



FibreChem Technologies Limited
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MEDIA RELEASE

(For Immediate Release)

FibreChem Full Year Earnings Surge

62.2% to HK\$538.6 million

- *Revenue rose 43.7% to HK\$1.8 billion on the back of increased contributions from microfibre leather and a newly commissioned long fibre production facility*
- *Net margin rose from 26.3% in FY06 to 29.7% in FY07, driven by higher margin microfibre leather products*
- *Final dividend of HK\$0.080 per ordinary share and S\$0.011 per NCPS*

| Financial Highlights | | | | | | |
|----------------------|----------------------------|-------|----------|-----------------------------|---------|----------|
| | 3 months ended 31 Dec 2007 | | | 12 months ended 31 Dec 2007 | | |
| | Quarter-on-Quarter | | | Year-on-Year | | |
| (HK\$ 'm) | 4Q07 | 4Q06 | % Change | FY07 | FY06 | % Change |
| Revenue | 499.7 | 400.6 | 24.7 | 1,815.6 | 1,263.3 | 43.7 |
| Gross Profit | 187.1 | 151.3 | 23.7 | 697.9 | 476.3 | 46.5 |
| Net Profit | 140.1 | 104.4 | 34.2 | 538.6 | 332.0 | 62.2 |

SINGAPORE, 22 February 2008 – Mainboard listed PRC-based chemical fibre manufacturer FibreChem Technologies Limited (“FibreChem”; the “Group” or “化纤科技有限公司”), today announced its net profit of HK\$538.6m for the year ended 31 December 2007 (“**FY2007**”), a jump of 62.2% year-on-year. The increase was aided by tax-exempted contributions from its higher

margin microfibre leather products. Net margins consequently grew from 26.3% for the year ended 31 December 2006 (“**FY2006**”) to 29.7% in FY2007.

Revenue for FY2007 increased by 43.7% year-on-year to approximately HK\$1.8 billion. A full-year’s contribution from the microfibre leather facility, together with a new nylon-polyester bi-component long fibre facility commissioned in June 2007, contributed to the increase.

FibreChem’s earnings per ordinary share rose to HK61 cents in FY2007 from HK42 cents in FY2006. The Group’s net asset value per share increased to HK\$2.67 for FY2007, compared to HK\$1.43 for FY2006.

FibreChem declared a final dividend of HK\$0.080 per ordinary share, together with a preference dividend of S\$0.011 per non-redeemable convertible non-cumulative preference share (“**NCPS**”). The Group’s cash position ended higher at HK\$1.0 billion, backed by strong operating cash flows and the balance of proceeds from the issue of NCPS in October 2007, which is earmarked for expansion activities in 2008.

Pleased with the Group’s performance, FibreChem’s Executive Chairman, Mr James Zhang (张飞跃) said, “***FY2007 was a good year for us. We continue to see strong recognition of our bi-component fibre and microfibre leather products, and that allowed us to reap higher sales and profits. While we gradually expand existing production capacities, we are also laying the foundation for more growth ahead.***”

FibreChem plans to add a new 10,000 tonnes-per-annum long fibre capacity and a 6 million metres-per-annum microfibre leather capacity by the middle of 2008. The remaining new capacities for fibres and differential polyester chips are expected to complete by the first quarter of 2009.

“FibreChem prides itself on being an innovator and a market leader. Product quality is also a key growth driver. We are currently undergoing the ISO/TS 16949, ISO 9001 and ISO 14001 certification process for our microfibre leather business, we believe this will help us pave the way into the automotive upholstery market,” added Mr Zhang.

FibreChem’s microfibre leather has also obtained the Oeko-Tex Standard 100 certification, which is an internationally recognised consumer benchmark for ecological safety.

The Group anticipates microfibre leather sales to increase in 2008, with new contributions expected from home furnishing/decoration and car upholstery. Additional revenue streams will also come from new fibre production capacities that will be added during the year. Further growth is expected in 2008.

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About FibreChem Technologies Limited (www.fibrechem.com)

FibreChem Technologies Limited is a chemical fibre manufacturer based in Fujian Province of the PRC. FibreChem produces specialised chemical fibres and microfibres. Microfibre is a blend of polyester and nylon with filaments that are less than one denier in thickness. Fabrics made from microfibres are exceptionally soft, durable and breathable. Microfibres absorb water and oils very well and leaves no lint or dust. FibreChem also manufactures uniform microfibre leather, which is environmentally friendly, and represents the latest development in synthetic leather production. Uniform microfibre leather could be the closest substitute for natural leather due to their high resemblance in physical characteristics. The microfibre used for manufacturing this high-grade synthetic leather is produced in-house as well, making FibreChem the first and only fully-integrated producer of uniform microfibre leather in the PRC.

Issued on behalf of FibreChem Technologies Limited by**Cogent Communications Pte Ltd**

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