
JOINT ANNOUNCEMENT

**EXIT OFFER
IN CONNECTION WITH THE DIRECTED DELISTING OF
CHINA GAOXIAN FIBRE FABRIC HOLDINGS LTD.
PURSUANT TO RULES 1306, 1309 AND 1315 OF THE LISTING MANUAL OF
THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

1. INTRODUCTION

- 1.1 On 3 March 2016, China GaoXian Fibre Fabric Holdings Ltd. ("**Company**") was placed on the financial watch-list ("**Watch-List**") by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") pursuant to Rule 1311 of the Listing Manual of the SGX-ST ("**Listing Manual**"). As announced by the Company on 28 February 2019, the Company received a notification letter from the SGX-ST ("**Delisting Notification**") on 27 February 2019, informing the Company that the SGX-ST will delist the Company from the Official List of the SGX-ST pursuant to Rule 1315 of the Listing Manual as the Company has not met the requirements under Rule 1314 of the Listing Manual for its removal from the Watch-List. Trading in the Company's securities has been suspended from 3 April 2019, and will remain suspended until completion of an exit offer.
- 1.2 The Company and China Success Group (International Holdings) Limited ("**Offeror**") wish to jointly announce that the Offeror has presented to the directors of the Company ("**Company Directors**") a formal proposal to make an exit offer to the shareholders of the Company ("**Shareholders**") pursuant to Rules 1306, 1309 and 1315 of the Listing Manual ("**Delisting Proposal**") in accordance with the Delisting Notification. Under the Delisting Proposal, the Offeror will make a voluntary conditional cash offer ("**Exit Offer**") for all the issued and paid-up ordinary shares in the capital of the Company ("**Shares**") other than those already owned, controlled or agreed to be acquired by the Offeror or by parties acting in concert or deemed to be acting in concert with the Offeror as at the date of the Exit Offer ("**Offer Shares**") in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and Rule 15 of the Singapore Code on Take-overs and Mergers ("**Code**").
- 1.3 An offer document ("**Offer Document**") containing the terms of the Exit Offer, together with the appropriate form(s) for acceptance of the Exit Offer ("**Acceptance Forms**"), will be despatched by the Offeror to the Shareholders in due course. Shareholders are advised to read the Offer Document and the Acceptance Forms carefully.

2. LISTING MANUAL PROVISIONS ON THE DELISTING AND THE EXIT OFFER

- 2.1 Under Rule 1306 of the Listing Manual, if the SGX-ST exercises its power to remove an issuer from the Official List of the SGX-ST, the issuer or its controlling shareholder(s) must, subject to Rule 1308 of the Listing Manual, comply with the requirements of Rule 1309 of the Listing Manual. As mentioned in paragraph 1.1 above, the Company received the Delisting Notification from the SGX-ST on 27 February 2019 directing the delisting of the Company from the Official List of the SGX-ST pursuant to Rule 1315 of the Listing Manual.
- 2.2 Under Rule 1308 of the Listing Manual, Rule 1309 does not apply to a delisting pursuant to:
- (a) a voluntary liquidation; or

- (b) an offer under the Code provided that the offeror is exercising its right of compulsory acquisition.
- 2.3 Under Rule 1309 of the Listing Manual, if an issuer is seeking to delist from the Official List of the SGX-ST:
- (a) an exit offer must be made to the issuer's shareholders and holders of any other classes of listed securities to be delisted. The exit offer must (i) be fair and reasonable and (ii) include a cash alternative as the default alternative; and
 - (b) the issuer must appoint an independent financial adviser to advise on the exit offer and the independent financial adviser must opine that the exit offer is fair and reasonable.

3. INFORMATION ON THE COMPANY

- 3.1 The Company is a company incorporated in the Republic of Singapore on 9 September 2008 and was listed on the Main Board of the SGX-ST in September 2009. The principal activity of the Company is that of investment holding. The principal activity of its subsidiaries is the manufacture of premium differentiated fine polyester yarn and fabric in the People's Republic of China.
- 3.2 As at the date of this Offer Announcement ("**Offer Announcement Date**"), the Company has an issued and paid-up share capital of S\$449,593,516 comprising 113,750,147 ordinary Shares. The Company does not hold any Shares in treasury and does not have any outstanding instruments convertible into, rights to subscribe for, nor options (whether pursuant to an employee share option scheme or otherwise) in respect of, securities which carry voting rights of the Company.
- 3.3 As at the Offer Announcement Date, the Company Directors are:
- (a) Mr. Xie Ruliang (Non-Executive and Non-Independent Chairman);
 - (b) Mr. Lin Xingdi (Executive Director and Chief Executive Officer);
 - (c) Mr. Tham Wan Loong, Jerome (Executive Director);
 - (d) Mr. Sze Man Kam (Independent Director);
 - (e) Mr. Low Chin Parn Eric (Independent Director); and
 - (f) Mr. Teo Boon Hai (Independent Director).

4. INFORMATION ON THE OFFEROR AND CONCERT PARTY

- 4.1 The Offeror is a company incorporated in Hong Kong on 21 January 2005. Its principal activity is that of investment holding. As at the Offer Announcement Date the Offeror has issued 10,000 shares with a par value of HKD1.00 per share, and the legal and beneficial shareholders of the Offeror are Cao Xiangbin, who holds 99.8% of the issued and paid-up share capital of the Offeror, and Chen Fen, who holds the remaining 0.2% of the issued and paid-up share capital of the Offeror. As at the Offer Announcement Date, the directors of the Offeror are Cao Xiangbin and Chen Fen ("**Offeror Directors**").
- 4.2 As at the Offer Announcement Date, the Offeror is a controlling shareholder of the Company, holding a direct interest in 20,545,000 Shares, representing approximately 18.06% of the total number of issued Shares.
- 4.3 Fleur Growth Fund Limited ("**Fleur Growth Fund**"), which holds a direct interest in 29,996,214 Shares, representing approximately 26.37% of the total number of issued Shares, is a concert party of the Offeror pursuant to an agreement to privatise the Company.

- 4.4 As at the Offer Announcement Date, save as stated in paragraph 4.3 of this Offer Announcement and subject to further enquiries to be made as disclosed in paragraph 12.5 of this Offer Announcement, there are no persons acting or presumed to be acting in concert with the Offeror under the Code for purposes of the Exit Offer.

5. THE EXIT OFFER

Subject to the terms and conditions of the Exit Offer to be set out in the Offer Document to be issued by the Offeror, the Offeror will make the Exit Offer in accordance with the Code on the following basis:

- (a) **Offer Price.** The Exit Offer will be made at:

\$S\$0.0305 in cash for each Offer Share (the "**Offer Price**").

- (b) **Offer Shares.** The Exit Offer will be extended to all Offer Shares and the Offer Price is applicable to all Offer Shares tendered in acceptance of the Exit Offer. Shareholders may accept the Exit Offer in full or in part of their holdings of Offer Shares.

- (c) **No Encumbrances.** The Offer Shares are to be acquired (i) fully paid, (ii) free from all claims, charges, liens, mortgages, encumbrances, hypothecations, retention of title, power of sale, equity, options, rights of pre-emption, rights of first refusal or other third party rights or interests of any nature whatsoever, and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date, and hereafter attaching thereto, including the right to receive and retain all dividends, rights, other distributions and return of capital (collectively, the "**Distributions**") (if any), which may be announced, declared, paid or made by the Company, the Record Date for which falls on or after the Offer Announcement Date. For the purpose of this Offer Announcement, "**Record Date**" means, in relation to any Distributions, the date on which Shareholders must be registered with the Company or with The Central Depository (Pte) Limited ("**CDP**"), as the case may be, in order to participate in such Distributions.

If any Distribution is announced, declared, paid or made by the Company on or after the Offer Announcement Date, and the Offeror is not entitled to receive such Distribution in full in respect of any Offer Share tendered in acceptance of the Exit Offer, the Offer Price payable in respect of such Offer Share will be reduced by the amount of such Distribution.

- (d) **Minimum Acceptance Condition.** The Exit Offer will be conditional upon the Offeror having received, by the close of the Exit Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and the parties acting in concert with it, will result in the Offeror and the parties acting in concert with it holding such number of Shares carrying more than 50% of the voting rights attributable to the issued Shares (excluding any Shares held in treasury) as at the close of the Exit Offer (the "**Minimum Acceptance Condition**").

Save for the Minimum Acceptance Condition, the Exit Offer is unconditional in all other respects.

- (e) **Further Details.** Further details of the Exit Offer will be set out in the Offer Document.

6. INDEPENDENT FINANCIAL ADVISER

CEL Impetus Corporate Finance Pte. Ltd. has been appointed by the Company as its independent financial adviser ("**IFA**") to advise the Company Directors who are considered independent for the purposes of the Exit Offer ("**Independent Directors**"). The advice of the

IFA and recommendation of the Independent Directors regarding the Exit Offer will be set out in the letter from the Company to the Shareholders which will be despatched in due course.

7. OFFER DOCUMENT

The Offer Document to be issued by the Offeror will set out the terms and conditions of the Exit Offer and enclose the Acceptance Forms.

The Offer Document will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the Offer Announcement Date. The Exit Offer will remain open for acceptances by Shareholders for a period of at least 28 days from the date of despatch of the Offer Document.

8. THE OFFEROR'S INTENTIONS FOR THE COMPANY

Following the close of the Exit Offer, the Offeror has no current intention of (a) making material changes to the existing business, (b) re-deploying the fixed assets, or (c) discontinuing the employment of the employees of the Company and its subsidiaries, other than in the ordinary course of business. Nonetheless, the Offeror retains the flexibility at any time to consider options or opportunities which may present themselves, and which it regards to be in the interests of the Offeror and/or the Company.

9. COMPULSORY ACQUISITION

Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), if the Offeror receives valid acceptances pursuant to the Exit Offer in respect of not less than 90% of the total number of issued Shares, the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Exit Offer (the "**Dissenting Shareholders**"), at a price equal to the Offer Price. For the purpose of determining the 90% threshold under Section 215(1) of the Companies Act, Shares held by the Offeror, its related corporations and their respective nominees as at the date of the Exit Offer shall not be taken into account.

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act to require the Offeror to acquire their Shares at the Offer Price in the event that the Offeror acquires, pursuant to the Exit Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares (excluding Shares held in treasury). Dissenting Shareholders who wish to exercise such rights are advised to seek their own independent legal advice. Unlike Section 215(1) of the Companies Act, the 90% threshold under Section 215(3) of the Companies Act does not exclude Shares held by the Offeror, its related corporations or their respective nominees.

In view that Fleur Growth Fund has undertaken to reject the Exit Offer, such rights under Sections 215(1) and (3) of the Companies Act will not arise.

10. CONFIRMATION OF FINANCIAL RESOURCES

Phillip Securities Pte Ltd has, taking into account the undertaking by Fleur Growth Fund not to accept the Exit Offer, confirmed that the Offeror has sufficient financial resources to satisfy full acceptance of the Exit Offer by Shareholders of the Offer Shares at the Offer Price.

11. FINANCIAL ASPECTS OF THE OFFER

The Offer Price represents the following premium over historical traded prices of the Shares¹ as set out below:

¹ The historical traded prices of the Shares (rounded to the nearest three (3) decimal places) and the corresponding premia are computed based on data extracted from Bloomberg L.P. Percentage figures rounded to nearest one (1) decimal place.

	Description	Share Price (S\$)	Premium of Offer Price over Share Price (%)
(a)	Last traded price of the Shares on the SGX-ST on 2 April 2019, being the last full day of trading of the Shares prior to the date of this Offer Announcement (" Last Trading Day ")	0.003	916.67
(b)	Volume weighted average price of the Shares on the SGX-ST (" VWAP ") for the 1-month period up to and including the Last Trading Day	0.005	510.00
(c)	VWAP for the 3-month period up to and including the Last Trading Day	0.006	408.33
(d)	VWAP for the 6-month period up to and including the Last Trading Day	0.006	408.33
(e)	VWAP for the 12-month period up to and including the Last Trading Day	0.017	79.41

12. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

12.1 Holdings of Company Securities. As at the Offer Announcement Date:

- (a) the Offeror owns an aggregate of 20,545,000 Shares, representing approximately 18.06% of the total number of issued Shares; and
- (b) Fleur Growth Fund owns an aggregate of 29,996,214 Shares, representing approximately 26.37% of the total number of issued Shares.

12.2 No Other Holdings and Dealings. Save as disclosed in paragraph 12.1 above, as at the Offer Announcement Date and based on the latest information available to the Offeror, none of the Offeror and the parties acting in concert with the Offeror (collectively, "**Relevant Persons**"):

- (a) owns, controls or has agreed to acquire any (i) Shares, (ii) securities which carry voting rights in the Company, or (iii) convertible securities, warrants, options or derivatives in respect of the Shares or securities which carry voting rights in the Company (collectively, the "**Company Securities**"); or
- (b) has dealt for value in any Company Securities during the three (3)-month period immediately preceding the Offer Announcement Date and up to the Offer Announcement Date.

12.3 Other Arrangements. As at the Offer Announcement Date and based on the latest information available to the Offeror, none of the Relevant Persons has:

- (a) entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company which might be material to the Exit Offer;
- (b) granted any security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise;
- (c) borrowed any Company Securities from another person (excluding borrowed Company Securities which have been on-lent or sold); or
- (d) lent any Company Securities to another person.

12.4 Irrevocable Undertakings. As at the Offer Announcement Date, Fleur Growth Fund has executed an irrevocable undertaking in favour of the Offeror not to accept the Exit Offer. Save for the foregoing, none of the Relevant Persons has received any other irrevocable commitment or undertaking from any person to accept or reject the Exit Offer.

12.5 Further Enquiries. In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with the Offeror in connection with the Exit Offer. Further enquiries will be made of such persons and the relevant disclosures (if any) will be made in due course and in the Offer Document.

13. OVERSEAS SHAREHOLDERS

13.1 Overseas Jurisdictions. This Offer Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Announcement in any jurisdiction in contravention of applicable law. The Exit Offer will be made solely by the Offer Document and the Acceptance Forms, which will contain the full terms and conditions of the Exit Offer, including details of how the Exit Offer may be accepted.

The release, publication or distribution of this Offer Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Offer Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Offer Announcement and any formal documentation relating to the Exit Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Exit Offer would violate the laws of that jurisdiction ("**Restricted Jurisdiction**") and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Exit Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Exit Offer will not be capable of acceptance by any such use, means, instrumentality or facilities within any Restricted Jurisdiction.

The availability of the Exit Offer to Shareholders whose addresses are outside Singapore as shown in the register of members of the Company or in the records of CDP (as the case may be) (each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions.

13.2 Copies of the Offer Document. Where there are potential restrictions on sending the Offer Document and the Acceptance Forms to any overseas jurisdictions, the Offeror reserves the right not to send these documents to Overseas Shareholders in such overseas jurisdictions. Subject to compliance with applicable laws, any affected Overseas Shareholder may, nonetheless, attend in person and obtain a copy of the Offer Document and the Acceptance Forms from the office of the Company's share registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road #02-00, Singapore 068898. Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws, write to the Company's share registrar at the above-stated address to request for the Offer Document and the Acceptance Forms to be sent to an address in Singapore by ordinary post at his own risk, up to the five (5) market days prior to the close of the Exit Offer.

14. RESPONSIBILITY STATEMENT

- 14.1 **Offeror Directors.** The Offeror Directors (including those who may have delegated detailed supervision of this Offer Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Offer Announcement (other than those relating to the Company and its subsidiaries) are fair and accurate and that no material facts have been omitted from this Offer Announcement, the omission of which would make any statement in this Offer Announcement misleading. Where any information in this Offer Announcement has been extracted or reproduced from published or publicly available sources or obtained from the Company, the sole responsibility of the Offeror Directors has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Offer Announcement. The Offeror Directors jointly and severally accept full responsibility accordingly.
- 14.2 **Company Directors.** The Company Directors (including those who may have delegated detailed supervision of this Offer Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Offer Announcement (other than those relating to the Offeror and the Relevant Persons) are fair and accurate and that no material facts have been omitted from this Offer Announcement, the omission of which would make any statement in this Offer Announcement misleading. Where any information in this Offer Announcement has been extracted or reproduced from published or publicly available sources or obtained from the Offeror, the IFA or the Relevant Persons, the sole responsibility of the Company Directors has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Offer Announcement. The Company Directors jointly and severally accept full responsibility accordingly.

BY ORDER OF THE BOARD

CHINA GAOXIAN FIBRE FABRIC HOLDINGS LTD.

Tham Wan Loong, Jerome
Executive Director

BY ORDER OF THE BOARD

CHINA SUCCESS GROUP (INTERNATIONAL HOLDINGS) LIMITED

Cao Xiangbin
Director

7 November 2019

Forward-Looking Statements

All statements other than statements of historical facts included in this Offer Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "expect", "anticipate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

Disclosure of Dealings

The associates (as defined under the Code, and which includes all substantial shareholders) of the Company and the Offeror are hereby reminded to disclose their dealings in any securities of the Company in accordance with Rule 12 of the Code.