

# CHINA GAOXIAN FIBRE FABRIC HOLDINGS LTD.

(中国高纤控股有限公司)

("Company")

(Company Registration No. 200817812K)

(Incorporated in Singapore on 9 September 2008)

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## EXTENSION OF TIME TO HOLD ANNUAL GENERAL MEETING

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The Board of Directors ("**Board**") of China Gaoxian Fibre Fabric Holdings Ltd. (the "**Company**") together with its subsidiaries, (the "**Group**") wishes to announce that the Company has applied to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for an extension of time to comply with Rule 707(1) of the Listing Manual of the SGX-ST to hold its Annual General Meeting ("**AGM**").

Based on the Company's submissions and representations to the SGX-ST, the SGX-ST had on 19 April 2017 replied that it has no objection to the Company's application for an extension of time of sixty (60) days to hold its FY2016 AGM by 29 June 2017, subject to the following:-

- (a) the Company announcing the period of extension granted, the reasons for seeking the extension of time and the conditions as required under Rule 107 of the Listing Manual;
- (b) submission of a written confirmation from the Company that the application and waivers do not contravene any laws and regulations governing the Company or the constitution of the Company; and
- (c) the Company convening its AGM by 29 June 2017 subject to the approval of the same from the Accounting and Corporate Regulatory Authority.

The reasons for seeking the extension of time are set out below:-

### **(i) Major operational developments of the Group**

Huaxiang (China) Premium Fibre Co., Ltd. ("**Huaxiang China**"), the principal subsidiary of the Company, had resumed full production capacity since second quarter of financial year ended 31 December 2016 ("**FY2016**"). Currently, the total daily production volume of Huaxiang China's spinning and polymerisation plant is approximately 700 tonnes. On 1 December 2016, Huaxiang China entered into a framework supply chain cooperation agreement with Zhejiang Materials Industry Chemical Group Co., Ltd, for a period of 3 years, commencing from 1 December 2016 to 31 December 2019. Further information on the above can be obtained from the Company's recent announcements released to the SGX-ST on 19 December 2016 and 1 March 2017.

### **(ii) Impairment assessment of non-financial assets**

The above major operational changes to the Company during FY2016 have a significant bearing to Management's impairment assessment on the carrying amount of the property, plant and equipment ("**PPE**") held by Huaxiang China amounting to RMB 1.22 billion, representing 52% of the group's total assets as at FY2016. In addition, Management had previously impaired approximately RMB484 million of Huaxiang China's PPE in the Group's consolidated statement of comprehensive income.

FRS 36 – *Impairment of Assets* requires Management to perform an impairment assessment on the carrying amount of the Group's non-financial assets at the end of each reporting period to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is required to be estimated. The Auditors have also identified the valuation of non-financial assets as a key audit matter to be disclosed in the Company's FY2016 audited financial statements.

The recoverable amount of Huaxiang China's PPE is based on the higher of the (i) value in use or (ii) fair value less cost to sell, which are depending on (i) a discounted cash flow model prepared by Management and (ii) valuation exercise conducted by an independent valuer respectively.

In view of the major operational changes, Management requires more time to review the independent valuer's report and prepare the cash flow forecasts with necessary assumptions for auditors' review. The valuation process is on-going.

The Company will also be making the relevant application(s) to the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") for the extension of time pursuant to Section 201 of the Companies Act, Cap. 50 and further announcement(s) on the application outcome with ACRA will be released to the SGX-ST in due course, once available.

**BY ORDER OF THE BOARD**

Tham Wan Loong, Jerome  
Executive Director  
20 April 2017