

Bpifrance, China Development Bank and Cathay Capital launch EUR 1.2bn Sino French Midcap II

Beijing, Paris, January 9th 2018

A new Memorandum of Understanding (MOU) has been signed today in Beijing by Bpifrance, China Development Bank (CDB) and Cathay Capital on the occasion of the French presidential visit to China. As part of this agreement, CDB and Bpifrance are willing to continue their cooperation by creating the successor to the first Sino French Midcap Fund launched in 2014. This investment vehicle named Sino French Midcap Fund II, has a fundraising target of EUR 1.2 billion. The fund should complete its first closing and first investments before June 2018.

This fund confirms the fruitful cooperation between France and China for private equity investment. It builds on the success of the investment philosophy developed and managed by Cathay Capital through clear-cut product lines (small cap, mid cap and innovation), a strategy that CDB and Bpifrance have been supporting since 2012¹.

Following the previous EUR 500m investment vehicle, the Sino French Midcap Fund II will focus mainly on lower to upper mid-cap companies having their principal place of business or activities in France and/or China, with a high potential for growth and value creation as well as a capacity to quickly expand internationally. The Sino French Midcap Fund II will mainly invest in China and France, with the possibility to invest a small portion in Europe and North America. The objective of this fund is to expand the activity of such companies beyond their respective territory.

The Sino French Midcap Fund II plans to attract other French, Chinese and international institutional investors in the fund, thus making a joint contribution to international cooperation. To contribute to the internationalization of the RMB and to promote France's position as the world's leading off-shore RMB exchange hub, the fund will also admit RMB investors.

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¹ (i) a private equity investment fund named Sino-French SME Fund in 2012, focusing on investments in small and medium-sized enterprises; (ii) a private equity investment fund named Sino-French (Midcap) Fund in 2014, focusing on investments in mid-cap enterprises; (iii) a venture capital investment fund named Sino-French (Innovation) Fund in 2015, and (iv) the successor fund of Sino-French SME Fund in 2017, named Sino-French SME Fund II.

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About Cathay Capital

Cathay Capital Private Equity, founded in 2006 by Mingpo Cai and Edouard Moinet, is a leading international private equity firm in the field of cross-border investment, committed to supporting the international expansion of companies from China, Europe and the United States. As a fund made by entrepreneurs for entrepreneurs, Cathay Capital's team leverages on Cathay's unique business model and platform to help create value for companies by removing borders. Cathay's Group presence across three continents materialises through offices in Shanghai, Beijing, Paris, Munich, New York and San Francisco. Cathay's team of 80 currently manages 8 funds and over USD 2 billion in assets.

For more information, please visit www.cathay.fr

About Bpifrance

Equity investment are operated by Bpifrance Investissement. 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. 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 48 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:

- Contributing 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.

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About China Development Bank

China Development Bank (CDB) was founded in 1994 as a policy financial institution under the direct leadership of the State Council. It was incorporated as China Development Bank Corporation in December 2008, and officially defined by the State Council as a development finance institution in March 2015.

CDB provides medium- to long-term financing facilities that serve China's major long-term economic and social development strategies. By the end of 2016, its assets grew to RMB 14.34 trillion, a balance of loans of RMB 10.32 trillion.

CDB is the world's largest development finance institution, and the largest Chinese bank for foreign investment and financing cooperation, long-term lending and bond issuance.

<http://www.cdb.com.cn/English>