

**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)

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**APPLICATION FOR EXTENSION OF TIME TO RELEASE THE UNAUDITED FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2015**

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The Board of Directors ("**Board**") of China Gaoxian Fibre Fabric Holdings Ltd. (the "**Company**") and together with its subsidiaries, (the "**Group**") wishes to announce that pursuant to Rule 705(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Company has applied to the SGX-ST for an extension of time to release its unaudited financial statements for the fourth quarter and full year ended 31 December 2015 ("**Unaudited 4QFY2015 Results**").

As stated in the Company's announcements released to the SGX-ST on 6 and 7 January 2016, the Group is in preliminary discussions with a potential third party to explore the possibility of acquiring certain assets of the Group. In this respect, the Company was required to and had appointed an independent asset appraisal company to assist with an independent valuation of the Group's assets.

Due to the Chinese New Year holidays in the People's Republic of China, the independent asset appraisal company had required approximately 4 to 6 weeks for the independent valuation on the said assets to be completed. As the impact of the valuation is material to the Group's financial statements and its going concern assumption, it is important for the independent valuation to be completed so that the Unaudited 4QFY2015 Results is not false or misleading in any material aspect.

As such, the figures in the Group's Unaudited 4QFY2015 Results are still preliminary and have not taken into account the possible material financial impact arising from the valuation exercise. In addition, Management does not want the Group's unaudited figures to be significantly different from its audited figures.

In this respect, the Auditors will require more time to review and validate the basis and assumption used by the valuer in arriving at the recoverable amount of the Group's assets, to determine if such basis/assumption used is appropriate and in accordance with the relevant accounting standards.

Separately, due to major recent changes to the Board of Directors, the Company is still in the process of identifying suitable Independent Directors who are resident in Singapore and to reconstitute its Board and Board Committees (especially its Audit Committee). Management, therefore, requires more time to assist the new Board to familiarise itself with the operations and financial conditions of the Group before the new Board could satisfy itself the adequacy of the Unaudited 4QFY2015 Results for release to the SGX-ST via the SGXNET.

The Board has been actively looking for suitable candidates to meet the minimum requirement of two (2) Independent Directors, resident in Singapore and to fill the vacancy of the AC within 2 months (in any case not later than three months) from 6 January 2016. Further announcement(s) on the appointment of IDs, and the reconstitution of the Audit Committee, Nominating Committee and Remuneration Committee will be released to the SGX-ST in due course, once available.

The SGX-ST has on 26 February 2016, subject to the following, replied that it has no objection to the said application for the extension of time of 1 month (i.e. by 31 March 2016) to announce the Unaudited 4QFY2015 Results:

- (a) the Company announcing period of extension granted, the reasons for seeking the extension of time and the conditions as required under Listing Rule 107;

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- (b) submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company; and
- (c) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company.

Notwithstanding the above, the Company wishes to emphasize that no definite terms relating to exact nature of the assets or pricing etc have been finalised, pending the completion of the independent valuation report. There is no assurance that any such discussions will result in any definitive agreement or transaction. Should there be any material development, the Company will make further announcement(s) if any such definite terms are agreed.

**BY ORDER OF THE BOARD**

Tham Wan Loong, Jerome  
Executive Director  
26 February 2016