

To: Business Editor
[For immediate release]



COSTIN completes the issue of US\$30 million convertible bond to CITIC Capital China Access Fund Limited

(18 July 2011, Hong Kong) COSTIN New Materials Group Limited (“COSTIN” or the “Company”, together with its subsidiaries, the “Group”, stock code: 2228), which is principally engaged in the research and development, production and sales of non-woven materials and recycled chemical fibres, is pleased to announce today that it has completed the issue of a US\$30 million (approximately HK\$233 million) convertible bond to CITIC Capital China Access Fund Limited, an investment fund managed by a subsidiary of CITIC Capital Holdings Limited.

Mr. Chim Wai Kong, Chairman and Executive Director of COSTIN said that: “We are delighted that we have completed the issue of the convertible bond to CITIC Capital China Access Fund Limited and have it as our new investor. The net proceeds will be used for capital expenditure and working capital to accelerate the development of the Group’s key businesses and enhance our overall market presence. We believe the future conversion of the convertible bond will help diversify and strengthen our shareholder base.”

The convertible bond will be due in 2013 and bears the interest rate of 4% per annum. The initial conversion price of the convertible bond is HK\$5.15 per share, representing a premium of approximately 2.79% to the closing share price of HK\$5.01 on 7 July 2011, or a premium of approximately 12.20% to the average closing share price of \$4.59 for the last 20 consecutive trading days up to 7 July 2011.

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About COSTIN New Materials Group Limited

With production centre in Jinjiang, Fujian Province and headquarters in Hong Kong, COSTIN is principally engaged in the research and development, production and sales of non-woven materials and recycled chemical fibres which are mainly for industrial applications. The advanced, highly automated production facilities backed by strong technical know-how and impressive economies of scale give the Group a huge competitive edge for producing high quality products customised to meet specific customer needs, including advanced non-woven materials with liquid repellent, anti-bacterial, aroma, oil-resistant and thermal resistant functions. The Group's non-woven materials are widely applied in various areas, including as filtration materials for heavy industrial enterprises including steel, cement, power generation, chemical and coal processing industries as well as raw materials for the manufacture of consumer products such as textiles, apparels, footwear, luggage, leather-ware, automobiles and household decorations. In addition, the Group's recycled chemical fibres can be used as raw materials for the production of synthetic leather, shoe materials and other non-woven materials.

About CITIC Capital Holdings Limited

Founded in 2002, CITIC Capital Holdings Limited is an alternative investment management and advisory company engaging in Private Equity, Real Estate, Structured Investment and Finance and Asset Management.

CITIC Capital Holdings Limited is owned by China Investment Corporation, China's sovereign wealth fund, and CITIC Group, the largest Chinese conglomerate, through its CITIC International Financial Holdings Limited and CITIC Pacific Limited subsidiaries.

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