CHINA FIBRETECH LTD.

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

UPDATE OF CLAIM BY CUSTOMERS

The Board of Directors (the "**Board**") of China Fibretech Ltd. (the "**Company**") wishes to provide an update on the potential claims by customers (the "**Claimants**") as disclosed in the Company's announcement on 30 November 2015 and 19 July 2016.

The Board wishes to announce that no payment is made to Claimants in relation to the potential claims announced on 30 November 2015 and 19 July 2016, in which each of the Claimants have requested the Company to settle the compensation claims by 31 July 2016.

The Management will be engaging a reputable law firm to handle the claim and establish the facts surrounding their allegations and take steps to verify their claims.

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 from the Claimants, trading of the Company shares will continue be suspended until further notice to ensure a fair, orderly and transparent market.

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
5 August 2016