



QUPITAL, HONG KONG'S FIRST ONLINE INVOICE DISCOUNTING EXCHANGE, SECURES USD 2 MILLION SEED ROUND OF FUNDING

HONG KONG – 18 May 2017 Qupital, Hong Kong's first and largest online invoice discounting exchange, has secured a seed investment round of USD 2 million. The round was led by MindWorks Ventures and Alibaba Entrepreneurs Fund, with co-investment from Aria Group and other investors. The company plans to use the funds to expand its small and medium enterprise (SME) financing platform and fuel its rapid regional expansion.

Qupital was founded in March 2016 by Andy Chan, a Brown University alumnus, and Winston Wong, a Hong Kong University of Science and Technology alumnus, in Hong Kong to address a lack of efficient SME financing solutions in the market.

"We began our journey together in Hong Kong when we noticed that there were many businesses here that had cash locked up in unpaid invoices while being underserved by traditional lenders with slow and cumbersome processes", said Chan.

More than 25 per cent of Hong Kong's 300,000 SMEs reported that the lack of access to working capital is a major barrier to their growth and internationalisation. Qupital aims to address Asia's reported USD 200 billion SME financing gap by allowing clients to turn their accounts receivables into cash. The accounts receivables market in China is more than USD 3 trillion annually.

"Qupital's vision is to help inject liquidity into the market, reducing SMEs' cost of financing and enabling professional investors access to an entirely new asset class of accounts receivables", said Wong. "At the same time, we are excited about the opportunity to work with Alibaba to reach a brand-new audience of businesses, both in Hong Kong and regionally."

Qupital currently serves a wide range of SMEs in the export, manufacturing, and distribution sectors. The company actively approaches hedge funds, family offices and other mature professional investors to fund the invoices.

"Qupital is a textbook example of how internet and technology helps to optimise a traditional industry," said David Chang, managing partner at MindWorks Ventures, a Hong Kong-based regional venture capital firm. "There is a large financing gap in Asia for underserved SMEs, and we look forward to Qupital becoming the dominant player for this market", Chang said.

"We are thrilled to see Qupital's innovation to help SMEs access more cost-efficient financing channels", said Cindy Chow, executive director at Alibaba Entrepreneurs Fund. "We look forward to working with creative startups like Qupital to further develop the FinTech market in Hong Kong", Chow said.

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About Qupital

Qupital operates a safe, secure and easy to use invoice trading platform. Qupital allows companies to raise finance against their receivables by connecting them with professional investors in equitable win-win opportunities. For more information, visit qupital.com.

About the Investors

MindWorks Ventures is a venture capital firm that invests into high-growth technology startups in post-seed stage with focus in the Southeast Asia and Greater China regions. With USD 100m, their multi-stage venture fund invests in companies and assists the brightest founders to build technology for rapid adoption, scalability and disruption. For more information, visit mindworks.vc.

Alibaba Entrepreneurs Fund is a not-for-profit initiative launched by Alibaba Group in 2015. Our mission is to help Hong Kong and Taiwan-based entrepreneurs and young people realize their dreams and visions for their businesses and communities. We are passionate about fostering the entrepreneurial spirit amongst young people. As such, we established in Hong Kong a HKD 1 billion fund and in Taiwan a TWD 10 billion fund to support entrepreneurs in both markets. For more information, visit ent-fund.org.

Aria Group is a Hong Kong-based family office with a multi-strategy investment platform. Aria invests in various asset classes globally, including fixed income, equities, real estate, private equity and other alternative investments. For more information, visit ariagp.com.

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