
Cathay Capital Continues Deploying Sino French (Midcap) Fund and Invests in Cabio

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Cathay Capital Private Equity, the first self-made global private equity firm, today announced that, following the completion of its first investment in Echosens, the Sino French (Midcap) Fund has successfully made another investment in Cabio Bioengineering (Wuhan) Co., Ltd (“Cabio”) recently. Established in 1999, Cabio focuses on the R&D and production of high-end natural functional food ingredients. After the transaction, Cathay Capital will hold a 25% stake of the company.

Cabio is a pioneer and international leader in producing ARA (arachidonic acid), DHA (docosahexaenoic acid) and other premium food ingredients based on biological fermentation. The company plans to launch a variety of new products in the short and medium term, to further diversify its product portfolio. The company currently owns two world-class bio-fermentation plants in Wuhan which are the only plants in China to have been approved by the FDA and CE, and has accumulated a wealth of industrial experience in fermentation technology. Cabio’s R&D capabilities and the quality of its products have been widely recognized by customers around the world. The company has formed partnerships with many major domestic and international companies producing formulated milk powder for infants, as well as food, beverages and healthcare products, and has in-depth cooperation in small ingredient supply and R&D for product expansion.

Cathay Capital is a leader in cross-border investment in Europe, China, and North America. It launched the Sino-French (Midcap) Fund in 2014, with the support of cornerstone investors Bpifrance and China Development Bank. This fund focuses on partnering with French, Chinese and European companies of the midcap segment to help them implement their cross-border growth strategies.

As people become increasingly concerned about food safety and nutrition, natural functional food ingredients are gradually becoming more common in their daily lives. For example, ARA, which promotes retina and brain development in infants is currently only used in 50% of infant formula products, but this percentage is expected to exceed 80% by 2020. In the light of this promising outlook, Cathay Capital plans to inject new vitality into Cabio, in particular by capitalizing on its resources and network in European and American markets. Partnering with Cathay Capital will help the company achieve fuller diversification of its product portfolio, increase its market coverage and put in place downstream applications through business cooperation, mergers and acquisitions and other means. Cabio’s key objective is to become worldwide market-leading platform for natural functional food ingredients.

Mingpo Cai, President of Cathay Capital Private Equity, stated: “ *This investment is based on Cathay Capital’s understanding of Cabio, its founder Mr. Dewei Yi and the management team over the years, as well as high recognition of their entrepreneurship. Cathay Capital will leverage its strategic resources in the food and nutrition sector in European and American markets to identify suitable acquisition targets and actively introduce quality customer resources for Cabio. We will also help the company integrate upstream and downstream resources to achieve maximization of its processes, allowing the company to begin its new stage of growth dynamically.*”

Dewei Yi, Founder and President of Cabio, said: “*The strategic positioning of Cabio is to become an invisible champion of the niche market for high-end food ingredients based on highly effective biological technology. Cathay Capital has extensive resources and practical experience in the cross-border investment field and food industry, which will provide a strong support for Cabio’s development, especially in helping the company’s development on international market. We are confident that together with Cathay Capital, Cabio will be developed into a world-class provider for premium nutrition and food ingredient solutions.*”

About Cathay Capital Private Equity

Cathay Capital Private Equity, founded by Mingpo Cai and Edouard Moinet in Paris in 2006, is the leading global middle-market, private equity firm created by Entrepreneurs for Entrepreneurs. As an expert in creating value through cross-border investments in Europe, China and North America, Cathay Capital is fully dedicated to helping its portfolio company management teams focus on growth and succeed beyond their home base. Cathay’s unique platform on three continents – and offices currently located in Shanghai, Beijing, New York and Paris – as well as its multicultural team including thirty investment professionals, enables the firm to locally accelerate cross-border growth strategies through its broad local ecosystems. As of December 31, 2014, Cathay Capital had invested in 37 companies and over 900 million Euros under management.

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