

CHINA GAOXIAN FIBRE FABRIC HOLDINGS LTD.

(中国高纤控股有限公司)

(the “**Company**”)

(Company Registration No. 200817812K)

(Incorporated in Singapore on 9 September 2008)

THE PROPOSED SHARE CONSOLIDATION OF EVERY TWENTY (20) EXISTING ISSUED ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, INTO ONE (1) ORDINARY SHARE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

The board of directors (the “**Board**”) of China Gaoxian Fibre Fabric Holdings Ltd. (the “**Company**”) refers to the announcement made by the Company on 16 March 2015 (the “**Announcement**”) in relation to the proposed share consolidation of every twenty (20) existing issued ordinary shares of in the capital of the Company into one (1) ordinary share (the “**Consolidated Shares**”), fractional entitlements to be disregarded (the “**Proposed Share Consolidation**”).

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the Announcement.

1. RECEIPT OF APPROVAL IN-PRINCIPLE

Further to the Announcement, the Board is pleased to announce that the Company has, on 2 April 2015, received the approval in-principle (the “**Approval In-principle**”) from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the dealing in, listing of and quotation for on the Mainboard of the SGX-ST:

- (i) up to 113,750,000 Consolidated Shares pursuant to the Proposed Share Consolidation;
- (ii) up to 56,874,999 Consolidated Warrants arising from the adjustment to the number of Outstanding Warrants pursuant to the Proposed Share Consolidation; and
- (iii) up to 56,874,999 Consolidated Warrant Shares to be issued upon the exercise of the Consolidated Warrants.

The Approval In-principle is subject to:

- (a) compliance with the SGX-ST’s listing requirements; and
- (b) Shareholders’ approval for the Proposed Share Consolidation being obtained at the forthcoming extraordinary general meeting to be convened.

The Approval In-principle is not to be taken as an indication of the merits of the Proposed Share Consolidation, the Consolidated Shares, the Consolidated Warrants, the Consolidated Warrant Shares, the Company, its subsidiaries and their securities.

The Books Closure Date for the Proposed Share Consolidation will be determined and announced by the Company at a later date in due course.

2. ADJUSTMENTS TO THE OUTSTANDING WARRANTS

The Company had issued 1,137,500,000 Warrants to all its Shareholders in accordance with the terms of its circular to Shareholders dated 29 May 2013. Each Warrant carries the right to subscribe for one (1) new Share at an exercise price of S\$0.10 per Share (the “**Exercise Price**”),

subject to the terms and conditions set out in the Deed Poll. As at the date of this announcement, 1,137,499,990 Outstanding Warrants remain unexercised.

The alteration to the number of Shares as a result of the Proposed Share Consolidation will constitute an event giving rise to an adjustment to the number of Warrants and the Exercise Price payable for each new Share in accordance with the terms and conditions of the Deed Poll.

For illustrative purposes, assuming that the number of Outstanding Warrants as at the Books Closure Date is unchanged from the number of Outstanding Warrants as at the date of this announcement, upon the completion of the Proposed Share Consolidation:

- (a) the number of unexercised Outstanding Warrants will be adjusted on the basis that twenty (20) Outstanding Warrants will constitute one (1) Consolidated Warrant;
- (b) the Exercise Price will be adjusted from S\$0.10 to S\$2.00 in respect of each Consolidated Warrant; and
- (c) each Consolidated Warrant shall carry the right to subscribe for one new Consolidated Warrant Share.

The Warrants Adjustments will be effective from the close of the market day immediately preceding the date on which the Proposed Share Consolidation becomes effective (the **“Warrants Adjustment Books Closure Date”**).

Warrant holders should note that the number of Consolidated Warrants which Warrant holders will be entitled to, based on their holdings of the number of Warrants as at the Warrants Adjustment Books Closure Date, will be rounded down to the nearest whole Consolidated Warrant and any fractions of a Consolidated Warrant arising from the Warrants Adjustments shall be disregarded. Fractions of a Consolidated Warrant arising from the Warrants Adjustments will be aggregated or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the best interests of the Company.

Further announcement(s) will be made by the Company in respect of the Warrants Adjustments as and when appropriate. The Warrants Adjustment Books Closure Date will also be announced by the Company at a later date in due course.

3. ADJUSTMENTS TO THE KOREAN DEPOSITORY RECEIPTS (“KDR”) RATIO

As at the date of this announcement, the Company has in issue an amount of 1,169,813 unlisted KDRs. Each KDR represents the right to 20 Shares and 10 Warrants.

In accordance with the terms of the KDR Deposit Agreement, the KDR Ratio shall be adjusted pursuant to the Proposed Share Consolidation, pursuant to which each KDR shall represent the right to 1 Consolidated Share and 0.5 Consolidated Warrant (the **“KDR Ratio Adjustment”**).

The KDR Ratio Adjustment will be effective from the date on which the Proposed Share Consolidation becomes effective.

KDR holders should note that the number of Consolidated Warrants which KDR holders will be entitled to, based on their KDR holdings, will be rounded down to the nearest whole Consolidated Warrant and any fractions of a Consolidated Warrant arising from the KDR Ratio Adjustment and pursuant to conversion of the KDR shall be disregarded. Fractions of a Consolidated Warrant arising from the KDR Ratio Adjustment and pursuant to conversion of the KDR will be aggregated or otherwise dealt with in such manner as the Korean Securities Depository may, in its absolute discretion, deem fit. In the event such

fractions of a Consolidated Warrant are not sold, they will have the same expiration date as the Warrants.

Further announcement(s) will be made by the Company in respect of the KDR Ratio Adjustment as and when appropriate.

BY ORDER OF THE BOARD

Toh Li Ping, Angela
Company Secretary
2 April 2015