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 Group's Full Yearly Results for the Financial Year Ended 31 December 2017 announced on 1 March 2018.

Query 1 of the SGX-ST

The Directors' fees were disclosed to be RMB 458,000 for 4Q2017 and RMB 608,000 for FY2017 respectively. Please disclose a breakdown of the fees and to whom payable and reason why amount increased was so significant in 4Q2017 as well as when was the amount paid.

Company's Response:

Breakdown of the Directors' fees is appended below:

Name of Director	Directors' fees (RMB)
[1]Low Wai Cheong *(Independent Director)*	58,000
[2]Toh Tiong San *(Independent Director)*	75,000
[3]Leow Yong Kin *(Independent Director)*	75,000
Wu Xinhua *(Non-Executive Non-Independent Director)*	50,000
[4]Bobby Tay Chiew Sheng *(Non-Executive Non-Independent Director)*	50,000
[5]Eric Choo Han Kiat *(Executive Director)*	150,000
Total	**458,000**

Note:

[1] *not-elected at the Annual General Meeting held on 28 November 2017*
[2] *appointed on 23 October 2017*
[3] *appointed on 5 October 2017*
[4] *appointed on 17 November 2017*
[5] *appointed on 5 October 2017*

The increase in the Directors' fees for 4Q17 was mainly due to the appointment of 4 new Directors, namely Mr Eric Choo Han Kiat, Mr Leow Yong Kin, Mr Toh Tiong San and Mr Bobby Tay Chiew Sheng.

The accrued Directors' fees have not been paid.

Query 2 of the SGX-ST

Regards to the prepayment and other receivables (RMB 4.56 million), please clarify what was the prepayment and when was the transaction due as well as the underlying nature of the prepayment.

Company's Response:

The prepayment of RMB4.56 million was made to a local Personal Protective Equipment (PPE) supplier in respect of the installation and reconstruction of air pollution system to meet the local authority requirements. As of to-date, no invoice has been received as there are still some minor defects to be resolved.

Query 3 of the SGX-ST

We refer to the Company's statement that "increase in logistics cost in tandem to the increase in revenue" and note that the Company's explanation that the increase in revenue was due to the increase in average processing fee from RMB 7,655 per tonne to 9,240 per tonne but processing quantity had reduced from 4,618 tonne to 2,917 tonne in FY2017. Please reconcile this to the explanation on the increase in logistic costs.

Company's Response:

The increase in logistics cost despite lower tonnages sold was attributed to the Company absorbing the logistics cost in FY2017 to remain competitive whereas in FY2016, customers engaged their own appointed logistics companies for deliveries.

Query 4 of the SGX-ST

It was disclosed that "the other operating expenses amounting to RMB0.6 million incurred in FY2017 was due to a staff injuries compensation". The amount of RMB 0.6 million is significant when compared to the Company's net loss of RMB3.1 million. Please provide details of this staff injury occurrence and disclose why this was not disclosed in the previous year.

Company's Response:

The staff injury incident occurred in 1Q2017 was announced in the Company's First Quarter Ended 31 March 2017 financial result dated 15 January 2018. The staff fainted while discharging his work in the factory and was subsequently found unsuitable to work. A compensation sum of RMB0.6 million was made to the staff.

Query 5 of the SGX-ST

It was disclosed that there is no person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). In the FY2016 results announcement, it was disclosed that Wu Xinda is the Deputy General Manager for Administration and was appointed since 1 March 2011. Please provide an update as to whether Wu Xinda is still the Deputy General Manager / holding any other appointment / employed in the Company.

Company's Response:

Mr Wu Xinda (son of Non-Executive Director, Mr Wu Xinhua) is the Deputy General Manager for Administration and was appointed since 1 March 2011. There has been no change to his duties.

By Order of the Board

Choo Han Kiat, Eric
Executive Director
6 March 2018