

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)

(A) AUDIT ISSUES (B) REQUEST FOR SUSPENSION OF TRADING IN SHARES

The Audit Committee has been informed by the auditors of the Company, Messrs Ernst & Young LLP ("**Auditors**"), that it could not verify nor confirm the bank balances in the Company's subsidiaries, namely Zhejiang Huagang Polyester Industrial Co., Ltd (浙江华港涤纶实业有限公司) and Fujian New Huawei Fibre Dyeing Co., Ltd (福建新华威化纤染织有限公司) as part of its audit of the Company's financial statements for the financial year ended 31 December 2010. A trading halt of the Company's shares was therefore called with effect from 22 March 2010.

The Audit Committee has instructed the Auditors to carry out an expanded scope of its audit and also met with the Executive Chairman and CEO, Mr Cao Xiangbin (曹祥彬), who has indicated that he will co-operate and assist, and will further instruct management to do the same. In the meantime, the Audit Committee intends to use its best endeavours to take such practicable measures as may be necessary to safeguard the Group's assets.

The Audit Committee will further make announcements as and when there are material developments or more information becomes available.

The Company will request for the trading halt to be converted into a suspension of trading of the Company's shares on SGX-ST with effect from 9:00 a.m. of 25 March 2011.

BY ORDER OF THE AUDIT COMMITTEE

Chan Kam Loon
Chairman of the Audit Committee
24 March 2011