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UOB-Temasek joint venture InnoVen Capital signs first financing agreements in support of Southeast Asian entrepreneurship

Singapore, 21 March 2016 – United Overseas Bank Limited (UOB) and Temasek joint venture InnoVen Capital (InnoVen) today announced that it has signed two venture debt¹ financing agreements with e-commerce startups in Southeast Asia.

These startups are among the 20 Southeast Asian, Indian and Chinese companies which InnoVen has identified for venture debt funding in the next six months. They are in sectors such as e-commerce, financial technology, logistics and big data.

In the first quarter this year, InnoVen signed financing deals with Malaysia-based KFit Holdings, an e-commerce health and fitness company and Thailand-based Pomelo Fashion, an e-commerce fashion company. Both companies will be using the venture debt loans to develop their business in the region.

InnoVen will provide loans totalling US\$5 million to help KFit Holdings and Pomelo cater to the fitness habits and fashion trends of Asia's growing affluent population which is expected to account for two-thirds of the world's middle class consumers or about 3.2 billion people by 2030².

Mr Eric Tham, Managing Director and Head of Group Commercial Banking, UOB, said venture debt is important in nurturing Asia's entrepreneurs and in encouraging innovation.

"UOB was formed by enterprising minds and has been supporting the growth of SMEs for more than eight decades. We see the importance enterprise plays in economic growth and are committed to ensuring that the best startups have the necessary funding support to develop into world-class businesses. This in turn will help to drive the economies of Asia," said Mr Tham.

InnoVen was set up in 2015 with the aim of providing high-growth and innovative Asian startups with up to US\$500 million in venture debt loans over the next five years. According to an EY report on venture debt³,

¹ Venture debt is a type of loan provided to venture capital-backed start-ups to help bridge their funding needs and finance their business growth.

² Source: Brookings Institution, "The New Global Middle Class: A Cross-Over from West to East", March 2010

³ "Building a venture debt business in India, China and Singapore", EY, 28 August 2014

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the potential market size for venture debt in Singapore, China and India between 2015 and 2019 is US\$2.2 billion.

Mr Chin Chao, CEO of InnoVen, Southeast Asia, said, “The current momentum of InnoVen demonstrates the importance of venture debt as an alternative funding source to traditional equity financing by venture capitalists. As part of InnoVen’s investment mandate, the company is seeking companies with differentiated business models that have the potential to become leading global businesses.”

Thailand-based Pomelo Fashion has been identified by InnoVen as having high growth potential. The company uses e-commerce to market and to sell its brand of apparel, accessories and footwear to the rising affluent in Southeast Asia.

Mr Casey Liang, Co-Founder of Pomelo Fashion, said, “For a startup such as Pomelo, funding is often critical as we accelerate our growth, expand into new markets and invest in new capabilities. The venture debt from InnoVen will help us accomplish these goals more efficiently. InnoVen has been a great partner who understands our business dynamics and was able to tailor a financing structure that met our business needs,” said Mr Liang.

UOB and Temasek have each committed up to US\$100 million in paid-up capital to InnoVen. Venture debt financing is part of UOB’s commitment to support the growth of Asian enterprises, from startups to listed companies. The Bank offers end-to-end financing solutions such as equity crowdfunding, venture debt financing, term loans and capital market solutions.

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About United Overseas Bank

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of more than 500 offices in 19 countries and territories in Asia Pacific, Western Europe and North America. Since its incorporation in 1935, UOB has grown organically and through a series of strategic acquisitions. UOB is rated among the world’s top banks: Aa1 by Moody’s and AA- by Standard & Poor’s and Fitch Ratings respectively. In Asia, UOB operates through its head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia and Thailand, as well as branches and representative offices.

UOB plays an active role in the community, focusing on art, children and education. It has, over more than three decades, held the longest-running art competition in Singapore, the UOB Painting of the Year, which has since been extended across Southeast Asia. In recognition of its contributions to the arts, UOB was conferred the Singapore National Arts Council’s Distinguished Patron

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of the Arts Award for the eleventh consecutive year in 2015. UOB also encourages its employees across the region to be involved in its regular volunteer activities. This includes the annual UOB Heartbeat Run which is held in China, Indonesia, Malaysia, Singapore and Thailand.

About Temasek

Incorporated in 1974, Temasek is an investment company based in Singapore, with a S\$266 billion portfolio as at 31 March 2015. Temasek's portfolio covers a broad spectrum of sectors: financial services; telecommunications, media & technology; transportation & industrials; consumer & real estate; energy & resources; life sciences & agriculture. Its investment themes reflect Temasek's perspectives on long term trends:

- Transforming Economies;
- Growing Middle Income Populations;
- Deepening Comparative Advantages; and
- Emerging Champions

Temasek has offices in 10 cities around the world, including São Paulo and Mexico City in Latin America; and London and New York, which both opened in 2014. The other offices are in Asia, including China and India.

For more information on Temasek, please visit www.temasek.com.sg. For the latest Temasek Review, please visit www.temasekreview.com.sg

About InnoVen Capital

InnoVen Capital is Asia's leading venture lending platform providing debt capital to high growth innovative ventures backed by top tier venture capital firms. InnoVen Capital has received investments from Temasek Holdings and United Overseas Bank. Currently, the platform is active across India and South East Asia, and will look to expand to other high growth economies in the region.

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