CHINA FIBRETECH LTD.

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

RESPONSE TO QUERIES FROM SGX-ST

The Board of Directors (the "**Board**") of China Fibretech Ltd. (the "**Company**") and together with its subsidiaries (the "**Group**") would like to provide the following information in response to queries from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in respect of the announcement entitled "*Response to SGX Queries*" announced on 6 March 2018.

Query 1 of the SGX-ST

In respect of the Company's response to provide details of the prepayment of RMB4.56 million made to a local Personal Protective Equipment supplier, please provide further clarification on the following:

i. What is the local Personal Protective Equipment referring to;
ii. What is the name of the supplier and reason why the prepayment is so significant;
iii. What is the cost of the installation and reconstruction of the air pollution system (please provide a breakdown of the cost);
iv. Please provide a breakdown of the RMB4.56 million;
v. Why did the Company make payment before any invoice was received;
vi. What were the payment instructions and payee details based on;
vii. To whom the payment was made to;
viii. When was the payment made;
ix. When was the installation of the system

Company's Response:

i. The local Personal Protective Equipment is referring to Purifying and Cleansing equipment which is to optimise the air quality and to reduce air pollution that was discharged during production.
ii. The name of the supplier is 福建省鸿山热电有限责任公司 and such payment representing 80% down payment of the total equipment cost amounting to RMB5.7million, including installation charges.
iii. Please refer to response (ii) above.
iv. Please refer to response (ii) above.
v. The payment to 福建省鸿山热电有限责任公司 was made in accordance with the Sales Agreement between the supplier and the Company.
vi. Please refer to response (ii) above.
vii. Please refer to response (ii) above.
viii. The payment was made on 14 September 2016.
ix. The installation of the system commenced on 18 September 2016 and was expected to be completed on 18 May 2017. However, as of to date, the equipment has not been able to conform to the Company requirement. The supplier is now working closely to rectify the issue and has assured the Company to complete the installation by end of FY2018.

Query 2 of the SGX-ST

In respect of the Company's response regarding the "staff injury incident" where "the staff fainted while discharging his work in the factory and was subsequently found unsuitable to work".

i. Please disclose why the fainting resulted in the staff being found unsuitable to work and a significant compensation of RMB0.6 million was paid; and
ii. Why was this not announced in March 2017 when the incident occurred.

Company's Response:

i. The staff was subsequently in a coma condition and there was no indicative time frame when he will recover. As such, Company decided to compensate this staff due to the loss of his income and to ease off any financial burden his family may suffer.

ii. The Company did not release any result announcements for Q1 to Q3 FY2017 prior to the appointment of new board of directors. This information was only made known when the new board released the corresponding period financial results on 15 January 2018.

Query 3 of the SGX-ST

In view of the fact that there has been no change to Wu Xinda's position in the Company, why did the Company then disclose that "there is no such persons" occupying a managerial position in the issuer or any of its principal subsidiaries? Are there any other relatives of Mr Wu Xinhua or other directors working in a managerial position in the issuer or any of its principal subsidiaries?

Company's Response:

The disclosure made pursuant to Rule 704(9) of the Listing Manual of the SGX-ST was an oversight and it was never the Company's intention to conceal any facts. The Company will be more careful in its announcements and will not repeat the same mistake.

The Company hereby confirms that apart from Wu Xinda, there is no other relatives of Mr. Wu Xinhua or other directors working in a managerial position in the issuer or any of its principal subsidiaries.

By Order of the Board

Choo Han Kiat, Eric
Executive Director
12 March 2018