CHINA FIBRETECH LTD.

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

SHUTDOWN OF OPERATION OF ITS WHOLLY OWNED SUBSIDIARY

The Board of Directors of China Fibretech Ltd. (the "**Company**") wishes to announce that the operation of its wholly owned subsidiary, Shishi Simwa Knitting & Dyeing Co., Ltd (the "**Subsidiary**") has been downsizing and will be temporarily shut down in the coming few days due to non-compliance of sewage treatment regulation and sewage disposal without treatment made by its sewage treatment service provider, Shishi City Haitian Environmental Engineering Co., Ltd. (**石狮市海天环境工程有限公司**) ("Haitian").

Owing to non-compliance of environmental protection and sewage treatment regulation in Shishi by Haitian, Haitian was penalized by the local authority and output of sewage from all dyeing companies in the Wubao Industrial Zone has been restricted and closely monitored by the relevant authorities. Therefore, the capacity of sewage treatment service provided to the Subsidiary has been reduced to 400 tonnes per day, which is far below the breakeven position of the Subsidiary's operation. Hence, the management decided to downsize and will temporarily shut down the operation of its Subsidiary in the coming few days in order to avoid further loss.

Haitian is currently working on the improvement and upgrade of its production in order to meet the relevant regulations in Shishi but Haitian is unable to provide date of completion at this point of time. The operation of the Subsidiary will be resumed upon compliance of relevant regulations by Haitian. The management will closely monitor the status of Haitian and keep shareholders informed of the outcome and the Board will release further announcements as and when there are any developments on the above.

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

BY ORDER OF THE BOARD

Wu Xinhua
Executive Chairman and CEO

3 April 2017