

News Release

UOB Venture Management enters partnership with Chinese investment companies to launch Chongqing's first Sino-Singapore private equity fund

Fund to invest in Chongqing-based companies that help boost bilateral relations and accelerate western China's infrastructural development

Chongqing and Singapore, 18 April 2016 – UOB Venture Management (Shanghai) Limited (UOBVM (Shanghai))¹ has entered into a partnership with three Chinese companies to set up and manage a Sino-Singapore private equity fund², the Sino-Singapore (Chongqing) Connectivity Private Equity Fund.

Marking the partnership, UOBVM (Shanghai) signed an agreement with the three companies today. They are Chongqing Yufu Asset Management Group Co. Ltd. (Yufu Group), a state-owned capital investment company focused on financial holdings; Ping An Insurance (Group) Company of China, Ltd., a comprehensive financial services group; and Tus-Holdings Co., Ltd., which operates and manages the Tsinghua University Science Park.

The Fund will have a target size of up to RMB100 billion and will invest primarily in Chongqing-based projects in specific industries. In particular, the Fund will focus on financial services firms developing their Sino-Singapore capabilities, as well as aviation companies exploring travel between Chongqing and Singapore, and other Southeast Asian countries. The Fund will also invest in enterprises tapping on Sino-Singapore expertise and experience to enhance the transportation logistics and info-communications infrastructure in Chongqing and other parts of western China.

Mr Seah Kian Wee, Managing Director of UOBVM (Shanghai), said, “The Fund will offer companies an alternative financing option to support their growth and to capture more opportunities as China and Singapore continue to deepen their collaboration in driving the Belt and Road initiative, and in developing the western Chinese provinces and cities.”

¹ UOBVM (Shanghai) is the Shanghai-based wholly-owned private equity firm under United Overseas Bank Limited (UOB).

² Private equity funds typically invest in private assets or in publicly-owned companies but with the intention to privatise them.

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The industries the Fund will focus on are the priority areas³ of the China-Singapore collaboration in the Chongqing Connectivity Initiative (CCI)⁴.

Mr Seah said that many enterprises in China are looking to establish a presence in Chongqing. They are attracted to the city's favourable business environment arising from the country's efforts to improve Chongqing's connectivity with other Chinese cities, with Singapore as well as with Southeast Asia.

In 2015, western China's economy saw greater growth than central and eastern China. In particular Chongqing, with its high growth of 11 per cent, was the country's fastest-growing city⁵.

"We believe that Chongqing's position as the trading and economic hub of western China will be strengthened as there are now more business and investment prospects in the city. This in turn will lead to greater demand for various sources of financing to suit different working capital requirements for companies' domestic and overseas expansion plans," said Mr Seah.

Mr Qiao Changzhi, Deputy General Manager, Yufu Group, said, "The partnership with UOBVM (Shanghai) will enable the Fund to reach out to potential investors beyond China through UOB Group's extensive network. Their strong expertise in investment management and robust risk controls will certainly add to the Fund's competitive strengths. Our cooperation will also help to reinforce the bilateral links between Chongqing and Singapore."

– Ends –

About United Overseas Bank

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of more than 500 offices in 19 countries and territories in Asia Pacific, Europe and North America. Since its incorporation in 1935, UOB has grown organically and through a series of strategic acquisitions. UOB is rated among the world's top banks: Aa1 by Moody's and AA- by Standard & Poor's and Fitch Ratings respectively.

In Asia, UOB operates through its head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia and Thailand, as well as branches and representative offices.

³ Source: Ministry of Trade and Industry Singapore

⁴ The formal term of the initiative is China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity. It is the third China-Singapore government-led project in China, following Suzhou Industrial Park and Tianjin Eco-city.

⁵ Source: National Bureau of Statistics of the People's Republic of China

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UOB plays an active role in the community, focusing on art, children and education. It has, over more than three decades, held the longest-running art competition in Singapore, the UOB Painting of the Year, which has since been extended across Southeast Asia. In recognition of its contributions to the arts, UOB was conferred the Singapore National Arts Council's Distinguished Patron of the Arts Award for the eleventh consecutive year in 2015. UOB also encourages its employees across the region to be involved in its regular volunteer activities. This includes the annual UOB Heartbeat Run which is held in China, Indonesia, Malaysia, Singapore and Thailand.

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