CHINA FIBRETECH LTD.

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

CAUTIONARY STATEMENT FROM
THE INDEPENDENT DIRECTOR OF THE COMPANY

The Company's sole Independent Director and Audit Committee Member, Mr Low Wai Cheong, (the "**Independent Director**") of China Fibretech Limited (the "**Company**") refers to the announcement of even date releasing the Company's FY2015 full year financial statements and to the Company's announcements dated 8 April 2016 on auditor's findings and the update on customers' claims.

The Independent Director would like to highlight that due to the unresolved issues over the auditor's findings, the Independent Director was unable to form a view on the FY2015 full year financial statements of the Company. In particular, the Independent Director was unable to:

1. **form a view on the validity of these 3 customers claims and whether there is any need for the provision of these customers' claims and when or if provided, whether the corresponding expense in relation to the claims in the Group's financial statement are fairly stated for the financial year ended 31 December 2015**

2. **form a view on the existence of bank balances in both the current account and fixed deposits totaling RMB 449,950,310.21 in one of the Group's PRC Bank account**

In the premises, the FY2015 full year financial statements were considered by the Independent Director without making any recommendation to the Board for approval, and were considered by the Board and authorized for release by the Chairman and Executive Director of the Company, Mr Wu Xinhua, solely.

The Independent Director therefore urges investors to read the Company's FY2015 full year financial statements with caution.

LOW WAI CHEONG
Independent Direct/Member of Audit Committee
19 July 2016