



## **CLSA Capital Partners exceeds US\$250 million to date in investments and realisations across Asia**

Mumbai/Hong Kong, 7 November 2006 – Two recent deals invested by CLSA Capital Partners' funds ARIA Investment Partners and Clean Resources Asia, now brings the total of investments and realisations managed by the group to over US\$250 million. CLSA Capital Partners' funds currently manage five active funds including CLSA Sunrise Capital, Fudo and MezzAsia. Since the beginning of 2006, over US\$100 million has been invested and realised by ARIA Investment Partners, CLSA Capital Partners' Asian focused growth and expansion capital fund.

The two deals are worth US\$45 million of investments in a listed Indian company and Hong Kong GEM listed company. Brightwill Limited, a subsidiary of ARIA Investment Partners and Clean Resources Asia, has invested US\$20 million in Everest Kanto Cylinder Ltd ("EKC"). ARIA Investment Partners has also announced the signing of a placing agreement on 11 October 2006 to invest US\$25 million in Shanghai Donghua Petrochemical Co., Ltd ("SDP") (stock code:8251).

"This has been a very strong year and we are expecting a lot of more activity across all our funds in over the next few months" said Richard Pyvis, CEO of CLSA Capital Partners.

Commenting on EKC, Josephine Price, Deputy CEO of CLSA Capital Partners, said "EKC is a market leader in the Indian cylinder segment and also has a strong presence in countries that promote CNG as vehicle fuel, such as Iran and Pakistan. The promoters and management are experienced in the field and this, coupled with their ability to spot economic trends opportunistically, builds a solid foundation for the future growth of the company. We are pleased to be of support to the company at this stage of its business, when it is poised to grow rapidly."

Genevieve Heng, Director at CLSA Capital Partners, added "Policy-makers, energy companies and consumers the world over are paying greater attention to clean energy sources now. As oil prices increase steadily, interest in alternative forms of energy like CNG is rising. EKC's CNG cylinder business will benefit greatly from this shift, while its industrial gas cylinder business will be driven by the robust general economic growth that's powering *Chindia* and the rest of the region."

"We were immediately attracted to the prospect of investing in the dynamic compressed natural gas business in India as our first private equity deal since our fund launched in August. The expansion potential of EKC domestically and overseas is considerable." stated Andrew Pidden, CIO, and Anthony Wilkinson, Head of Research, of Clean Resources Asia.

P. K. Khurana, Chairman and Managing Director of EKC said "We are happy in being associated with CLSA Capital Partners and are confident that the experience of CLSA will certainly act as a catalyst to fuel our growth plans in China, India and the Middle East."

EKC manufactures CNG-NGV cylinders for vehicles as well as a wide range of cylinders for industrial and medical gases, fire fighting equipment, beverage industry,

accumulator shells, aerospace, scientific research and many more applications. It is also a major exporter of CNG cylinders to Thailand, Malaysia, Bangladesh, Iran, Pakistan and neighbouring Middle East countries. In the domestic Indian market, EKC is a supplier of CNG cylinders to large automobile companies like Bajaj Auto, Tata Motors, Ashok Leyland, Swaraj Mazda and Hindustan Motors. The company currently has three manufacturing units in India (Tarapur, Gandhidham, Aurangabad) and one factory in Dubai with an aggregate capacity to produce 706,000 units per annum. The company plans to use the funds to expand its capacity in India and Dubai and set up a new plant in China as well as normal working capital.

SDP is a PRC one-stop asphalt sales and logistics services company. Its logistics services cover vehicle transportation, ocean transportation, inland water transportation and storage of asphalt. It has storage hubs with a storage capacity of about 100,000 tons in the Yangtze Delta Region and is expanding its network to support markets in inland cities.

Josephine Price said, "SDP's management team has demonstrated strong business acumen, real diligence and focus. They are committed long term to this business. We are looking forward to the opportunity to work with them and believe that we can add value by leveraging on CLSA Capital Partners' China experience."

Alvin Ho, Managing Director and Head of China for CLSA Capital Partners' growth and expansion investment, added, "Demand for asphalt in China is driven by the growth in road construction and road maintenance. We are very positive about long term growth in this sector and our expansion capital will help SDP build on its already strong platform."

Qian Wenhua, Chairman of SDP said, "CLSA Capital Partners is the ideal partner for us with an excellent track record and brand in the PRC. The partnership with CLSA Capital Partners will enable us to tackle the challenges of growth as we strive to take our company to the next level."

### **About CLSA Capital Partners**

CLSA Capital Partners is the alternative asset management arm of CLSA Asia-Pacific Markets, Asia's leading investment bank and part of one of the world's top financial institutions. CLSA Capital Partners currently manages five main funds: Aria Investments, which focuses on growth capital for companies exposed to domestic demand; Fudo Capital, investing in Asian property; CLSA Sunrise Capital, which focuses on growth and mid-market buyout opportunities in Japan; Clean Resources Asia which focuses on the region's clean energy plays; and MezzAsia, which provides mezzanine debt financing for Asian buyouts.

CLSA Capital Partners has a diverse team of professionals with backgrounds spanning industries from banking to law and accounting. Our experienced team with long established roots in the region has helped many Asian companies realise their potential. Through the CLSA network, research and investment banking teams, CLSA Capital Partners has unique access to Asia and its decision makers, hard knowledge of what is really happening and strategic insight into future Asian investment trends.

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