

ICV CAPITAL PARTNERS ANNOUNCES ACQUISITION OF LEADING ASIAN FOODS COMPANY

New York, **January 7, 2003** – ICV Capital Partners, a New York private-equity investment firm focused on minority and inner-city companies, announced today that it has acquired Chung's Foods, Inc., of Houston, Texas, a leading provider of premium Asian appetizers and entrees. Chung's, with \$26 million in annual revenues, has a 50 percent market share of all eggrolls sold in the self-service deli category, which is the fastest growing area in supermarkets.

The company's product focus is on fresh and frozen egg rolls and entrees and markets primarily to supermarkets, wholesalers and convenience store chains. In most cases Chung's is the sole supplier of the products to the meat and deli divisions. Chung's largest customers include Albertsons Inc., Kroger, Publix Super Markets, Inc., Wal-Mart Stores, Inc. and Sam's Club.

ICV also announced that Bridgette P. Heller has joined Chung's Foods as chief executive officer. Heller was formerly executive vice president and general manager of the Coffee Division of Kraft Foods where she had full responsibility for the largest coffee buying, manufacturing and marketing operation in the country with \$1.5 billion revenues. Trademarks include Maxwell House, Yuban, Gevalia and Starbuck's. Heller has 18 years of management and marketing experience as a senior executive in several food categories and was one of the highest-ranking African-American executives at Kraft.

"I welcome the challenge that Chung's offers," Heller said. "From my experience in the food industry, I believe that it is an outstanding platform business from which to grow a dominant player in the ethnic foods market."

David Fernandez, who has been president of Chung's Foods since 2001, will continue in that role.

"I joined the company eight years ago when Chung's yearly revenues were \$3 million," Fernandez said. "Since then, we have grown revenues to \$25 million – more than 800 percent growth."

"Given the strong financial and management commitment from ICV, the ownership transition should greatly benefit Chung's, its employees and its customers," Fernandez said. "ICV and Bridgette Heller are the ideal partners to help us take Chung's to the next level of success."

"Chung's is a company with great promise," said Tarrus Richardson, a managing director of ICV. "The Asian food category has shown strong growth in recent years because of its popularity and grab-and-go convenience."

“The goal is to build Chung’s into a \$100 million business over the next few years,” Richardson continued. “To accomplish this, we have brought collectively an additional 80 years of food industry experience to the company and plan to invest \$25 million of additional equity capital in to the company. We will be working with Chung’s to devise a strategy to aggressively pursue acquisitions of specialty ethnic food companies and fresh serve deli businesses with revenues ranging from \$5 million to \$25 million. We believe these niche companies will benefit from Chung’s national distribution network of nearly all of the major supermarkets and club stores.”

“Chung’s is a great fit for the type of investment that ICV is looking for,” said Prof. Michael Porter of the Harvard Business School, founder of the Initiative for a Competitive Inner City (ICIC) and a member of ICV’s five-person investment committee. “It meets the criteria of an exciting business opportunity and a market-leading company that is very profitable and well managed. It also fits our target investment focus as a company based in a low-income, inner-city neighborhood and managed and staffed with a workforce of 90 percent ethnic minorities.”

Also joining the board of directors will be James Atkinson and Robert Hall. Atkinson is a 35-year food industry veteran who retired from Kraft in 2002 as head of manufacturing of the Cheese Division and was also as one of its highest ranking African American executives. Hall is a 27-year food industry veteran who has held senior strategy positions with Kraft, Nabisco and Nestle.

Chung’s was sold by Yellowstone Capital, Inc. and affiliates, a private-equity investment firm based in Houston that was represented by Houlihan Lokey Howard & Zukin. Yellowstone, along with Heller, Fernandez, Atkinson, Hall, Dr. Gene Chung, the founder of the company and other Chung’s employees will hold in aggregate a 25 percent equity interest in the company.

Chung’s is the second investment for ICV, which raised its initial private equity investment fund of \$130.5 million, ICV Partners, L.P., in 2000. ICV closed on its first investment, Sterling Foods, Inc., of Austin, Texas, in September 2001 in a deal valued at \$35 million. Sterling is the leader in shelf-stable bakery products for the military and commercial markets.

ICV Capital Partners is 51 percent minority owned by Richardson and his partners, Lloyd Metz and Willie Woods and is focused primarily on investing in market leading niche companies with revenues ranging from \$25 million to \$150 million that operate in ethnic-minority and inner-city markets.

ICV is 49 percent owned by ICIC Enterprises, an affiliate of ICIC and by American Securities Capital Partners, L.P., a \$1 billion private-equity investment firm. ICV’s limited partners are a group of blue chip institutional investors.