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MEDIA RELEASE

(For Immediate Release)

China Fibretech's First Quarter Earnings Rose 20.5% to RMB27.4 Million

1QFY2009: Financial Highlights

- Revenue for 1QFY2009 rose 18.3% year-on-year to RMB107.6 million, driven by higher processing volume and increase in average selling prices.
- Higher sales volume and average selling prices led to a 23.8% jump in gross profit from RMB27.8 million in 1QFY2008 to RMB34.4 million in 1QFY2009.
- Overall gross margin increased from 30.5% in 1QFY2008 to 32.0% in 1QFY2009.
- Net profit increased from RMB22.7 million in 1QFY2008 to RMB27.4 million, an increase of 20.5%.
- Earnings per share rose to 6.1 RMB cents in 1QFY2009 compared to 5.1* RMB cents in 1QFY2008.
- NAV per share for the group increased to 97.3 RMB cents as at 31 March 2009 versus 91.2 RMB cents as at 31 December 2008.

** Earnings per share for 1QFY2008 is calculated based on post-invitation issued share capital of 445,509,625 shares for 'comparative' purposes. Had weighted average shares in issue of 330,429,478 be used, the earnings per share for 1QFY2008 would have been 6.9 RMB cents.*

	3 months ended 31 March		
(RMB 'm)	1QFY2009	1QFY2008	% Change
Revenue	107.6	91.0	18.3
Gross Profit	34.4	27.8	23.8
Net Profit	27.4	22.7	20.5

SINGAPORE, 30 April 2009 – Mainboard-listed China Fibretech Ltd. (“China Fibretech”; or together with its subsidiaries, the “Group”), a pure play fabric processing service provider in the People’s Republic of China (the “PRC”), today announced its first quarter results ended 31 March 2009 (“1QFY2009”).

Revenue and Earnings Growth

The Group’s revenue for 1QFY2009 continued to grow at a steady pace of 18.3% year-on-year, from RMB91.0 million in 1QFY2008 to RMB107.6 million in 1QFY2009. This comes on the back of strong underlying demand for the Group’s services which was reflected in an increase in the volume of fabric processing and an increase in average selling prices of the Group’s services.

Highlights	1QFY2009	1QFY2008
Processing Volume	13,764 tonnes	12,496 tonnes
Average Selling Prices (RMB per tonne)	RMB 7,819 per tonne	RMB 7,283 per tonne
Gross Margin (%)	32.0%	30.5%
Net Margin (%)	25.4%	24.9%
Earnings Per Share (RMB)	6.1 cents	5.1 cents *

** Earnings per share for 1QFY2008 is calculated based on post-invitation issued share capital of 445,509,625 shares for ‘comparative’ purposes. Had weighted average shares in issue of 330,429,478 be used, the earnings per share for 1QFY2008 would have been 6.9 RMB cents.*

Gross profit rose 23.8% year-on-year to RMB34.4 million in 1QFY2009, whilst overall gross profit margin improved from 30.5% in 1QFY2008 to 32.0% in 1QFY2009, mainly attributable to the increase in average selling price per tonne processed.

Net earnings grew by 20.5% to RMB27.4 million in 1QFY2009, in tandem with gross profit performance and prudent operating expenditure despite an increase of effective tax rate of 1.8% in 1QFY2008 to 12.8% in 1QFY2009. Net margin consequently rose from 24.9% to 25.4% year-on-year. Earnings per share, however, dipped slightly to 6.1 RMB cents in 1QFY2009 compared to 6.9 RMB cents in 1QFY2008.

“FY2009 started off on a good note, despite the more challenging operating environment we face. Our pure play fabric processing model, coupled with our improved sales mix towards higher value products such as spandex, have boosted our top and bottomline performance. As all our customers are domestic focused, we also benefited from a fairly stable demand.” China Fibretech’s Executive Chairman and Chief Executive Officer, Mr Wu Xinhua (吴新华) said.

Firm Financial Position

	As at 31 Mar 2009	As at 31 Dec 2008	% change
1) Cash and Bank Balances	RMB341.4 million	RMB305.1 million	+11.9%
2) Inventories	RMB11.9 million	RMB10.6 million	+12.1%
3) Trade Receivables	RMB42.4 million	RMB49.4 million	-14.2%
4) NAV Per Share (RMB cents)	97.3 cents	91.2 cents	+6.7%

The Group continues to maintain healthy cash balances and firm asset base as well as manage its working capital resources in a prudent manner.

- 1) Cash and bank balances rose during the period under review, mainly due to positive cash generated from the Group’s operations.
- 2) Inventories rose by 12.1% from RMB10.6 million as at 31 December 2008 to RMB11.9 million as at 31 March 2009.

- 3) Trade receivables decreased by 14.2% from RMB49.4 million as at 31 December 2008 to RMB42.4 million as at 31 March 2009, mainly due to the decrease in revenue on a sequential basis from the last quarter (3 months ended 31 December 2008).
- 4) Net asset value per share increased to 97.3 RMB cents in 1QFY2009, up from 91.2 RMB cents in FY2008.

Reflecting on the financial position of the Group in 1QFY2009, Mr Wu remarked, ***“Our financial position remains healthy as we continue to generate positive cash flow, in addition to our efforts to manage our working capital resources prudently. This enables us to maintain a steady pace of growth and allows us to capitalise on new growth opportunities that may arise.”***

Outlook

The outlook for the fabric processing industry remains challenging and uncertain in the year ahead. Various policies have already been put in place by the PRC government to stimulate the textile industry. The positive effects of this stimulus remain to be seen.

Despite the uncertainties in the external environment, the Group remains focused on strengthening its competitive advantages. The Group is well capitalised with a cash position of RMB341.4 million as at 31 March 2009. In addition, the Group believes it is minimally exposed to declining export demand as a result of the global economic climate as a small proportion of its customers' products are ultimately exported overseas. With a well-diversified customer base and relatively high entry barriers to the fabric processing industry, the Group is cautiously optimistic of its performance in FY2009.

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About China Fibretech Ltd. (www.china-fibretech.com)

Listed on the Main Board of the Singapore Exchange (“SGX”), China Fibretech Ltd. (“China Fibretech” or the “Group”) is a pure fabric processing service provider in the People’s Republic of China (the “PRC”). Established since 1995, China Fibretech provides a wide range of dyeing and post-processing treatment services for cotton, polyester and mixed knitted fabrics and is based in Shishi in the Fujian Province, PRC. Customers of China Fibretech include fabric-trading and garment producers located mainly in the Fujian Province.

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