COAMI, COS-Capital and KKR to Explore Opportunities in China

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Partners establish new platform to focus on credit and distressed opportunities in China

BEIJING--(BUSINESS WIRE)-- China Orient Asset Management (International) Holding Limited ("COAMI"), China Orient Summit Capital ("COS-Capital") and KKR today announced the formation of a strategic partnership to co-invest in credit and distressed opportunities in the Chinese market and explore strategic initiatives for broader collaboration.

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The investment and asset management platform will focus on opportunities in China across a range of returns, benefiting from the unique capabilities and strengths of each of the partners. The platform brings together COAMI and COS Capital's unique combination of deal sourcing capability and China asset management expertise, and KKR's investment experience and network around the world and in China.

Guoxing Zhong, Co-President at COAMI, said, "We believe this partnership between a state-owned enterprise, a local investment manager and an international investment firm offers investors a rare opportunity to benefit from the best practices of all three parties, and we are very much looking forward to working in partnership with KKR."

David Liu, Member, Co-Head of Asia Pacific Private Equity and Head of China at KKR, said, "We are excited to enter into this innovative new partnership with COAMI and COS-Capital, which are experienced local partners that have track records in sourcing unique opportunities and active asset management. We look forward to working as a team to leverage our resources and provide both the necessary capital and the capabilities to our portfolio."

Edward Han, Managing Director, Head of Special Situations at COS-Capital, commented, "The new joint venture offers an opportunity to build a scaled platform to provide flexible capital solutions, particularly in the real estate sector which is facing increased macro and funding challenges. We are excited to work with KKR given their deep investing and funds management experience across real estate, distressed investing and credit."

China's real estate market has approximately US$3.1 trillion of outstanding debt, making up approximately 16% of the total lending market in China, predominantly in the form of commercial bank loans, trust schemes and wealth management plans, according to the People's Bank of China ("PBOC"). Amongst the commercial banks in China, PBOC statistics show that total non-performing loans amount to over US$180 billion. According to KPMG, the majority of the collateral underpinning these non-performing loans is real estate.

COAMI, COS-Capital and KKR believe the platform will deliver long term value to their respective businesses and create attractive investment opportunities for each other and their investors.

About COAMI

China Orient Asset Management (International) Holding Limited ("COAMI") is an international business platform, wholly-owned by China Orient Asset Management Corporation ("COAMC"). Established by China's Ministry of Finance in 1999, COAMC is one of only four licensed national asset management companies and wholesalers of non-performing loans (NPL) in China. As of the end of June 2015, COAMC has total assets of approximately RMB 366 billion and provides comprehensive financial services to over 8 million clients through its city offices and subsidiaries nationwide. For additional information about COAMC, please visit COAMC's website at http://www.coamc.com.cn/.

About COS-Capital

China Orient Summit Capital Co., Ltd ("COS-Capital") is a specialized investment management platform that focuses on management of both USD and RMB investments, onshore mezzanine financing and cross-border investments. It is a joint venture established in early 2014 by COAMI and China Summit Capital. China Summit Capital was founded by a group of seasoned investment professionals with substantial experience in investment management and project development. For additional information about COS-Capital, please visit COS-Capital's website at http://www.cos-capital.com/.

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. 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 http://www.kkr.com/ and on Twitter @KKR_Co.

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