

## **Cathay Capital inaugurates the Cathay Sino French Innovation Fund**

**Cathay also announces a donation of 500,000 Euros to set up the Cathay Global PE Research Fund, aiming to promote research and innovation in the industry**

**Beijing/Shanghai – 28 August 2015**

Cathay Capital today inaugurated the Sino French Innovation Fund at an official launch ceremony at CEIBS Beijing Campus along with CDB Capital and Bpifrance. As one of the new investors who have confirmed their contribution, Valeo, a leading automotive supplier, will partner with Cathay to reinforce its access to innovative startups in smart transportation and connected car applications. In addition, Cathay announced it will donate 500,000 Euros to CEIBS to set up the Cathay Global PE Research Fund.

In July this year, during the Chinese Prime Minister's state visit to France, cornerstone investors Bpifrance and CDB Capital signed an investment agreement with Cathay Capital, who will manage the Sino-French Innovation Fund. The fund – which has a 250 million Euros closing target – is a new cross-border investment vehicle active across France, China and the United States and is dedicated to venture capital financing for innovative startups, marking a milestone in Sino-French private-equity (PE) investment. By leveraging its global network to benefit the most innovative companies, Cathay Capital will adopt an investment strategy to boost the development of selected companies across each targeted geographic zone by fostering dialogue and partnerships between them.

Building on the success of the Sino French Fund created in September 2012, and the Sino French (Midcap) Fund launched in 2014 (both supported by Bpifrance and CDB Capital), the new fund will target investment in digital startups linked to the internet, including mobile, big data, 'the Internet of Things', smart transportation, connected cars, advertising, digital marketing, software, cloud technologies, security, gaming, media, social networks and BtoB applications. It will invest in a total of 12 to 18 innovative startups and the investment amount in each firm will range between 5 million and 25 million Euros. This also goes to demonstrate that Cathay Capital's investment focus is extending from growth and M&A capital to broader areas such as venture capital.

To lead this new value-added solution specifically designed for entrepreneurs leading the mobile internet revolution, Cathay Capital will benefit from the experience of Denis Barrier, who joins Cathay as Co-Founder and Managing Partner of the Cathay Sino-French Innovation Fund. Denis Barrier has a strong expertise in venture capital, and in helping startups boost their development across various geographies while striking strategic agreements with large corporations.

Meanwhile, the Cathay Global PE Research Fund has been co-created by Cathay Capital, CEIBS and other top business schools. And it aims to promote the study of trends, cases and risk-reward models of global PE investment, as well as innovation in the industry, organizational structures and management patterns in the new economic environment. All faculties from these top business schools are eligible to apply for the fund and the results of any research will be shared with the public.

Haibin Fan, President of China Development Bank Capital: *"In light of the existing PE cooperation between China and France, and the vision of supporting the development of innovation firms, we are thrilled to enter into collaboration for the third time with Bpifrance and Cathay to launch this fund. It heralds an important step in the Sino-French partnership in financial investment; it will accelerate the international growth of targeted firms and help them make significant breakthroughs in cross-border cooperation."*

Nicolas Dufourcq, Chairman of Bpifrance: *"We are pleased to celebrate the launch of the new fund with CDB and Cathay. Given that French companies have an urgent need to develop their activities across as wide a market as possible, this potential is something offered by the United States, but also today by China, and we have huge confidence in the investment prospects of the fund. On the back of the successful results of the Sino French SME Fund and Midcap Fund, we are confident that the new vehicle can continue the dynamic of creating economic growth and employment in today's economy."*

Jacques Aschenbroich, CEO of Valeo: *"Our cooperation with Cathay will bring a key new stone to our open innovation policy, which we have conducted over numerous years. As a leader in driving assistance systems, Valeo is deeply committed in providing the technologies for cars that will be more autonomous, connected and intuitive. This partnership with Cathay will reinforce our ability to cooperate with innovative startups on three essential geographies for the automotive market, in China, in Europe and in the United States, in a context where the automobile is becoming more and more digital and connected."*

Mingpo Cai, President of Cathay Capital Private Equity: *"We are delighted to witness the launch ceremony of this innovation fund with our partners Bpifrance and CDB Capital and we wish to thank them for their continued support. By leveraging our 8-year cross-border experience and the sheer depth and breadth of our network across China, Europe and the United States, we will fully support the global deployment of this fund. In the new era of the Internet economy, innovation has a huge impact on economies and business models, and Cathay has been preparing an 'Innovation vehicle' to meet the needs of this new era. The Cathay Capital team will be further strengthened in the context of this fund launch, mainly by setting up a dedicated line of activity in order to better serve our entrepreneurs and fully deserve the confidence and trust of our investors."*

Yuan Ding, Vice President and Dean of CEIBS, Professor of Accounting: *"We deeply appreciate the continuous support of Cathay Capital, a company led by our alumnus Mingpo Cai. In today's rapidly changing and challenging world, the study of PE and related areas urgently needs an emerging force to help guide it. The establishment of the Cathay Global PE Research Fund will enhance knowledge creation and dissemination of PE by linking East and West in teaching, research, and business practices. We also have great faith in the development prospects of the innovation fund and believe it will create a healthy environment for innovative startups to grow."*

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### **Media Contacts:**

#### **CitigateDewe Rogerson**

Yoann Besse

Phone: +33 (0)1 53 32 78 89 / Email: [yoann.besse@citigate.fr](mailto:yoann.besse@citigate.fr)

Alphae Chen

Phone: +86 21 6340 4186 / Email: [alphae.chen@citigate.com.cn](mailto:alphae.chen@citigate.com.cn)

Jiajia Lu

Phone: +86 21 6340 4416/ Email: [jjiaia.lu@citigate.com.cn](mailto:jjiaia.lu@citigate.com.cn)

### **About Cathay Capital PE**

A fund by entrepreneurs for entrepreneurs, Cathay Capital Private Equity, founded in 2006 by Mingpo Cai and Edouard Moinet, is the first independent Chinese-French private equity firm approved by the AMF (the French Financial Market Authority) and is the leader in the field of Franco-Chinese SMEs. With a double-presence in Paris and Shanghai, Cathay Capital puts itself at the service of companies that it helps with their international expansion, especially in France and China.

After an initial fund, Cathay Capital I, of 70 million Euros invested in 18 companies over 3 years, Cathay Capital is now investing through its second fund, Cathay Capital II, and the Sino-French fund for SMEs. After the launch of Sino-French (Midcap) Fund, Cathay Capital has more than 900 million Euros in assets under management.

[www.cathay.fr](http://www.cathay.fr)

### **About CDB Capital**

China Development Bank Capital Co., Ltd. ("CDB Capital") was established by CDB in accordance with its commercial transformation plan as approved by the State Council. With registered capital of RMB 50 billion, CDB Capital is the only large-scale entity in China's banking industry approved to make RMB equity investments. It has formed an integrated platform for strategic investments both domestically and internationally. Its activities include urban development funding, funds investment, overseas investment and industry-specific investment.

As the earliest participant in equity funds in China, CDB has participated in the creation of China's largest portfolio of equity funds, whether measured by number, capital or diversity. With more than 15 years' experience in investment fund management, CDB Capital has invested in and managed 20 funds. These include several strategically-significant bilateral/multilateral Chinese-foreign funds. CDB Capital has also managed some premium domestic private equity funds, and initiated China's first National private equity fund of funds in 2010. CDB Capital has not only served to implement state strategies and industrial development, but also played a pioneering role in the development of China's equity funds.

[www.cdb-capital.com](http://www.cdb-capital.com)

### **About Bpifrance**

Bpifrance, a subsidiary of the French state and the Caisse des Dépôts and the entrepreneurs' trusted partner, finances businesses from the seed phase to IPO, through loans, guarantees and equity investments. Bpifrance also provides operational services and strong support for innovation, export, and external growth in partnership with Business France and Coface. Bpifrance offers to

businesses a large range of financing opportunities at each key step of their development, including offers adapted to regional specificities. With its 42 regional offices (90 % of decisions are made locally) Bpifrance represents a strategic tool for economic competitiveness dedicated to entrepreneurs. Bpifrance acts as a back-up for initiatives driven by the French State and the Regions to tackle 3 goals:

- Contribute to SME's growth
- Preparing tomorrow's competitiveness
- Contributing to the development of a positive entrepreneur ecosystem.

With Bpifrance, businesses benefit from a powerful, efficient and close representative, to answer all their needs in terms of financing, innovation and investment.

[www.bpifrance.fr](http://www.bpifrance.fr) - Follow us on Twitter: @bpifrance

#### About CEIBS

CEIBS was established on November, 1994 in Shanghai. Based on its own campus in the Pudong district of Shanghai, the school is a not-for-profit joint venture established under an agreement between the Ministry of Foreign Trade and Economic Co-operation (MOFTEC, now called The Ministry of Commerce) and the European Commission. CEIBS is the first Asia-based business school that has achieved top-tier global rankings for its MBA, EMBA and Executive Education programmes, and is the first business school in mainland China that has earned an internationally recognised EQUIS accreditation. Today, CEIBS also has offices and operates programmes in Beijing, Shenzhen and Africa.

[www.ceibs.edu](http://www.ceibs.edu)

#### About Valeo

Valeo is an automotive supplier, partner to all automakers worldwide. As a technology company, Valeo proposes innovative products and systems that contribute to the reduction of CO2 emissions and to the development of intuitive driving. In 2014, the Group generated sales of 12.7 billion euros and invested over 10% of its original equipment sales in research and development. Valeo has 136 plants, 16 research centers, 34 development centers, 15 distribution platforms and employs 81,800 people in 29 countries worldwide. Valeo is listed on Euronext Paris and is a member of the CAC 40 index.

For more information about the Valeo Group and its activities, please visit our website

[www.valeo.com](http://www.valeo.com)