



**For immediate release**

**Hongwei goes environmental with recyclable  
PET bottle as raw materials**

- R&D efforts help modify production process thereby reducing costs by 5 – 10%
- Expected to have a positive impact on FY2007's bottom line

**Singapore, 1 October 2007** – Continuous R&D efforts and collaboration with various research institutes have helped main-board listed Hongwei Technologies Limited ("Hongwei") (宏维科技有限公司) go the environmental way, and at the same time, modify production process for one of its products, polyester differential Pre-Oriented Yarn ("POY"). As a result of the modified process, Hongwei will be able to cut production costs by 5 – 10%. These cost savings will translate into higher margins for Hongwei, a PRC-based polyester fibre manufacturer and supplier serving more than 600 customers.

In line with the Chinese Government's focus on environmental-friendliness, Hongwei will use the recyclable PET bottle ("聚酯瓶片") to replace the traditional PET chips in its new modified production process for its POY. Hongwei has since started the modified process on its POY whose quality was found to be of national standards. POY, a type of long fibre, can be used to manufacture fabrics for garments and curtains.

***"All these years, we have been placing high emphasis on research and development so as to provide our customers with quality and customized products. We are happy that our efforts have paid off. The modified production process for POY has not only helped the company cut costs, it has also enabled***

***us to go environmental by using the recyclable raw materials in our production process.”***

***~ Mr Wu Guoxin (吴国新)***

***Chief Operating Officer, Hongwei Technologies***

Hongwei recorded revenue growth of 83.7% to RMB 152.8 million and net profit growth of 60% to RMB 29.3 million in 1H2007. Earnings per share also increased 50.8%, from RMB 9.67 cents in 1H2006 to RMB 14.58 cents in 1H2007. Revenue from POY contributed 34.7% to its 1H2007 revenue.

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**About Hongwei:**

Incorporated in Bermuda on 3 March 2005, the Group is principally engaged in the manufacture and sale of polyester differential fibres primarily to yarn and textile manufacturers located in the southern parts of China, mainly in Fujian Province. The Group's principal products are polyester differential Pre-Oriented Yarn (“POY”), Drawn and Textured Yarn (“DTY”), Synthetic Cotton (“SC”) (or formerly known as Polyester Padding Cotton) and its latest product, anti-flammable SC.

POY can be used to manufacture products such as DTY and air translated yarn (“ATY”), that are made into a variety of regenerated fabrics. DTY can be used for weaving and knitting, and is suitable for producing clothing fabrics, bedding articles and accoutrement (such as sofa cloth and interior decoration lining for automobile). SC can be used as a cost-competitive substitute for natural cotton in a wide range of applications from household to industrial packaging while the environmentally-friendly anti-flammable SC's high intensity, fire-retardant component serves as a safety protection measure for manufacturers of high-grade clothing, hotel bedding, sofas as well as furniture.

Hongwei currently has a customer base of more than 600 customers. It also provides customised services to its customers such as product testing, elasticity tuning and thickness fitting.

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