



China Sky Chemical Fibre Co., Ltd.

(Registration No: CT-146759)

MONTHLY UPDATE

The Board of Directors wishes to inform the shareholders that Messrs Baker Tilly TFW LLP has resigned as the Company's auditors on 8 July 2015. Please refer to the announcement dated 14 July 2015 for further details.

The Board, in consultation with the Audit Committee, has interviewed Messrs RT LLP ("RT") and that RT has indicated its willingness to be appointed as the new auditors of the Company, subject to the approval of shareholders in the extraordinary general meeting to be held on 11 August 2015 at Vine 1 Ballroom, Metropolitan YMCA Singapore, 60 Stevens Road, Singapore 257854 at 9.30am. A circular to shareholders for the proposed change of auditors has been prepared and distributed to shareholders on 27 July 2015.

Further to the foregoing and to ensure the Company is able to convene annual general meeting for financial year 2014 on or before 31 August 2015, the Board wishes to update that the management has been working with the respective parties to complete all outstanding issues. Barring unforeseen circumstances, the Board expects the new auditors will be able to meet the deadline.

On the status of the Qingdao land, the management is still in the midst of negotiation with the government official.

The Company will make the necessary announcements as and when there are material developments on the above matters.

By Order of the Board

Song Jiansheng
Executive Director
31 July 2015