

XCards Inc. Unveils 'Global Trust Infrastructure': The Zero-Cloud Physical Layer for Hospitality

XCards announced the formal launch of its Global Trust Infrastructure (GTI), anchors hotel membership and access credentials in a reusable NFC hardware token.

SAN JOSE, CA, UNITED STATES, August 23, 2026 /EINPresswire.com/ -- In a move set to redefine

“

The Total Addressable Market (TAM) for hotel loyalty and access control exceeds \$15 billion annually. XCards is capturing a specific niche within this market: the "Physical-Digital Bridge.”

Bo Tang, CEO of XCards Inc.

the intersection of physical security, data privacy, and hospitality commerce, XCards Inc. (<https://xcardsai.com>) today announced the formal launch of its Global Trust Infrastructure (GTI). This initiative anchors hotel membership and access credentials in a reusable NFC hardware token, deliberately engineered to operate without centralized cloud synchronization.

The announcement coincides with the launch of the company's \$15 million Series A financing round at a \$75 million pre-money valuation. Led by Chairman and Chief Scientist Frank Zheng, CEO Bo Tang and CTO Kevin Wang —

veterans of Google and Meta's core infrastructure teams—XCards is positioning itself not merely as a hotel tech vendor, but as a foundational layer for offline, privacy-first digital identity.

The Architecture: Five Layers of Trust

Unlike software-only loyalty platforms, XCards' GTI is a full-stack solution designed for environments where network connectivity is unreliable, but security cannot be compromised. The architecture is segmented into five distinct layers:

Layer 1: Physical Secure Element (The Hardware Root)

At the base is a Target BOM <\$3 NFC card powered by an NXP MIFARE DESFire EV2/EV3 secure element. This chip is EAL6+ certified and compliant with ISO 14443-A, the global standard for 95% of hotel door locks, including industry leaders like Assa Abloy (Vingcard) and SALTO. The chip features multi-partition memory, isolating door access keys from membership entitlements, ensuring that a breach in one partition does not compromise the other.

Layer 2: Local Credential Store (The Offline Engine)

This layer utilizes principles derived from W3C Verifiable Credentials (VCs) to store membership status directly on the chip. When a guest checks in, the hotel's PMS writes an encrypted, time-bound credential to the card. This allows the guest to open their door, access the gym, or redeem a "free night" voucher at any on-property terminal without requiring an active internet connection or a smartphone app. This solves the "dead phone" problem that plagues digital key ecosystems.

Layer 3: Privacy Vault (The Zero-Cloud Differentiator)

This is the architectural cornerstone of XCards' competitive moat. Unlike competitors who replicate keys in the cloud, XCards' Privacy Vault resides exclusively on the hotel's local servers. Biometric data (if used for VIP check-in) and personally identifiable information (PII) are never transmitted to XCards' U.S. servers. The card itself contains zero PII—only encrypted tokens. This architecture is explicitly designed to comply with GDPR, China's PIPL, and California's CCPA, as it fundamentally eliminates the cross-border data transfer risks that have stalled other hospitality tech rollouts.

Layer 4: Payment Partition (The Future-Proofing Layer)

While the current deployment focuses on access and membership, the secure element includes a dedicated, isolated partition designed to host EMV payment applets in the future. This allows banks or payment networks to provision credit/debit credentials onto the same physical card, transforming it into a universal "Super Card." Crucially, XCards' core IP is in the secure isolation of this partition, ensuring that payment data remains under the strict control of financial institutions, not the hospitality platform.

Layer 5: Orchestration API (The Integration Layer)

The top layer provides a lightweight API that integrates with existing Hotel Property Management Systems (PMS) and Lock Management Software. XCards has developed pre-built connectors for HTrip's middleware, allowing for seamless deployment without requiring hotels to replace their legacy infrastructure. This API also manages the remote revocation of credentials—if a card is lost, the hotel can instantly "kill" the key and membership benefits from the front desk terminal.

The Strategic Imperative: Why Now?

Three macro trends have converged to create a narrow window of opportunity for XCards:

1. The End of the PVC Era

The global hospitality industry's reliance on single-use PVC cards is becoming environmentally and economically untenable. With 4.5 billion cards produced annually, hotels are facing increasing pressure from ESG mandates to reduce plastic waste. XCards offers a "Circular Card" model where the \$15 deposit covers the hardware cost, and the card's lifespan extends to 3–5 years, reducing plastic waste per room by over 80%.

2. The "Offline-First" Reality

Despite the push for mobile keys, adoption remains below 20% in the mid-scale segment. Guests frequently encounter dead phone batteries, incompatible operating systems, or simply prefer the tactile feel of a card. XCards bridges this gap by providing the reliability of a physical card with the intelligence of a digital credential.

3. The Data Sovereignty Revolution

Regulatory scrutiny regarding data privacy has never been higher. Hotels are wary of adopting cloud-heavy solutions that require guest data to leave their premises or cross international borders. XCards' "Zero-Cloud" architecture turns data sovereignty from a compliance hurdle into a marketing advantage, allowing hotels to promise guests that their "data never leaves the building."

Deployment Strategy: The HTrip Channel Moat

XCards' path to market is de-risked by its strategic alignment with HTrip, China's dominant hotel digital media and distribution network. HTrip covers over 40,000 hotels and 3 million rooms. Rather than selling directly to individual hotel owners—a notoriously fragmented and high-friction process—XCards plugs into HTrip's existing SaaS layer.

The deployment strategy follows a three-phase rollout:

Phase 1: Anchor Properties (Q3 2026): Deployment to 800 high-traffic business hotels within the HTrip network to refine the remote revocation engine and NFC antenna tuning for older lock models.

Phase 2: Ecosystem Expansion (Q4 2026 – Q2 2027): Scaling to 5,000 properties. During this phase, XCards will introduce its "Value Stay" membership tier, which includes perks like late checkout and streaming access, driving the 8% commission revenue stream.

Phase 3: Global Standardization (2028+): Leveraging the proven unit economics in the China market to expand into Southeast Asia, the Middle East, and eventually Europe, targeting a total of 12,000 properties by the end of 2028.

Financial Deep Dive: The Path to \$426M ARR

The financial model is designed to transition from hardware-heavy initial revenue to high-margin recurring SaaS and transaction revenue.

Unit Economics (Per Card/Guest):

Hardware Contribution: \$13.80 (Sale price \$15 - BOM \$1.20). This high-margin initial cash flow funds the customer acquisition cost.

Membership Commission: \$5.36 (8% of \$67 "Value Stay" package). Based on a 20% attachment rate.

Transaction Share: \$0.54 (0.15% of estimated \$360 average annual on-property spend per guest).

Total 3-Year LTV: \$15.95 per guest.

Projected P&L (Year 3 - 12,000 Properties):

Total Recurring Revenue: \$426M (Composed of \$340M in membership commissions and \$86M in transaction share).

Gross Margin: 88%. As hardware sales become a smaller portion of the revenue mix, margins expand significantly.

EBITDA Target: Positive by Q4 2027, driven by operational leverage on the software platform.

Regulatory and Corporate Structure

XCards Inc. is incorporated in Delaware as a C-Corporation, providing a clean, institutional-grade legal framework for U.S. and international investors. The company has taken specific measures to navigate the complex U.S.-China tech landscape:

IP Localization: All core encryption algorithms and secure element personalization processes are licensed to HTrip for use within mainland China, ensuring compliance with Chinese cryptography laws.

Revenue Recognition: XCards (US) earns revenue through software licensing fees and hardware supply agreements with HTrip, rather than direct data processing fees from Chinese hotels, creating a clean jurisdictional boundary.

Export Control Compliance: The NFC chips used are commercial off-the-shelf (COTS) components widely available from NXP and Infineon, avoiding ITAR or EAR restrictions that might apply to custom silicon.

The Investment Thesis: Why XCards Wins

Investors evaluating XCards should focus on four key pillars:

Hardware-Locked Retention: Unlike mobile apps that can be deleted, the XCards token is a physical object kept in a guest's wallet. This creates an unprecedented "top-of-wallet" retention rate for hotel loyalty programs.

Zero Marginal Cost Data: By moving verification to the edge (the card and the reader), XCards eliminates the server and bandwidth costs associated with cloud-based authentication, significantly boosting margins on high-volume transactions.

Dual-Use Technology: While the initial focus is hospitality, the underlying GTI stack is applicable to corporate access control, campus IDs, and event ticketing. The NFC card is a universal form factor for secure offline credentials.

Capital Efficiency: The \$15M Series A is sized to achieve cash-flow positivity. The high upfront

hardware margin de-risks the balance sheet while the recurring revenue streams compound.

Management Team

Frank Zheng, Chairman & Chief Scientist: Zheng: he specialized in distributed consensus algorithms and secure hardware enclaves. He holds multiple patents in NFC security protocols.
Bo Tang, CEO: A 20-year PMS, CRS and SaaS veteran of the Asian hospitality industry, his clients include 120,000 hotels in Asia .

Kevin Wang, Chief Technology Officer: his background includes leading large-scale infrastructure projects at Google and Meta, bringing deep expertise in legacy PMS integration and ISO 14443-A antenna design.

Micheal Zhang, VP of Business Development: A 15-year veteran of the Asian hospitality industry, previously responsible for the APAC rollout of a major hotel loyalty program.

Use of Proceeds

The \$15 million Series A capital will be deployed as follows:

\$6.75M (45%): R&D and Engineering. Focused on hardening the offline credential revocation protocol and porting the GTI stack to next-generation secure elements.

\$5.25M (35%): Go-to-Market and Channel Operations. Funding the deployment team required to integrate 800 properties in Year 1 and manage the HTrip relationship.

\$3.0M (20%): Supply Chain and Working Capital. Securing component inventory amidst global semiconductor volatility and funding the initial production run of 2 million cards.

Market Opportunity and Exit Outlook

The Total Addressable Market (TAM) for hotel loyalty and access control exceeds \$15 billion annually. XCards is capturing a specific niche within this market: the "Physical-Digital Bridge."

Exit Scenarios:

Strategic Acquisition: The most likely exit path. Potential acquirers include payment networks (Visa/Mastercard) seeking to own the "Last Inch" of payment security, or large enterprise SaaS providers (Oracle, Amadeus) looking to close the loop on their hospitality suites.

Public Listing: A longer-term objective. As the company scales to 12,000 properties and demonstrates a clear path to \$500M+ ARR with high margins, an IPO on Nasdaq becomes viable.

About XCards Inc.

XCards Inc. is building the Global Trust Infrastructure for the physical world. By embedding secure, offline credentials into reusable NFC hardware, XCards transforms disposable plastic into persistent digital relationships. The company's flagship deployment replaces the hotel keycard with a smart membership token, creating a zero-cloud, privacy-first ecosystem for the \$500B global hospitality industry. For more information, visit <https://xcardsai.com>.

Media Contact:

press@xcardsai.com

Investor Contact:

investors@xcardsai.com

Frank Zheng

World AI Organization

+1 778-902-8620

[email us here](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/936353431>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2026 Newsmatics Inc. All Right Reserved.