



CHINA HAIDA LTD.

(Incorporated in Singapore on 18 August 2004)

Company Registration No. 200410428C

24 Raffles Place #20-03 Clifford Centre Singapore 048621

APPLICATION FOR WAIVER TO COMPLY WITH RULE 705(1), 707(1), 707(2) and 711A OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST") (THE "LISTING MANUAL") AND EXTENSION OF TIME

The Board of Directors (the "**Board**") of China Haida Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Group has today applied to the SGX-ST for the following waivers in respect of its financial year ended 31 December 2020:

- (i) A waiver from the requirement to release the unaudited financial statement for the full financial year no later than sixty (60) days after the relevant financial period as set out under Rule 705(1) of the Listing Manual and accordingly to request for an extension of time of one (1) month, from 1 March 2021 to 31 March 2021, for the release of the unaudited full year financial statements for the twelve (12) months ended 31 December 2020 ("**FY2020**") (the "**Unaudited FY2020 Financial Statements**").
- (ii) A waiver from the requirement to convene an annual general meeting ("**AGM**") within four (4) months from the financial year end, as set out under Rule 707(1) of the Listing Manual, and accordingly, to request for an extension of time for the Company to convene its AGM in respect of FY2020 by 30 June 2021;
- (iii) A corresponding extension of time to issue its annual report in respect of FY2020 to its shareholders and SGX-ST by 15 June 2021 to comply with Rule 707(2) of the Listing Manual; and
- (iv) A waiver from the requirement to issue its sustainability report for a financial year within five (5) months from the financial year end, as set out under Rule 711A of the Listing Manual, and accordingly, to request for an extension of time for the Company to issue its sustainability report in respect of FY2020 to its shareholders by 30 June 2021,

(collectively, the "**EOT Waivers**").

The reasons for seeking the EOT Waivers are as follows:

- (i) As disclosed in the Company's announcement on 10 December 2020, the Company has appointed Shanghai Veritas Law Corporation ("**SVLC**") to assist the Company in reviewing the status of Jiangyin Litai Ornamental Materials Co., Ltd (the "**Subsidiary**"). SVLC has conducted a site visit to the Subsidiary where they have spoken to the local management of the Subsidiary. The Singapore Directors have also separately established contacts with the managers of the Subsidiary to gain a more comprehensive understanding of the situation. With a better understanding of the affairs of the Subsidiary, the Company then, proceeded to on 29 January 2021, engaged GFE Law office ("**GFE**"), a law firm in China to perform a search on the legal proceedings that the Subsidiary may be a defendant to in China. Accordingly, GFE has issued a report dated 25 February 2021 on the legal cases surrounding the Subsidiary.

- (ii) The Company has been advised by GFE that substantial time is required to evaluate the facts of each case to determine whether it is advisable to challenge the enforcement awards against the Subsidiary. In addition, GFE is also required to obtain the necessary authorisation from the Subsidiary level in order to retrieve the litigation materials required for GFE's assessment. The Company will need to rely on the GFE's assessment to determine the impact of the litigations claims (the "**Litigation Claims**") to the Company's financials. More specifically, the Company will require assistance from professionals to conclude whether the enforcement awards are crystallised liability, contingent liability or frivolous claims against the Subsidiary (the "**Assessment**").
- (iii) As the Assessment will have a material impact on the Company's financial, the Company will require one (1) month to conclude the Assessment before it can release the Unaudited FY2020 Financial Statements.
- (iv) The Company will further need a two (2) months extension to complete its audit as the Company would require more time to understand more about the Litigation Claims as well as to ensure that there is no other information about the Subsidiary or no other unauthorised transactions entered into by the Subsidiary which was not previously disclosed by Mr Xu Youcai.
- (v) The Company is also currently in the midst of changing the legal representative of the Subsidiary. However, as relationship between the Board and Mr Xu Youcai is getting increasingly strained, there is no guarantee that Mr Xu Youcai will be willing to relinquish his authority as a legal representative of the Subsidiary. Without Mr Xu Youcai being a willing participant to this exercise, the Company has been advised by GFE that the change of legal representative of the Subsidiary may be a protracted affair. In the event that Mr Xu Youcai is not willing to relinquish his position as legal representative of the Subsidiary, the Company may have to make another application to further extend the deadline to hold its AGM as the legal representative will have to make certain authorisations for the purposes of carrying out the audit of the Subsidiary.

The Company will announce the outcome of the application for the EOT Waivers in due course.

BY ORDER OF THE BOARD

Lim Kok Meng
Company Secretary

1 March 2021