



For Immediate Release

Huaxia Dairy Creates New CEO Position to Drive Further Expansion and Raises US\$50 Million of Additional Capital to Fund its Growth Plan

High-Quality Milk Producer Appoints Industry Veteran George Zhang Amidst Growing Demand for Premium Dairy Products in China

Sanhe, Hebei, China, November 1, 2012 – Huaxia Dairy Farm Limited (“Huaxia Dairy”), a high-quality milk producer in Sanhe, China, announced today that dairy industry veteran Mr. Jia Qi “George” Zhang will join the firm in the newly-created role of CEO effective December 18, 2012. The company also confirmed that an investor group led by Olympus Capital Holdings Asia (“Olympus Capital”) has invested an additional US\$50 million. Other investors include California Technology Ventures, Herostar Holdings and Grand River Capital. The investment proceeds will be used to continue to fund capital expenditures and pursue expansion opportunities.

Huaxia Dairy was established in 2004 by a group of entrepreneurs focused on creating a world-class dairy farm in China. The milk produced at Huaxia Dairy meets world class standards and is used to supply major dairy companies in China for their premium products, as well as for the production of Huaxia Dairy’s own high-end brands – Wondermilk and Wonderyogurt.

In July 2011, Olympus Capital, an Asian middle-market private equity firm, led an investor group that included Mueller Milch Management (“Mueller Milch”), one of the leading European producers of dairy products, to invest US\$45 million in Huaxia Dairy for a significant minority stake. With this recent round of funding, Olympus Capital has invested US\$38 million bringing its total investment in Huaxia Dairy to US\$68 million.

To meet increasing customer demand, the company is currently in the process of expanding with two new farms scheduled for completion in the next few months. The company is also expanding its upscale Wondermilk gelato and yogurt stores in Beijing with the newest store now open in Houhai and five stores planned to be open by year end.

Mr. Zhang is a highly-regarded professional with over 15 years of leadership experience in agriculture, primarily in the dairy and agrochemical sectors in China. His previous roles include Managing Director of DeLaval China, a leading producer of dairy and farming machinery headquartered in Sweden and part of the Tetra Laval group, and Head of Business Development for Syngenta China, a global agrochemical company headquartered in Switzerland.

Charles Shao, Founder and Executive Chairman of Huaxia Dairy, said: “George is a highly-regarded expert in China’s dairy industry and brings with him an impressive track record with leading international firms and local knowledge. We are very fortunate to have George coming on board as CEO to help drive forward further expansion. With dairy consumption per capita in China still on the low side, but growing annually, the opportunity for growth in this sector continues to be significant. The expanding middle class in China will continue to drive demand for high-quality milk and milk products that are safe and traceable. This additional round of investment is a strong endorsement of our growth strategy by our current investors, who are contributing over 90% of the funds.”

Peter Cimmet, an Executive Director at Olympus Capital and a Huaxia Dairy Board member, commented: “George has a unique blend of international perspective and local dairy expertise, which will be key to building Huaxia’s premium, world-class platform in China. Going forward, as the founder and chairman of the company, Charles will remain the visionary leader and George will be the operational driver of the growth strategy, each complementing the other and working closely together.”

George Zhang, CEO of Huaxia Dairy, concluded: “I am looking forward to help drive Huaxia Dairy’s next stage of development into an even stronger and larger player in the premium segment of the China dairy industry. We will continue to focus on the Beijing and Tianjin markets and also plan expansion into other high-value markets within China such as Shanghai. Our strategy will continue to be based on the upstream supply of raw milk, since that is a space where Huaxia Dairy has real differentiation, in terms of technology, safety systems and the strong industry relationships that have been cultivated since inception and which I hope to further enhance. We will also further develop our Wondermilk brand which has been experiencing strong growth in the Beijing market on a viral basis.”

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About Huaxia Dairy Farm

Huaxia Dairy Farm Limited operates one of the largest progressive corporate dairy farms in China, and is a leading producer of high-quality raw milk in the Beijing-Tianjin region, based in Sanhe of Hebei province, China. Established in 2004, the company is known for its extensive deployment of modern advanced technology to ensure a spotless safety record and quality milk that surpasses international standards. Apart from supplying dairy processing companies with milk, Huaxia Dairy also has a retail presence with Wondermilk and Wonderyogurt. Through collaborative partnerships with strategic industry players both in China and overseas, Huaxia Dairy aims to contribute to the advancement of the dairy industry in China through various aspects of modern technology transfer; raising the standards of animal healthcare, veterinary practice and training; improving dairy herd genetics and feed structure; as well as introducing precision laboratory testing and traceability.