

**Media Release**

Includes suggested Tweets,
Facebook posts, keywords and
suggested hashtags

OCBC BANK LAUNCHES USD100 MILLION PRIVATE EQUITY FUND UNDER THE SHANGHAI QUALIFIED FOREIGN LIMITED PARTNER (QFLP) PILOT PROGRAMME

The fund facilitates OCBC Bank's direct investments in onshore domestic Chinese companies as it ramps up on its private equity activities in China

Singapore, 8 January 2014 – Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) today announced that it has launched a USD100 million private equity fund (“Fund”) under the Shanghai Qualified Foreign Limited Partner (“QFLP”) Pilot Programme, facilitating the Bank’s direct investments in onshore domestic Chinese companies as it aims to increase its exposure to private equity assets in China over the next five years.

OCBC Capital (Shanghai) Equity Investment Fund, L.P., set up under the provisions of a licence obtained from the Shanghai QFLP Pilot Programme, eliminates the need for extensive regulatory approval processes and mitigates the issue of foreign capital convertibility typically faced by offshore private equity funds investing into onshore Chinese companies. The Fund allows OCBC Bank to convert up to USD100 million worth of foreign denominated capital into Renminbi to make multiple investments into domestic Chinese companies directly. This translates into the Bank enjoying greater access to onshore companies and provides for an accelerated deal-making process.

The alternative entails companies having to set up an offshore structure in order to receive foreign currency denominated funds which are then brought back onshore and converted into Renminbi for domestic investments, subject to extensive regulatory approvals. While this remains a viable channel for the Bank to adopt, the Fund now functions as a complementary and localised platform allowing the Bank to ramp up on its private equity investments in Chinese companies.

Managed by the newly established fund manager, *OCBC Capital (Shanghai) Equity Investment Management Co. Ltd.*, the Fund is expected to invest in Privately-Owned Enterprises (POEs) in the growth stages with the intention of eventually listing these companies on the China’s A-shares market. The focus will be on channelling the funds towards investees in sectors such as Modern Agriculture, Consumer, Healthcare, Clean and Environmental Technology and Advanced Manufacturing.

Mr Than Su Ee, OCBC Bank's Head of Mezzanine Capital Unit, said: "The establishment of the private equity fund under the QFLP Pilot Programme is a significant development for OCBC's private equity activities in China. The ability to make direct local currency investments into Chinese companies helps to a certain extent level the playing field, enabling us to compete more effectively against the local private equity fund managers.

It will also pave the way for us to increase our private equity activities in China over the next five years. China is expected to be a dominant private equity market in Asia. It is a key market for us and one that we intend to make further inroads into as we continue to raise our profile and build our networks in the country."

Shanghai's QFLP Pilot Programme

Since launching the Shanghai QFLP Pilot Programme in January 2011, the Shanghai authorities have received and approved more than 20 pilot enterprise applications. Private Equity institutions such as Carlyle, Blackstone, and DT Capital have been approved as pilot enterprises. As the first and only financial institution in Southeast Asia to set up a QFLP Fund in Shanghai, OCBC Bank will tap on the Fund to gain greater access into onshore private equity transactions as it focuses on growing its private equity business in China.


OCBC Bank's Private Equity Business

OCBC Bank, through its proprietary investment arm - Mezzanine Capital Unit (Private Equity & Special Opportunities) ("MCU"), has been investing in private companies in China and Southeast Asia since 2003, with a general focus on the agriculture, oil & gas, resources, consumer, manufacturing and real estate sectors. In recognition of MCU's track record as an active private equity investor in the Greater China region, it has been awarded "2013 China Top 5 Best Institutional Investor (Modern Agriculture Category)" by China Venture Group, a leading research and consulting institute focusing on China's Venture Capital and Private Equity investment industry.

SOCIAL MEDIA ASSETS

Suggested hashtags: #ocbcbank

Keywords: OCBC, China, Renminbi, Qualified Foreign Limited Partner, QFLP, private equity

 **Suggested tweet:** OCBC launches USD100m private equity fund under Shanghai QFLP Pilot Programme to facilitate direct investments in onshore Chinese companies.

 **Suggested Facebook post:** OCBC launches USD100m private equity fund under the Shanghai Qualified Foreign Limited Partner (QFLP) Pilot Programme to facilitate its direct investments in onshore domestic Chinese companies. The fund removes the need for extensive regulatory approval processes and mitigates the issue of foreign capital convertability typically faced by offshore private equity funds investing into onshore Chinese companies. This allows OCBC greater access to onshore companies and provides for an accelerated deal-making process as it ramps up its private equity activities in China.

For all other updates on OCBC, follow @OCBCBank on Twitter and “like” facebook.com/ocbcbank on Facebook.

About OCBC Bank

OCBC Bank is the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is now the second largest financial services group in Southeast Asia by assets and one of the world’s most highly-rated banks, with an Aa1 rating from Moody’s. It was ranked by Bloomberg Markets as the world’s strongest bank in 2011 and 2012.

OCBC Bank and its subsidiaries offer a broad array of specialist financial and wealth management services, ranging from consumer, corporate, investment, private and transaction banking to treasury, insurance, asset management and stockbroking services.

OCBC Bank’s key markets are Singapore, Malaysia, Indonesia and Greater China. It has a network of over 450 branches and representative offices in 15 countries and territories, including more than 330 branches and offices in Indonesia that are operated by its subsidiary, Bank OCBC NISP.

OCBC Bank’s insurance subsidiary, Great Eastern Holdings, is the largest insurance group in Singapore and Malaysia by assets. Its asset management subsidiary, Lion Global Investors, is one of the largest private sector asset management companies in Southeast Asia. Private banking services are provided by subsidiary Bank of Singapore, which continued to gain industry recognition including being voted “Outstanding Private Bank in Asia Pacific” in 2013 by Private Banker International.

For more information, please visit www.ocbc.com.