

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)

CLAIM BY DAEWOO SECURITIES CO., LTD (THE "PLAINTIFF")

The Board of Directors of China Gaoxian Fibre Fabric Holdings Ltd (the "**Company**") wishes to announce that the Company has been notified of a claim in South Korea from the Plaintiff in relation to an alleged breach of an underwriting agreement signed between the Company and the Plaintiff in 2010. The Plaintiff was the lead arranger for the Company's public offering of depository receipts ("**DRs**") which were listed on the Korea Exchange in 2011. In connection with the said listing of the DRs, the Company had entered into the underwriting agreement with the Plaintiff.

The Plaintiff has filed a claim for damages of 1 billion Korean Won (plus interest) (i.e. approximately 1,148,593 Singapore Dollars based on the exchange rate of SGD1.00 : KRW870.6304 as at 7 March 2016), for the alleged breach by the Company of certain warranties under the underwriting agreement concerning the provision of inaccurate financial statements to the Plaintiff and false description of cash and assets in the statements submitted in relation to the listing of the DRs.

The Company intends to defend the Plaintiff's claims and will be seeking legal advice. The Company will make subsequent announcements when there are further material developments on this matter. In the meantime, shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

BY ORDER OF THE BOARD

Tham Wan Loong, Jerome
Executive Director
8 March 2016