

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)

**MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED
FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

The Board of Directors (the "**Board**") of China Gaoxian Fibre Fabric Holdings Ltd. (the "**Company**", or together with its subsidiaries, the "**Group**") refers to the announcement on unaudited full year financial statements for the financial year ended 31 December 2017 ("**FY2017**") released by the Company via SGXNet on 1 March 2018.

Pursuant to Rule 704(6) of the Listing Manual of Singapore Exchange Securities Trading Limited, the Board wishes to highlight and clarify the material differences between the unaudited financial statements for FY2017 and audited financial statements for FY2017 following the finalisation of the audit.

Details of the material variances are set out in the Appendix A as attached.

BY ORDER OF THE BOARD

Tham Wan Loong, Jerome
Executive Director

6 April 2018

Appendix A

	Per Unaudited Q4 SGX Announcement on 1 March 2018	Per audited FY2017 FS	Variance	Remark
Non-current assets	RMB'000 A	RMB'000 B	RMB'000 C=A-B	
Property, plant and equipment	1,171,477	1,192,518	(21,041)	Being Prior year adjustments on the overstatement of impairment expense in FY2015.
Investment property - construction work in progress	159,045	159,045	-	
Land use rights	144,854	144,854	-	
Prepayments/Long term receivables	55,988	55,988	-	
Long term receivables (cost of land & preparation)	67,647	67,647	-	
Subtotal	1,599,011	1,620,052	(21,041)	
Current assets				
Land use right(current part)	3,646	3,646	-	Rounding off difference Rounding off difference
Inventories	18,275	18,275	-	
Trade receivables	67,136	67,137	(1)	
Bills and other receivables and prepayments	163,236	163,235	1	
Cash and bank balances	33,731	33,731	-	
	286,024	286,024	-	
Total Assets	1,885,035	1,906,076	(21,041)	
Current liabilities				
Trade payables	(105,006)	(105,006)	-	
Short term loans	(1,139,080)	(1,139,080)	-	
Bills payable	(17,596)	(17,596)	-	
Other liabilities/accruals	(551,233)	(551,233)	-	
Provision for tax	-	-	-	
	(1,812,915)	(1,812,915)	-	
Net current (liabilities) assets	72,120	93,161	(21,041)	
Non-current liabilities				
Long term borrowings	(523,000)	(523,000)	-	
Total Liabilities	(2,335,915)	(2,335,915)		
Net assets	(450,880)	(429,839)		
Shareholder's equity				
Share capital	(2,190,580)	(2,190,580)	-	Being Prior year adjustments on the overstatement of impairment expense in FY2015.
Warrants reserve	(13,840)	(13,840)	-	
Merger reserve	369,563	369,563	-	
Accumulated loss (profit)	2,285,737	2,264,696	21,041	
Total Equity	450,880	429,839	21,041	
Total Equity and Liabilities	(1,885,035)	(1,906,076)	21,041	

	Per Unaudited Q4 SGX Announcement on 1 March 2017	Per audited FY2017 FS	Difference	Remark
	FY 2017 RMB'000 A	FY 2017 RMB'000 B	Variance RMB'000 C=A-B	
Revenue	2,514,197	2,514,197	-	
Cost of goods sold	(2,435,169)	(2,435,169)	-	
Gross (loss)/ profit	79,028	79,028	-	
Financial income	2,773	2,773	-	
Other income	17,369	19,054	(1,685)	Being reclassification of loss on disposal of property, plant and equipment to "other expenses".
Selling & distribution expenses	(2,897)	(2,897)	-	
General & administrative expenses	(90,525)	(90,525)	-	
Other expenses	-	(1,685)	1,685	Being reclassification of loss on disposal of property, plant and equipment to "other expenses".
Financial expense	(120,773)	(120,773)	-	
Loss before tax	(115,025)	(115,025)	-	
Income tax expense	-	-	-	
Loss after tax	(115,025)	(115,025)	-	