



**PROSPERITY INVESTMENT HOLDINGS LIMITED**

嘉進投資國際有限公司

## **Media Release**

### **PROSPERITY INVESTMENT COLLABORATES WITH SHENZHEN CAPITAL**

#### **TO ACQUIRE INTEREST IN THE HOLDING COMPANY OF JULI**

##### *A STEP FORWARD TO CHANGE INVESTMENT STRATEGY TO DIRECT INVESTMENT*

(Hong Kong, 13 August 2010) – **Prosperity Investment Holdings Limited (“Prosperity Investment” or the “Company”) (Stock code: 0310.hk)** today announced its investment in a privately-owned hi-technology chemical company, Yantai Juli Isocyanic Ester Co., Ltd. (“Juli”), in Yantai, Shandong Province through acquiring interest in China Juli Fine Chemical Co., Ltd. The total investment of the Company is HK\$26 million.

While the principal business of Prosperity Investment formerly was securities investment the Company has shifted to mainly focus on direct investment in order to enhance return for shareholders. This transformation has reflected the change of controlling stake and the completion of the reorganisation of share capital in late 2009. The Company’s investment targets mainly include those enterprises attaining the scale of business and qualifications requisite for listing and which may apply for listing within a short time.

The only asset of China Juli Fine Chemical Co., Ltd is the 100% equity interest it owned in Juli. The main product of Juli is toluene diisocyanate (TDI) and the company is one of the few producers of TDI in Mainland China. TDI is a key chemical material for the polyurethane industry. It is widely used in the production of polyurethane product applications such as sponges, high-grade paint and high-grade adhesive, high elasticity polyurethane, etc. Juli produced a total of 19,000 tonnes of TDI in 2008, representing a year-on-year growth of 146%. Sales income was RMB500 million, an increase of 119% when compared with the same period in the previous year.

The Juli plant is located in Laiyang Economic Development Zone in Shandong Province occupying an area of 500 mu. It has nearly 700 staff with annual production capacity of 20,000 tonnes of TDI and fixed assets valued at RMB650 million. Phase II of the plant is under construction and is targeted to begin production in 2011, upon which, Juli’s annual capacity will be increased to 70,000 tonnes of TDI. Total investment of Phase 2 is estimated to be RMB1.2 billion.

Prosperity Investment has partnered with Shenzhen Capital Group Co., Ltd. (“SCGC”) to co-invest in Juli. SCGC is one of the domestic venture capital institutions in China which has the largest capital size and strongest investment capability. SCGC’s shareholders include Shenzhen State-owned Assets Supervision and Administration Bureau. Over the past 11 years, it has invested in 287 projects, 60 of which have been listed locally and overseas.



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**Mr. Cheng Hairong, Chairman and Executive Director of Prosperity Investment,** said, “I am delighted that leveraging our management industry network we are able to partner with SCGC to acquire interest in Juli, which presents a uniquely valuable opportunity. We look forward to further collaboration with SCGC in the future. This initiative marks a milestone for Prosperity Investment, as an important step forward for us in transforming our investment strategy to direct investment. At present, the annual demand for TDI in China is about 300,000-350,000 tonnes while the actual annual output is less than 200,000 tonnes in the country. This gap between supply and demand presents bright prospects and huge development potential. We are confident that our investment in Juli will generate satisfactory returns for our shareholders.”

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### **Notes to editors:**

#### **Prosperity Investment Holdings Limited (Stock code: 0310.hk)**

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#### **About Shenzhen Capital Group Co., Ltd. ("SCGC")**

SCGC is one of the domestic venture capital institutions in China which has the largest capital size and strongest investment capability. Its registered capital is RMB2.5 billion and has the ability to invest up to RMB10 billion. Its shareholders include Shenzhen State-owned Assets Supervision and Administration Bureau. Over the past 11 years, SCGC has invested in 287 projects, covering IT, communications, new materials, bio-pharmacy, energy and environmental protection, chemicals, consumer products, [chains] and high-end services. Of all projects, 60 have been launched locally and overseas. SCGC has a very professional and experienced team and a network across the country. The companies it invested are leading enterprises in the industry with high growth potential. Most of them have also set listing as their goal. For more details, please visit [www.szvc.com.cn](http://www.szvc.com.cn)

#### **Yantai Juli Isocyanic Ester Co., Ltd.**

Juli is mainly engaged in production of toluene diisocyanate (TDI) and the company is one of the few producers of TDI in Mainland China. TDI is a key chemical material for the polyurethane industry. It is widely used in the production of polyurethane product applications such as sponges, high-grade paint and high-grade adhesive, high elasticity polyurethane, etc. Juli produced a total of 19,000 tonnes of TDI in 2008, representing a year-on-year growth of 146%. Sales income was RMB500 million, an increase of 119% when compared with the same period in the previous year.

The Juli plant is located in Laiyang Economic Development Zone in Shandong Province occupying an area of 500 mu. It has nearly 700 staff with annual production capacity of 20,000 tonnes of TDI and fixed assets valued at RMB650 million. For more details, please visit [www.julicom.cn](http://www.julicom.cn)

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