



# CHINA FIBRETECH LTD.

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

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## RESPONSES TO QUERIES FROM SGX-ST

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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 “Change - Announcement of Appointment: Appointment of New Directors and Changes of the Composition of the Board and Board Committees” by China Fibretech Ltd. (the “Company”) on 5 October 2017 (the “Announcements”).

### Query 1 of the SGX-ST

Please disclose the Nominating Committee’s views and recommendations on the appointment of Mr Choo Han Kiat, Eric (“Mr Choo”) and Mr Leow Yong Kin (“Mr Leow”) to the Board.

### The Company’s Response

No meeting of the Nominating Committee (“NC”) was convened to consider the appointment of Mr Choo and Mr Leow. Mr Choo and Mr Leow were appointed by way of board resolution in writing signed by Mr Wu Xinhua and Mr Wu Dezhi (a member of the Nominating Committee), constituting the majority of the Board when such resolution was passed. The board resolution was circulated to Mr Low Wai Cheong (“Mr Low”), who was the Company’s sole Independent Director and Nominating Committee’s Chairman and no objection to the resolution was received by the approving directors from Mr Low. This conforms with the Bye-laws of the Company for the appointment of Directors.

Following the appointment of Mr Choo and Mr Leow, Mr Low has expressed willingness to support the appointment of new directors subject to assessment of their suitability. Mr Low has had the opportunity to review Mr Leow’s curriculum vitae and also had the opportunity to interact with him via telecommunication means and has indicated his willingness to support the appointment of Mr Leow as a new Independent Director of the Company. Mr Low also considers Mr Leow to have the relevant experience, skills set and qualifications to be appointed as an Independent Director of the Company.



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## **Query 2 of the SGX-ST**

Please disclose the process undertaken to identify suitable directors, and how the directors were shortlisted by the Nominating Committee for appointment to the Company's Board.

## **The Company's Response**

Under normal circumstances, the Board and the Nominating Committee identifies candidates for appointment as new directors through the business network of Board members or through external independent professional advisors to assist in the search for suitable candidates. The Nominating Committee will generally identify suitable candidates skilled in core competencies such as strategic planning, accounting or finance, business or management expertise. Due to uncertainties surrounding the Company, the Company has not been successful in getting suitable candidates to join as Directors. Although certain candidates were identified in the past, the Board has not been able to reach consensus on their suitability and no new Director was appointed since the resignation of Mr Lim Yoke Hean on 27 January 2016.

## **Query 3 of the SGX-ST**

Please disclose the identity of the person that introduced Mr Choo and Mr Leow to the Company, to whom in the Company was the introduction made, and how this introducer is known to the Company.

## **The Company's Response**

Mr. Leow was recommended by Mr. Su Chun Keat, the Company's audit partner from RT LLP. Mr. Choo is currently the Business Partner (China) of Silk Routes Financials Pte Ltd and was recommended to the Company through Mr. Bobby Tay, currently Advisor to Silk Routes Financials Pte Ltd to Mr. Wu Xinhua, the Executive Director of the Company.

## **Query 4 of the SGX-ST**

It was disclosed that "The Board is of the view that (Mr Choo's) qualification (sic) and working experience will enhance the core competencies of the Board."

- a. Please elaborate on the business that "Silk Routes Financials Pte Ltd" is engaged in, and Mr Choo's role and responsibilities as "Business Partner (China)".
- b. Please elaborate on the business that "Golden Fountain Investment" is engaged in, and Mr Choo's role and responsibilities as "General Manager".
- c. Please elaborate on the business that "Broyland Group" is engaged in, and Mr Choo's role and responsibilities as "General Manager".



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d. Please disclose more details on the specific role and responsibilities of Mr Choo as Executive Director of the Company, and how the above background “enhances the core competencies of the Board”.

e. Noting the serious non-compliance of the Company with the Listing Rules and that Mr Choo does not have any listed company experience, please provide the Board’s views on how Mr Choo is suitable to be appointed as director of China Fibretech, taking into account his familiarity with SGX listing rules, and provide details to substantiate its views.

## **The Company’s Response**

a. Silk Routes Financials Pte Ltd is a private boutique investment and advisory firm and is currently advising Sichuan Development Holdings, a wholly state-owned company incorporated by Sichuan Provincial People's Government with a total asset of RMB 755.8 billion to launch their USD300m World’s first China Sukuk. Silk Routes Financials Pte Ltd is also working with CRCC International, a wholly owned subsidiary of China Railway Construction Corporation Limited which is a construction corporation under the administration of the State-owned Assets Supervision and Administration Commission of the State Council of China on their One Belt One Road infrastructure projects in Asia. Mr Choo is the chief liaison officer to these Provincial Owned Enterprise and State Owned Enterprise.

b. Golden Fountain Investment is a private investment and advisory firm where its clients include Chinese government agencies, banks, funds, and large Chinese State Owned Enterprises. Mr Choo is in charge of setting up its financial consulting arm in China. The primary business of the Financial Consulting firm is to offer clients a full range of corporate advisory solutions, which include Capital Formation (public and private offerings, debt and equity), and also advise corporate clients in Merger and Acquisitions, Growth Strategies, Restructuring, Recapitalisation and Strategic partnerships. The firm also provides private clients with investment opportunities, including proprietary offerings and portfolio management. Mr Choo is the person in charge of the entire operation in China, which includes setting up and operating the legal entity, building up the business networks, and execution of business deals.

c. Broyland Group is a Logistics company that provides supply chain solutions to its clients, which are mainly MNCs. Mr Choo is in charge of setting up its subsidiaries in Chengdu China. The primary business of the Chengdu subsidiaries is to:

- 1) Develop and build a warehouse in Chengdu, and
- 2) Provides supply chain solutions to the clients in the southwest region of China.

As General Manager of the subsidiaries, Mr Choo is responsible for the setting up of the personnel recruitment, business development, day to day operations, contract negotiations with the Chinese authorities, financial and accounting, tax submission, executing strategies to satisfy financing needs for the development of warehouse, and oversee the construction of the warehouse.



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d. Please refer to point (a) above.

e. Based on point (a) above, the Company intends to tap on Mr Choo's business connections in China to actively pursue new business opportunities for the Company. The Board has approved Mr Choo's appointment as an Executive Director, considering his extensive China experiences and network in the area of Financial Management, Merger and Acquisition, and Corporate Finance. The Company will be arranging Mr. Choo to attend relevant training at the Singapore Institute of Directors ("SID") to gain familiarity with SGX Listings rules and understanding of compliance procedures. To strengthen the Company's compliance adherence, Tricor will be appointed as new Corporate Secretary in addition to one of the Big 4 accounting firms as regulatory compliance management.

#### **Query 5 of the SGX-ST**

Please elaborate on the business that "AccountsPro Consulting Services Pte Ltd" is engaged in, and Mr Leow's role and responsibilities as its director.

#### **The Company's Response**

Mr. Leow is the sole shareholder cum director of AccountsPro Consulting Services Pte Ltd. The company principal business activity is to provide advisory and consultancy work to small medium enterprises ("SMEs") on matters relating to accounting, filing annual return, tax filings and software implementation. Mr. Leow's role is to source for new business opportunities as well as offering advice for services mention above.

#### **Query 6 of the SGX-ST**

Please disclose when Mr Choo is scheduled to "undergo relevant directors training at SID".

#### **The Company's Response**

The Company will check Mr. Choo availability and will register him for relevant training once the intended courses at SID are available.

#### **By Order of the Board**

Wu Xinhua  
Executive Chairman and Chief Executive Officer