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China's Qudian to pay $100M for 28.9pc stake in luxury ecommerce platform Secoo

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Secoo is one of the key players in the luxury ecommerce market in China and Asia. Image credit: Secoo

By LUXURY DAILY NEWS SERVICE

Qudian Inc., an online platform that offers consumer finance, will pay $100 million to become the largest single shareholder in Secoo, a leading Chinese luxury ecommerce platform.

The definitive agreement between the two Chinese companies will make Qudian the 28.9 percent owner of Secoo's issued and outstanding shares. The deal also calls for both firms to collaborate in the luxury ecommerce space in China and the Asian market.

"We believe this strategic partnership will enable us to accelerate growth by building upon both companies' assets, core expertise and competitive advantages," said Rixue Li, founder and chairman/CEO of Secoo, in a statement.

"We will utilize the investment proceeds to further strengthen the supply chain and enhance user satisfaction," he said.

Secoo is one of the key players in Chinese luxury ecommerce, with 400,000 product listings from 3,800 global and local brands sold via its Web site, app and offline. It competes directly with Alibaba-owned Tmall Luxury Pavilion.

Growth move

The transaction is subject to customary closing conditions. It will conclude in two separate closings in the near future.

Xiamen, China-based Qudian has agreed not to sell, transfer or dispose of any shares acquired in the transaction for 12 months after the first closing, subject to certain limited exceptions.

Qudian and Secoo will also sign a business cooperation agreement to leverage both companies' resources, capabilities, industry expertise and market presence, as well as partner in supply chain management, user acquisition and retention, quality appraisals, post-sales services, and financing solutions.

"Our partnership will bring value to both Secoo and our Wanlimu platform, launched earlier this year, and also establish a good foundation for a better user experience for our customers," said Min Luo, founder and chairman/CEO of Qudian, in a statement.

"We believe this strategic investment in Secoo will fuel opportunities for expansion and success on both platforms," he said.