

PROPOSED CORPORATE ACTIONS

- (I) **TRANSFER OF LISTING FROM MAIN BOARD OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) TO THE CATALIST BOARD OF THE SGX-ST; AND**
 - (II) **RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE (“RIGHTS ISSUE”)**
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1. INTRODUCTION

- 1.1 The Board of Directors (“**Board**” or “**Directors**”) of China Haida Ltd. (“**Company**”, and together with its subsidiaries, “**Group**”) wishes to announce that the Company is proposing to undertake the following corporate actions (collectively, “**Corporate Actions**”):
- (a) a transfer (“**Catalist Transfer**”) of the listing of the Company from the Main Board of the SGX-ST to the Catalist Board of the SGX-ST (“**Catalist**”); and
 - (b) in conjunction with the Catalist Transfer, a Rights Issue of up to 2,039,045,280 new ordinary shares in the capital of the Company (“**Rights Shares**”) at an issue price of S\$0.002 (“**Issue Price**”) for each Rights Share, on the basis of eight (8) Rights Shares for every one (1) existing ordinary share in the capital of the Company (“**Shares**”) held by Entitled Shareholders (as defined herein) as at a books closure date to be determined by the Directors (“**Books Closure Date**”).
- 1.2 The Corporate Actions are subject to, *inter alia*, the approval of the shareholders of the Company (“**Shareholders**”), which will be sought at an extraordinary general meeting (“**EGM**”) of the Company to be convened.
- 1.3 Shareholders should note that the special resolution in respect of the Catalist Transfer and the ordinary resolution in respect of the Rights Issue are inter-conditional on each other. If any one of these two resolutions is not approved, the other resolution will not proceed.
- 1.4 The Company intends to appoint CIMB Bank Berhad, Singapore Branch (“**CIMB**”) as the manager of the Rights Issue, upon completion of CIMB’s know-your-client due diligence enquiries into the Company and subject to CIMB’s internal approval.
- 1.5 The Board is of the view that the Corporate Actions will position the Company more appropriately to leverage its listing status and better allow the Company to attract investors in the future. On completion of the Corporate Actions, the Company also intends to strategically review its core business and explore other business opportunities to provide additional streams of income for the Company and potentially enhance its business performance and sustainability. Please refer to paragraph 2 below for further details on the Board’s view on the Catalist Transfer.

2. CATALIST TRANSFER

- 2.1 The Board refers to the Company’s announcement on 2 June 2017 relating to the inclusion of the Company on the watch-list under the revised minimum trading price (“**MTP**”) rules announced on 2 December 2016. Pursuant to Rule 1311(2) of the Listing Manual of SGX-ST, the Company will continue to be placed on the watch-list with effect from 5 June 2017. The Company must take active steps to meet the requirements of Rule 1314(2) of the Listing Manual of the SGX-ST within 36 months from 5 June 2017, failing which, the SGX-ST may either remove the Company from the Official List, or suspend trading of the listed securities of the Company with a view to removing the Company from the Official List.

- 2.2 The Company's current trading price is significantly below the S\$0.20 MTP exit criteria imposed on Main Board listed companies. Based on the foregoing, the Company expects that it would have to carry out substantive corporate actions (including without limitation share consolidation, restructuring, business acquisitions) to raise its share price to meet the MTP exit criteria if it wishes to remain on the Main Board of the SGX-ST.
- 2.3 The Board is of the view that the Catalist Transfer will position the Company appropriately and better allow the Company to attract investors in the future. In addition, the Board believes that the business, market capitalisation and risk profile of the Group better resemble that of the companies on the Catalist.
- 2.4 The Catalist Transfer is subject to, *inter alia*, the following:
- (a) the approval of the Shareholders for the Corporate Actions at the EGM; and
 - (b) the in-principle approval of the SGX-ST for the Corporate Actions.
- 2.5 An application to the SGX-ST in relation to the Catalist Transfer will be made in due course. The Company will make appropriate announcement on the outcome of the application. The Company will also update the Shareholders as and when there are any material developments in respect of the Catalist Transfer.

3. PRINCIPAL TERMS OF THE RIGHTS ISSUE

The terms and conditions of the Rights Issue are subject to such changes as the Board may, in its absolute discretion, deem fit. The final terms and conditions of the Rights Issue will be contained in the offer information statement ("**Offer Information Statement**") in connection with the Rights Issue, to be lodged with the Monetary Authority of Singapore ("**Authority**") and to be despatched by the Company to the Entitled Shareholders (as defined herein) in due course, subject to, *inter alia*, the approval of the Shareholders for the Rights Issue at the EGM. The principal terms and conditions of the Rights Issue are set out below.

3.1 Basis of Provisional Allotment

The Rights Issue is proposed to be made on a renounceable non-underwritten basis to all Shareholders who are eligible to participate in the Rights Issue ("**Entitled Shareholders**"), on the basis of eight (8) Rights Shares for every one (1) existing Share held by the Entitled Shareholders as at the Books Closure Date.

3.2 Size of the Rights Issue

As at the date of this announcement, the Company has an issued and paid-up share capital of 254,880,660 Shares ("**Existing Issued Share Capital**") and the Company does not have any outstanding convertible securities as at the date of this announcement.

Based on the Existing Issued Share Capital:

- (a) assuming that (i) the other Shareholders (other than the Investor (as defined in paragraph 4.1 below)) or purchasers of the "nil-paid" rights during the "nil-paid" rights trading period fully subscribe for the Rights Issue; and (ii) the Investor subscribes and pays for in full, the Renounced Entitlements (as defined in paragraph 4.2 below) in accordance with the Deed of Subscription (as defined in paragraph 4.2 below), 2,039,045,280 Rights Shares will be issued pursuant to the Rights Issue ("**Maximum Scenario**"); and

- (b) assuming that (i) none of the other Shareholders (other than the Investor (as defined in paragraph 4.1 below)) or purchasers of the “nil-paid” rights during the “nil-paid” rights trading period subscribe and pay for any Rights Shares; and (ii) the Investor subscribes and pays for in full, the Renounced Entitlements (as defined in paragraph 4.2 below) in accordance with the Deed of Subscription (as defined in paragraph 4.2 below), 952,810,080 Rights Shares will be issued pursuant to the Rights Issue (“**Minimum Scenario**”).

In the event of the Minimum Scenario, the percentage of the enlarged share capital of the Company held in the hands of the public will be approximately 13.7% on completion of the Corporate Actions. As such, the Company will fall short of the public float requirement under Rule 406(1) of the SGX-ST’s Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”). In such an event, the Company will undertake a compliance placement after completion of the Rights Issue to comply with the public float requirement of the Catalist Rules.

3.3 Issue Price

The Issue Price of S\$0.002 for each Rights Share represents:

- (a) a discount of approximately 71.4% to the closing price of S\$0.007 per Share on the SGX-ST on 29 May 2019 (being the last market day on which the Shares were traded on the SGX-ST immediately prior to the release of this announcement) (“**Last Traded Price**”); and
- (b) a discount of approximately 21.7% to the theoretical ex-rights price (“**TERP**”) ¹ of approximately S\$0.0026 per Share based on the Last Traded Price.

3.4 Ranking of the Rights Shares

The Rights Shares will be payable in full on acceptance and/or application and shall, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the record date for which falls on or after the date of issue of the Rights Shares.

For this purpose, “record date” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may be notified by the Company) on which Shareholders must be registered with the Company, the Company’s share registrar, Boardroom Corporate & Advisory Services Pte. Ltd. (“**Share Registrar**”), or The Central Depository (Pte) Limited (“**CDP**”), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

3.5 Non-Underwritten Rights Issue

The Rights Issue will not be underwritten. The Company has decided to undertake the Rights Issue on a non-underwritten basis in view of the Deed of Subscription and the savings in cost enjoyed by the Company in respect of underwriting fees.

On the basis that the Deed of Subscription is fulfilled by the Investor (as defined in paragraph 4.1 below), the net proceeds from the Minimum Scenario will be sufficient to meet the Company’s present funding requirements.

¹ TERP of each Share is calculated based on the following formula, assuming completion of the Rights Issue based on the Maximum Scenario:

$$\text{TERP} = \frac{\text{Market capitalisation of the Company based on the Last Traded Price} + \text{gross proceeds from the Rights Issue}}{\text{Number of Shares after completion of the Rights Issue}}$$

4. DEEDS OF RENUNCIATION AND DEED OF SUBSCRIPTION

4.1 Terms of the Deeds of Renunciation

As at the date of this announcement:

- (a) Mr Xu Youcai, Ms Zhao Guiying, Mr Gong Jinbao, Mr Zhang Yunlong, Mr Xie Jizu and Mr Hu Xirong (collectively “**China Delta Shareholders**”) collectively hold 100% of the issued and paid-up share capital of China Delta Limited (“**China Delta**”), which owns 74,425,700 Shares representing approximately 29.20% of the total number of issued Shares (“**Existing China Delta Shares**”);
- (b) Mr Lai, Shih-Wei (“**LSW**”) owns 30,236,540 Shares representing approximately 11.86% of the total number of issued Shares (“**Existing LSW Shares**”); and
- (c) Mr Guo Yun (“**Forbury Shareholder**”) holds 100% of the issued and paid-up share capital of Forbury Investments Limited (“**Forbury**”) which owns 14,439,020 Shares representing approximately 5.67% of the total number of issued Shares (“**Existing Forbury Shares**”).

Due to regulatory and other constraints, China Delta and the China Delta Shareholders, LSW, the Forbury Shareholder and Forbury will not be participating in the Rights Issue and will instead renounce (or procure the renunciation of) the pro-rata entitlements of Rights Shares in respect of all the Existing China Delta Shares, Existing LSW Shares and Existing Forbury Shares respectively in favour of Chong Soo Hoon, Sean (“**Investor**”).

In connection with the above, China Delta and the China Delta Shareholders, LSW, the Forbury Shareholder and Forbury have separately given deeds of renunciation (“**Deeds of Renunciation**”) in favour of the Investor, the Company and CIMB, pursuant to which:

- (a) China Delta and each China Delta Shareholder have jointly and severally, and unconditionally and irrevocably, undertaken to the Investor, the Company and CIMB that, *inter alia*:
 - (i) China Delta shall renounce, assign and transfer in favour of the Investor its entire pro-rata entitlement of 595,405,600 Rights Shares in respect of all the Existing China Delta Shares. No consideration whatsoever shall be payable by the Investor to China Delta for the aforesaid renunciation;
 - (ii) China Delta shall not, on or before the Books Closure Date, sell, transfer or otherwise dispose of or encumber the Existing China Delta Shares (or any interest therein); and
 - (iii) each China Delta Shareholder shall not, on or before the Books Closure Date, sell, transfer or otherwise dispose of or encumber any shares in China Delta (or any interest therein);
- (b) LSW has unconditionally and irrevocably, undertaken to the Investor, the Company and CIMB that, *inter alia*:
 - (i) LSW shall renounce, assign and transfer in favour of the Investor his entire pro-rata entitlement of 241,892,320 Rights Shares in respect of all the Existing LSW Shares. No consideration whatsoever shall be payable by the Investor to LSW for the aforesaid renunciation; and
 - (ii) LSW shall not, on or before the Books Closure Date, sell, transfer or otherwise dispose of or encumber the Existing LSW Shares (or any interest therein); and

- (c) Forbury and the Forbury Shareholder have jointly and severally, and unconditionally and irrevocably, undertaken to the Investor, the Company and CIMB that, *inter alia*:
- (i) Forbury shall renounce, assign and transfer in favour of the Investor its entire pro-rata entitlement of 115,512,160 Rights Shares in respect of all the Existing Forbury Shares. No consideration whatsoever shall be payable by the Investor to Forbury for the aforesaid renunciation;
 - (ii) Forbury shall not, on or before the Books Closure Date, sell, transfer or otherwise dispose of or encumber the Existing Forbury Shares (or any interest therein); and
 - (iii) the Forbury Shareholder shall not, on or before the Books Closure Date, sell, transfer or otherwise dispose of or encumber any shares in Forbury (or any interest therein).

4.2 Terms of the Deed of Subscription

The Investor has executed a deed of subscription (“**Deed of Subscription**”) in favour of China Delta, LSW, Forbury, the Company and CIMB (each, a “**Beneficiary**”), pursuant to which the Investor has unconditionally and irrevocably undertaken to each Beneficiary, *inter alia*, that he shall, no later than the latest time and date for acceptance and payment for the Rights Shares under the Rights Issue (“**Closing Date**”), and in accordance with the terms and conditions of the Rights Issue, subscribe and pay for in full at the Issue Price, the entire pro-rata entitlement of 952,810,080 Rights Shares renounced by China Delta, LSW and Forbury in his favour (the aggregate of such Rights Shares which China Delta, LSW and Forbury are entitled to being “**Renounced Entitlements**”).

4.3 The Investor

The Investor is a private investor who was introduced to the Company by CIMB, and is subscribing for the Rights Shares for investment and corporate purposes. The Investor is the managing director of Anda Capital Solutions Pte. Ltd., a business advisory and investment firm, and currently sits on the board of one Main Board-listed company and one Catalist-listed company.

As at the date of this announcement, the Investor does not own any Shares.

No commission or introduction fees is payable by the Company or the Investor to any person in connection with the Deeds of Renunciation and the Deed of Subscription.

4.4 Resultant Shareholdings pursuant to the Deeds of Renunciation and Deed of Subscription

Pursuant to the Deeds of Renunciation, Deed of Subscription and immediately following the completion of the Rights Issue, the shareholding of the substantial Shareholders and the Investor will be as follows:

Name	Assuming the Maximum Scenario		Assuming the Minimum Scenario	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾
China Delta	74,425,700	3.2	74,425,700	6.2
LSW	30,236,540	1.3	30,236,540	2.5
Forbury	14,439,020	0.6	14,439,020	1.2
Others	1,222,014,600	53.3	135,779,400	11.2
Investor	952,810,080	41.5	952,810,080	78.9
<i>Aggregate</i>	<i>2,293,925,940</i>	<i>100.0</i>	<i>1,207,690,740</i>	<i>100.0</i>

Notes:

- (1) Based on the enlarged share capital of 2,293,925,940 Shares and rounded to the nearest one decimal place. Any discrepancies in the percentages listed and the totals thereof are due to rounding.
- (2) Based on the enlarged share capital of 1,207,690,740 Shares and rounded to the nearest one decimal place.

4.5 Waiver of Mandatory Takeover

Under Rule 14.1 of the Singapore Code on Take-overs and Mergers (“**Code**”), where (a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carrying 30% or more of the voting rights in the Company; or (b) any person who together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights in the Company and such person, or any person acting in concert with him, acquires in any period of six (6) months additional Shares carrying more than 1% of the voting rights, he is required to make a mandatory general offer for all the Shares in the Company which he does not already own or control (“**Mandatory Offer**”).

The subscription by the Investor of the Renounced Entitlements in accordance with the Deed of Subscription, whether under the Maximum Scenario or Minimum Scenario, will result in the Investor acquiring 30% or more of the voting rights of the Company. Accordingly, the Investor would incur an obligation to make the Mandatory Offer pursuant to Rule 14.1(a) of the Code, unless the approval of a resolution (“**Whitewash Resolution**”) for the waiver of the rights of the independent shareholders (“**Independent Shareholders**”) to receive the Mandatory Offer for the Company from the Investor, is obtained from the Independent Shareholders.

In view of the above, an application will be made to the Securities Industry Council (“**SIC**”) for, among others, a waiver of the obligations of the Investor, to make the Mandatory Offer as a result of the subscription of the Renounced Entitlements in accordance with the Deed of Subscription (“**Whitewash Waiver**”).

The Company will appoint an independent financial adviser (“**IFA**”) to advise the Directors who are considered independent for the purposes of making the recommendation to the Independent Shareholders in relation to the Whitewash Resolution for their approval at the EGM. Further details of the Whitewash Waiver being sought, and the advice of the IFA, will be set out in the Circular (as defined below).

Upon receipt of the SIC’s ruling on the Whitewash Waiver, the Company shall immediately make the relevant announcements.

5. USE OF PROCEEDS

The Company believes that the Rights Issue will strengthen the Group’s financial position by enlarging the Group’s capital base and enhancing its financial flexibility. The Rights Issue will also provide Shareholders with an opportunity to maintain their equity participation in the Company.

The Company currently intends to utilise the net proceeds from the Rights Issue (“**Net Proceeds**”) for general working capital purposes (including new business opportunities which may materialize subsequent to its strategic review of its core business).

In the Maximum Scenario, the Net Proceeds (after deducting estimated expenses of approximately S\$0.3 million) is expected to be approximately S\$3.8 million.

In the Minimum Scenario, the Net Proceeds (after deducting estimated expenses of approximately S\$0.3 million) is expected to be approximately S\$1.6 million.

Pending the deployment of the Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities and/or used for any other purpose on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed, and whether such use is in accordance with the stated use. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full year financial results announcement(s) and in the Company's annual report(s), until such time the Net Proceeds have been fully utilised. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

The Company will disclose a breakdown with specific details on the use of the Net Proceeds for working capital in its announcements and annual reports.

6. CONDITIONS FOR THE RIGHTS ISSUE

The Rights Issue is subject to, *inter alia*, the following:

- (a) the in-principle approval of the SGX-ST for the Corporate Actions (including the listing of and quotation for the Rights Shares on the SGX-ST);
- (b) the SIC having granted the Whitewash Waiver and such waiver not having been withdrawn or revoked up to the date of completion of the Rights Issue, unless waived by the Investor;
- (c) the approval of the Shareholders for the Corporate Actions at the EGM to be convened (including the approval for the transfer of controlling interest in the Company to the Investor upon completion of the Rights Issue);
- (d) the Whitewash Resolution being approved by the Independent Shareholders at the EGM, unless waived by the Investor; and
- (e) the lodgment, by the Company, of the Offer Information Statement, together with all other accompanying documents (if applicable) in respect of the Rights Issue, with the Authority.

The Company will be applying to the SGX-ST to seek its in-principle approval for the listing of and quotation for the Rights Shares on the SGX-ST.

7. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE

7.1 Eligibility to Participate

The Company will provisionally allot the Rights Shares to the Entitled Shareholders, comprising Entitled Depositors and Entitled Scripholders (each as defined herein), on the basis of their shareholdings as at the Books Closure Date. Entitled Shareholders will be entitled to participate in the Rights Issue and receive the Offer Information Statement together with the appropriate application forms and accompanying documents at their respective Singapore addresses as maintained with the records of the CDP or the Share Registrar, as the case may be.

7.2 Entitled Depositors

Entitled Depositors are Shareholders with Shares standing to the credit of their securities accounts ("**Securities Account**") with CDP and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have provided CDP with addresses in

Singapore for the service of notices and documents not later than 5.00 p.m. (Singapore time) on the date falling three (3) Market Days² prior to the Books Closure Date ("**Entitled Depositors**").

Entitled Depositors will be provisionally allotted the Rights Shares on the basis of the number of Shares standing to the credit of their Securities Accounts as at 5.00 p.m. (Singapore time) on the Books Closure Date.

7.3 Entitled Scripholders

Entitled Scripholders are Shareholders whose (i) share certificates are not deposited with CDP, (ii) Shares are registered in their own names, and (iii) registered addresses with the Share Registrar are in Singapore as at the Books Closure Date or who have provided the Share Registrar with addresses in Singapore for the service of notices and documents not later than 5.00 p.m. (Singapore time) on the date falling three (3) Market Days prior to the Books Closure Date, and who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date ("**Entitled Scripholders**").

Entitled Scripholders will have to submit duly completed and stamped transfers in respect of Shares not registered in the name of CDP, together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Books Closure Date by the Share Registrar, in order to be registered to determine provisional allotments of Rights Shares.

7.4 CPF Investment Scheme

Shareholders who have previously purchased Shares using their Central Provident Fund ("**CPF**") account savings ("**CPF Funds**") under the Central Provident Fund Investment Scheme:

- (a) should note that CPF Funds cannot be used to purchase shares of issuers on the SGX-ST watch-list with effect from 1 March 2016. The Company was placed on the SGX-ST watch-list under the MTP criteria on 5 June 2017;
- (b) and who wish to accept their provisional allotments of the Rights Shares and (if applicable) apply for excess Rights Shares using CPF Funds may do so, subject to the applicable CPF rules and regulations. Such Shareholders will need to contact their respective approved CPF agent banks with whom they hold their CPF investment accounts on how they may do so; and
- (c) may not use their CPF Funds to purchase provisional allotments of "nil-paid" Rights Shares directly from the market.

7.5 Foreign Shareholders

The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various securities laws requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Offer Information Statement and its accompanying documents will NOT be despatched to Shareholders with registered addresses outside Singapore and who have not, at least three (3) Market Days prior to the Books Closure Date, provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**") and accordingly, the Rights Shares will NOT be offered to Foreign Shareholders.

² "**Market Day**" means a day on which the SGX-ST is open for trading in securities.

The Offer Information Statement and its accompanying documents will not be despatched, lodged, registered or filed in any jurisdiction other than Singapore. Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. As Foreign Shareholders will not be entitled to participate in the Rights Issue, no provisional allotment of Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application for any excess Rights Shares therefor by any Foreign Shareholder will be valid.

The Offer Information Statement and its accompanying documents will also NOT be despatched to persons purchasing entitlements to Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (“**Foreign Purchasers**”). Foreign Purchasers may not accept any “nil-paid” rights credited to their Securities Account unless the Company and its counsel are satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

Entitlements to Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders will, if practicable to do so and at the absolute discretion of the Company, be sold “nil-paid” on the SGX-ST, as soon as practicable, after dealings in the provisional allotments of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the depository register maintained by CDP as at the Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall be dealt with as the Board may, in its absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager and/or CDP in connection therewith.

Where the provisional allotments of Rights Shares are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager, CDP, the Share Registrar and/or their respective officers in connection therewith. If such provisional allotments of Rights Shares cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the new Shares represented by such provisional allotments will be allotted and issued to satisfy applications for excess Rights Shares or disposed of or dealt with in such manner as the Board may, in its absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager, CDP, the Share Registrar and/or their respective officers in connection therewith.

SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE RIGHTS ISSUE MAY PROVIDE AN ADDRESS IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS BY NOTIFYING IN WRITING, AS THE CASE MAY BE, (I) THE CENTRAL DEPOSITORY (PTE) LIMITED AT 9 NORTH BUONA VISTA DRIVE, #01- 19/20 THE METROPOLIS TOWER 2, SINGAPORE 138588 OR (II) BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD. AT 50 RAFFLES PLACE, #32-01, SINGAPORE LAND TOWER, SINGAPORE 048623, IN EACH CASE, AT LEAST THREE (3) MARKET DAYS PRIOR TO THE BOOKS CLOSURE DATE.

7.6 Provisional Allotments and Excess Applications

Entitled Shareholders will be at liberty to accept in full or in part, decline or otherwise renounce or, in the case of Entitled Depositors only, trade (during the “nil-paid” rights trading period prescribed by the SGX-ST) their provisional allotments of the Rights Shares and will also be eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue.

Entitlements which are not allotted or taken up for any reason (including any fractions of a Rights Share) will be aggregated and issued to satisfy applications, if any, for excess Rights Shares or otherwise disposed of or dealt with in such manner as the Board may, in its absolute discretion, deem fit in the interests of the Company.

In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and the Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of the Rights Shares and for the applications for excess Rights Shares, including each different mode of acceptance or application and payment, will be contained in the Offer Information Statement and the relevant application forms.

8. THE CIRCULAR AND THE OFFER INFORMATION STATEMENT

A circular setting out, amongst others, further details of the Catalist Transfer and the terms and conditions of the Rights Issue, together with a notice of the EGM (“**Circular**”) will be despatched to Shareholders in due course. Thereafter, the Offer Information Statement will be despatched by the Company, together with the application form for the Rights Shares and excess Rights Shares or the provisional allotment letter, as the case may be, to the Entitled Shareholders following the EGM in due course.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement and save for their interests arising by way of their shareholdings in the Company and/or directorships in the Group, as the case may be, none of the Directors and substantial Shareholders has any interest, direct or indirect, in the Corporate Actions.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Corporate Actions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares as there is no certainty or assurance that the Corporate Actions will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors are also advised to read this announcement and any further announcements by the Company carefully, and where in doubt as to the action that they should take, they should consult their financial, tax, legal or other professional adviser(s) immediately.

BY ORDER OF THE BOARD
CHINA HAIDA LTD.

Guo Yun
Executive Director

28 June 2019
Singapore