

COFCO Meat Brings in KKR, Baring Private Equity Asia, HOPU, and Boyu as Strategic Investors

Aiming to promote large-scale hog farms and safe meat production in China

BEIJING & HONG KONG--(BUSINESS WIRE)-- COFCO Meat, a leading integrated pork company with a focus on providing safe meat products to Chinese consumers, and a consortium of investors composed of KKR, Baring Private Equity Asia, HOPU, and Boyu, announced the formation of a strategic partnership. The consortium will invest in COFCO Meat alongside existing shareholders to build and manage large-scale industrialized hog farms and meat processing plants in China. Terms of the transaction were not disclosed.

COFCO Meat, a subsidiary of COFCO Group, is a modern industrialized and integrated food company engaged in hog and poultry production, processing, distribution, and meat imports and exports. Established less than five years ago, COFCO Meat is now one of the largest hog producers in China. The large-scale and integrated operations enable effective quality control to produce high-quality meat products to address increasing food safety issues in China. The company markets its fresh meat and processed meat products under the brands *Joycome* and *Maverick*.

According to the US Department of Agriculture and the China Animal Industry Yearbook, China accounts for more than 50% of global pork consumption, while large-scale farms with an annual output of 50,000 or more hogs contribute less than 1% of the total domestic supply. Large-scale farms are expected to increase more than six fold by 2020 given their food safety and quality control capability, as well as their greater operational efficiency compared with smaller farms.

Ning Gaoning, Chairman of COFCO Group, said: "Meat is the single-largest food category in China's diet, and meeting this demand is a critical link and a natural extension of our company's value chain. Chinese consumers demand of COFCO to promote the meat industry and provide safe meat products. Bringing in the four strategic investors is an action by COFCO to diversify our equity ownership and enhance our corporate governance. We look forward to creating synergies among the shareholders to improve the operations and management of COFCO Meat, and together grow COFCO Meat into a much bigger actor in China's meat industry. "

Ma Jianping, Vice President of COFCO Group and Chairman of COFCO Meat, said: "This strategic partnership brings in four world-class investment funds to support COFCO Meat's development. The investment is a recognition of our past achievement and future potential, and we believe these investors' extensive global networks, professional local teams and deep operational experience will accelerate COFCO Meat's strategic goal to become the leading provider of China's safe meat products."

"COFCO Meat is the right partner for the consortium with its strong commitment to food safety, leading market position and outstanding historical track record," said Julian Wolhardt, Member of KKR. "We look forward to fully utilizing our global resources and local expertise to assist COFCO Meat in setting the bar for food safety in China. This new investment will increase the supply of high-quality meat products in China as the country witnesses an increasing demand for healthier food."

Guy Cui, Managing Director of Baring Private Equity Asia, commented, "The investment in COFCO Meat is an excellent example of the consortium's ability to invest in a diversified-ownership structure and support an important policy imperative to provide consumers with better food quality and safety. We look forward to working with the management team at COFCO Meat and contributing to its future growth and development."

About COFCO & COFCO Meat

Founded in 1949, COFCO is one of the 53 pillar enterprises under direct administration of the State Council, and has ranked among world's Top 500, and led the Top 100 in Chinese food industry. With years of endeavor, COFCO has developed from a solely trading company of grain and oils into the largest supplier of diversified products and services in the agricultural products and food industry in China. It is devoted to realizing a fully integrated value chain from farmland to dining table, establishing the urban complex with a fully integrated service chain, and utilizing renewable natural resources to provide healthy and nutritious food, high quality lifestyle and services, as well as contributing to improve people's living standards, social prosperity and stability.

COFCO Meat Investment Co., Ltd. ("COFCO Meat") was founded in 2009, and is a subsidiary of COFCO Group. As a quality meat producer and one of the main meat importers/exporters in China, COFCO Meat devotes itself to providing safe and healthy meat to customers. To ensure food safety, COFCO Meat effectively controls each process in the fully integrated vertical value chain, including feedstuffs processing, livestock/poultry farming, slaughtering, further processing, cold chain

distributing and marketing, and has already established a sustainable traceability system. For additional information, please visit <http://www.cofco-joycome.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. KKR & Co. L.P. is publicly traded on the New York Stock Exchange (NYSE:KKR) and "KKR", as used in this release, includes its subsidiaries, their managed investment funds and accounts, and/or their affiliated investment vehicles, as appropriate. For additional information, visit KKR's website at www.kkr.com.

About Baring Private Equity Asia

Baring Private Equity Asia is one of the largest and most established independent private equity firms in Asia and advises funds with total committed capital of over US\$5 billion. The firm manages a pan-Asian investment program, specializing in companies requiring capital for expansion, recapitalization or acquisitions. Baring Asia has been investing in Asia since its formation in 1997 and has over 100 employees located in offices in Hong Kong, Shanghai, Beijing, Mumbai, Singapore, Jakarta and Tokyo. The firm currently advises funds that have invested in over 30 portfolio companies across Asia, which have 95,000 employees and revenues of \$25 billion in 2013.

About HOPU

HOPU Investments is a China-focus private equity firm with an international investment platform. HOPU differentiates itself in its proprietary deal sourcing channels established through its strong capability to align China-foreign interests and strengths, and to organize effective public-private sector cooperation, in its China-focus off-shore investment strategy, and in its strong post-investment management capabilities. To best leverage China's continued growth and reform, HOPU focus on consumer, natural resources, logistics & infrastructure and financial services industries.

About Boyu

Boyu Capital is a leading Greater China-focused private investment firm with over US\$3.0 billion under management and offices in Hong Kong and Beijing. Founded by a team of experienced investors and business operators, Boyu Capital provides growth capital and strategic support for industry-leading companies through long-term partnerships with management teams.

Photos/Multimedia Gallery Available: <http://www.businesswire.com/multimedia/home/20140605006520/en/>

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