

CHINA GAOXIAN FIBRE FABRIC HOLDINGS LTD.

(中国高纤控股有限公司)

(Company Registration No. 200817812K)

(Incorporated in Singapore on 9 September 2008)

FURTHER INFORMATION ON THE COMPANY'S ANNOUNCEMENT DATED 8 JUNE 2018

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Company's First Quarter Results for the financial period ended 31 March 2018 which was released to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 15 May 2018 ("**Q1FY2018 Results Announcement**") and Company's Response announcement released on 8 June 2018 ("**Company's Response**").

The Board of Directors (the "**Board**") of China Gaoxian Fibre Fabric Holdings Ltd. (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the Company's Response and wishes to provide further information as follows:-

SGX-ST's questions:-

- 1) *The Company's "Bills and other receivables" amounted to RMB 209.9 million as at 31 March 2018. The Company disclosed in its announcement on 8 June 2018 that "The increase in bills and other receivables by RMB 54.1 million was mainly due to payment-in-transit for loan repayment of RMB 50.0 million to advances from third parties". On page 13 of the 1Q2018 Results, the Company disclosed a breakdown of "Other receivables" amounting to RMB 209.7 million. None of the items in list related to RMB 50.0 million of advances due from third parties. Please:*
- i. Provide details of the loan repayment in-transit from third parties;*
 - ii. Reason for the extension of loans to third parties;*
 - iii. To disclose the identities of the third parties and the relationship of these third parties to the Company, its management, controlling shareholders, directors;*
 - iv. Amount of loan extended to the third parties and the amount outstanding from third parties;*
 - v. Terms of the loans extended to third parties;*
 - vi. When is the loan due; and*
 - vii. To reconcile the list of items ("List") comprising "bills and other receivables" amounting to RMB210 million set out on page 13 of the Company's 1Q2018 Results to the disclosure on 8 June 2018 that "The increase in bills and other receivables by RMB 54.1 million was mainly due to payment-in-transit for loan repayment of RMB 50.0 million to advances from third parties". Please indicate which of the items in (i) to (viii) in the List relates to the payment in transit amounts and explain why they are classified as such in the List.*

Company's response:-

- i. The payment-in-transit for loan repayment to a non-related non-financial institution was included in the advance to suppliers of RMB 60.0 million as at 31 March 2018 (see Page 13 of 1QFY2018 Results Announcement for details).
- ii. This was related to repayment of RMB 50.0 million short term secured loan to a non-related non-financial institution (see Page 75, Notes to Accounts No.16(8) of FY2017 Annual Report for details).
- iii. The short term secured loan was granted by a non-related non-financial institution, namely, Jiujiang Mingrui Trading Co., Ltd., and is secured by a personal guarantee from a shareholder. Save for their shareholdings in the Company and as disclosed above, none of the Directors, controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect, in the abovementioned short term secured loan.
- iv. The abovementioned short term secured loan from a non-related non-financial institution was amounted to RMB 219.5 million as at 31 March 2018 (31 December 2017: RMB 219.5 million).
- v. The abovementioned short term secured loan from a non-related non-financial institution bears interest at a rate of 1% per month and is secured by a personal guarantee from a

shareholder and repayable on demand (see Page 76, Notes to Accounts No.16(8) of FY2017 Annual Report for details).

- vi. See reply per Item No. (v) above.
- vii. The increase in bills and other receivables by RMB 54.0 million were mainly due to the increase in other receivables by RMB 54.8 million which comprised mainly payment-in-transit for repayment of RMB 50.0 million short term secured loan. The Group has received payment acknowledgement from the non-related non-financial institution subsequent to 31 March 2018. The increase in bills and other receivables was partially offset by the decrease in bills receivable RMB 0.8 million. For breakdown of bills and other receivable, please refer to Page 13 of Results Announcement for 1QFY2018.

BY ORDER OF THE BOARD

Tham Wan Loong, Jerome
Executive Director
14 June 2018