



Signing of a Memorandum of Understanding between Haixia Capital and LBO France in view of setting up a €500m Franco-Chinese investment program

Paris, 21st October 2021 – As part of their international development strategy, LBO France and Haixia Capital, a subsidiary of China SDIC Gaoxin Industrial Investment Corp. Ltd, one of the five private equity management firms of SDIC, announce the signing of a Memorandum Of Understanding (MoU). Such MoU aims at establishing a long-term partnership between the two entities with, as a first step, the creation of a joint-venture in view of investing €500m in companies with high development potential in China and Europe.

As a pioneer in private equity in France, with a more than 30-year track record and €6.5bn of commitments raised, LBO France thus confirms its ambitions to penetrate the Chinese market by joining with Haixia Capital, the private equity and international investment subsidiary of China SDIC Gaoxin Industrial Investment Corp.Ltd (SDIC Gaoxin). Based mainly in Beijing and Fuzhou, Haixia Capital has been one of the best-known private equity firms in China in recent years (with €6.9bn in assets under management by the end of 2020).

As the EU's leading country in foreign investments, the world's fourth-largest exporter of services, and the second-largest EU market, with GDP of €2,303bn in 2020 (source: INSEE), France offers considerable potential for Asian investors. China, meanwhile, is the world's largest consumer market, with 1.4 billion potential consumers.

It is against this backdrop that LBO France and Haixia Capital have decided to pool their know-how, in order to unlock synergies on their respective markets and strengthen their capacity to spot investment opportunities. The joint-venture arose from this common ambition. In addition, LBO France plans to set up an office in China.

Haixia Capital will gain access to LBO France's ecosystem with entrepreneurs and investors, which is backed by a 30-year-plus track record on the French market. Through its new partner, LBO France will enjoy special access to an extremely large market and an influential network that will allow it to strengthen its ties with some of its invested companies that have suppliers and/or clients in Asia, and to provide support to European companies that want to make inroads there.

This announcement points to a long-term partnership between Haixia Capital and LBO France. Together, the two partners will be able to explore the growth potential of European and Chinese markets by pooling their respective resources and experience, while setting an example for cross-border cooperation.

About LBO France

As a key player in private equity with €6.5bn of commitments raised, LBO France is an independent company that has been supporting French and Italian companies in their growth for more than 30 years. Its investment strategy is built on 5 distinct segments managed by dedicated teams: (i) Mid Cap Buyout through the White Knight funds and Small Cap Buyout through the Small Caps Opportunities funds, (ii) Venture Capital through the SISA/Digital Health funds, (iii) Real Estate through the White Stone, Lapillus and NewStone funds, (iv) Debt and (v) Public Equity through the France Développement fund. Historically focused on Institutional and Family Office investors, LBO France has launched a private equity fund accessible to individuals through multi-strategy funds. LBO France is 100% owned by its management and employs nearly 60 professionals.

Find out more: www.lbofrance.com

Media contact

Shan

Lola Gozlan – + 33 6 24 76 83 40 – lola.gozlan@shan.fr

About Haixia Capital

Haixia Capital has been established in 2010, by SDIC, Fujian Investment Group and Taiwan Fubon Group, with a registered capital of 100mn RMB. Haixia Capital is one of the five PE management firms of SDIC, the only PE organization of Fubon Group in the Chinese mainland, and the most market-oriented investment platform of Fujian Investment Group.

Find out more: www.haixiacapital.com.cn

Media contact

Yang Chengzhen – + 86 591 87557651 – ycz@haixiacapital.com.cn

About China SDIC Gaoxin Industrial Investment Corp Ltd

China Development and Investment Group Co., LTD. (SDIC), founded in 1995, is an important state-owned enterprise directly managed by the central government. It is the only investment holding company among the central government enterprises and one of the first batch of pilot units for the reform of state-owned capital investment companies.

The registered capital of SDIC is 33.8bn RMB. By the end of 2020, the group's total assets are 682bn RMB and its employees are about 50,000. It has been awarded A grade in the business performance assessment of the State-owned Assets Supervision and Administration Commission of the State Council for 16 consecutive years and has been awarded as an enterprise with excellent performance for five consecutive terms.

China SDIC Gaoxin Industrial Investment Corp Ltd is a holding subsidiary of SDIC. Its fund management company manages national leading funds such as the National Advanced Manufacturing Fund, Beijing-Tianjin-Hebei Industrial Cooperative Development Fund, National Emerging Industry Entrepreneurship Guide Fund, Military-civilian Integration Fund, Major Scientific and Technological Achievements Transformation Venture Capital Fund, Haixia Fund and so on, with a total management scale of more than 200bn RMB.

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