

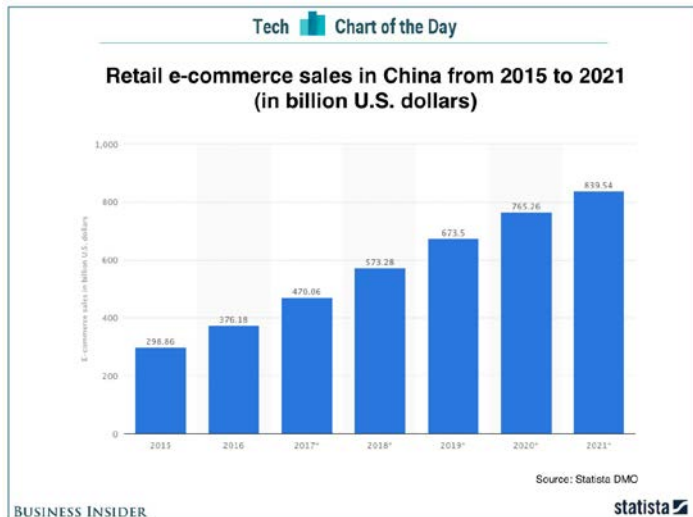
**Discover China
The World's Largest
e-Commerce Opportunity**



CDS Global Cloud

<https://www.cdsglobalcloud.com>

China is the world's most populated country with the largest economy and the world's fastest growing e-commerce market. China's e-commerce sector is now four times that seen in the US and represents an enormous untapped opportunity for foreign manufacturers and retailers. Just look at these facts:



- In 2017 e-commerce sales in China are expected to pass \$1.132 trillion – accounting for over half of the worldwide retail e-commerce sales
- Average e-commerce spending per digital buyer in 2017 is estimated to be \$1,800+
- China's e-commerce market is predicted to double by 2020

TRENDS

Greatest Growth in Rural Markets – The e-commerce growth is being driven by smaller rural cities. With the ever growing GDP, the wealth in the more rural cities is increasing. Without the physical infrastructure for high-end stores, the population relies on e-retail.

Digital Shopping Innovation – China made mobile payment a household word with WeChat & Alipay.

China's Alibaba just showcased shopping with Virtual Reality Shopping – Chinese shoppers can tour the aisles of stores in New York or Paris, select items, and pay for them - without leaving home.

Social Media Experience – 50% of Asia's e-commerce is tied directly to social media. Shop and pay while on social media platforms and then share the experience with a few thousand others.

Mobile Rules – There is no doubt that Asia and in particular, China, is ruled by the mobile digital experience. China's mobile e-commerce reached over \$280 billion in 2015.

Experience Over Cost – A recent Kantar Retail study found the Chinese consumer is now more motivated by quality, value and the shopping experience itself rather than price and

convenience. With only 6-8 seconds to retain an online customer, any e-commerce site must be designed for the Chinese user and ease of navigation.

THE TAKEAWAY

- Rapid, reliable Internet access to rural areas is crucial
- Delivery time must be fast
- Learn and adapt to the culture before entering the market
- Use social media to brand and sell your product
- Use a mobile friendly website
- Accept mobile pay
- Optimize your site for Baidu by hosting on a local server to optimize load time and ranking

SETTING UP A BUSINESS IN CHINA

Doing business in China can be challenging. Often changing laws and administrative regulations combined with ICP registration, the Great Firewall, BGPs, and Internet operation has resulted in a limited foreign market in Mainland China. Today there are more than 60 existing governmental Internet regulations implemented by the provincial branches of state-owned ISPs, companies, and organizations. Also, each province of China has its own set of rules and regulations which vary widely from each other.

ADVANTAGES OF A GLOBAL PRIVATE NETWORK

The Chinese government controls the gateways for Internet traffic between China and the rest of the world, making the Chinese Internet technically an Intranet. A handful of state-owned carriers has the monopoly on public Internet connectivity through the Firewall resulting in traffic slowdowns and packet loss due to congestion. Because of this, traffic entering China through the Firewall via public Internet is unpredictable, unreliable, and extremely expensive.

WHAT ABOUT HOSTING OUTSIDE OF MAILAND CHINA?

Hosting in locations close, but outside mainland such as Hong Kong and Tokyo is an option. But, your site will be significantly slower, and if it becomes blocked, or is taken down, you have no recourse. Also, it will have a foreign domain and be ranked lower, if at all, by Chinese search engines such as Baidu.

Web sites hosted outside of Mainland China and the Firewall often result in this:



A WEBSITE IN CHINA

First Step - ICP Registration - If you want to become an actual presence in the Chinese marketplace, you must compete on a local level which means a local website with a .cn domain. In this case, an ICP registration is the first thing you need to consider.

Governmental regulations require all websites with their own domain name operating inside China obtain approval and an Internet Content Provider (ICP) registration number (often referred to as a Beian or Bei A number which means 'registration' in Chinese) from the Ministry of Industry and Information Technology (MIIT).

The only way to obtain an ICP registration number is to go through a hosting agent that has an ICP License. Don't get confused - there is a difference between an ICP License and an ICP registration number. The ICP License pertains to the hosting entity. The ICP registration number relates to the website owner. **All sites hosted on a server in the Chinese mainland must, by law, apply for and receive an ICP registration number before their site goes live** - a rule enforced at the **hosting level where the ICP License is needed**. *The ICP registration number must be listed on the website's home page, and the ICP registration certificate must be installed.*

Please note: *If your website does not have an ICP registration number – it will be taken down.*

Again, to obtain an ICP (Internet Content Provider) registration number the application must be made through an ICP Licensed host such as CDS' affiliate. Only an ICP licensed host can represent clients in obtaining an ICP registration number. **To date, the Chinese government**

has never issued an ICP License to any foreign hosting company including Amazon, Microsoft or Google.

Choosing the correct agent is important. The application process is long and complicated – especially if you aren't fluent in Chinese. Each province has slightly different regulations, and the Internet laws in China change frequently. What was the rule today may not be the rule tomorrow, or even in the next province. If you choose CDS, we walk you through the steps and not charge you hosting fees during the process.

UNDERSTANDING THE CHINESE INTERNET

Why Border Gateway Protocol (BGP) Matters

First, you need to know that there are fundamental differences between the Internet in China and the Internet in most the world.

In most of the world, Internet traffic is routed among multiple carrier networks through an agreement between network 'peers'. In its most simplified form, this agreement provides the basis for BGP – peer networks agreeing to allow Internet traffic to travel the most efficient route regardless of who owns the network infrastructure.

Currently, there are four major providers: China Telecom, China Unicom, China Netcom and Education Net. Different than it is out of China, the networks in China are connected to each other by only ten access points. Seven of which were only added in 2015.

Without multi-line BGP, even local Internet traffic would have to go through an access point which might be thousands of miles away. Mobile users often suffer from delays and packet losses unless 5-line BGP is adopted.

CDS Global Cloud can make the process relatively stress-free.

Our Beijing parent company, Capital Online Technology, is a spin-off of a state-owned carrier, China Telecom. Capital Online Technology is the first and only publically traded company capable of providing Cloud hosting and Internet services via our dedicated private connection through the Great Firewall.

This significant advantage allows CDS Global Cloud clients access to a dedicated, Layer 2 connection – CDS' Global Private Network (GPN) between China and the world. And, as an ICP licensed host since 1998, Capital Online Technology has had years of experience helping

customers obtain ICP registration numbers. Together, we will walk you through the process step-by-step and help you get your website up in record time.

During the process, you will be required to submit your domain and server data on the application. You will have to register your domain name and secure a host (and hosting fees) before even beginning the process. Capital Online Technology and CDS Global Cloud will not only walk you through the process but waive the hosting fees until your ICP registration is approved and you receive your ICP registration number.

Combined with a DNS server at the center of China and our Global Private Network access to the billion-dollar market in China is quickly granted.

As a long established native grown company, CDS has access to the backbone networks that international giants cannot access. With our consistent, reliable and fast to deploy GPN has become the first choice of many enterprises with business in China and around the world. Today, we provide Cloud, IDC and CDN services out of our 64 locations in 32 cities nationwide.

Our main locations are listed here below.

Locations

Data center location is crucial. Power and network accessibility are the backbones of any data center.

Beijing

Location	Cloud Services					
	Colocation	Virtual Machine	Hybrid Cloud	Bare Metal	GPN	5Line BGP
Zhaowei IDC T4 National DR Center						
Shangdi T4 Haidian						
MaJuQiao T3						

Qingnianlu						
Yangqiao MajiaPu Road, South 3rd Ring						

Shanghai

Location	Cloud Services					
	Colocation	Virtual Machine	Hybrid Cloud	Bare Metal	GPN	BGP
523 Hulan Road, Baoshan District						
Pudong						





WuXi

Location	Cloud Services					
	Colocation	Virtual Machine	Hybrid Cloud	Bare Metal	GPN	BGP
International Gateway						

Wuhan

Location	Cloud Services					
	Colocation	Virtual Machine	Hybrid Cloud	Bare Metal	GPN	BGP
171 North Beihua St. Jiangxia District						

GuangZhou

Location	Cloud Services					
	Colocation	Virtual Machine	Hybrid Cloud	Bare Metal	GPN	BGP
88 Gaotang Blvd, Tianhe, GuangZhou						

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