



Fujian Sunner Development Brings in KKR as Strategic Investor

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Partnership to promote safe chicken production in China

FUJIAN, China--(BUSINESS WIRE)-- Fujian Sunner Development Co. Ltd. (“Sunner” or the “Company”) (SZE stock code: 002299), a leading vertically integrated chicken meat producer in China and leading global investment firm KKR announced the signing of a definitive agreement under which KKR will invest approximately \$400 million for an 18% stake in Sunner. Sunner and KKR will form a strategic partnership to expand the Company’s operations to provide safe and high-quality chicken products to Chinese consumers.

Sunner is China’s largest breeder, processor and supplier of chicken products, providing fresh and frozen chicken for China’s fast food industry, food manufacturing industry and meat wholesale markets. Through its vertically integrated facilities, Sunner has oversight of the full production chain, ranging from chicken farming to the management of feed mills to processing, which better ensures safe and quality food products.

Chicken is the fastest-growing protein in China, yet it represents only 17% of its total meat consumption, versus nearly 40% in Taiwan and Hong Kong. Per capita chicken consumption in China is 10kg per year, at a very low level compared to 43kg in the US. There is also a trend towards large-scale chicken breeders supplying the market. China’s large-scale producers only account for 30% of total supplies today, a significant increase from 12% in 2007, but still very low compared to mature markets like the US, where over 95% of supply comes from large-scale producers. Large-scale, integrated farming is the foundation to ensure food quality and safety standards are met.

Fu Guangming, Chairman of Sunner, said: “Chicken is the most efficient form of animal protein, and the market demand for high-quality chicken products is expected to remain strong. We are very excited to bring in a world leading investment firm such as KKR as our long-term strategic investor, as we share the same commitment to provide the best quality and safest food products to Chinese consumers. We look forward to leveraging KKR’s global resources and operational expertise to further strengthen Sunner’s market leadership, and to meet the growing domestic demand for healthy chicken.”

The partnership is a reflection of KKR’s commitment to help address the growing demand in China for a safer and more secure food supply. “Partnering with companies that meet China’s demand for increased food safety is one of our key focuses for China investments. Sunner is a market leader in China’s chicken farming industry. It has an experienced management team and meets the highest operating standards. We look forward to working with them by providing capital, KKR’s global resources and operational expertise to further strengthen Sunner’s market leadership, contribute to China’s food safety initiatives and bring safe and high-quality chicken to Chinese consumers,” said David Liu, Member of KKR and CEO of KKR Greater China.

“Vertically integrated chicken farming is a key solution to the food safety threats facing China’s animal protein sector. Sunner has an excellent track record and has thoughtfully constructed its farms and processing facilities at strategic locations to ensure chicken quality and health. It is a unique company within its industry with an outstanding management team and we look forward to partnering with Sunner as it expands its operations to meet the increasing consumer demand for safe high-quality protein,” added Julian Wolhardt, Member of KKR.

The transaction is subject to customary approvals.

About Fujian Sunner Development

Fujian Sunner Development Co. Ltd. is listed on the Shenzhen Stock Exchange (Sunner Development, SZE stock code: 002299), dedicated to white feather broiler production for over 30 years. It owns the largest vertically integrated modernized chicken farms, feed mills and processing plants in China, with the highest level of modernization in the industry.

Sunner successfully realizes the traceability of its products to guarantee the food safety by leveraging its fully integrated production chain, and becomes the strategic cooperative partners of many distinguished customers due to its high quality and stable supply. It is the chicken meat supplier of 2008 Beijing Olympic Games, 2010 Shanghai Expo and 2010 Guangzhou Asian Games.

About KKR

KKR is a leading global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, credit and hedge funds. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation at the asset level. KKR invests its own capital alongside its partners’ capital and brings opportunities to others through its capital markets business. KKR seeks to combine its global resources and network with local expertise to assist its investment companies by bringing value-add beyond capital. KKR’s China efforts and team highlight this approach, as they have invested through different economic cycles and in a number of market leading companies in China. References to KKR’s investments may include the activities of its sponsored funds. For additional information about KKR & Co. L.P. (NYSE: KKR), please visit KKR’s website at www.kkr.com.

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