CHINA FIBRETECH LTD.

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

CLAIM BY CUSTOMERS

The Board of Directors of China Fibretech Ltd. (the "**Company**") wishes to announce that the Company's wholly-owned subsidiary, Shishi Simwa Knitting & Dyeing Co., Ltd (石狮市新华针织漂染有限公司) has received notices from three customers on 25 November 2015 and 26 November 2015 alleging that they have suffered substantial damages and financial losses due to the products processed by the Company's subsidiary not meeting the specified requirements, resulting in de-colouring in their end-products (the "claims"). It is noted that the said notices have not quantified the alleged losses incurred.

These claims were only brought to the attention of the Management recently for products delivered in 2014 and early 2015.

The Management will be visiting the customers to establish the facts surrounding their allegations and take steps to verify their claims. Currently, there is still great uncertainty in relation to the validity of these claims, the quantum thereof and the impact that these might have on the Company.

The Management will report to the Board of Directors (the Board) on the status and development of the claims and will not admit liability nor agree to any form of compensation before consulting and seeking the Board's approval.

Due to the uncertainties surrounding these claims, trading of the Company shares will be suspended until further notice to ensure a fair, orderly and transparent market.

The Board and the Audit Committee noted SGX-ST's regulatory column issued on 17 November 2015 titled "What SGX expects from companies reporting sudden adverse financial changes" and will do what is necessary to protect the Company's and shareholders' interest.

The Company will keep shareholders informed of the outcome and the Board will release further announcements as and when there are any developments on the above.

BY ORDER OF THE BOARD

Wu Xinhua
Executive Chairman and CEO
30 November 2015