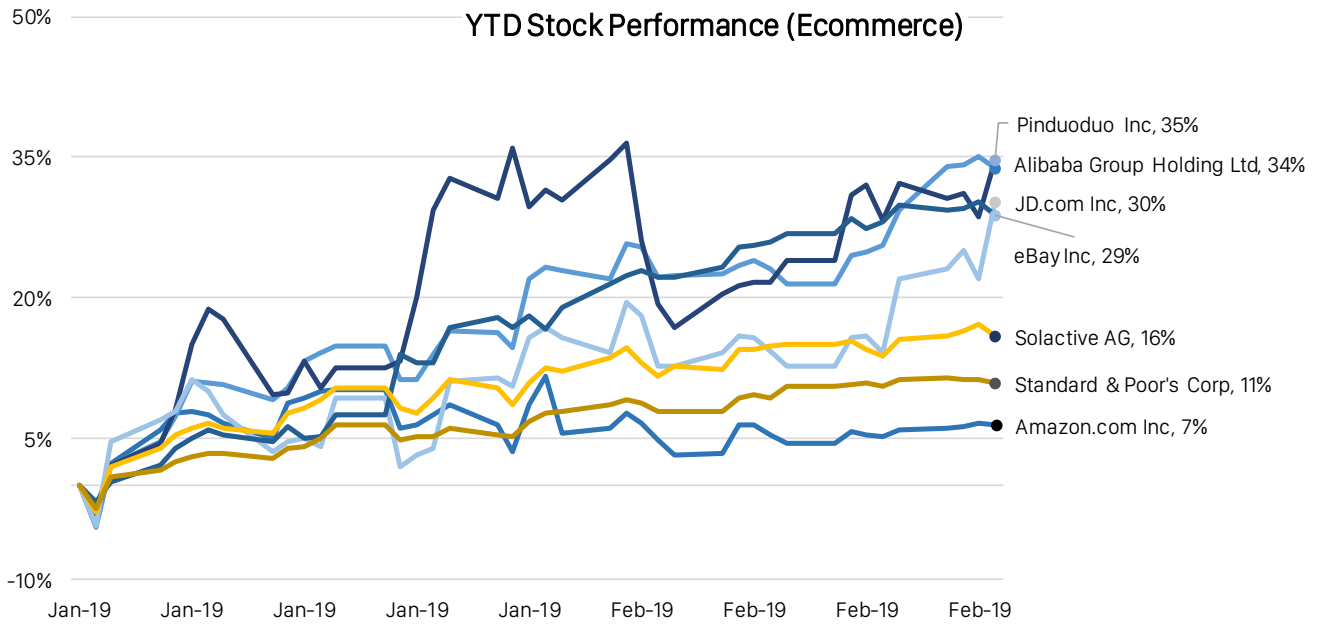


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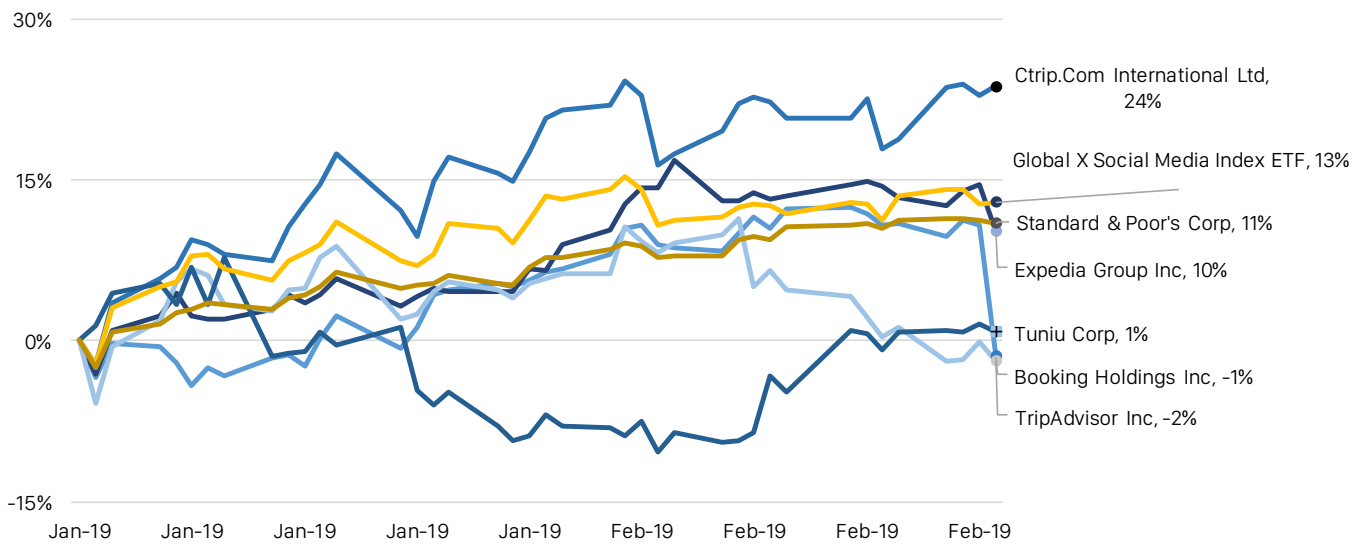
Exhibit 8: In 2019, Chinese ADS E-Commerce were outperformed the U.S. E-Commerce. YTD, PDD, BABA and JD were up 35%, 34% and 30%, respectively.



Source: Thomson Reuters, Grandation

Exhibit 9: In 2019, most of booking companies underperformed S&P 500, except CTRP is up 24% YTD.

YTD Stock Performance (Bookings)



Source: Thomson Reuters, Grandation



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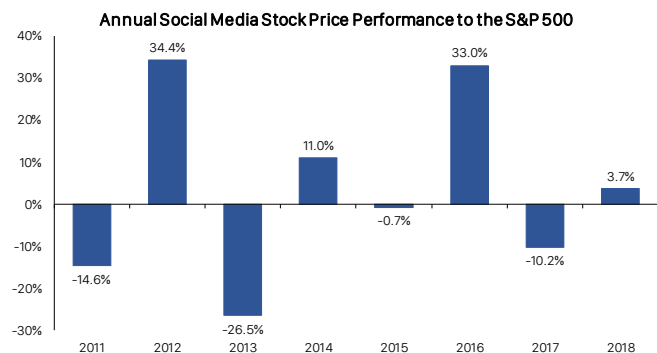


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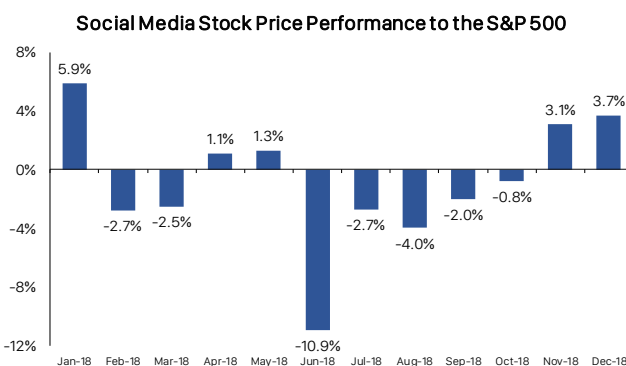
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Exhibit 10: From 2011 to 2018, Social Media Stock Index is volatile vs. S&P 500.



Source: Thomson Reuters, Grandation

Exhibit 11: In 2018, Social Media Stock Index underperformed S&P 500 overall.



Source: Thomson Reuters, Grandation

Exhibit 12: Short Interest Tracker. ----The latest short interest data with an 2/15/19 settlement was released on 2/27/19. Short interest, when compared with the 1/31/19 settlement data is down 3.07% for SNAP and down 1.22% for JD.

Ticker	Company	3mon avg daily volume	Short Interest	Days To Cover	Company Shares	Free Float	% of Free Float	Short interest /Float	Short interest /Float vs. Prior (% change)
MOMO.O	Momo Inc	3,671,815	5,941,655	1.84	206,600,372	161,346,928	97.0%	3.68%	0.41%
WB.O	Weibo Corp	2,567,924	8,633,797	3.40	223,153,786	16,800,000	92.6%	51.39%	-0.96%
FB.O	Facebook Inc	23,684,032	25,958,842	1.17	2,853,989,800	2,352,962,175	98.6%	1.10%	0.12%
SNAP.N	Snap Inc	4,806,901	127,779,641	4.08	1,321,035,798	918,648,571	79.2%	13.91%	-3.07%
TWTR.N	Twitter Inc	4,178,559	29,183,491	1.35	766,824,550	719,796,874	93.8%	4.05%	0.01%
AMZN.O	Amazon.com Inc	6,299,975	4,890,851	0.84	491,202,890	411,814,800	83.8%	1.19%	0.13%
BABA.N	Alibaba Group Holding Ltd	3,847,094	114,199,085	7.91	2,592,184,258	752,259,604	51.4%	15.18%	0.20%
PDD.O	Pinduoduo Inc	5,789,873	18,810,392	2.84	4,616,428,688	344,725,953	98.7%	5.46%	-1.22%
JD.O	JD.com Inc	17,991,797	52,405,501	3.57	2,868,606,684	1,192,116,195	97.9%	4.40%	-0.28%
EBAY.O	eBay Inc	14,099,596	22,730,099	1.51	914,880,451	866,973,064	93.3%	2.62%	0.12%
CTRP.O	Ctrip.Com International Ltd	4,140,672	17,457,863	4.76	68,152,265	280,866,808	94.1%	6.22%	0.87%

Source: Thomson Reuters, Grandation

Exhibit 13: Valuation/Comp Sheet

Ticker	Company	Market Cap (\$bn)	Price 2/28/19	YTD Δ	MTD Δ	Revenue Growth		EPS		FCF Yield	EV /Sales	EV /EBITDA	PE		PEG	Div. Yield	
						This yr /Last yr	Next yr /this yr	FY0	FY1				LTM	FY0			FY1
MOMO.O	Momo Inc	6.85	33.17	39.7%	9.0%	51.8%	21.0%	2.37	2.80	NA	2.5x	11.9x	16.2x	14.0x	11.8x	0.5x	NA
WB.O	Weibo Corp	16.12	72.25	23.7%	19.1%	49.4%	20.1%	2.66	3.01	3.2%	7.5x	24.4x	31.0x	27.1x	24.0x	0.9x	NA
FB.O	Facebook Inc	460.78	161.45	23.2%	-3.1%	23.6%	20.7%	7.59	8.86	3.2%	5.9x	11.4x	21.3x	21.3x	18.2x	1.3x	NA
TWTR.N	Twitter Inc	23.6	30.78	7.1%	-8.3%	15.1%	14.4%	0.86	1.02	2.1%	5.7x	15.7x	19.8x	35.7x	30.3x	0.8x	NA
SNAP.N	Snap Inc	12.95	9.80	77.9%	46.7%	31.0%	29.4%	(0.30)	-0.11	-3.3%	7.3x	NA	NA	(32.8x)	(85.3x)	NA	NA
AMZN.O	Amazon.com Inc	805.49	1639.83	9.2%	-4.6%	18.0%	17.9%	27.31	39.68	3.4%	2.9x	19.3x	82.7x	60.0x	41.3x	1.3x	NA
BABA.N	Alibaba Group Holding Ltd	474.45	183.03	33.5%	8.6%	50.0%	35.8%	36.69	45.28	1.8%	6.5x	26.9x	46.3x	33.4x	27.1x	1.1x	NA
PDD.O	Pinduoduo Inc	34.55	29.94	33.4%	2.5%	NA	112.1%	(3.19)	0.09	NA	8.0x	NA	NA	(63.5x)	2332.9x	NA	NA
JD.O	JD.com Inc	39.74	27.71	32.4%	11.5%	18.8%	16.1%	3.38	6.16	-1.4%	0.5x	31.0x	209.0x	54.9x	30.1x	0.7x	NA
EBAY.O	eBay Inc	33.99	37.15	32.3%	10.4%	1.1%	5.8%	2.67	3.05	6.8%	3.5x	10.2x	17.9x	13.9x	12.2x	1.3x	1.5%
CTRP.O	Ctrip.Com International Ltd	18.61	34.13	26.1%	2.5%	14.5%	18.9%	7.70	7.97	NA	3.6x	25.5x	57.6x	30.0x	29.0x	2.0x	NA
BKNG.O	Booking Holdings Inc	76.39	1697.04	-1.5%	-7.4%	6.7%	10.5%	100.56	112.54	6.8%	5.1x	13.5x	20.6x	16.9x	15.1x	1.0x	NA
EXPE.O	Expedia Group Inc	18.15	123.31	9.5%	3.4%	9.9%	10.1%	6.88	8.07	6.2%	1.7x	9.4x	46.6x	17.9x	15.3x	1.2x	1.0%
TRIP.O	TripAdvisor Inc	7.34	53.17	-1.4%	-7.3%	7.6%	9.0%	1.93	2.22	5.6%	3.8x	14.3x	60.1x	27.5x	23.9x	2.3x	NA
TOUR.O	Tuniu Corp	0.6	4.98	2.5%	8.3%	12.2%	12.0%	0.54	1.21	NA	0.9x	NA	NA	64.6x	28.7x	NA	NA

Source: Thomson Reuters, Grandation



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Exhibit 14: Currency Tracker----Last week, the USD has depreciated against the CNY, EUR, CAD, INR and GBP but appreciated against JPY.

Currency	2/28/19	2/21/19	WoW Δ	YTD Δ	YoY Δ
USD/EUR	0.880	0.882	-0.3%	-0.2%	7.2%
USD/JPY	111.370	110.690	0.6%	2.3%	4.4%
USD/CNY	6.691	6.720	-0.4%	-2.5%	5.7%
USD/GBP	0.754	0.766	-1.6%	-4.9%	3.8%
USD/CAD	1.317	1.323	-0.5%	-3.0%	2.6%
USD/INR	70.830	71.150	-0.4%	1.2%	8.6%

Source: Thomson Reuters, Grandation

Exhibit 15: CNY vs. USD is up 0.4% WoW to 6.69.

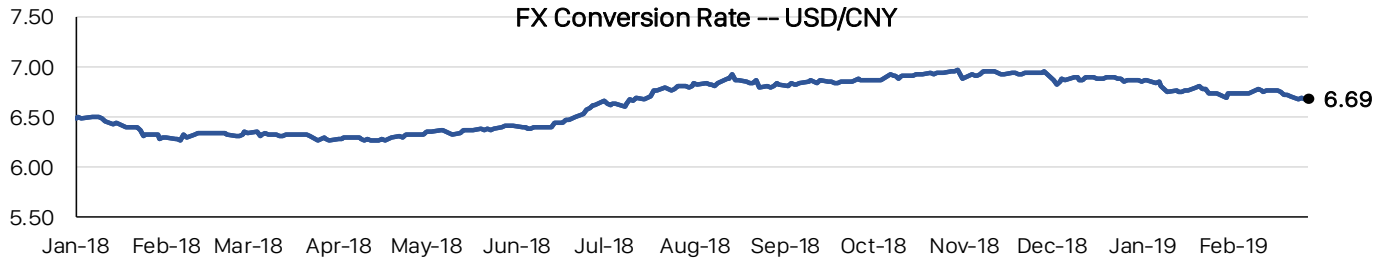


Exhibit 16: EUR vs. USD is up 0.3% WoW to 0.88.

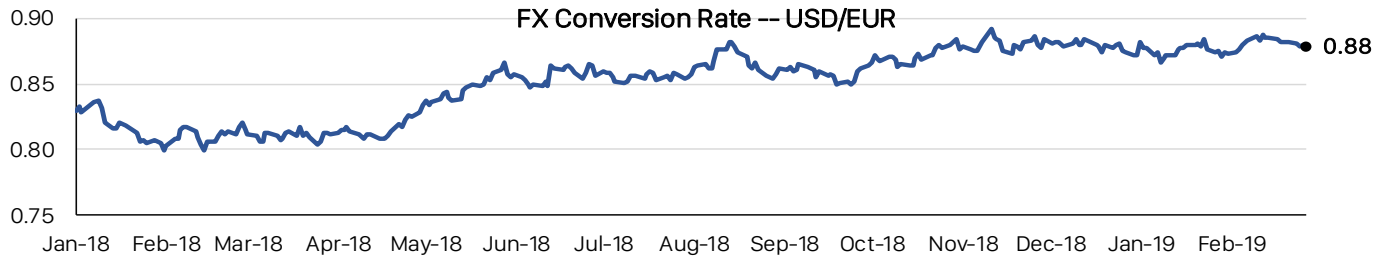


Exhibit 17: CAD vs. USD is up 0.5% WoW to 1.32.

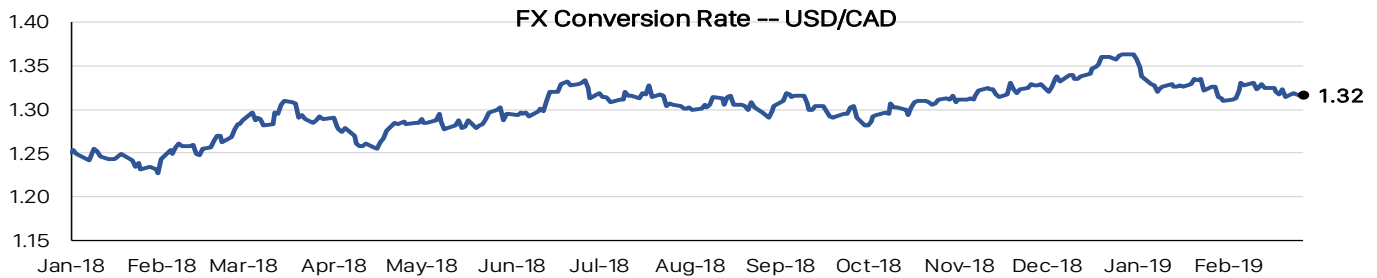
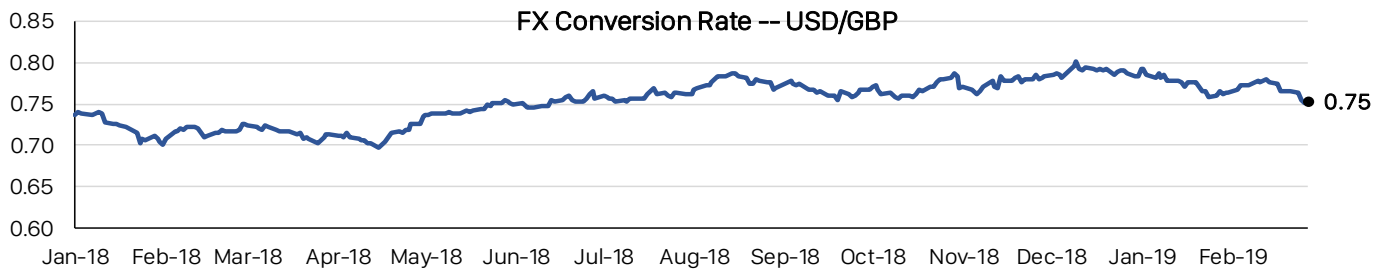


Exhibit 18: GBP vs. USD is up 1.6% WoW to 0.75.



Source: Thomson Reuters, Grandation



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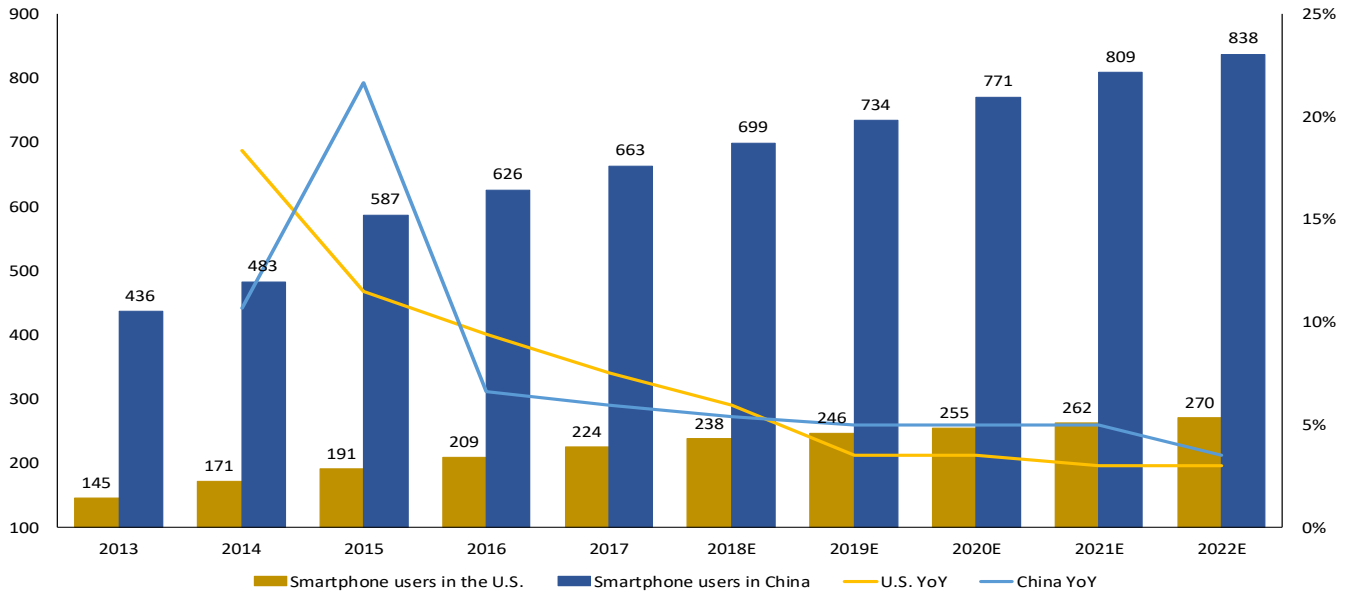
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Appendix 1: Smartphone users of China----Smartphone users in China are expected to grow to 699.04mn, 5.4% YoY, in 2018, **Smartphone users of the U.S.**---- Smartphone users in the U.S. are expected to grow to 237.6mn, 5.9% YoY, in 2018.

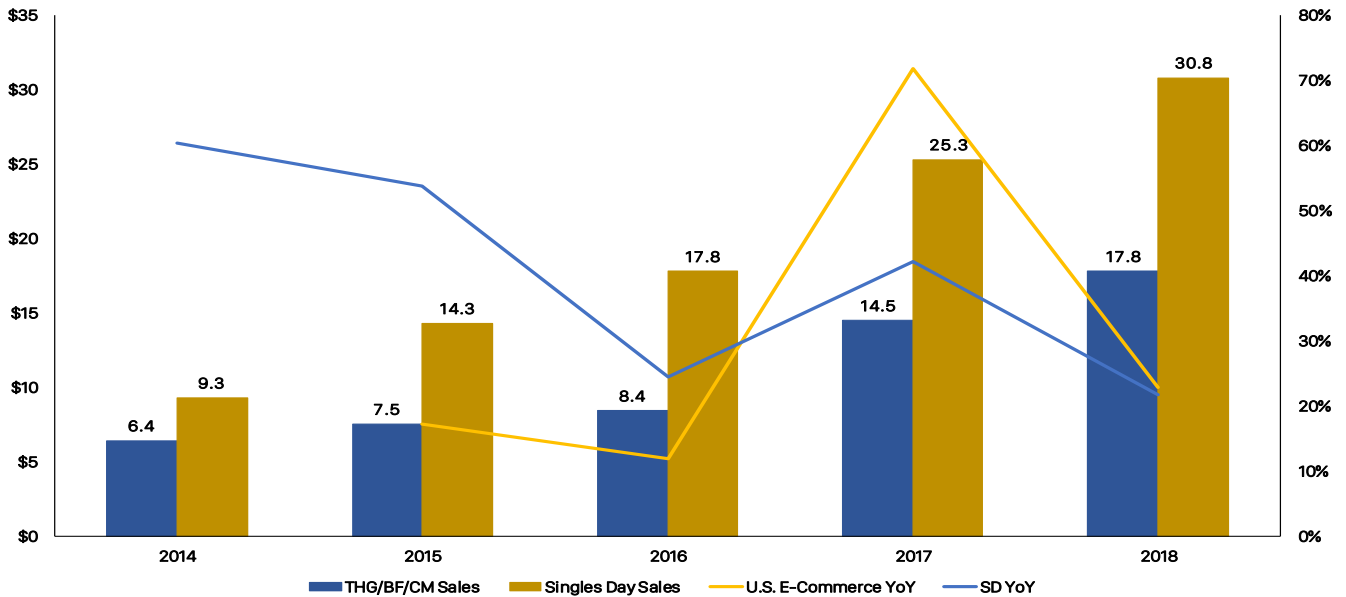
Smartphone users of China and the U.S. (mn)



Source: Statista, Grandation

Appendix 2 Holiday E-commerce Sales----The 2018 new Sales data shows that the combined Thanksgiving, Black Friday and Cyber Monday E-Commerce sales are \$17.8bn, 22.8% YoY, equivalent to 57.7% of Alibaba's Singles Day Sales of \$30.8bn, 21.7% YoY.

Holiday E-commerce Sales (\$bn)



Source: Statista, Grandation



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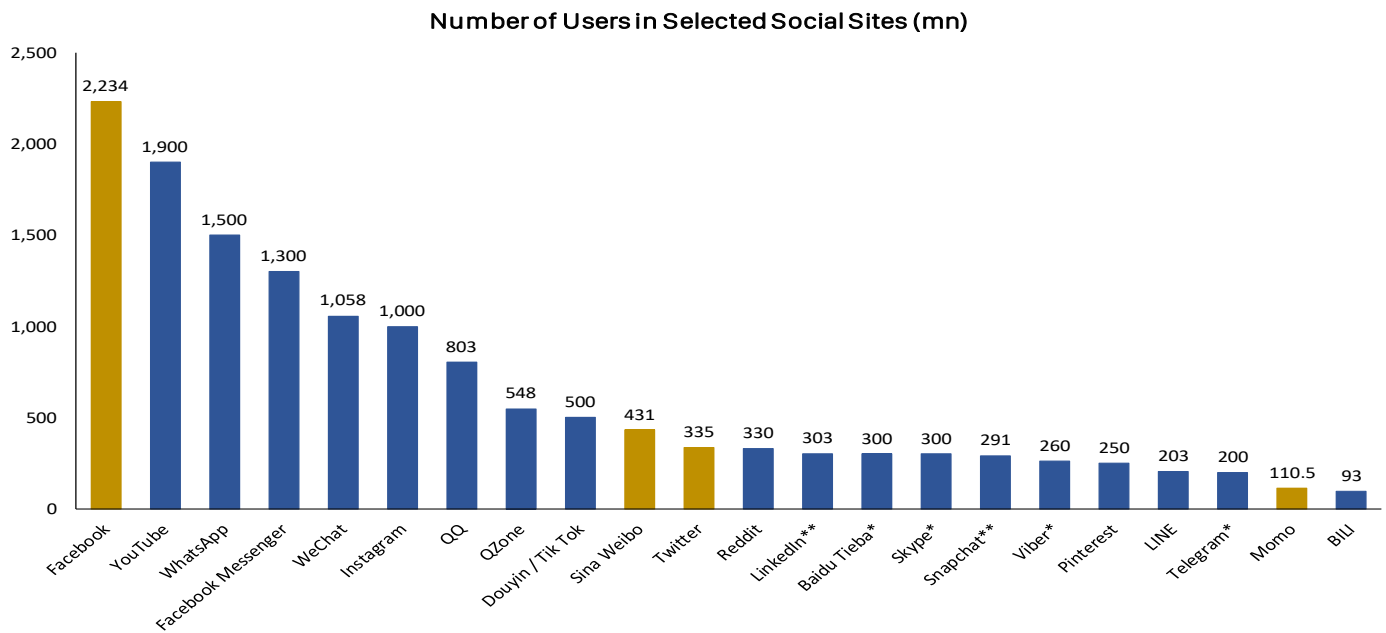
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Appendix 3 No. of visitors to the U.S. from China----The estimated visitors to the U.S. from China are expected to be 3.24mn, 6.9% YoY in 2018.



Source: Statista, Grandation

Appendix 4 Ranking in selected Social Sites by Users----As of Oct 2018, FB and TWTR reported to have 2,234mn and 335mn active users, while WB and MOMO reported to have 431mn and 111mn active users.



Source: Company Profile, Grandation



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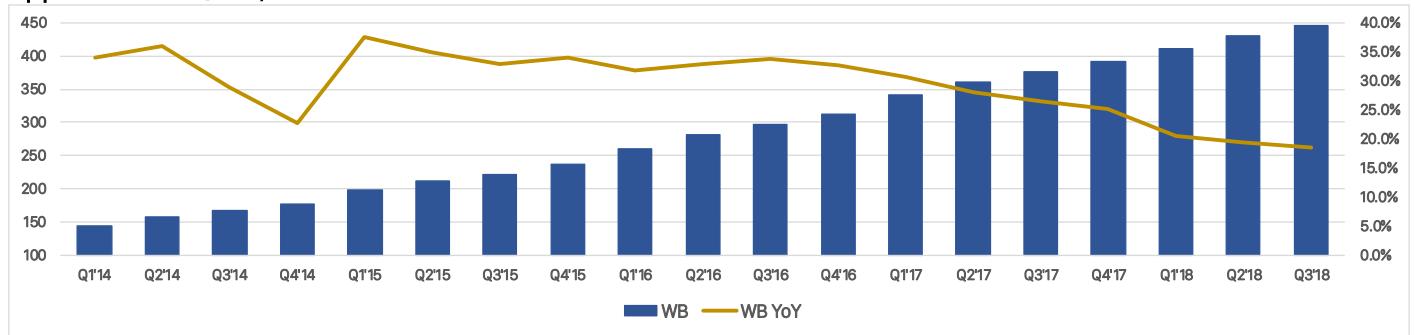
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Appendix 5: MAU tracker for FB, TWTR, WB and MOMO.

MAU In mn	FB	FB YoYΔ	FB QoQΔ	TWTR	TWTR YoYΔ	TWTR QoQΔ	WB	WB YoYΔ	WB QoQΔ	MOMO	MOMO YoYΔ	MOMO QoQΔ
Q1'14	1,276	15.0%	3.9%	255	25.0%	5.8%	143.8	34.0%	0.2%	42.7	NA	26.7%
Q2'14	1,317	14.0%	3.2%	271	24.3%	6.3%	157	36.0%	9.2%	53.3	NA	24.8%
Q3'14	1,350	13.5%	2.5%	284	22.6%	4.8%	167	29.1%	6.4%	60.2	NA	12.9%
Q4'14	1,393	13.4%	3.2%	288	19.5%	1.4%	176	22.6%	5.4%	69.3	105.6%	15.1%
Q1'15	1,441	12.9%	3.4%	302	18.4%	4.9%	198	37.7%	12.5%	78.1	82.9%	12.7%
Q2'15	1,490	13.1%	3.4%	304	12.2%	0.7%	212	35.0%	7.1%	78.4	47.1%	0.4%
Q3'15	1,545	14.4%	3.7%	307	8.1%	1.0%	222	32.9%	4.7%	73	21.3%	-6.9%
Q4'15	1,591	14.2%	3.0%	305	5.9%	-0.7%	236	34.1%	6.3%	69.8	0.7%	-4.4%
Q1'16	1,654	14.8%	4.0%	310	2.6%	1.6%	261	31.8%	10.6%	72.3	-7.4%	3.6%
Q2'16	1,712	14.9%	3.5%	313	3.0%	1.0%	282	33.0%	8.0%	74.8	-4.6%	3.5%
Q3'16	1,788	15.7%	4.4%	317	3.3%	1.3%	297	33.8%	5.3%	77.4	6.0%	3.5%
Q4'16	1,860	16.9%	4.0%	318	4.3%	0.3%	313	32.6%	5.4%	81.1	16.2%	4.8%
Q1'17	1,936	17.0%	4.1%	327	5.5%	2.8%	341	30.7%	8.9%	85.2	17.8%	5.1%
Q2'17	2,006	17.2%	3.6%	326	4.2%	-0.3%	361	28.0%	5.9%	91.3	22.1%	7.2%
Q3'17	2,072	15.9%	3.3%	330	4.1%	1.2%	376	26.6%	4.2%	94.4	22.0%	3.4%
Q4'17	2,129	14.5%	2.8%	330	3.8%	0.0%	392	25.2%	4.3%	99.1	22.2%	5.0%
Q1'18	2,196	13.4%	3.1%	336	2.8%	1.8%	411	20.5%	4.8%	103.3	21.2%	4.2%
Q2'18	2,234	11.4%	1.7%	335	2.8%	-0.3%	431	19.4%	4.9%	108	18.3%	4.5%
Q3'18	2,271	9.6%	1.7%	326	-1.2%	-2.7%	446	18.6%	3.5%	110.5	17.1%	2.3%

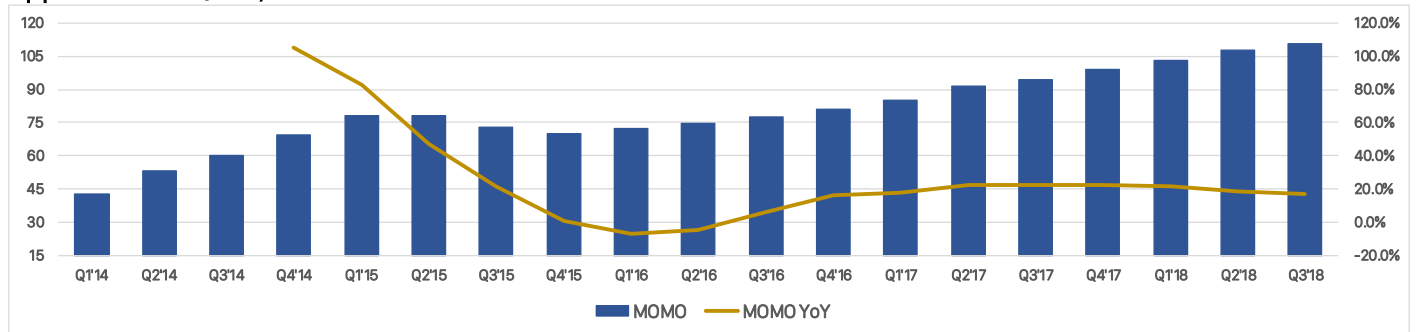
Source: Company Profile, Grandation

Appendix 6: In Q3'18, WB MAU increased 18.6% YoY to 446mn.



Source: Company Profile, Grandation

Appendix 7: In Q3'18, MOMO MAU increased 17.1% YoY to 111mn.



Source: Company Profile, Grandation



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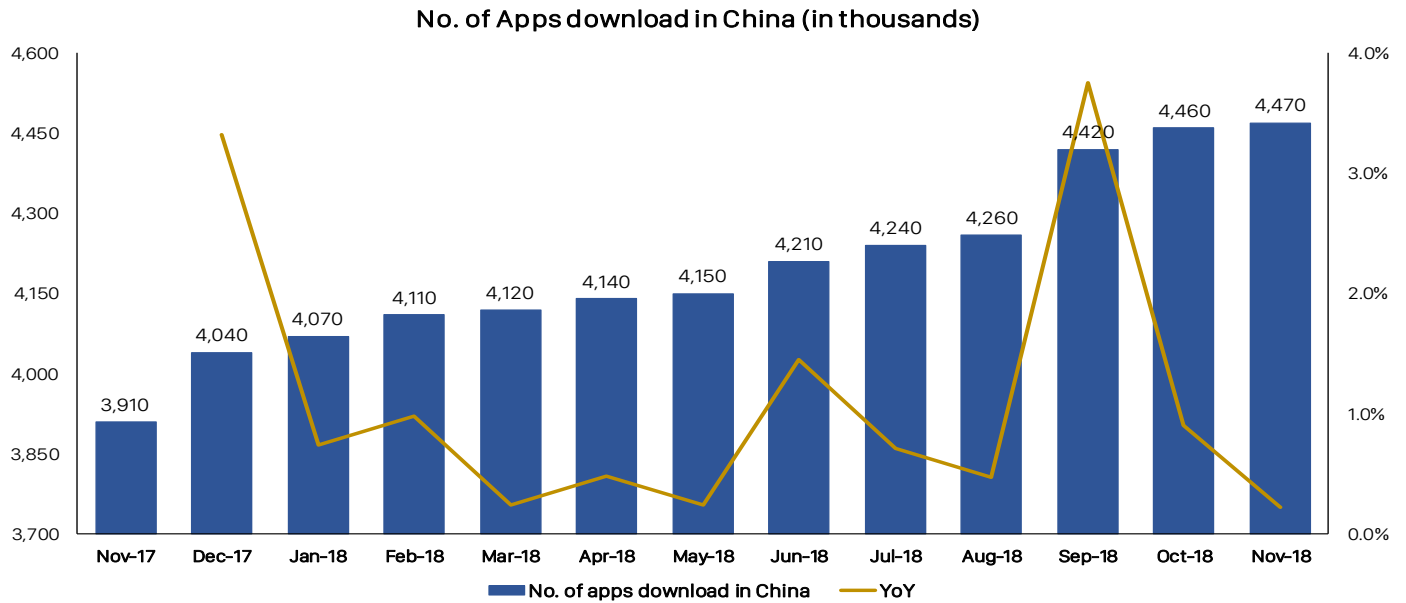


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Appendix 8: No. of app downloads in China---- China released November data on No. of app downloads on Chinese market. By the end of Nov'18, 4.47mn apps are active in smartphone system, up 14.3% YoY and up 0.2% MoM.



Source: Company Profile, Grandation



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- **STRONG BUY:** A rating, which at the time it is instituted and or reiterated, that indicates an expected return exceeding 25% over the next 12-month period.
- **BUY:** A rating, which at the time it is instituted and or reiterated, that indicates an expected return between 10% to 25% over the next 12-month period.
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