



China Pensions Outlook

***Evolution, diversification and
convergence***

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Introduction

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China's pension system is a topic of significance to anyone with an interest in the long-term development of the world's second largest economy. At the core of the issue is a simple question: can China create the necessary financial infrastructure to look after its rapidly ageing population?

As highlighted in last year's Pensions Report by KPMG China, Chinese people are living longer and healthier lives than ever before. With an average life expectancy at birth of 76, compared to just 43 years in 1960, it is one of the most tangible benefits to come from decades of economic development¹. But on the flipside, it is a development that is putting increasing strain on China's pension system.

This demographic change means that China is becoming an increasingly grey society. The country currently has 222 million people aged 60 or above, a number that is expected to grow to 300 million by 2025². The financial demands to ensure that older members of society can retire in comfort will be immense.

In its current state, China's pension system needs to further develop in order to deliver. The country operates a three-pillar system that is still heavily focused on the first pillar – i.e. the government-run scheme that consists of the Public Pension Fund (PPF) and the National Council for Social Security Fund (NCSSF). The second pillar – enterprise and occupational annuities – is much less developed, while the third pillar – private pensions for individuals – is still in its infancy.

¹ World Bank data

² China National Bureau of Statistics

The problem is that the country’s stock of pension assets is still relatively small – accounting for just 14 percent of 2015 gross domestic product, compared with 121 percent in the US³. Furthermore, the assets it does have tend to bring in low returns. The single largest pool of pension money is held by the PPF, which generated a relatively small 2.5 percent average annual rate of return in the period from 2012 to 2016.

Without the introduction of significant reforms, there will likely be a significant funding gap that will have to be plugged by the government. The funding requirements for the PPF are going to surge over the coming years – to an estimated CNY7.28 trillion by 2025, from CNY3.97 trillion in 2015⁴.

More money has to go into the system, and each of the three pillars has to provide a greater return on assets. The good news is that the pension system is currently undergoing substantial change as regulatory developments gather pace, with both 2015 and 2016 proving to be extremely eventful years.

One of the biggest developments was the decision to allow China’s provinces to mandate the NCSSF to manage their pension funds, the extension of a 2012 pilot where Guangdong became the first province to hand over money to the fund to manage. This is significant because NCSSF is the part of the system that typically generates the highest returns, at an annualised rate of 7.1 percent in the 2012-2016 period.

The gradual liberalisation of the pension industry creates considerable opportunities for a wide range of companies. In

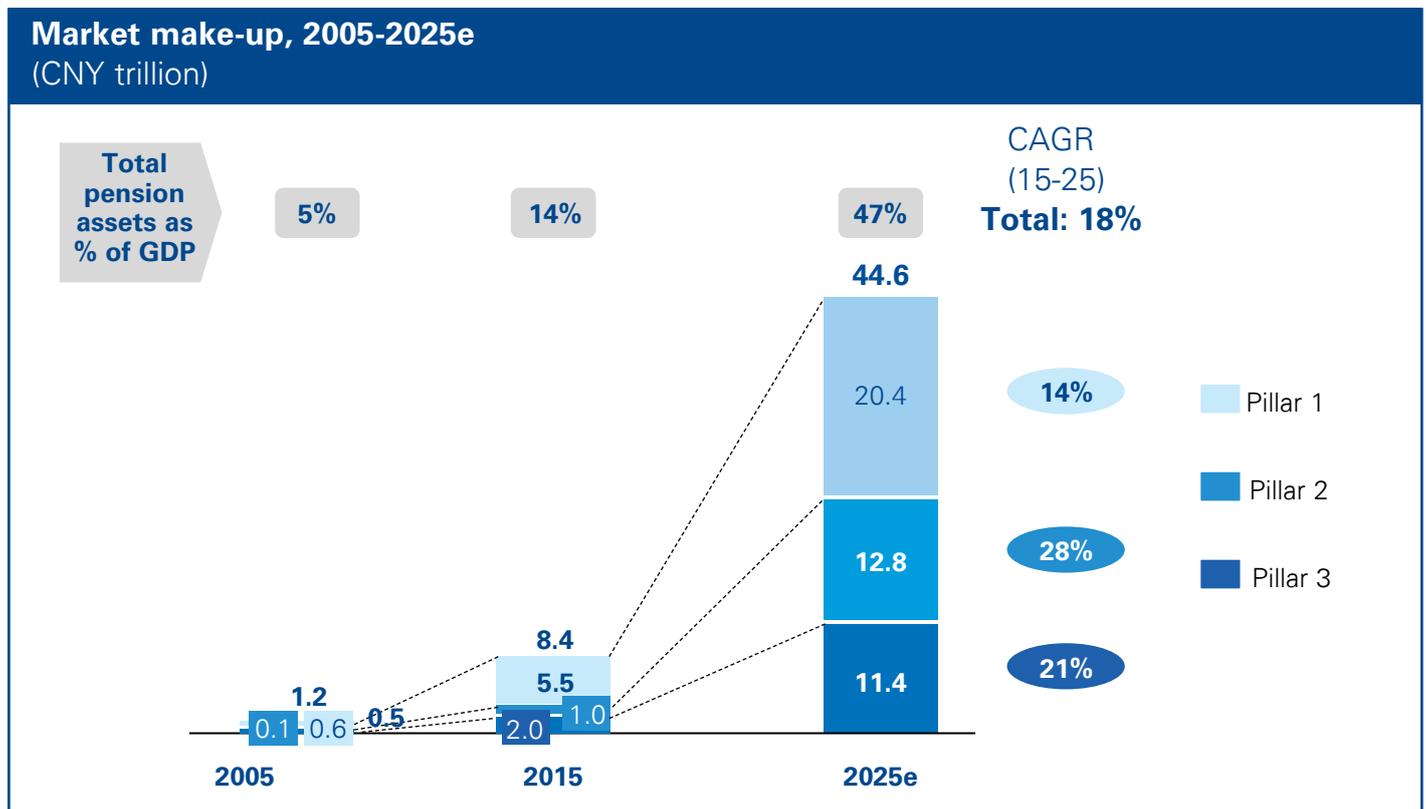
particular, asset managers are now able to pitch for external allocations from the state-run pension funds. The enterprise annuity market is adopting a hybrid system where both employers and employees contribute, while this area is also opening up to foreign companies.

In addition, China’s pension assets are growing at a considerable pace. In the period from 2005 to 2016, the country’s stock of pension fund shot up from CNY1.2 trillion to CNY8.4 trillion, and we expect more growth to come. KPMG forecasts a compound annual growth rate of 18 percent in the years up to 2025, resulting in total pension assets amounting to CNY44.6 trillion. The fastest growth will be seen in the second and third pillars, which are forecast to grow to CNY12.8 trillion and CNY11.4 trillion, respectively.

Substantial regulatory progress and brisk asset growth combine to make China the world’s most dynamic pension market. It should be on the radar of all financial companies as it is the only country that can offer both large scale and growth potential.

Following on from a similar report by KPMG China last year, in this white paper, we describe the major trends that are guiding China’s journey towards having a modern, fully-developed pension system. By highlighting the latest developments, we believe that it will be easier for businesses to navigate this complex market and find the opportunities that best fit their individual strengths.

As will become clear, the rise of China’s pension system is more than just a financial story, as there are opportunities for healthcare, technology and real estate companies to participate.



Source: MoHRSS; CIRC; NCSSF; KPMG Analysis

³ China National Bureau of Statistics; OECD; International Monetary Fund (IMF); Willis Tower Watson; KPMG analysis

⁴ China State Council; China Ministry of Human Resources and Social Security (MoHRSS); KPMG analysis



Recent developments

The First Pillar – A clear trend towards centralisation

The most noteworthy developments made over the last year were evident in the first pillar – the largest, most monolithic part of the pension system. Momentum was added to the agenda by the arrival of a new chairman for the NCSSF – Lou Jiwei, an experienced reformer who has previously successfully realised plans to centralise both the national budget and tax systems. The former finance minister and head of China’s sovereign wealth fund is now the gatekeeper of the country’s pension assets.

Although the NCSSF is the smaller arm of the state-run first pillar, it stands out for its high returns compared to the PPF, which is largely due to its ability to invest in a wider range of assets, and assign mandates to external managers. It is centrally managed, and therefore operates differently to the PPF which is run at the provincial level.

The special features of the NCSSF are worth highlighting because they point to the trends that will dominate China’s plans to design an efficient pension system – most notably, centralisation and a move towards asset diversification.

In 2016, a new regulatory framework was introduced for the first pillar, which made the centralisation of pension asset management possible. Over the last 12 months, we have seen a raft of supplementary measures to encourage the centralisation of provincial pensions, the greater use of third-party professional managers, and investment in a broader range of assets.

With these measures in place, it is now possible to forecast the future direction of reform in the first pillar.

- Over the next two to three years, we expect that more PPF money will be managed by the NCSSF, as provinces with surpluses will assign money to the national fund.
- Once this is completed, the next task will be to build a technology-enabled, nationwide pension system, with accounts for every individual. It will include an account administration function. The result will be that people will be able to contribute to, and withdraw money from their pension account in a way that will not be affected by their place of official residence or where they work.
- As more people move from the countryside into the cities, there will be greater inequality between provinces in terms of pension assets. The result is that provinces will reach their pension liability date earlier than originally forecast, which will make them more reliant on subsidies from the central government to meet their expenses.
- An earlier plan to fully fund individual pension accounts will likely be aborted, though we do not expect there to be an official announcement.
- The NCSSF will not receive a large lump sum to bridge the pension gap. It will continue to receive an annual injection, which is 10 percent of the proceeds from the IPO of state-owned enterprises and the proceeds of the national lottery.
- All of this means that the NCSSF will play a larger role in the overall management of assets held in the first pillar of the system. Its cash flow is more predictable, which allows it to pursue a more consistent investment policy. This is a clear positive for both onshore and offshore external asset management companies, as the fund traditionally prefers to rely on professional managers. More licenses and mandates are likely to come in the near future to help manage its growing scale.

The Second Pillar – A disappointing year with slow growth

Of the three pillars that make up the pension system, the second has made the least progress over the last year. In 2016, the year-on-year growth rate of enterprise annuities was the lowest in five years and only around half the annualised growth rate for the last ten years – although it is worth mentioning that annuities crossed the landmark CNY1 trillion mark for the first time⁵.

The main reason for this is that small and medium-sized companies have been suffering from higher costs, which leads to a reluctance to increase expenditure on human resources. Furthermore, a long-awaited occupation annuities plan has yet to be funded; and even once that happens it will need to be extended from wealthier provinces nationwide and then supplemented with more tax benefits, a better administrative platform and better investment choices, which will all take considerable time. In addition, the number of enterprise annuity licenses – covering areas such as trustees, custodians, administrators and investment managers – handed out over the last year has been much lower than expected.

The optimal size for the second pillar is for it to match the first pillar in assets. Growth in this pillar will pick up when funding for the occupational annuities programmes begins, while a stimulus to enterprise annuities would also help.

The Third Pillar – Still in its infancy

There is a lot of scope for the development of the third pillar of China's pension system. That said, pension insurance is a particularly dynamic market, consisting of policies that pay out when someone reaches retirement age, with an estimated total size of CNY2.5 trillion, providing an annual income of CNY400 billion⁶.

China's regulators have been considering introducing tax benefits to the third pillar for quite some time. It is possible that the new programme will be insurance led, and the pilot scheme will be tested in four cities in the very near future. The result will be an immediate short-term boost to pillar three assets, and if the pilot is successful, it will gradually mature into more consistent and institutionalised growth a couple of years down the line. Once an insurance-centric programme is rolled out, we expect to see a similar scheme introduced for the fund management industry.

⁵ China Ministry of Human Resources and Social Security (MoHRSS)

⁶ Company reports (Chinese Pension insurers); Analyst reports; China Insurance Regulatory Commission (CIRC); KPMG analysis

Recent pension developments

Date	News	Theme
01-Apr-16	Revised governance rules for NCSSF, paves the way to manage PPF money	PPF centralisation
28-Nov-16	Regulator issues pension fund management rules (No equity futures, minimum capital and net asset requirements)	Investment liberalisation
09-Dec-16	21 asset managers chosen to manage PPF money	Investment liberalisation
09-Jan-17	PICC Pension given licence	Development of Pillar 2
28-Apr-17	Seven provincial-level regions have transferred to the NCSSF for centralised investment.	PPF centralisation
02-Jun-17	National pension fund to invest in new Silk Road projects	Asset liberalisation
16-Jun-17	National Social Security Fund posts lowest returns in 5 years	Asset liberalisation
20-Jun-17	Rules to be loosened to encourage insurers' investments in commodity futures	Asset liberalisation
23-Jun-17	State Council okays speeding up pilot tax deferred pension plan	Individual Retirement Accounts
28-Jun-17	Government to promote elderly endowment insurance	Individual Retirement Accounts

Source: Media reports; KPMG Analysis





Key trends to watch

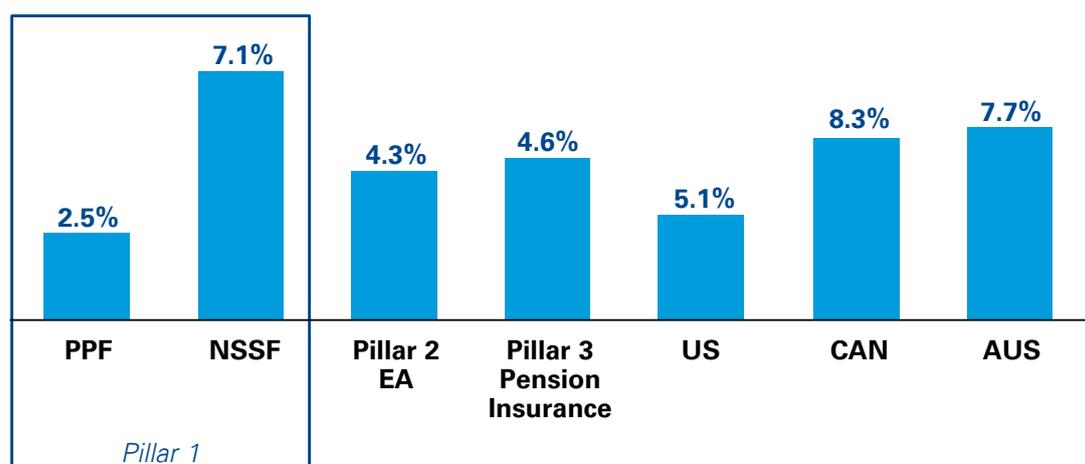
1. The growing sophistication of asset allocation

One of the main challenges facing China's pension system is the low rate of returns generated on its assets. The single largest portion of money is held by the PPF, which only generated an average return of 2.5 percent in the 2011 to 2016 period. Since the average inflation rate over the same period was 2.7 percent, the fund is actually losing spending power over time.

The NCSSF fares better – with an average return of 7.1 percent over the same five-year period, it compares favourably with developed markets like the US. But these returns can still be considered disappointing since China remains one of the world's fastest growing economies, and the rate of return is not enough to make a significant impact on the pension deficit.

The sluggish performance of Chinese pension assets could be largely attributed to investment restrictions that direct money towards low-risk, low-return assets, as well as

Average 2011-2016 annualised rate of returns on pension assets



Note: Returns based on nominal values

Source: MoHRSS; CIRC; NCSF; OECD; KPMG Analysis

allocation caps on certain asset classes. In 2014, most of the total assets held in the first pillar were not invested into securities, with 66 percent kept in cash or deposits.

The biggest restrictions apply to the PPF, which is only allowed to invest in Chinese government bonds and cash. Conservative asset management is not unique to the first pillar, as the second pillar also tends to use risk-averse strategies.

Since low returns only contribute to the pension gap, the government is opening up the range of assets that pension money can be invested in, and easing asset restrictions. There are expectations, for example, that the first pillar will be allowed to allocate money into alternative assets, thus enhancing returns.

Alternative assets – such as real estate and private equity – are attractive to pension funds for a variety of reasons. Not only do they have the potential for better returns, they also allow for diversification and access to longer duration investments.

This liberalisation is a gradual process that is playing out over several years. The strategy is to find a balance between absolute returns and relative returns over a long-term horizon, rather than focusing on maximising short-term returns that are volatile to market fluctuations.

The recent performance of the NCSF shows the importance of reducing volatile returns. In 2016, the fund returned just 1.7 percent, compared to a much more substantial 15.2 percent in the previous year. In a recent speech, NCSF Chairman Lou Jiwei attributed the underwhelming performance to a lacklustre domestic stock market. He went on to outline the five priority areas for the coming year, which provides asset managers with clear

guidance on how to position for mandates going forward.

The five NCSF strategies for 2017 are:

- 1) Fund of funds
- 2) High dividend domestic stocks
- 3) Global bond investments
- 4) Overseas private equity
- 5) Expanding in-house capabilities

Changes to asset allocation strategy at the NCSF should be followed very closely by international asset management companies. Only 6.7 percent of the fund's assets, out of a possible 20 percent, are invested overseas.

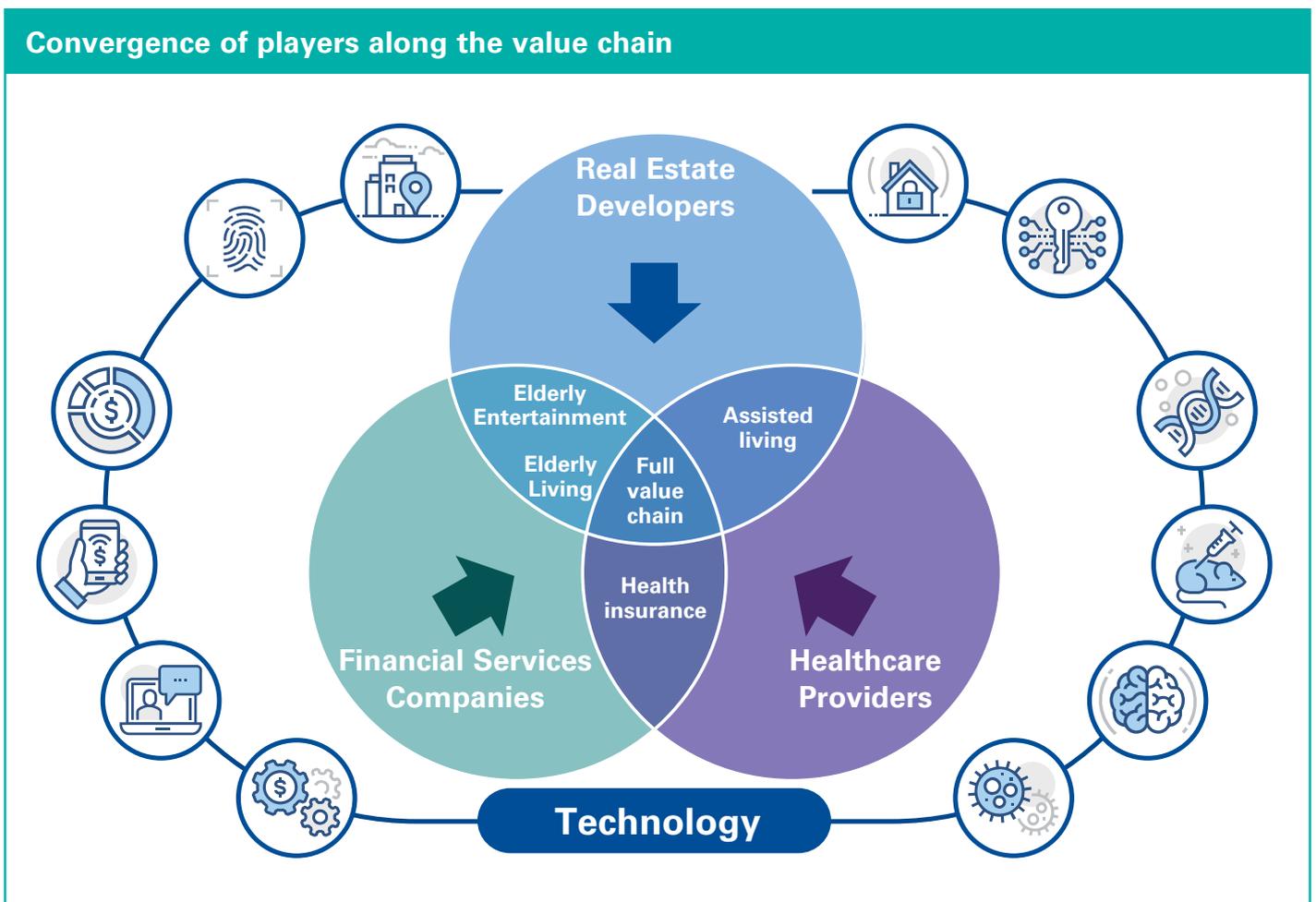
It is unlikely that the NCSF will maximise its offshore exposure anytime soon, but there is reason to believe that there could be a shake-up of existing managers, creating opportunities for new mandates. Asset managers with strong capabilities and a good track record should therefore be ready to pitch to the NCSF if an opportunity arises.

2. Convergence along the pension value chain

There are two sides to the pension story. On the one side, there is a financial angle – ensuring that retirees have enough money to live comfortably during their old age. The other side relates to how the pension is spent, since there are a wide range of services relating to elderly care – including care homes, medical treatment, and tourism for older people. All this means that companies from an equally diverse range of industries can find opportunities in the demand for pension-related services.

In a developed market, businesses providing services to the old tend to be highly specialised, focusing on one particular area – such as operating care homes or managing pension funds. But in China, the industries related to pensions and elderly care are being developed from scratch, creating opportunities for large companies to quickly move into multiple areas, which each might be considered a niche area for specialists in a developed market.

In effect, we are seeing a convergence of players from different industries around the value chain. An insurer might invest in care homes, while a real estate developer might partner with a hospital or even acquire an insurer. What all these companies have in common is a readily available long-duration revenue stream that allows them to expand quickly. In addition, they can also leverage a large pre-existing consumer base by offering them access to their long value chain.



Source: KPMG Analysis

Financial services

The financial services industry is at the core of the pension industry, providing saving and investment services that pay out at retirement. Due to the relatively small nature of China's pension industry, it makes sense for financial companies to spread out across different services to achieve economies of scale. By operating across the entire value chain, financial companies can offer integrated services to meet the diverse needs of an elderly client – including investment, housing and healthcare.

The growth in the senior housing market in particular presents opportunities for both insurers and asset managers – taking advantage of their role as the providers of capital, while at the same time allowing these companies to provide a holistic care experience alongside the sale and management of pension assets. Property is a particularly attractive investment for insurers, as long-term assets are

rare in China, while a low-interest environment and the Solvency II Directive further adds to its appeal.

The investment cycle of care homes is particularly favourable for a life insurance company, which is looking for projects that can absorb large amounts of capital at the outset, and realise steady capital inflow towards the middle and later stages – ideally, generating strong returns for a relatively low risk profile. Several leading insurance groups have made substantial investments in this space.

Asset managers have also been active, as trust companies, private equity funds and asset management arms of enterprise groups are all providing capital to care home providers. As the long-term market potential from the ageing population becomes more apparent, and industry policies come into effect, this investment theme will likely become even more popular.

Selected insurance investments in real estate

Player	Details
Taikang Pension	<ul style="list-style-type: none"> • 3 projects in operation (Beijing, Shanghai and Guangzhou), with total investment CNY 11.6 billion • 5 projects in construction, and planning to construct 8 more • Offers 24 hours housekeeping services • Offers cultural services (e.g. interest class, club house and social service, etc.) • Offers medical services (e.g. hospital for rehabilitation, medical centres, nursing, etc.) • Offers vacation-like services
Union Life	<ul style="list-style-type: none"> • 2 projects in operation (Wuhan and Beijing), 3 projects in construction (Nanning, Shenyang and Hefei) • Total investment roughly CNY 20 billion • Offers housekeeping, health management and nursing services • Offers rehabilitation facilities and services • Offers cultural services (e.g. interest class, club house, etc.)
Ping An	<ul style="list-style-type: none"> • 2 projects in operation (Wuhan and Beijing), 3 projects in construction (Nanning, Shenyang and Hefei) • Total investment roughly CNY 17 billion • Offers housekeeping, health management and nursing services • Offers rehabilitation facilities and services • Offers cultural services (e.g. interest class, club house, etc.)
Taiping Pension	<ul style="list-style-type: none"> • 1 project in construction (Shanghai), with total investment roughly CNY 4 billion • Offers pension financing services • Offers health management services
NCL	<ul style="list-style-type: none"> • 2 projects in construction (Beijing and Yanqing) • Established health management centres in Xian and Wuhan • Offers medical and healthcare services

Source: Company websites; Media reports; KPMG Analysis

Real estate

Out of China's ten top real estate companies by revenue⁷, six have established or have announced projects related to homes for the elderly. This is a strategy that takes advantage of their experience in land acquisition and construction.

In order to offer a full range of services to people living in their retirement homes, developers will have to partner with external parties. Providers of medical services are a common partner, while collaboration with companies involved in cultural and entertainment activities is also likely, as retirees need to be kept busy.

Medical groups

The medical industry is the other sector that has the potential to have a presence across several links along the pension value chain. Healthcare groups are looking to team up with groups with access to capital and property on a national scale. Out of the existing partnerships with real estate and financial service companies, insurance companies have been particularly active as it fits into a broader strategy to move towards downstream healthcare provision. This helps to improve service as well as manage costs for the core health insurance business, while ensuring that they are also further developed in terms of providing senior care.

Real estate investment in senior living

Player	Project Name	Details
Evergrande	Yangshenggu	<ul style="list-style-type: none"> 4 projects with 1 in operation already, located in Sanya, Changsha and Xian Equipped with healthcare centre, hospital, exercise centres, etc.
Vanke	Suiyuanjiashu (Dignified Life)	<ul style="list-style-type: none"> Located in Liangzhu Culture Village in Hangzhou 1 in operation, 1 in construction High-end elderly community With hospital, school, commercial centre and entertainment facility
Greenland		<ul style="list-style-type: none"> 1 project in negotiation stage, planning to locate in Foshan
Poly	Hexihui	<ul style="list-style-type: none"> 7 projects in different cities, planning to build 50 pension organisations in 10 years Located in Beijing, Shanghai, Hefei, Chengdu, etc. 4 in operation and 3 in construction Equipped with rehabilitation centre, restaurants, entertainment facilities and medical centre
Greentown	Wuzhenya	<ul style="list-style-type: none"> 1 project located in Wuzhen Equipped with hotels, commercial centre, medical centres and school, etc.
Taiyangcheng	Taiyangcheng	<ul style="list-style-type: none"> 1 project located in Xiaotangshan in Beijing Equipped with hospital, shopping centre, hotel and other facilities Provides healthcare and nutrition advisory services

Sources: Company websites; Media reports; KPMG Analysis

3. The emergence of pension-tech

Pension-Tech is an offshoot of the rapidly developing Fintech industry, which is characterised by the application of new technologies to the pension industry. Although

China dominates the Asian Fintech space with some of the world's most sophisticated mobile payments systems and highly developed wealth management solutions, the impact of technology on pensions remains relatively minor. However, we believe that there is great potential in this area.

⁷ Source: Company websites; Media reports; KPMG analysis

China leapfrogging the West in various industries

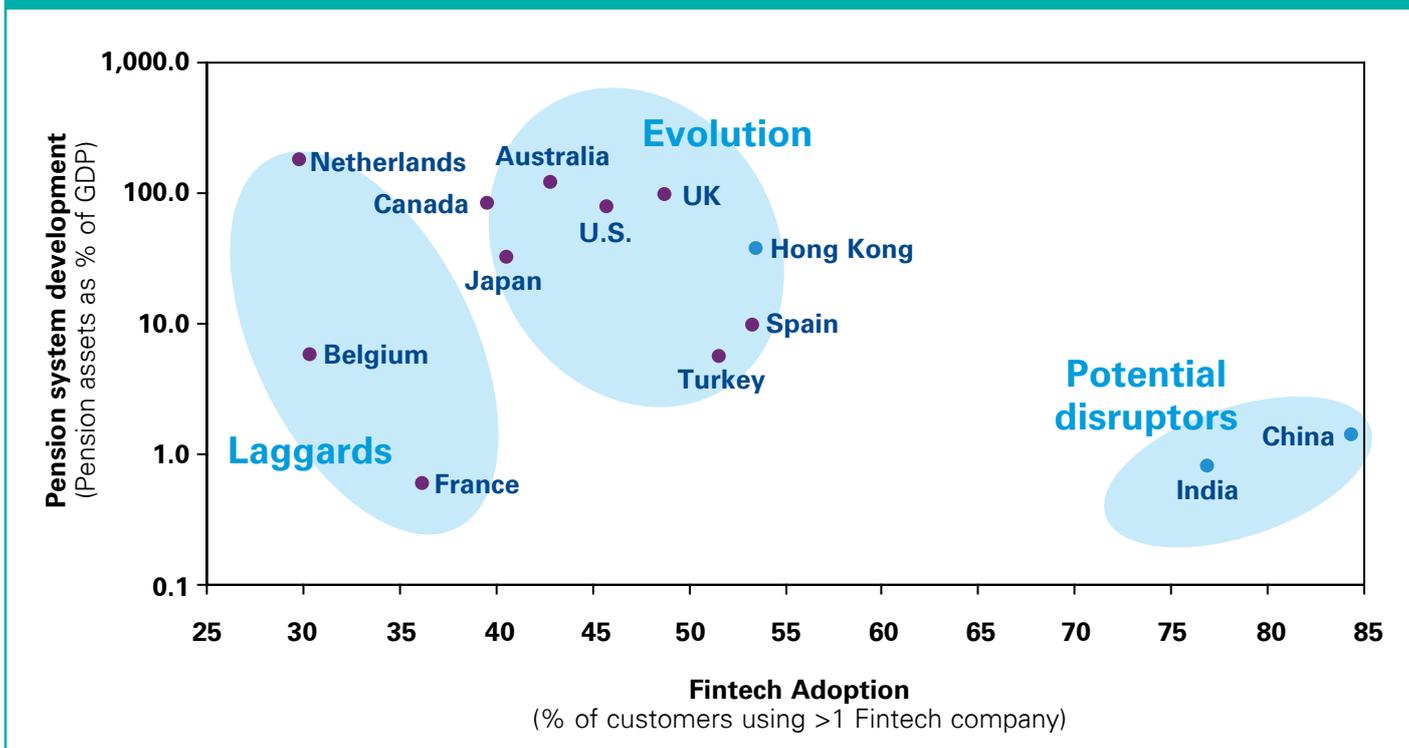
New concepts	Indicator	China	West ^(a)	Multiplier	"Leapfrogging" origin markets
 Mobile Payments	Mean average of annual transaction volume per capita 2016	\$4,000	\$500	8X	Mobile payments platforms have enjoyed explosive growth in China, with transaction values tripling from 2015 to 2016; consumers prefer streamlined mobile payments utilising QR codes over cards, cash or Apple Pay.
 Car sharing	Number of Didi (CN)/ Uber(US) drivers per 1,000 people 2016	9.4	1.0	9X	Chinese car sharing players Didi started car sharing app services only in 2012 and became the biggest global car sharing platform within 3 years. Between Oct 2014 and Feb 2015, Didi's users multiplied five-fold.
 Bike sharing	Number of bikes for sharing (Shanghai vs. London) per 1,000 people 2016	18.0 ^(b)	1.5 ^(b)	12X	Noticeable change in attitudes to urban cycling within months. China's bike-sharing boom has echoed the earlier emergence of car ride-sharing apps, growing to several million bikes in over 50 cities in under twelve months.

Notes: (a) Western comparison is based on US and UK. Mobile payments and car sharing is based on US data.

(b) Bike sharing represents London and Shanghai data

Source: FT; iResearch; Euromonitor; Ocn; Big data research; Fung Business Intelligence; Statista; Uber; Media press; NACTO; iResearch; Forrester Research; Reuters

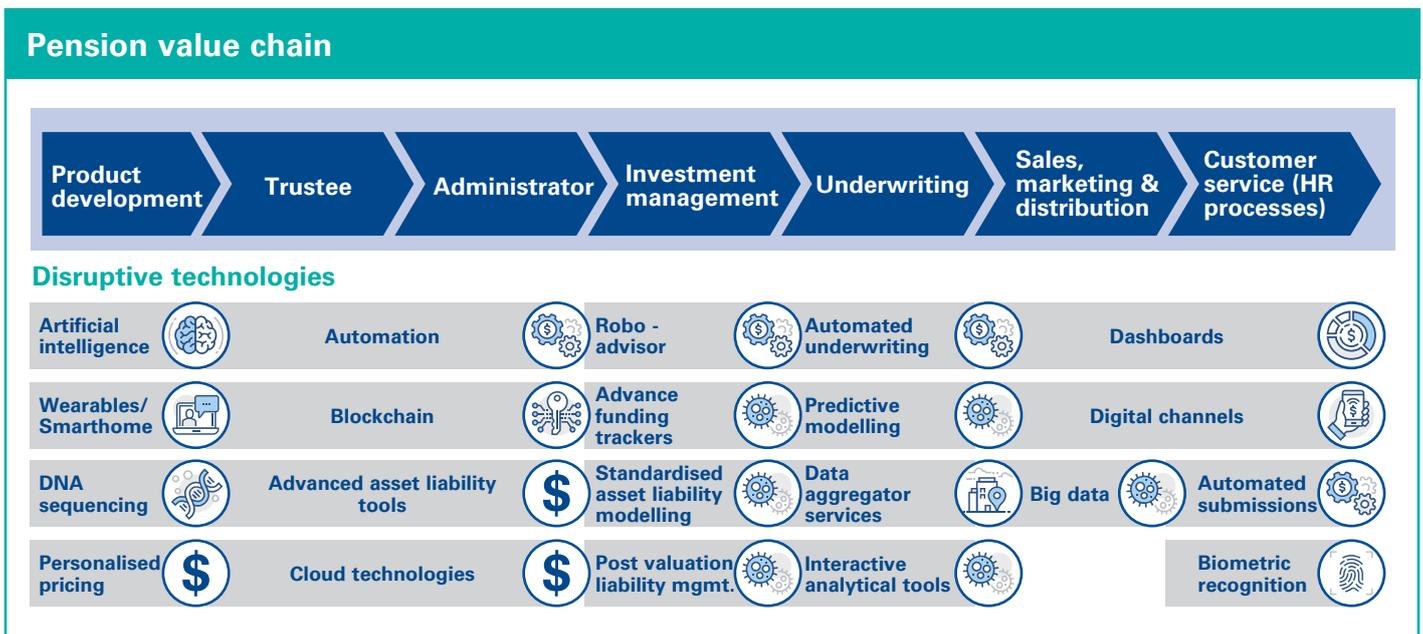
Pension-tech development potential



Source: OECD; Capgemini World Fintech Report; KPMG Analysis

One of the main reasons why we feel optimistic that technology will have a substantial impact on the pension value chain is that there is clearly a need for disruption. The pension industry’s infrastructure is highly outdated, as its systems have seen little investment over the last 20 years, and therefore relies heavily on a fragmented bureaucracy for its day-to-day administration. The problem is especially acute for enterprise annuities.

China’s Fintech community is already well-established, which means the skills are there to address the pension industry’s concerns. In addition, both Chinese consumers and businesses have already demonstrated a willingness to adopt new technologies in other parts of the financial sector.



Source: KPMG Analysis

The development is likely to start in the third pillar, because companies that offer pension insurance are already using Fintech solutions in other businesses. The main insurers in China are already using big data to analyse consumer behaviour, while Robo-Advice is an increasingly popular tool for managing investments. Selling via mobile platforms – such as WeChat and Alibaba – is also very common and is already being applied for sales of pension insurance.

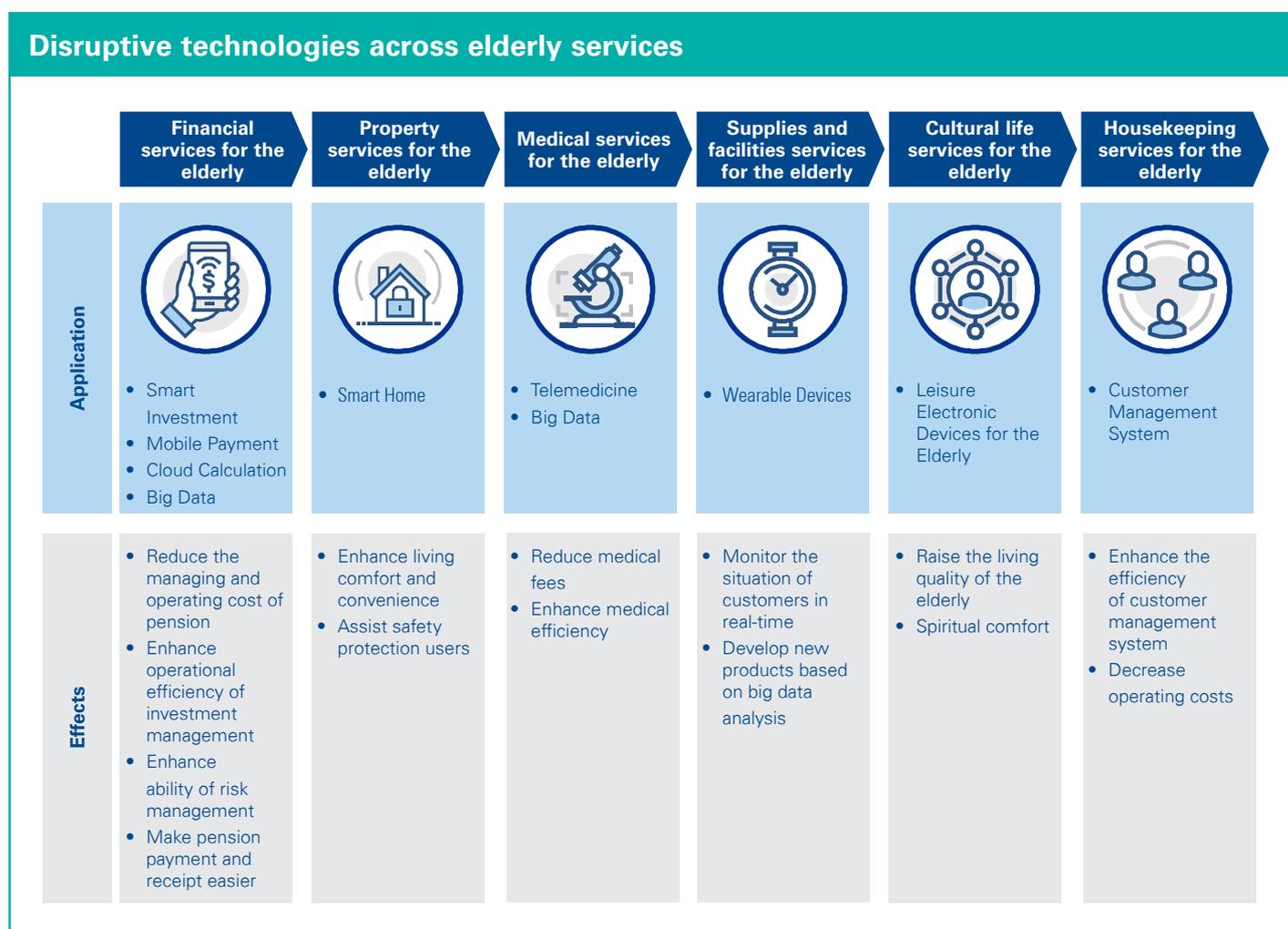
Local governments in a number of provinces have introduced terminals and mobile apps that use biometric recognition – namely facial recognition technology – for pension collection. A successful app pilot scheme in Shenzhen will likely lead to the further development of digital solutions in other areas of the pension industry. China’s three largest internet companies – Baidu, Alibaba and Tencent – are making forays into this space, which could signal future development from the private sector.

Ping An Insurance has rolled out a number of Fintech solutions across its multiple business lines. Its ‘Good Doctor’ platform for example, provides better access to healthcare, and at the same time collects valuable data and cross-sells insurance products. The company is also investing in artificial intelligence and is already using Robo-Advisor technology.

Pension dashboards are the most visible face of Pension-Tech. Such tools give their customers clarity over their pension pots across multiple government, employee and personal pensions. The collaboration between the Association of British Insurers (ABI), the UK government and industry associations is the most high profile example, but in other markets there are a plethora of start-up examples offering these and ancillary services. Although limited action has been taken to date in China, it is something that is gaining interest among big insurers.

Pension-Tech also expands on the idea of industry convergence, especially in relation to elderly services – an area that encapsulates real estate, medical care and housekeeping. Smart homes will create a safer and more convenient living environment for old people, while wearable devices will generate data that can be used to tailor services to individual needs.

Personalised service, lower costs, and the intelligent use of data are all promised by Pension-Tech solutions. In China, we can already see the adoption of technology in a number of services for the elderly, which makes us optimistic about the prospects of Pension-Tech in the coming years.



Source: KPMG Analysis



Building a strategy to win

Keeping a watchful eye on the key aforementioned trends will be important for businesses looking to seize opportunities in China's pension market. To win in this space, companies need clear business models that are flexible enough to meet new demands as unexpected developments arise.

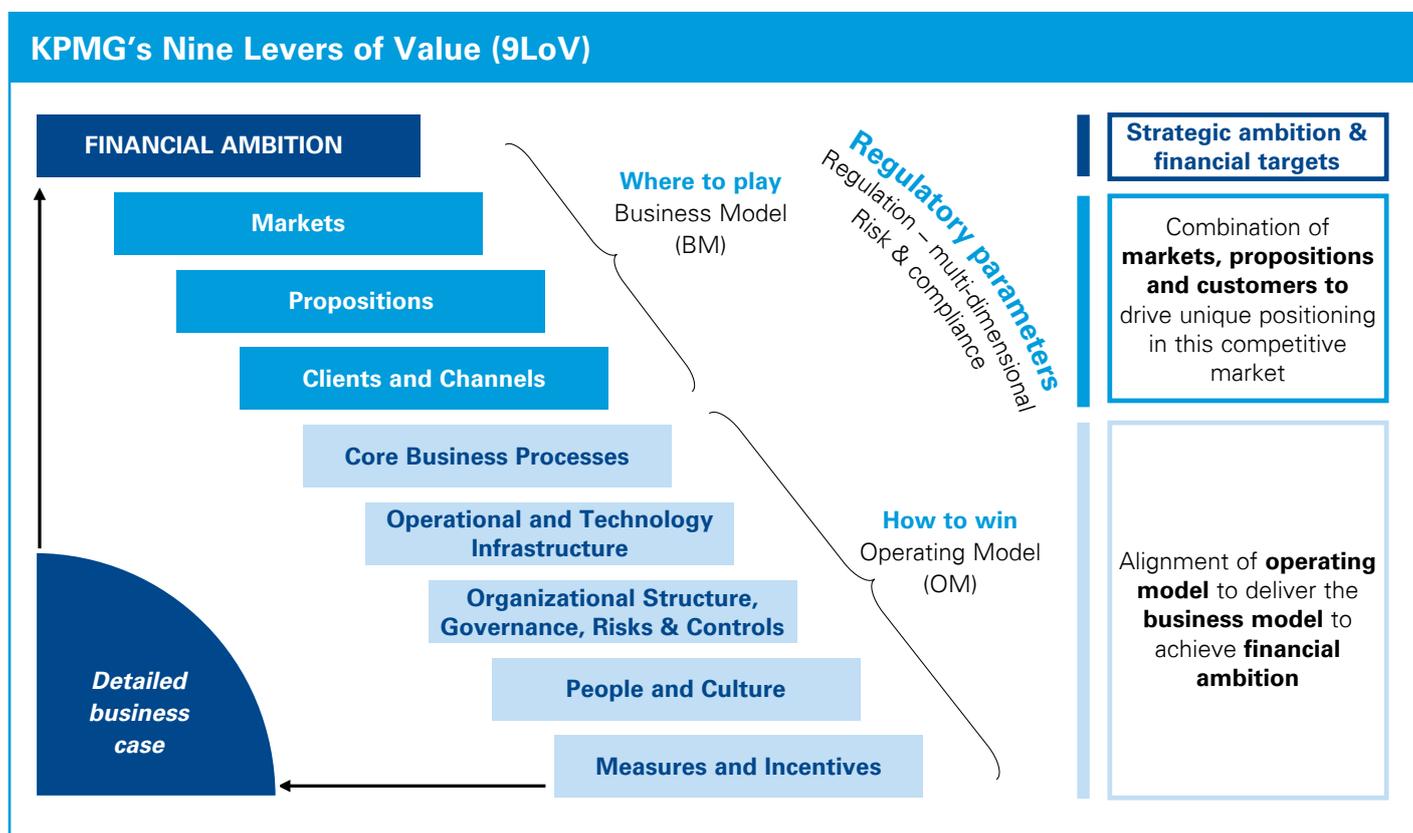
We recommend an integrated approach to strategy development to ensure that the business is completely aligned with its objectives. KPMG uses a framework called "The Nine Levers of Value", which starts with a company's financial ambitions and covers key elements of its business and operating models. When applied to pensions, this means being very clear about which pillar/s of the system to focus on, and for a company to understand how to maximise its core advantages to stay ahead of the competition.

Based on our experience of implementing the framework in the pensions industry, the model can be used to avoid some key pitfalls:

- Enthusiasm for the benefits of senior living has led to some elderly care facilities with business models that are at best not adapted to Chinese customers, or at worst imported wholesale from Western markets. This lack of localised customer insights and failure to adapt to the needs of the client can be seen, with some facilities having occupancy rates at around 20 percent.
- We believe that underinvestment in people and technology leads to poor performance for many players. From an IT perspective, many leading companies rely on a number of legacy systems that have been stitched together, which has a negative impact on efficiency. From a people perspective, attracting talent – particularly in investment management – can be extremely difficult and a limiting factor on a firm’s financial ambition.

- Collaboration and partnerships need to be carefully considered and analysed. The framework can be helpful with planning the partnerships that are common in the industry. As part of the convergence theme mentioned previously, foreign players need to carefully consider their partners and the value proposition they will bring to help create a fruitful collaboration.
- Fintech can lead to wasteful investment without a clear business plan and understanding of the ultimate impact on an organisation’s operating model.

However, for companies that do make the right preparations, we believe there are plenty of opportunities to win in China’s rapidly developing pension’s market.



Source: KPMG Analysis



About KPMG

KPMG China operates in 16 cities across China, with around 10,000 partners and staff in Beijing, Beijing Zhongguancun, Chengdu, Chongqing, Foshan, Fuzhou, Guangzhou, Hangzhou, Nanjing, Qingdao, Shanghai, Shenyang, Shenzhen, Tianjin, Xiamen, Hong Kong SAR and Macau SAR. With a single management structure across all these offices, KPMG China can deploy experienced professionals efficiently, wherever our client is located.

KPMG International is a global network of professional services firms providing Audit, Tax and Advisory services. We operate in 152 countries and have 189,000 people working in member firms around the world. The independent member firms of the KPMG network are affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. Each KPMG firm is a legally distinct and separate entity and describes itself as such.

In 1992, KPMG became the first international accounting network to be granted a joint venture licence in mainland China. KPMG China was also the first among the Big Four in mainland China to convert from a joint venture to a special general partnership, as of 1 August 2012. Additionally, the Hong Kong office can trace its origins to 1945. This early commitment to the China market, together with an unwavering focus on quality, has been the foundation for accumulated industry experience, and is reflected in the Chinese member firm’s appointment by some of China’s most prestigious companies.

Acknowledgments

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