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**PROPRIETARY**

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## Digital Transaction to close upsized Series A round – CEO

09 DEC 2019

Digital Transaction Limited (DTL), a Hong Kong-based blockchain technology and service provider, is closing an upsized Series A fundraising of USD 28m, founder, Chairman & CEO Ian Huang told this news service.

With less than two years of operations, DTL had announced the completion of a USD 21m Series A round in August, as per a press release.

The fundraising size was increased because the only financial investor would like to take a bigger stake, Huang said.

The board members have approved the upsized Series A round, he added.

The fundraising will be carried out through a convertible loan instead of a stake sale as the process is quicker, Huang said.

The investor would hold a controlling stake in DTL once it completes the share conversion, he continued.

Huang currently owns an around 30% stake, angel investors have approximately 50%, while the rest is reserved for employee stock options.

Proceeds will be set aside for research and development, global marketing and sales and potential early investments in AI-related startups, Huang said.

The company is spotting targets in the US and the UK and may participate in pre-A rounds as a means to strengthen its technology development, he continued. AI-focused companies which could access different kinds of big data or with unique AI algorithms are preferred, he added.

The blockchain solutions provider has hired Boston-based management consultancy Arthur D. Little for independent business consultancy, Huang said.

It is receptive to financial advisor approaches for quality referrals, Huang said.

### *Gauging investors' interest for Series B fundraising*

DTL is sounding out investors for its next fundraising round, however, there are no concrete details yet, Huang said.

It is looking for investors who can contribute with business connections, sales network expansion and have excellent track records of past investments, he said.

Huang said the management is in early stage discussions with potential investors including financial institutions.

Once the company meets the listing requirements of NYSE or NASDAQ, it would consider an initial public offering in the US, where it can secure a higher valuation, Huang said.

Established in February 2018, DTL is primarily engaged in permissioned blockchain and certain pre-selected killer applications. It has raised around HKD 18m (USD 2.2m) from angel investors since inception.

It aims to launch its permissioned blockchain application, ParallelChain™ officially in the first quarter of next year, Huang said. ParallelChain™ is a high performance permissioned blockchain with transaction rates almost linearly of 100,000 TPS (transaction per second) per single chain, with a transaction latency of less than 100ms write/update acknowledgement. It also offers features such as tamper-proof records and no leakage of data, Huang introduced.

He believes the company could turn profitable on a run-rate monthly basis by August 2020.

With 22 employees, DTL is looking to hire five employees by the end of this year and expand its team to over 40 in mid-2020, Huang said.

Blockchain-based computing platform EOSIO, Ethereum and Beijing Tiande Technology have a similar business model to DTL, he added.

by Florence Shiu in Hong Kong

Grade: Confirmed

#### TARGET

**Digital Transaction Limited**

#### Consultant

[Arthur D. Little \(Global Management Consulting operations\)](#)

#### OTHERS

**Ethereum**

**EOSIO**

**Beijing Tiande Technology Ltd.**

#### BIDDERS

**Digital Transaction Limited**

#### Countries

Hong Kong SAR  
USA  
United Kingdom

#### States

#### Sectors

Computer software

#### Sub-Sectors

Application software products  
Operating systems and systems-related software  
Software development  
Systems integration

#### Topics

Advisory Appointment  
Advisory Invitation (Bankers, Other)  
Advisory Invitation (Lawyers)  
Bolt on/Oppportunistic  
Companies for sale  
Cross Border  
Growth Capital Raise  
IPO

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