

## **Cathay Industrial Biotech invests an additional USD 500 million to expand its production capacity for new bio-based materials**

2018-12-08

---

**Cathay Industrial Biotech takes a decisive step to expand its output of bio-based pentamethylene diamine and long-chain diacids. This will double Cathay's production capacity of the respective products at the Wusu site and meet the expanding market demand. Cathay will apply its latest proprietary technologies.**

On December 6, 2018, the government of the city of Wusu (Xinjiang, China) and Cathay Industrial Biotech Co., Ltd. ("Cathay") signed an agreement for the expansion of Cathay's production in Wusu. Cathay has successfully completed the construction of the first phase of its Wusu manufacturing plant and has started up production of 30,000 tons of bio-method long-chain diacids, 50,000 tons of bio-based pentamethylene diamine and 100,000 tons of bio-based polyamides. According to the agreement, an additional investment of USD 500 million will be made in the same facility in order to expand the annual output by 30,000 tons of bio-process long-chain diacids and 50,000 tons of bio-based pentamethylene diamine.

Cathay operates two production plants. One is in the county of Jinxiang (Shandong, China) and has an annual capacity of 40,000 tons of bio-process long-chain diacids. It also operates pilot production lines for over one thousand tons of bio-based pentamethylene diamine and bio-based polyamides. Cathay's second production site is in the city of Wusu (Xinjiang, China), with output capacities of 30,000 tons of bio-method long-chain diacids, 50,000 tons of bio-based pentamethylene diamine and 100,000 tons of bio-based polyamides. The Wusu plant commenced production in the second half of 2018.

Cathay has focused on R&D and industrialization of bio-manufacturing for more than 20 years. The production of long-chain diacids, bio-based pentamethylene diamine and bio-based polyamides has been successfully implemented on an industrial scale. Cathay has always been dedicated to its bio-manufacturing technology, challenging the principles of traditional chemical manufacturing. Its bio-manufacturing has continuously improved production efficiency, made manufacturing processes more energy-efficient and environmentally friendly, and expanded market applications and scale by focusing on customer-oriented application development.

Mr. Chen ZHOU, mayor of the city of Wusu, said: “Now that Cathay has successfully built the first phase of the Cathay project and started production, it carries out the second phase of the expansion without delay. The combined investments of the two phases will exceed USD 1,000 million, which is very meaningful for economic development of the city of Wusu and even the Xinjiang region. For the expansion of the investment projects, the city will continue to contribute, focus on infrastructure, take care of formalities, and promote the project with high quality services in order to complete the project as soon as possible. In the long run, Cathay's unique bio-manufacturing technology will fill a gap in the world's high-end bio-based materials. Wusu will use the city's power to support the development and scale-up of the Cathay project, and gradually become a large and important bio-based new material industrial park.”

Dr. Xiucan LIU, Chairman and CEO of Cathay, said: “The completion of the first phase of Cathay’s plant in Wusu is only a small part of the comprehensive plan for the production of new bio-materials. The successful start of the production at the Wusu site, however, is of great importance. For the project expansion, Cathay can draw on its 20 years of industrialization experience and its new R&D results to consistently provide high-quality products to the market and thus meet the expanding market demand.”