

about advancing bilateral trade relations and investment prospects between the two nations. Over the past year, a delegation of 15 prominent Pakistani IT firms, headed by IT Minister Dr. Umar Saif, journeyed to Saudi Arabia and finalized agreements aimed at fostering digital transformation, spurring innovation, and enhancing digital infrastructure.

The accords inked by both nations will bolster the landscape for small and medium-sized enterprises (SMEs) and startups, fostering an environment conducive to business transfer and the sharing of information regarding accelerators and incubators. Furthermore, Saudi Arabia and Pakistan have resolved to institute a dedicated task force aimed at fostering digital collaboration between the two nations.

Pakistan maintains a robust economic and trade partnership with Saudi Arabia. With over 2.7 million Pakistani expatriates residing in the kingdom, it stands as the primary source of remittances for Pakistan. Additionally, Saudi Arabia has consistently supported Pakistan during its economic challenges and serves as a vital strategic ally in South Asia. **C⁺**

ALIBABA INVESTS \$1 BILLION IN MOONSHOT AI FOR LLM DEVELOPMENT

Moonshot AI, a Chinese AI startup, has secured an astonishing amount exceeding \$1 billion in its Series B funding round aimed at advancing Large Language Models (LLMs). This substantial investment, spearheaded by e-commerce giant Alibaba and venture capital firm HongShan, elevates Moonshot AI's valuation to an impressive \$2.5 billion. HongShan, China's equivalent of the renowned US VC firm Sequoia Capital, partnered with Alibaba in leading this funding initiative.

The Series B round marks a pivotal moment for Moonshot AI as it vies to propel LLM technology forward. With a dedicated emphasis on developing LLMs capable of handling vast textual inputs with refined context and responsiveness, Moonshot AI introduced its first chatbot, named Kimi, in October.

Led by e-commerce giant Alibaba and VC firm HongShan, previously the Chinese arm of Sequoia Capital, the recent Series B funding round saw significant

involvement from notable Chinese entities such as Meituan and Xiaohongshu. This infusion of capital represents the largest single investment in a Chinese AI startup to date, underscoring the increasing interest in the sector, particularly following the remarkable rise of OpenAI, the developer of ChatGPT.

Moonshot AI, recognized as YueZhiAnMian in China, tackles the complex hurdles associated with long-form context and response within large language models (LLMs). Demonstrating its expertise, the company revealed a 100 billion-parameter LLM and introduced Kimi, an advanced chatbot adept at managing conversations containing up to 200,000 Chinese characters.

Founded in April 2023 by Yang Zhilin, a 31-year-old AI expert holding academic credentials from Tsinghua University and Carnegie Mellon University, Moonshot AI has swiftly risen as a significant contender in the AI domain. Zhilin, who has a background working with Google Brain and Meta AI, contributes invaluable experience and expertise to the company's initiatives.

Moonshot AI concentrates primarily on crafting large language models (LLMs) capable of efficiently processing substantial amounts of text, distinguishing itself from other systems in the domain. According to PitchBook Data, Moonshot previously obtained a \$200 million investment from HongShan and Zhen Fund, leading to a valuation of \$300 million for the company. However, recent scrutiny by the US government concerning Moonshot's AI transactions in the US and its operations in China has raised concerns about its activities.

This development has prompted investors to adopt a cautious stance, resulting in a noticeable pullback among financial supporters of promising Chinese startups, especially those with ties to the West and transactions conducted in US dollars. Nevertheless, prominent tech entities in China remain actively engaged in pursuing opportunities within the AI landscape, as evidenced by their investments in Moonshot and other emerging LLM startups. Unlike the dominance of OpenAI in the US, China's AI sector lacks a clear frontrunner, prompting diversified investment strategies aimed at mitigating risks. Alibaba's participation in Moonshot, alongside other significant investments in Baichuan AI and Zhipu AI, is poised to play a pivotal role in shaping the Chinese AI sector's trajectory. **C⁺**