



FULIDA PURCHASES NEUCEL SPECIALTY CELLULOSE LTD. FROM WELLSPRING CAPITAL MANAGEMENT

PORT ALICE, BC (February 02, 2011) – Fulida Group Holdings Ltd (“Fulida”) has purchased Neucel Specialty Cellulose Ltd. from a consortium of investors led by Wellspring Capital Management and GSC Group. Fulida, together with Zhejiang Fulida Ltd, which had established a minority equity position along with a strategic supply agreement with Neucel in 2010, is now assuming full ownership of the company. Financial terms of the transaction were not disclosed.

“We are very pleased to become fully integrated into the Fulida organization given their leadership in the rayon market and their strong support of our Port Alice Mill. The new ownership enables Neucel to explore new growth opportunities while continuing our aggressive cost and capacity initiatives. Wellspring has been a visionary and dedicated owner of our business and we are very pleased to have helped make this a successful investment for them,” said Bob Taylor, President and CEO of Neucel who will continue to lead the business.

“Viscose rayon fibre competition in China has become intense. With the purchase of Neucel, Fulida gains a stable supply of dissolving pulp along with cost advantages and quality assurance which extends the value chain of our business. I strongly believe that this purchase will ensure a stable, sustainable and rapid development for Neucel, and thus help it to further achieve its unique enterprise value,” said Jianer Qi, Chairman of Fulida Group Holdings.

Fulida is one of the leading producers of rayon in the world with several awards to its credit within the Chinese textile industry.

Joshua Cascade, a Partner of Wellspring, commented, “We are very proud of what Neucel has accomplished in recent years. The mill’s success is a result not only of our investment, but of the vision and commitment of our management team, the hard work of the mill’s employees, and the support of local officials and governments. Today, the Neucel mill is a symbol of Port Alice’s stability and future, and we believe it will continue to thrive as part of Fulida. We are honored to have partnered with Bob Taylor and his team and the town of Port Alice, and wish them and the people of Neucel every success in the future.”

About Fulida Group Holdings Ltd.

Fulida Group Holdings Ltd. was founded in 1988. It is situated by Hangzhou Bay, adjacent to the City of China Light & Textile Industry. Fulida Group Holdings is a highly integrated textile manufacturer with

“Fulida” as a widely recognized brand name. It controls nine major companies including textile, printing and dyeing, thermal electricity, viscose fiber, chemical, foreign trade and real estate etc.

About Neucel Specialty Cellulose Ltd.

Neucel produces hemlock based high-purity chemical cellulose that is used in a wide range of manufacturing processes including rayon filament for garments, pharmaceuticals, consumer products, film, food thickeners, LCD screens and other products. For more information on Neucel, visit the company website at www.neucel.com.

About Wellspring Capital Management.

Wellspring Capital Management, founded in 1995, is a leading middle-market private equity firm that manages more than \$3 billion of private equity capital. The firm's objective is to bring partnership, experience and value creation to each investment. By teaming up with strong management, Wellspring is able to unlock underlying value and pursue new growth opportunities through strategic initiatives, operating improvements and add-on acquisitions. The firm functions as a strategic rather than tactical partner, providing management teams with top-line support, M&A experience and financial expertise, and access to resources.