

Tembusu invests in Hongwei Technologies

Singapore fund taps synthetic fiber demand

Singapore's Tembusu Growth Fund has paid S\$3.7 million (\$2.4 million) for a 5% stake in Hongwei Technologies, a Chinese manufacturer and supplier of polyester fiber. Tembusu was issued new shares by SGX-listed Hongwei.

The fund is managed by [Tembusu Partners](#), which targets growth-stage, entrepreneur-led companies that use Singapore as a hub. The firm's chairman,

[Andy Lim](#), told *AVCA*: "We invested in Hongwei because it is financially healthy, profitable, efficient and lowly leveraged. We believe that market demand for polyester differential fiber will be higher in the long term, compared with natural cotton."

Polyester differential fiber is made by processing polyester chips. It can be manufactured to produce fabrics that

have qualities similar to cotton, silk, wool and suede.

Hongwei's polyester differential fiber is mainly sold to textile and yarn makers in Fujian province and other parts of southern China. The company's core products include drawn and textured yarn, and synthetic cotton.

Fujian province-based Hongwei said it would use about 60% of the new funds

to double its production capacity for synthetic cotton, with the remainder going towards general working capital.

-SY



Andy Lim