
**RESPONSE TO SGX'S QUERIES ON THE HALF YEAR RESULTS
FOR FINANCIAL PERIOD ENDED 30 JUNE 2016**

In response to a query from the Singapore Exchange Securities Trading Limited (the "SGX-ST") in their email on 1st September 2016, the Board of Directors of the Company wishes to provide the information as set out below:

SGX-ST's Query

1. The 25 August 2016 SGXNet Announcement issued a response to our initial query 2a) sent via email on 24 August 2016 as follows, "*RMB 9,086,779 was utilized for general working capital by Tianhai Electric North America Inc. (TENA), one of the subsidiaries in the group for its daily working capital requirement*".
2. We also note that our response letter on 28 September 2015 with regards to the Company's application for the listing and quotation of up to 666,666,667 new ordinary shares in the capital of the Company to be issued upon the conversion of the convertible bonds states that, "*...and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report.*" The Company's response of 25 August 2016 did not contain the specific details of working capital uses and therefore has not satisfied SGX's condition as stated in our letter of 28 September 2015.
3. In this regard, please release a clarification announcement containing the specific details of the working capital uses as soon as practicable and no later than 2 September 2016 (Friday).

Company's Responses

1. Tianhai Electric North America Inc. (TENA) had utilized the said RMB 9,086,779 for payment of raw materials for inventories intended for use in the manufacturing of automotive connectors and wire harnesses systems.
2. The utilization of the said amount is in accordance with the intended use of proceeds as stated in the Company's Circular dated 19 October 2015. The Company will provide further updates on the use of proceeds from the issue of S\$60 million in aggregate principal amount of convertible bonds as and when such proceeds have been materially disbursed.

BY ORDER OF THE BOARD

Zhang Jing Tang
Executive Chairman

2nd September 2016