

OVERSEAS BIDDER PROMISES FULL DETAILS WHEN APPLICATION FOR APPROVAL LODGED

Shanghai Pengxin Group Co. Ltd says it will make a full disclosure of its plans to participate in the New Zealand and Chinese dairy industries when it has lodged its application with the Overseas Investment Office for approval to purchase the 16 North Island Crafar dairy farms currently in Receivership.

Chairman Jiang Zhaobai says Pengxin expects to lodge its application before the end of March and it would not be appropriate to release any details on the bid before detailed information has been given to the OIO. "We are currently still working on the detail of our business plan, and on our application, so any release would be premature.

"What we can say at this stage is that we believe we will bring substantial benefits to New Zealand, some of them, perhaps, outside the dairy industry.

"Shanghai Pengxin Group is a successful, financially strong company, established in 1997 and we have made proper arrangements for financing the purchase of the Crafar farms, if approved, and also financing our subsequent development plans."

Originally a civil engineer, Mr Zhaobai began his career in real estate and today heads a growing conglomerate based in Shanghai, China, but with significant investments in other countries.

As of 2010, Shanghai Pengxin Group's total assets were approximately \$US 2 billion, and the Group employs more than 4,000 people.

Pengxin has four major business arms:-

- Property development -- based in Shanghai, but creating residential, retail, hotel and commercial developments in various locations in China, where the group has completed development of two and a half million square metres of space. Over the next five years it plans to build a further 20 integrated developments (hotel, retail, convention facilities, offices, apartments and parking) across China.
- Infrastructure – Pengxin is involved in both construction and investment in toll roads, bus terminals, sports centres and other infrastructure in China with an investment value approaching \$US 700 million.
- Mining --Pengxin's biggest mining venture is in the Democratic Republic of Congo, where it has invested more than \$US 350 million in a majority share of a copper deposit estimated to

contain 350,000 tonnes, with production to begin this year. It also has exploration rights for areas totalling 1000 square kilometres.

- Agriculture -- On Chongming Island, Shanghai, Pengxin owns 650 hectares of land largely devoted to sheep breeding, wheat and soybean production, and has entered into joint programmes with research institutes and agricultural colleges to improve production and management techniques. It has 930 hectares in Shandong Province which will also be dedicated to sheep breeding in the future. In 2005 it invested more than \$US 20 million to buy a majority interest in a soybean and corn farm of 12,500 hectares in Santa Cruz, Bolivia. It has agricultural interests in Cambodia and Argentina and is currently negotiating to buy 200,000 hectares of land in Brazil to grow soybean and cotton.

Chairman Jiang, who has been to New Zealand on a number of occasions, predicts a bright future for food producers who are skilled at all stages of food production and distribution and who understand the needs of the consumer. "China, with 1.4 billion people to feed, is already a significant market for New Zealand but offers huge and exciting future potential for mutually beneficial co-operation between the two countries.

"We have great admiration for the New Zealand dairy industry and its potential and believe we can be strong ally for New Zealand dairy industries through our international trade connections and, in particular, our networks of influence within China and Asia," he said.

"We believe we have a role in helping New Zealand capitalise on this opportunity and we look forward to sharing our plans with dairy industry leaders and the public at the appropriate time. "

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(Issued on behalf of Pengxin by True North Ltd – Cedric Allan, 021 928 038.
cedric@truenorth.org.nz).

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(Pengxin is pronounced --"pung jin")