



CHINA HAIDA LTD.

(Incorporated in Singapore on 18 August 2004)

Company Registration No. 200410428C

420 North Bridge Road #04-06 North Bridge Centre Singapore 188727

RESPONSE TO SGX-ST'S QUERY ON THE GROUP'S COMPLIANCE WITH PARAGRAPH 2.4 OF THE CODE OF CORPORATE GOVERNANCE 2012

Capitalised terms used herein, unless otherwise defined, shall have the definitions ascribed to them in the Company's announcement on 26 April 2016 and the annual report of the Company for the financial year ended 31 December 2015, which was despatched to shareholders on 8 April 2016 ("Annual Report 2015").

The Board of Directors of CHINA HAIDA LTD. (the "**Company**", together with its subsidiaries, the "**Group**") wishes to provide the following response to the further queries raised by Singapore Exchange Securities Trading Limited ("**SGX-ST**") in their email dated 29 April 2016 in respect of the Company's compliance with paragraph 2.4 of the Code of Corporate Governance 2012 for the financial year ended 31 December 2015:

Query:

1. Guideline 4.2 of the Code of Corporate Governance 2012 requires the independence of any director who has served on the Board beyond 9 years to be subject to particularly rigorous review. In the Company's response to SGX-ST's Query on 26 April 2016, in relation to this, the Company announced that the NC had applied scrutiny as each independent director is required to complete a declaration to confirm his independence. "Based on the oral and written submission from Mr Wang, the NC concurred that there were no relationships or circumstances which were likely to affect, or could appear to affect his independent judgment."

Please provide further disclosure on whether a rigorous review was undertaken noting that the NC had concurred on the independence of Mr Wang based on Mr Wang's oral and written submission. Please provide further disclosure why Mr Wang's oral and written submission of his independence was deemed as a rigorous review by the NC of Mr Wang's independence and what was the process of the rigorous review undertaken.

Company's response:

1. Mr Wang had submitted to the NC a declaration of independence which confirmed his independence in a manner as prescribed in accordance with paragraph 2.3 of the Code of Corporate Governance 2012 (the "Code"). In addition, the NC (save for Mr Wang) had also taken the opportunity to consider and assess Mr Wang specifically on his length of service, judgement and character. The NC (save for Mr Wang) also noted that Mr Wang is the managing director and founder of a company where he is responsible for the formulation and execution of the company's overall business strategies and policies. Having received Mr Wang's affirmation on his independence, the NC (save for Mr Wang) was of the view that notwithstanding his long

tenure, he is and has been able to maintain independence in his deliberation on the Group's matters. Further, Mr Wang's experience in the formulation and execution of his company's business strategies is value adding to the mix of experience for the Board. The Company's executive directors have also made their own assessment and shared the same views. Following the rigorous review, the NC, with Mr Wang abstaining, deliberation and concluded that the issue of independence has not been compromised and Mr Wang is considered by the Board to be still independent.

By Order of the Board

Guo Yun
Executive Director
4 May 2016