

press release

FOR IMMEDIATE RELEASE

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Esquel and Standard Chartered Jointly Launch Microfinance Program

(21 December 2007, Urumqi) Esquel Cotton Investment Limited and Akesu Esquel Agricultural Development Company Limited (collectively “Esquel”) today signed a Memorandum of Understanding (MOU) with Standard Chartered Bank (China) Limited (Standard Chartered Bank) on a Microfinance program in Urumqi, aiming to assist local cotton farmers in enhancing productivity, increasing income, and improving living standards. This is the first time that a foreign bank has been involved in establishing a complete Microfinance program lending directly to farmers in China.

According to the MOU, Standard Chartered Bank – as a strategic partner of Esquel – will be investing significant resources in establishing a pilot operation of the Microfinance program. This program is to be launched in Baishairike Village, Wuluquele Town, Awati County, Akesu District, Xinjiang Uygur Autonomous Region, and Standard Chartered will contribute to the program in areas like credit policy framework, credit assessment processes, loan management processes, and cooperation strategies with credit cooperatives.

This joint program will initially provide working capital loans, without pledge or guarantee, to local cotton farmers. The loans will be disbursed to the farmers through an Entrustment Loan arrangement with the local Awati Credit Cooperatives.

Today's program launch culminated with the signing of the first batch of loan contracts with some cotton farmers, and the loans will be released through Awati Credit Cooperatives to them as working capital soon.

Marjorie Yang, Chairman of Esquel Group, said,

"Esquel has a special affection for Xinjiang. Since setting foot in the Region in 1995, we have received tremendous support from our local partners: the government, farmer friends, employees and the community at large. Now, through the Microfinance program jointly launched with Standard Chartered Bank, we see an opportunity to assist our farmer friends to enhance production, increase income and improve their livelihood. We are indebted to the various levels of the government and the credit cooperative. Without their support, this project would not have been possible."

Katherine Tsang, CEO and Executive Director of Standard Chartered Bank (China) Limited, said,

"Standard Chartered Bank has a lot of expertise in rural finance and Microfinance globally. As the strategic partner of Esquel, and by fully leveraging our global expertise, we believe this program will be able to help local cotton farmers address working capital problems, and support the government in alleviating poverty in the rural areas."

Standard Chartered Bank is actively involved in the rural finance industry. The Bank has accumulated substantial experience through practicing various rural finance models in 13 markets including India, Nepal, Bangladesh, Pakistan, South Africa, Tanzania, etc. In addition, in September 2006, Standard Chartered Bank announced its commitment to the establishment of a \$500 million Microfinance facility, estimated to benefit 4 million people in poverty over a five-year period. Adding to this, **Katherine** remarked,

“Standard Chartered Bank fully supports the Government’s policy of expediting the reform of the rural financial system, and is committed to active involvement in rural finance projects. By bringing our worldwide experience into China, we endeavour to contribute to the financial services industry in China’s rural areas.”

Besides launching the Microfinance program, Standard Chartered Bank and Esquel also conducted training courses to cotton farmers this morning on the topics of “Budgeting and Debt Management” and “Cotton Farming Best Practices”. These are the first courses in a series intended to assist farmers in improving their financial situation and farming skills.

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Note to editors:

Esquel Group

Founded in 1978, the Esquel Group has grown to become a leading cotton shirt maker with over 550 million USD in annual revenue. The Group is vertically integrated from cotton growing in Xinjiang to yarn spinning, weaving, knitting,

trims and accessories manufacturing and apparel making. It employs 46,000 people worldwide and produces 60 million cotton shirts annually.

Esquel operates in several countries including China, Malaysia, Vietnam, Sri Lanka and Mauritius. It supplies mainly to the US, European and Japanese markets with a customer base that consists mostly top name brands such as Abercrombie & Fitch, J.Crew, Tommy Hilfiger, Nordstrom, Polo Ralph Lauren, Brooks Brothers, JCPenney, Next, Muji, Ito-Yokado, Right On and Hugo Boss.

By incorporating 5 business principles known as e-Culture – ethics, environment, exploration, excellence and education - Esquel's goal is to contribute positively to all its stakeholders while growing a sustainable business.

For more information on Esquel, please visit
www.esquel.com

Standard Chartered – leading the way in Asia, Africa and the Middle East

Standard Chartered PLC is listed on both the London Stock Exchange and the Hong Kong Stock Exchange and is consistently ranked in the top 25 among FTSE-100 companies by market capitalization.

Standard Chartered has a history of over 150 years in banking and operates in many of the world's fastest-growing markets with an extensive global network of over 1,400 branches (including subsidiaries, associates and joint ventures) in 56 countries in the Asia Pacific Region, South Asia, the Middle East, Africa, the United Kingdom and the Americas.

As one of the world's most international banks, Standard Chartered employs almost 60,000 people, representing over 100 nationalities, worldwide. This diversity lies at the heart of the Bank's values and supports the Bank's growth as the world increasingly becomes one market.

With strong organic growth supported by strategic alliances and acquisitions and driven by its strengths in the balance and diversity of its business, products, geography and people, Standard Chartered is well positioned in the emerging trade corridors of Asia, Africa and the Middle East.

Standard Chartered derives over 90 per cent of profits from Asia, Africa and the Middle East. Serving both Consumer and Wholesale Banking customers worldwide, the Bank combines deep local knowledge with global capability to offer a wide range of innovative products and services as well as award-winning solutions.

Trusted across its network for its standard of governance and corporate responsibility, Standard Chartered takes a long term view of the consequences of its actions to ensure that the Bank builds a sustainable business through social inclusion, environmental protection and good governance.

Standard Chartered is also committed to all its stakeholders by living its values in its approach towards managing its people, exceeding expectations of its customers, making a difference in communities and working with regulators.

In China, the Bank set up its first branch in Shanghai in 1858, and has remained in operation throughout the past 150 years. Standard Chartered Bank (China) Limited is one of the first banks to incorporate officially in China on 1 April, 2007. This demonstrates the Bank's commitment to the China market, and its leading position as a foreign bank in the banking industry.

Standard Chartered China has one of the largest foreign bank networks – with 13 branches (approval for the Hangzhou representative office to upgrade to a branch has recently been granted and preparation for official opening is in progress), 19 sub-branches and 2 representative offices in China. In 2006, Standard Chartered China was named the “Top Ten Most Popular Foreign Banks” by Global Financial Development Forum, the “Best Social Credible Foreign Bank” by China Finance Website and has been granted the “Outstanding Innovative Service Award” by China Business.

For more information on Standard Chartered, please log on to
www.standardchartered.com