**CAUTIONARY STATEMENT FROM**
**THE INDEPENDENT DIRECTOR OF THE COMPANY**

The Company's sole Independent Director and Audit Committee Member, Mr Low Wai Cheong, (the "**Independent Director**") of China Fibretech Limited (the "**Company**") refers to the announcement of even date releasing the Company's second quarter and six-month period ended 30 June 2016 ("2Q2016 and 1H2016") financial statements and to the Company's announcements dated 8 April 2016 on auditor's findings and the update on customers' claims.

The Independent Director would like to highlight that due to the unresolved issues over the auditor's findings, the Independent Director was unable to form a view on the second quarter and six-month period ended 30 June 2016 financial statements of the Company. In particular, the Independent Director was unable to:

1. **form a view on the validity of these 3 customers claims and whether there is any need for the provision of these customers' claims and when or if provided, whether the corresponding expense in relation to the claims in the Group's financial statement are fairly stated for the financial period ended 30 June 2016**

2. **form a view on the existence of bank balances in the current account amounting to RMB 450,185,910.06 in one of the Group's PRC Bank account**

In the premises, the 2Q2016 and 1H2016 financial statements were considered by the Independent Director without making any recommendation to the Board for approval, and were considered by the Board and authorized for release by the Chairman and Executive Director of the Company, Mr Wu Xinhua, solely.

The Independent Director therefore urges investors to read the Company's 2Q2016 and 1H2016 financial statements with caution.

LOW WAI CHEONG
Independent Direct/Member of Audit Committee
15 August 2016