

CLSA Capital Partners' Aria III invests into Artex Fiber

Hong Kong - Monday, 9 January 2012 - CLSA Capital Partners ("CLSACP") is pleased to announce the investment of RMB250 million by ARIA Investment Partners III, L.P. ("ARIA III") for a minority stake in Artex Fiber.

Based in Zhejiang Province, Artex Fiber is one of China's largest producers and distributors of branded spandex, a specialty fiber with functional properties that is broadly used in everyday consumer, lifestyle and industrial applications. Artex Fiber was founded by industry veteran Mr Dai Yefei, formerly the chief distributor in China for Bayer AG's globally-distributed Dorlastan brand spandex.

ARIA III is the sole investor in this round of equity financing following the first investment Artex Fiber received from Itochu Corporation in 2008.

CLSACP Managing Director and Head of ARIA Funds Miranda Tang said, "One of ARIA's strategies is to invest not only in the retail segment of China's growing consumer sector but also in selected upstream and midstream businesses that are integral parts of the overall value chain forming the consumer sector."

"We foresee sustained demand in specialty fiber as China's consumption and lifestyle choices grow in both volume and sophistication. Spandex is used in everyday applications, ranging from intimate apparel, sports and casual wear, swimsuits, jeans, diapers to home furnishing, medical and industrial attire. On a per capita basis, China's use of spandex is not even half that of the U.S. and Europe," Tang said.

According to CLSACP CEO Christopher Seaver, "It gives us great pleasure to partner with domestic market leaders such as Artex Fiber whose founder has such strong desire to take his business to the next level. We are looking forward to helping Artex Fiber increase its production capacity and prepare for its next phase of growth, including expansion of its product line offerings, boosting its R&D capabilities, and development of international markets."

Mr Dai Yefei, Founder and Chairman of Artex Fiber, added, "We are delighted to have the support of CLSACP as a long term investor and working partner of the company. CLSACP

is one of the region's most experienced private equity investors with many successes in backing Asian companies. We believe CLSACP's extensive experience, combined with its strong international network, resources and commitment, will be of significant value to the future growth of our business."

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About Artex Fiber

Based in Zhuji, Zhejiang Province, Artex Fiber is a producer and distributor of branded spandex, a specialty fiber with functional properties and broadly used in everyday consumer, lifestyle and industrial applications. Artex Fiber owns and operates one of China's most advanced and largest spandex manufacturing facilities with a production capacity of 20,000 metric tons per annum. Artex Fiber serves over 300 industrial customers located in China and abroad.

About CLSA Capital Partners

CLSA Capital Partners is the alternative asset-management arm of CLSA Asia-Pacific Markets, Asia's leading independent brokerage and investment group.

CLSA Capital Partners has approximately US\$2.6 billion under management and offices across the region, including Hong Kong, Singapore and Tokyo. CLSA Capital Partners offers a diversified and increasing range of investment vehicles.

Funds currently under CLSA Capital Partners' management are:

- **ARIA Investment Partners**, pan-Asian private equity funds providing growth and expansion capital to Asian mid-market companies.
- **Fudo Capital**, pan-Asian private equity funds focused on opportunistic real estate investments.
- **CLSA Sunrise Capital**, an opportunistic growth and mid-market buyout fund focused on opportunities in Japan.
- **Clean Resources Asia Growth Fund**, an Asia-focused clean technology private equity fund. Clean technology includes all forms of sustainable agriculture, water, cleaner energy, environmental technology and waste management. The fund employs a research-driven strategy.
- **MezzAsia Capital**, a pan-Asian mezzanine fund investing in mature mid-cap companies with a focus on M&A, leveraged buyout, growth, expansion and stressed situations.
- **Pacific Transportation**, focused on regional shipping and transport opportunities.

CLSA Capital Partners is a diverse team of industry professionals with expertise in private equity, banking and finance, law and accountancy and industry specialisations. The highly experienced team, with long established roots in the region, has helped many Asian companies realise their growth potential.

For more information on CLSA Capital Partners or the specific funds please visit www.clsacapital.com

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