

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)

UPDATES ON THE NON-PERFORMING LOAN

Reference is made to the Company's announcements released to the Singapore Exchange Securities Trading Limited ("SGX-ST") on 7 September 2014, 10 September 2014, 28 February 2015 and 20 March 2015 with respect to the Non-Performing Loan (collectively, the "Announcements"). Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Company's Full Year Results for the financial year ended 31 December 2014 released to the SGX-ST on 28 February 2015 ("FY2014 Results Announcement").

The Board of Directors ("**Board**") of China Gaoxian Fibre Fabric Holdings Ltd. (the "Company" and together with its subsidiaries, the "Group") wishes to provide an update on the status of the Non-Performing Loan as follows:-

1. As stated in the FY2014 Results Announcement, the Company was informed by China Citic Bank (Fuzhou Branch) ("**Citic Bank**") that the DB Assets had been put up for sale via auction which would commence from 9 March 2015. Both the assessed value and the starting auction price of the equity shares were approximately RMB73.4 million. The valuation of the commercial unit was approximately RMB12.3 million and its starting auction price was RMB10.4 million.
2. As the auction of the DB Assets on 9 March 2015 was not successful, the PRC Court in Fuzhou had auction the DB Assets again on 7 May 2015 ("Second Auction") after providing a 10% discount on the auction starting price. Accordingly, the assessed value of the equity shares was approximately RMB73.4 million and new starting auction price was RMB66.1 million. The valuation of the commercial unit was approximately RMB12.3 million and its new starting auction price was RMB9.4 million.
3. Subsequent to the above, the Second Auction for the equity shares closed at RMB78.7 million and the commercial unit closed at RMB9.4 million, aggregating to RMB88.1 million.
4. To reiterate, as announced on 7 September 2014, the Company paid China Huarong Asset Management Company Limited a total of RMB83.9 million (inclusive of an approximate RMB3.2 million consultation fee levied by China Huarong) for the transfer of the Non-Performing Loan and the security rights over the DB Assets.

5. Pending completion of all administrative processes for the Second Auction, the Company will provide further updates to shareholders on the final amount to be disbursed to the Company by the PRC Court of Fuzhou after (i) deducting the expenses to be paid to the PRC Court and any other ancillary expenses and (ii) adding the interest receivable of the Non-Performing Loan from Dibang Group, in due course.

BY ORDER OF THE BOARD

Tham Wan Loong, Jerome
Executive Director
10 May 2015