

CHINA GAOXIAN FIBRE FABRIC HOLDINGS LTD.

(中国高纤控股有限公司)

(Company Registration No. 200817812K)

(Incorporated in Singapore on 9 September 2008)

PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF HUAXIANG CHINA GAOXIAN INTERNATIONAL HOLDINGS LIMITED

- **TERMINATION OF SALE AND PURCHASE AGREEMENT DATED 21 AUGUST 2018 AS AMENDED BY THE SUPPLEMENTAL AGREEMENT DATED 23 JANUARY 2019**
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1. INTRODUCTION

The Board of Directors (the “**Board**”) of China Gaoxian Fibre Fabric Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcements in relation to the proposed disposal of the entire issued and paid-up share capital of Huaxiang China Gaoxian International Holdings Limited (the “**Proposed Disposal**”) which were released to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 21 August 2018, 3 September 2018, 12 September 2018 and 23 January 2019 (the “**Announcements**”). Capitalised terms used in this announcement, unless otherwise defined herein, shall have the same meaning as used in the Announcements.

2. LAPSE OF LONG-STOP DATE

Further to the Announcements, the Board wishes to announce that the conditions precedent for the Proposed Disposal have not been fulfilled or waived by the long-stop date of 1 April 2019 (the “**Long-Stop Date**”), and no further extension of time was agreed to by the parties to the SPA as amended by the Supplemental Agreement. Accordingly, the SPA as amended by the Supplemental Agreement has lapsed and will cease to have further effect.

3. RULE 1014(4) OF THE LISTING MANUAL

3.1 Reasons for the non-completion of the Proposed Disposal

As mentioned in paragraph 2 above, the non-completion of the Proposed Disposal is due to the conditions precedents to the SPA not having been fulfilled or waived by the Long-Stop Date, in particular, the approval of the Shareholders in general meeting for the sale of the Sale Shares being obtained. In view of the absence of a further extension of the Long-Stop Date by the Company and the Purchaser, the Proposed Disposal has been terminated in accordance with the terms of the SPA.

3.2 Financial impact of the non-completion on the Group

The termination of the SPA is expected to have a material impact on the Group’s consolidated financial statements for the financial year ended 31 December 2018. The Company will make a separate announcement showing details of the material differences between the audited financial statements and the unaudited financial statements for the financial year ended 31 December 2018.

The termination of the SPA is expected to have a material impact on the Group’s consolidated financial statements for the current financial year ending 31 December 2019.

3.3 Possible course(s) of action to protect Shareholders' interests

Pursuant to the delisting notification dated 27 February 2019 received by the Company from the SGX-ST, trading in the Company's securities have been suspended and the Company and its controlling shareholder(s) are taking the necessary steps to comply with Rule 1309 of the Listing Manual which requires the Company or its controlling shareholder(s) to provide a reasonable exit offer to the Shareholders. The Company will make further announcements on the steps to be taken by the Company or its controlling shareholder(s) to comply with Rule 1309 of the Listing Manual in due course.

By Order of the Board

Tham Wan Loong, Jerome
Executive Director
8 May 2019