



NEWS RELEASE

Contact Information:

August Consulting

Tel: 6733 8873 Fax: 6733 9913

HO See Kim – seekim@august.com.sg

BOO Puay Yang – puayyang@august.com.sg

Sino Techfibre clinches RMB45.1 million contract to supply PU synthetic leather for belts and shoes

SINGAPORE – 23 December 2009 – Sino Techfibre Limited (“Sino Techfibre” or the “Group”) (中国合成革高科有限公司), a leading producer of microfibre, polyurethane (“PU”) synthetic leather and pattern moulding paper (PMP) in the PRC, today announced that the Group has clinched a major contract worth RMB45.1 million (the “Contract”) from Shandong Mingjun Textile & Garment Co., Limited (山东名君纺织服装有限公司) (“Shandong Mingjun”), for PU synthetic leather to be used for the manufacture of belts and shoes. This is an entirely new PU synthetic leather product which was developed by the Group’s R&D team.

Shandong Mingjun is our new customer based in Shandong Province which specialises in the manufacturing of fashion apparel, including those for student groups such as The Young Pioneers of China and the Communist Youth League (中国少年先锋队 or commonly known as 少先队).

Sino Techfibre is contractually obliged to deliver the belt and shoe materials to Shandong Mingjun before 9 December 2010. As such, the Contract is not expected to have a material impact on the Group’s net tangible assets and earnings per share for the financial year ending 31 December 2009.



Said Mr Li Wenheng, the Group's Chief Executive Officer, "This is one of the more significant orders that we have seen in the fourth quarter of this year, in terms of quantity of PU ordered. We expect there will be more orders from this customer in FY2010. We are cautiously optimistic that this momentum will continue into FY2010."

PU synthetic leather continued to be the Group's largest contributor of total revenue, comprising 46.3% of total sales in the first nine months of FY2009, whilst microfibre synthetic leather accounted for 36.9% and PMP made up the remaining 16.8%.

Sales from its major customer - The People's Liberation Army and the government sector – accounted for 18.9% of total sales in the first nine months of FY2009 (9M2008: 17.1%).

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About Sino Techfibre

Based in Longkou City in Shandong Province, Sino Techfibre produces polyurethane (PU) and microfibre synthetic leather products under the proprietary "Jinfeng" (金锋) brand name which received the "Shandong Famous Brand" award in 2005, and more recently, two national awards namely, "No. 1 Leather Brand of China" (中国皮革第一品牌) and "Famous Brand of China" (中国驰名商标), both jointly awarded by the China Brand Union Association (品牌中国产业联合会), the China Expert Guidance Committee for Brand Strategy (中国品牌战略专家指导委员会), and the China Industrial International United Association (中国工业合作协会).

The Group's synthetic leather products are sold to manufacturers and trading companies that produce fashion apparel, sports apparel and equipment, luggage and travel accessories, as well as upholstery furnishings for furniture and automobile interiors.

As part of its strong commitment and emphasis on product research and development, the Group has been working closely with third party research institutes such as Qingdao University's Textile Product Development Centre, College of Textiles and Clothing (青岛大学纺织服装学院) for the development of new PU synthetic leather for clothing apparel, and the China Textile Academy (中国纺织科学研究院) for the development of materials for raincoats, multipurpose apparel, belts and shoes.

Underscoring its close relationship with major customer The Peoples Liberation Army, the Group, in July 2004, jointly established the Technology Research and Development Centre for Military Product Supplies of Synthetic Leather of the General Logistics Department of PLA (中国人民解放军总后合成革军需产品技术研发中心) with the PLA's General Logistics Department, to develop materials for uses such as protective clothing and hygienic suits.

In addition, Sino Techfibre is one of the designated uniform material production companies for the Naval Armament Research Institute (海军装备研究所), the State Administration of Taxation (国家税务总局) and the State Administration for Industry and Commerce (国家工商行政管理总局).

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