SUPPLEMENTAL CIRCULAR DATED 14 SEPTEMBER 2018

THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This circular is issued by China Fibretech Ltd. (the "**Company**") as supplemental (**Supplemental Circular**) to the Circular issued on 28 August 2018 in respect of the convening of the Special General Meeting of the shareholders of the Company to be held on 19 September, 2018 (**SGM Circular**). If you are in any doubt as to the course of action you should take, you should consult your bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should immediately forward this Supplemental Circular, the Notice of Special General Meeting and the attached Proxy Form to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Supplemental Circular.

CHINA FIBRETECH LTD.

(Incorporated in Bermuda)
(Company Registration No. 40381)

SUPPLEMENTAL CIRCULAR TO SHAREHOLDERS IN RELATION TO THE ORIGINAL RESOLUTIONS RELATING TO

(1) THE PROPOSED SHARE SPLIT OF EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY INTO TWO (2) ORDINARY SHARES; AND

(2) THE PROPOSED PLACEMENT OF 50,000,001 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE ISSUE PRICE OF S$0.60 PER PLACEMENT SHARE,

EACH AS DESCRIBED IN THE SGM CIRCULAR DATED 28 AUGUST 2018;

AND

ADDITONAL RESOLUTIONS

(3) AS PART OF THE PROPOSED SHARE SPLIT THE SUB-DIVISION OF PAR VALUE OF THE ORDINARY SHARES FROM US$2.00 TO US$1.00

(4) THE PROPOSED SHARE CAPITAL REDUCTION BY CANCELLING PART OF THE PAID UP PAR VALUE OF ISSUED ORDINARY SHARES AND REDUCING PAR VALUE OF THE SHARES FROM US$1.00 TO US$0.40

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	17 September 2018 at 10.30 a.m.
Date and time of Special General Meeting	:	19 September 2018 at 10.30 a.m. or immediately after the conclusion of the Company's Annual General Meeting held on the same day and at the same place
Place of Special General Meeting	:	Chinese Swimming Club, 21 / 34 Amber Road, Singapore 439870

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For the purpose of this Supplement Circular, except where the context otherwise requires, the following definitions shall apply throughout. Other defined terms used in this Supplemental Circular shall have the same meaning as in the SGM Circular unless otherwise varied as set out below:

Accumulated Losses	:	Shall have the meaning ascribed to it in section 4.2.2 of this Circular
Authorised Capital Diminution	:	Has the meaning given to it in section 4.3.3(a) of this Supplemental Circular
Additional Resolutions	:	Means the additional resolution named Resolution 1.1 set out in section 4.1.3 and the additional resolution named Resolution 1.2 set out in section 4.2
Bye-Laws	:	The bye-laws of the Company adopted by Shareholders on 26 March 2008
Companies Act	:	The Companies Act 1981, as amended of Bermuda
Proposed Share Capital Reduction	:	The proposed cancellation of the par value of the par value of the issued and authorised ordinary shares of the Company as described in section 4.2.2
Resolutions	:	The resolutions set out in the SGM Circular dated 28 August 2018
SGM	:	The special general meeting of the Company, the notice of which is set out in the SGM Circular and the Supplemental Circular to be held on 19 September 2018
SGM Circular	:	The Circular dated 28 August 2018, addressed to Shareholders and convening the SGM
SGX-ST	:	The Singapore Exchange Securities Trading Limited
Supplemental Circular	:	This supplemental circular dated 14 September 2018
S$	:	The lawful currency of the Republic of Singapore
US$	:	The lawful currency of the United States of America

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 130A of the Act. The term "**subsidiary**" shall have the meaning ascribed to it in Section 5 of the Act.

Words importing the singular number shall include the plural number where the context admits and vice versa. Words importing the masculine gender shall include the feminine gender where the context admits. Reference to persons shall, where applicable, include corporations.

The headings in this Supplemental Circular are inserted for convenience only and shall be ignored in construing this Supplemental Circular.

Any reference in this Supplemental Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Act, the Listing Manual or any statutory modification thereof and not otherwise defined in this Supplemental Circular shall have the same meaning ascribed to it under the Act, the Listing Manual or any statutory modification thereof, as the case may be.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Certain statements contained in this Supplemental Circular, which are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would", "could" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group's expected financial position, business strategy, plans and prospects are forward-looking statements and accordingly involve known and unknown risks, uncertainties and other factors that may cause the Group's actual results, performance and achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Given the risks and uncertainties which may cause the Group's actual future results, performance or achievements to be materially different from those expected, expressed or implied by forward-looking statements in this Supplemental Circular, undue reliance must not be placed on those statements. The Company does not represent or warrant that the Group's actual future results, performance or achievements will be as discussed in those statements. Further, the Company disclaims any responsibility, and undertakes no obligation to update or revise any forward-looking statements contained in this Supplemental Circular to reflect any change in the Group's expectations with respect to such statements after the latest practicable date or to reflect any change in events, conditions or circumstances on which the Company based any such statements subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any regulatory or supervisory body or agency.

CHINA FIBRETECH LTD.

(Incorporated in Bermuda)
(Company Registration No. 40381)

Directors:

Mr. Choo Han Kiat, Eric (Executive Director)
Mr. Wu Xinhua (Non-Executive Non-Independent Director)
Mr. Leow Yong Kin (Non-Executive Lead Independent Director)
Mr. Toh Tiong San (Non-Executive Independent Director)
Mr. Toh Hai Joo (Non-Executive Independent Director)

Registered Office:

Clarendon House
2 Church Hill Street
Hamilton HM 11
Bermuda

14 September 2018

To: The Shareholders of China Fibretech Ltd.

Dear Sir / Madam,

SUPPLEMENTAL CIRCULAR IN RESPECT OF ADDITIONS TO THE ORIGINAL RESOLUTIONS:

THE PROPOSED SHARE SPLIT OF EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY INTO TWO (2) ORDINARY SHARES.

THE PROPOSED PLACEMENT OF 50,000,001 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE ISSUE PRICE OF S$0.60 PER PLACEMENT SHARES.

AS PART OF THE PROPOSED SHARE SPLIT THE SUB-DIVISION OF PAR VALUE OF THE ORDINARY SHARES FROM US$2.00 TO US$1.00.

THE PROPOSED SHARE CAPITAL REDUCTION BY CANCELLING PART OF THE PAID UP PAR VALUE OF ISSUED ORDINARY SHARES AND REDUCING PAR VALUE OF THE SHARES FROM US$1.00 TO US$0.40

1 INTRODUCTION

1.1 Background

On 28 August 2018, the Company issued the SGM Circular in which the following corporate actions were proposed to be approved by Shareholders as follows:

(a) THE PROPOSED SHARE SPLIT OF EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY INTO TWO (2) ORDINARY SHARES;

(b) THE PROPOSED PLACEMENT OF 50,000,001 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE ISSUE PRICE OF S$0.60 PER PLACEMENT SHARE;

(c) DIVERSIFICATION OF EXISTING BUSINESS TO INCLUDE INFRASTRUCTURE INVESTMENT;

(d) THE PROPOSED INVESTMENT IN BO DAO ROAD CONSTRUCTION CO., LTD; AND

(e) THE PROPOSED CHANGE OF NAME OF THE COMPANY TO RAFFLES INFRASTRUCTURE HOLDINGS LIMITED.

1.2 The rationale of these corporate actions were described and explained in the SGM Circular. However, in relation to corporate actions 1.1 (a) and (b), i.e., the Proposed Share Split and the Proposed Placement, the Company would like to provide some supplementary information to Shareholders which had been inadvertently omitted and add two additional resolutions, , namely, to clarify that the par value after the Proposed Share Split would be US$1.00 and before the Proposed Placement can be undertaken, a capital reorganisation of the par value is required (the "Proposed Share Capital Reduction"), as described hereinafter.

2 PURPOSE OF THIS SUPPLEMENTAL CIRCULAR

2.1 The purpose of this Supplemental Circular is to provide Shareholders with further information relating to the Proposed Share Split and the Proposed Placement, being two of the 5 corporate actions proposed to be undertaken by the Company, as well as the Proposed Share Capital Reduction, and should be read in conjunction with the SGM Circular.

2.2 Shareholders' approval is sought for the additional resolutions to be proposed in relation to the Proposed Share Split as well as the Proposed Share Capital Reduction at the SGM. The text of these additional resolutions, to be named Resolution 1.1 and Resolution 1.2, respectively, are set out in supplemental notice of SGM appended to this Supplemental Circular which are meant to supplement and clarify Resolution 1 (Proposed Share Split) and Resolution 2 (Proposed Placement) (to the extent that the Proposed Share Capital Reduction has to take place before the Proposed Placement can be acted on) set out in the SGM Circular. For ease of proposing and voting on Resolution 1.1 and Resolution 1.2, each of these additional Resolutions will be proposed and voted on immediately after Resolution 1 set out in the SGM Circular has been proposed and voted on.

2.3 This Supplemental Circular has been prepared solely for the purposes outlined above and may not be relied upon by any persons (other than the Shareholders to whom this Supplemental Circular is despatched to by the Company) or for any other purpose.

3 THE SGX-ST

3.1 The Sponsor and the SGX-ST assume no responsibility for the contents of this Supplemental Circular including the correctness of any of the statements made or opinions expressed or reports contained in this Supplemental Circular. If a Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.

4 ADDITIONAL INFORMATION

4.1 Proposed Share Split

4.1.1 As mentioned in the SGM Circular, at the Latest Practicable Date, the Company has an issued and paid-up share capital of approximately S$27,154,600 comprising 8,979,791 Shares (including 4,000 treasury shares). Upon the completion of the Proposed Share Split, the Company will have an issued share capital comprising 17,959,582 Shares (including 8,000 treasury shares), assuming that no further Shares are issued on or prior to the completion of the Proposed Share Split.

4.1.2 Therefore, upon completion of the Proposed Share Split, the existing Shares will have a par value each of US$1.00 instead of its original US$2.00, the total number of Shares issued having doubled by the Proposed Share Split. For Shareholders' information, when Shareholders of the Company adopted the Bye-Laws on 26 March 2008, the original par value was US$0.04. Pursuant to a share consolidation in 2015, the par value was revised upwards as a result to US$2.00.

4.1.3 To clarify and explain that the effect of the Proposed Share Split is to sub-divide the par value of each Share of the Company from US$2.00 to US$1.00 per share, Resolution 1 is proposed to be supplemented and clarified as follows by the addition of Resolution 1.1 as set out in the Notice to the SGM appended to this Supplemental Circular. Resolution 1 set out in the SGM Circular is reproduced below followed immediately by the proposed text of Resolution 1.1 to be supplemented:

ORDINARY RESOLUTION 1 – THE PROPOSED SHARE SPLIT OF EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY INTO TWO (2) SHARES (THE "PROPOSED SHARE SPLIT")

That:

(a) on and with effect from the Share Split Books Closure Date to be determined by the Directors of the Company, every one (1) existing ordinary share in the capital of the Company be sub-divided into two (2) ordinary shares in the capital of the Company; and

(b) the Directors and each of them be and are hereby authorised to complete and do all such acts and things (including but not limited to executing all such agreements and documents as may be required, approving any amendments, alterations or modifications to any documents, and filing and/or submitting any notices, forms and documents with or to the relevant authorities) as they and/or he may in their/his absolute discretion consider expedient or necessary or in the interests of the Company to give effect to the Proposed Share Split, and to the extent that any of the foregoing have been done, that they be and are hereby adopted, confirmed and ratified.

ORDINARY RESOLUTION 1.1 – THE PROPOSED SHARE SPLIT OF EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY INTO TWO (2) SHARES (THE "PROPOSED SHARE SPLIT SUPPLEMENTARY RESOLUTION TO REFLECT THAT THE PAR VALUE WILL BECOME US$1.00 PER SHARE AFTER THE SHARE SPLIT")

"That:

(a) subject to and conditional upon the passing and approval of Ordinary Resolution 1 (as set out in page 48 of the SGM Circular), to effect the Proposed Share Split, the current ordinary share par value of US$2.00 be subdivided to US$1.00 per ordinary share with the result that the authorised and issued share capital of the Company will remain the same after the Proposed Share Split; and

(b) all such agreements and documents as may be required, approving any amendments, alterations or modifications to any documents, and filing and/or submitting any notices, forms and documents with or to the relevant authorities) as they and/or he may in their/his absolute discretion consider expedient or necessary or in the interests of the Company to give effect to the Proposed Share Split and the par value change, and to the extent that any of the foregoing have been done, that they be and are hereby adopted, confirmed and ratified."

4.1.4 At the SGM, Resolution 1.1 will be read out, proposed and voted on immediately after Resolution 1 set out in the SGM Circular has been proposed and voted on.

4.2 **Proposed Share Capital Reduction**

4.2.1 In relation to corporate exercise 1.1(b) set out above in section 1.1, i.e., the Proposed Placement, the Company would like to clarify that the new ordinary shares to be issued to satisfy the Placement Shares will be created and issued from its current authorised unissued capital which will rank pari passu in all respects with all Shares already in issue. As the par value of the Company after the Proposed Share Split would be US$1.00 and the Issue Price of the Placement Shares will be S$0.60 each, it is necessary under Bermuda laws to reduce the par value of the Shares to a value below S$0.60. This Proposed Share Capital Reduction of issued and authorised share capital will involve a cancellation of part of the paid up par value of the issued Shares and a reduction of the par value of the Shares from US$1.00 to US$0.40 which will alter the authorised share capital.

4.2.2 Therefore, the Company proposes and intends to seek Shareholders' approval by way of an addition and clarification that the par value of all Shares in issue and authorised be reduced to US$0.40. This Proposed Share Capital Reduction will, following shareholder approval and compliance with the reduction of share capital provisions of the Companies Act, enable the issue of the Placement Shares to occur and to ease future fund raisings to meet the Company's new strategic development and make a come-back.

4.2.3 Based on the audited consolidated financial statements of the Group for the latest financial year ended 31 December 2015, the paid-up share capital of the Company which is lost or unrepresented by available assets ("Accumulated Losses") of the Company as at 31 December 2015 amounted to RMB109,516,000.00 (equivalent to US$14,486,243) based on a foreign currency exchange rate of US$1: RMB 7.56 as at 31 December 2015. For clarification, the Company has used the Accumulated Loses as at 31 December 2015 for easier cross-referencing to the SGM Circular. The cancellation of capital no longer represented by assets would result in the par value of the Shares that more closely reflects the value of the Company's underlying assets and consequently the capital employed by the Company's business.

4.2.4 The amount of credit arising from the Proposed Share Capital Reduction shall be transferred to the contributed surplus account of the Company and will be utilised to set off against the Accumulated Losses. The sum of US$10,775,749, being 17,959,582 multiplied by US$0.60 to be cancelled from the par value of US$1.00 will be transferred to the surplus account. The Accumulated Losses as at 31 December 2015 was equivalent to US$14,486,243. As the cancelled amount of US$10,775,749 is not enough to off-set entirely the Accumulated Losses of US$14,486,243, the Accumulated Losses post the Proposed Capital Reduction will be approximately US$3,710,494 (using the then exchange rate).

4.2.5 The Directors of the Company shall also be authorised to apply any credit balance in the contributed surplus account of the Company in accordance with the Bye-laws and all applicable laws.

4.2.6 The Directors are therefore of the view that the Proposed Share Capital Reduction of the issued and authorised share capital will mitigate the limitations generally associated with the concept of par value and provide the Company with flexibility on its future capital structure to enable the Company to take advantage of opportunities as and when they arise.

4.2.7 It is, therefore, proposed to supplement and clarify the that the Proposed Placement will be carried out upon the Proposed Share Capital Reduction having been approved and completed by the addition of Resolution 1.2 as set out in the Notice to the SGM appended to this Supplemental Circular. The proposed text of the additional Resolution 1.2 is set out below for ease of reference:

"That:

(a) Subject the Proposed Share Capital Reduction having been completed, the par value of the Shares of the Company in issue and authorised be and hereby be reduced from US$1.00 after the Proposed Share Split to US$0.40;

(b) subject to and forthwith upon the Proposed Share Capital Reduction taking effect, the cancellation of all the authorised but unissued Shares with a par value of US$1.00 each (after the share split) in the Company (which shall include the authorised but unissued capital resulting from the Proposed Share Capital Reduction) be cancelled and the authorised share capital of the Company of US$100,000,000 be diminished by such amount representing the amount of Shares so cancelled (the "**Authorised Capital Diminution**") and, forthwith upon such cancellation, the increase of the authorised share capital of the Company; to US$100,000,000 by the creation of such number of Shares with a par value of US$0.40 each as shall represent the difference between 250,0000.000 Shares with a par value of US$0.40 each in the Company in issue after the Proposed Capital Reduction;

(c) subject to and forthwith upon the Proposed Share Capital Reduction taking effect, the transfer of the credit arising from the Proposed Capital Reduction to the contributed surplus account of the Company, and such sum in the contributed surplus account being, thereafter, utilised in its entirely to partially set off against the Accumulated Losses; and

(d) the Directors of the Company (or any one of them) be and are hereby authorised to take any and all steps, and to do and/or procure to be done any and all acts and things, and to approve, sign and execute any documents which they in their absolute discretion consider to be necessary, desirable or expedient to implement and carry into effect this special resolution and to exercise such discretion in connection with, relating to or arising from the Proposed Share Capital Reduction and/or the matters contemplated herein, with such modifications thereto (if any) as they or he may from time to time consider necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Share Capital Reduction.

4.2.8 At the SGM, Resolution 1.2 will be read out, proposed and voted on immediately after Resolution 1 set out in the SGM Circular and Resolution 1.2 set out in this Supplemental Circular has each been proposed and voted on.

4.2.9 **SHAREHOLDERS ARE TO NOTE THAT WHILE RESOLUTIONS 1, 1.1 AND 1.2 ARE SEPARATE RESOLUTIONS, THEY ARE COLLECTIVELY NAMED "THE PROPOSED SHARE SPLIT" UNDER RESOLUTION 1 IN THE PROXY FORM ATTACHED TO THE SGM CIRCULAR. SHAREHOLDERS SHOULD ALSO NOTE THAT IF RESOLUTION 1 IS NOT APPROVED, THEN RESOLUTION 2 IN THE SGM CIRCULAR WILL BE DEEMED NOT APPROVED AS THE ISSUE PRICE OF S$0.60 WOULD BE AT AN UNDERVALUE IN RELATION TO THE COMPANY'S PAR VALUE AFTER THE SHARE SPLIT.**

4.3 **Details of the Proposed Share Capital Reduction**

4.3.1 As at the Latest Practicable Date, the Company has an issued and paid-up share capital of approximately S$27,154,600 comprising 8,979,791 Shares (including 4,000 treasury shares) of par value US$2.00 each. The paid up capital is translated from the sum of RMB 135,773,000 as per the FY2015 audited accounts. We have used S$1: RMB5.00 as exchange rate. The paid up capital expressed in US$ is approximately US$17,960,000 (rounded up). Therefore, after writing off US$0.60 from each of the 17,959,582 issued Shares, the amount of issued capital after cancellation will be approximately US$10,775,749. The remaining paid up capital will therefore be US$17,960,000 less US$10,775,749 to be cancelled, which is US$7,183,833

4.3.2 Upon the completion of the Share Split, the Additional Shares will be allotted and issued, and the Company will have an issued and paid-up share capital of approximately S$27,154,600 comprising 17,959,582 Shares (including 8,000 treasury shares), assuming that no further Shares are issued on or prior to the completion of the Proposed Share Split. Pursuant to the Proposed Share Split, the par value will be sub-divided from US$2.00 to US$1.00 owing to the 1 for 2 split. The paid up capital of S$27,154,600 is the paid up capital post share split, but before the Proposed Capital Reduction. After adjustment to factor in Capital Reduction, total shares issued will be 49,898,855. This will make S$0.54 per issued Share. However, after adjustment of capital reduction of par value, the number of issued Shares will remain unchanged at 17,959,582.

4.3.3 In order to issue new Shares to satisfy the Placement Shares, the par value of Shares has to be reduced, and hence the Proposed Share Capital Reduction of issued and authorised share capital by way of the cancellation of paid up par value and reduction of the par value of the Shares from US$1.00 to US$0.40 per Share is required to occur prior to the issue of the Placement Shares.

4.3.4 The Proposed Share Capital Reduction of issued and authorised capital will involve the following (assuming prior shareholder approval of the Proposed Share Split) subject to receipt of shareholder approval of the Proposed Share Capital Reduction and compliance with the requirements of the Companies Act with respect to reduction of share capital:

(a) the reduction of the issued and paid-up share capital of the Company by cancelling the paid up share capital of the Company to the extent of US$0.60 on each of the issued Shares in the amount of US$100,000,000 ("**Authorised Capital Diminution**") and reducing the par value of all of the authorised Shares from US$1.00 to US$0.40;

(b) the Directors shall be authorised to apply any credit balance in the contributed surplus account of the Company in accordance with the Bye-laws and all applicable laws.

4.4 **Effect of the Proposed Share Capital Reduction of Issued and Authorised Capital**

4.4.1 The Proposed Share Capital Reduction of issued and authorised share capital will only occur following compliance with the requirements of the Companies Act with respect to reduction of share capital ("**Effective Date**").

4.4.2 Upon the Proposed Share Capital Reduction taking effect on the Effective Date:

(a) the par value of each issued and unissued Share will be reduced from (post the share split) US$1.00 to US$0.40;

(b) the authorised share capital will be reduced and will be US$100,000,000 divided into 250,000,000 Shares of par value US$0.40 each; and

(c) other than the expenses incurred in relation to the Proposed Share Capital Reduction, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company.

4.4.3 The Proposed Share Capital Reduction will not involve the diminution of any liability in respect of the unpaid capital or the payment to any Shareholders of cash or any fully paid-up share capital of the Company. The amount of credit arising from the Authorised Capital Diminution will be transferred to the contributed surplus account of the Company and utilised to set off against the Accumulated Losses in full.

5 FINANCIAL EFFECTS

5.1 For illustrative purposes only, the financial position of the Company and the Group are set out below:

5.1.1 **Share Capital**

The effects of the Proposed Share Capital Reduction on the share capital of the Company as at the Latest Practicable Date are follows:

	Before Proposed Share Capital Reduction (and after the Share Split)	After Proposed Share Capital Reduction
Authorised Share Capital		
Number of Shares	100,000,000	250,000,000
Par Value (US$)	1.00	0.40
Total (US$)	100,000,000	100,000,000
Issued and Paid-up Capital		
Number of Shares	17,959,582	17,959,582
Par Value (US$)	1.00	0.40
Total (US$)	17,959,582	7,183,833

5.1.2 **Shareholders' Funds and Reserves**

The Shareholders' funds and reserves of the Company before and after the Proposed Share Capital Reduction of issued and authorised share capital (based on the latest audited consolidated financial statements of the Group as at 31 December 2015) are as follows:-

	Before Proposed Share Capital Reduction	After Proposed Share Capital Reduction
	US$'000	US$'000
Share Capital	17,960	7,184
Treasury Shares	(6)	(6)
Share Premium	10,570	10,570
Capital Redemption	582	582
Statutory Reserve	1,984	1,984
Merger Reserve	(13,530)	(13,530)
Accumulated Losses	(14,486)	(3,710)
Shareholders' Equity	**3,074**	**3,074**

5.1.3 **Net Tangible Assets, Earnings and Gearing**

Save for the costs and expenses relating to the Proposed Share Capital Reduction of issued and authorised share capital, its implementation will not have any effect on the net tangible assets, earnings and gearing of the Group. No capital will be returned to Shareholders and there will be no change in the number of Shares held by Shareholders immediately after the Proposed Share Capital Reduction of issued and authorised share capital.

The proforma analysis above has been prepared solely for illustrative purposes only and does not purport to be indicative or a projection or an estimate of the financial results and financial positions of the Company and the Group immediately after the completion of the Proposed Share Capital Reduction of issued and authorised share capital.

6 INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as described and detailed in section 7.1 of the SGM Circular, none of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the matters described and proposed to be acted on by the Company in this Supplemental Circular (other than through their direct or indirect shareholdings in the Company).

7. RECOMMENDATION BY THE DIRECTORS

The Directors, having considered and reviewed, among other things, the rationale for the matters proposed to be acted on, and all the other relevant information set out in the SGM Circular and this Supplemental Circular, unanimously recommend that Shareholders vote in favour of the additional Resolution 1.1 and Resolution 1.2 as set out in this Supplemental Circular. Resolution 1.1 is necessary to provide clarification to the Proposed Share Split which would entail a reduction in par value, and Resolution 1.2 is an additional resolution to address the Issue Price of the Proposed Placement which would have been below the par value after the Proposed Share Split. Shareholders should not that these are exercises proposed to be acted on by the Company to cure the requirements under Bermuda Laws as regards par value, which is non-existent under Singapore laws.

Shareholders who may require specific advice should consult his or her stockbroker, bank manager, solicitor, accountant or other professional adviser(s).

8 SPECIAL GENERAL MEETING

The SGM will be held at the Chinese Swimming Club, 21 / 34 Amber Road, Singapore 439870 on Wednesday, 19 September 2018 at 10.30 a.m. for the purpose of considering and, if thought fit, passing with or without any modifications, all the Resolutions set out in the Notice of SGM appended to the SGM Circular and the additional Resolution 1.1 set out in this Supplemental Circular.

9 ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the SGM and wish to appoint a proxy to attend and vote at the SGM on their behalf, may complete, sign and return the proxy form attached to the Notice of SGM (the "**Proxy Form**") in accordance with the instructions printed thereon as soon as possible and in any event so as to reach 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 on Monday, 17 September 2018 at 10.30 a.m. not less than 48 hours before the time fixed for the SGM. The completion and return of the Proxy Form by a Shareholder will not prevent him/her from attending and voting at the SGM, if he/she wishes to do so, in place of his/her proxy.

Depositors who wish to attend and vote at the SGM, and whose names are shown in the Depository Register of CDP as at a time not less than 72 hours before the time appointed for the SGM supplied by CDP to the Company, may attend as CDP's proxies. Depositors who are individuals and who wish to attend the SGM in person need not take any further action and can attend and vote at the SGM without the lodgement of any Proxy Form.

10 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Supplemental Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Supplemental Circular constitutes full and true disclosure of all material facts about the matters described and to be acted on herein, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Supplemental Circular misleading.

Where information in this Supplemental Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Supplemental Circular in its proper form and context.

Yours faithfully

For and on behalf of the Board of Directors
CHINA FIBRETECH LTD.

Eric Choo Han Kiat
Executive Director

CHINA FIBRETECH LTD.

(Incorporated in Bermuda)
(Company Registration No. 40381)

NOTICE IS HEREBY GIVEN that a Special General Meeting ("**SGM**") of CHINA FIBRETECH LTD. (the "Company") will be held at Chinese Swimming Club, 21 / 34 Amber Road, Singapore 439870 on Wednesday, 19 September 2018 at 10.30 a.m. for the purpose of considering and, if thought fit, passing with or without any modifications the following additional resolutions:

Unless otherwise defined, all terms defined in this Supplemental Notice of SGM shall have the same meanings as those defined or construed in the SGM Circular dated 28 August 2018 issued by the Company to the Shareholders. Resolution 1.1 and Resolution 1.2 are to be proposed and voted on immediately after Resolution 1 and Resolution 2 as set out in the SGM Circular have been proposed and voted on.

ORDINARY RESOLUTION 1.1 – THE PROPOSED SHARE SPLIT OF EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY INTO TWO (2) SHARES (THE "PROPOSED SHARE SPLIT SUPPLEMENTARY RESOLUTION TO REFLECT THAT THE PAR VALUE WILL BECOME US$1.00 PER SHARE AFTER THE SHARE SPLIT")

That:

(a) subject to and conditional upon the passing and approval of Ordinary Resolution 1 (as set out in page 48 of the SGM Circular), to effect the Share Split, the current ordinary share par value of US$2.00 be reduced to US$1.00 per ordinary share with the result that the authorised and issued share capital of the Company will remain the same after the Proposed Share Split; and

(b) all such agreements and documents as may be required, approving any amendments, alterations or modifications to any documents, and filing and/or submitting any notices, forms and documents with or to the relevant authorities) as they and/or he may in their/his absolute discretion consider expedient or necessary or in the interests of the Company to give effect to the Proposed Share Split and the par value change, and to the extent that any of the foregoing have been done, that they be and are hereby adopted, confirmed and ratified."

ORDINARY RESOLUTION 1.2 – THE PROPOSED REDUCTION OF THE PAR VALUE OF THE SHARES OF THE COMPANY IN ISSUE AND AUTHORISED FROM US$1.00 TO US$0.40, SUBJECT TO A CAPITAL REORGANISATION HAVING BEEN COMPLETED ("PROPOSED PAR VALUE REDUCTION')

That:

(a) Subject the Proposed Share Capital Reduction having been completed, the par value of the Shares of the Company in issue and authorised be and hereby be reduced from US$1.00 after the Proposed Share Split to US$0.40;

(b) subject to and forthwith upon the Proposed Share Capital Reduction taking effect, the cancellation of all the authorised but unissued Shares with a par value of US$1.00 each (after the share split) in the Company (which shall include the authorised but unissued capital resulting from the Proposed Share Capital Reduction) be cancelled and the authorised share capital of the Company of US$100,000,000 be diminished by such amount representing the amount of Shares so cancelled (the "**Authorised Capital Diminution**") and, forthwith upon such cancellation, the increase of the authorised share capital of the Company; to US$100,000,000 by the creation of such number of Shares with a par value of US$0.40 each as shall represent the difference between 250,0000.000 Shares with a par value of US$0.40 each in the Company in issue after the Proposed Capital Reduction;

(c) subject to and forthwith upon the Proposed Share Capital Reduction taking effect, the transfer of the credit arising from the Proposed Capital Reduction to the contributed surplus account of the Company, and such sum in the contributed surplus account being, thereafter, utilised in its entirely to partially set off against the Accumulated Losses.; and

(d) the Directors of the Company (or any one of them) be and are hereby authorised to take any and all steps, and to do and/or procure to be done any and all acts and things, and to approve, sign and execute any documents which they in their absolute discretion consider to be necessary, desirable or expedient to implement and carry into effect this special resolution and to exercise such discretion in connection with, relating to or arising from the Proposed Share Capital Reduction and/or the matters contemplated herein, with such modifications thereto (if any) as they or he may from time to time consider necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Share Capital Reduction.

BY ORDER OF THE BOARD

Lee Wei Hsiung
Company Secretary

Singapore, 14 September 2018