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NanoTech Releases Letter to Shareholders

COO Alan Stone Responds to Shareholder Inquiries

SAN JOSE, CA – August 20, 2014 – [NanoTech Entertainment](#) (OTCPINK: NTEK), released the following letter to shareholders from COO Alan D. Stone answering several inquiries from shareholders and investors updating them on many aspects of the business.

I am delighted to take this opportunity to address several recurring questions that have been coming into the company through our IR group. My career has been one of growing businesses to the pinnacle of their market, leading the way to consumers through innovation and technology. I'm very excited to be halfway through my second year at NanoTech, and am extremely proud of the team and how much has been accomplished in such a short time period. NanoTech has been very proactive in engaging our shareholder community in many ways, including providing full time staff to answer the phone and take detailed questions.

NanoTech is on the precipice of its next big growth phase, with expansion coming from the release of new products, licensing of our proprietary technology in multiple markets, exponential growth of our consumer media customer base, and upcoming key merger and acquisition deals. The NanoTech team has worked tirelessly building value in the company that we believe shall greatly benefit our shareholders in the coming months and years.

The NanoTech Media unit has seen an explosion of activity. Last month we released the updated Nuvola NP-1 and NP-C products. Having made the decision to delay the release by a quarter has allowed us to build a base technology that helps us future proof the products and allow for much greater business with them. Our pre-order customers have all been fulfilled and we are now moving into the distribution and resale channels. The products have started appearing with these partners and we are excited about working with many of the biggest names in consumer-device distribution and sales. People have been asking us to provide specific details about sales numbers and units. This information will appear in our financials as it always has in the past. We have also been asked when reviews of the Nuvola products will be published. It has always been our plan to first take care of the pre-order customers, followed by the retail chain, and finally reviewers. We could not see an advantage of having reviews of products prior to them being on the shelf for customers to purchase. We have prioritized our shipments to make the best use of the timing of reviews, as well as aligning the timing of the retail channel fulfillment and news to coincide with consumer spending habits.

Our content advisory board that includes industry legends Mitch Lowe, Rod Riegel and Tom Cosgrove have been hard at work helping us elevate our content acquisitions and interfacing us to Hollywood Studios. We have been adding more and more quality content to our UltraFlix library and have the largest collection of 4K Ultra HD content anywhere in the world. With the

upcoming release on major 4K Ultra HD platforms and Televisions, UltraFlix is poised to be the biggest 4K Ultra HD network available in the world, with millions of subscribers accessing our ever growing library.

We have been asked when our next filings are due, and that is September 30. We have recently added internal staff who have begun the work needed for the preparation of audited financials moving forward. We have retained a local CPA firm to help us integrate our new accounting system, as well as organize our records to streamline the audit process. Our goal remains, as previously discussed, to have audits completed for 2014. We have been asked when the next dividend will be paid. Dividends require several events to take place. First is the completion of the quarterly financials to determine what profits are available, if any, to be used for dividend payments. Then there are several key criteria that must be met in order for the company to declare dividends. Once our next filings are completed, and we meet the criteria necessary, we will then declare a dividend and announce it. At this time we have not completed the financials nor made any such declaration of dividends. Our goal is to use a portion of quarterly profits to distribute to our shareholders.

We have had many questions about share reduction and share buybacks. Our business plan calls for the use of a portion of profits to buy back shares and reduce our outstanding shares. We have to balance this use of proceeds with other needs of cash including upcoming mergers and acquisitions, and when it makes sense we intend to reduce our outstanding shares as much as possible. With that being said, we have to issue shares from time to time, including issuing shares as part of strategic mergers and acquisitions, and in attracting world class executives and key employees that bring incredible value to our team. We also must fulfill our obligations under employment agreements, and allow for employees to purchase shares under our employee stock option plan, giving our employees added incentive to build company value. Ultimately, our goal is to reduce overhead and build as much value as possible in NanoTech so that we all share in the success and growth of the company.

With several new product announcements, M&A news, content contracts, and key partnerships on the horizon we are very excited about the future of NanoTech and where the company is moving. I encourage you to continue to communicate with our IR department as we move forward together and share this exciting new and evolving chapter of the company's history.

About NanoTech Entertainment

Headquartered in San Jose, CA NanoTech Entertainment is a technology company that focuses on all aspects of the entertainment industry. With six technology business units, focusing on 3D, Gaming, Media & IPTV, Mobile Apps, and Manufacturing, the company has a unique business model. The company has a diverse portfolio of products and technology. NanoTech Gaming Labs operates as a virtual manufacturer, developing its technology and games, and licensing them to third parties for manufacturing and distribution in order to keep its overhead extremely low and operations efficient in the new global manufacturing economy. NanoTech Media develops proprietary technology which it licenses to publishers for use in their products as well as creating and publishing unique content. NanoTech Media Technology includes the world's first 4K Ultra HD streaming solution. NanoTech Communications develops and sells proprietary apps and technology in the Mobile and Consumer space. Clear Memories is the global leader in 3D ice carving and manufacturing technology. 4K Studios creates digital 4K Ultra HD content using both licensed materials as well as original productions. NanoTech is redefining the role of developers and manufacturers in the global market. More information about NanoTech Entertainment and its products can be found on the web at www.NTEK.com.



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