



CHINA HAIDA LTD.

(Incorporated in Singapore on 18 August 2004)

Company Registration No. 200410428C

24 Raffles Place #20-03 Clifford Centre Singapore 048621

RESPONSE TO SGX-ST QUERIES

Capitalised terms in this announcement shall have the same meanings as ascribed to them in the Previous Announcement (as defined below) unless otherwise defined.

The Board of Directors (the "**Board**") of China Haida Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to make the following responses to the queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 1 October 2021 in relation to the Company's announcement released on 30 September 2021 (the "**Previous Announcement**") regarding the entry into a confidential settlement agreement with Mr Lee Kiang Leng Stanley ("**Mr Stanley**"). The queries from the SGX-ST and the Company's responses are set out below.

Query 1:

Pursuant to Listing Rule 703, please disclose fully the terms of settlement agreement entered into with Mr Stanley as the amount of the loan is a material to the Company and full information of the settlement should be disclosed.

Company's Response:

Pursuant to the settlement agreement dated 30 September 2021 entered into between the Company and Mr Stanley (the "**Settlement Agreement**"):

- (a) the Company shall repay the loan extended by Mr Stanley (the "**Loan**") in the following manner:
- (1) S\$144,585.00 (being part of the Loan) to be repaid by way of an assignment of receivables owing by Guangzhou Sunjoy JYCO., Ltd. ("**Sunjoy**") to the Company's wholly-owned subsidiary, CHD Engineering and Trading Pte. Ltd. ("**CHDE**") (the "**Receivables**") (the "**Assignment**");
 - (2) S\$250,000.00 (being part of the Loan) to be repaid by way of a cheque dated 30 September 2021;
 - (3) S\$18,338.15 (being the interest on the Loan) to be repaid by way of a cheque dated 7 October 2021; and
 - (4) S\$105,415.00 (being the balance of the Loan) to be repaid by way of a cheque issued to Mr Stanley by 31 October 2021,
- (the "**Revised Payment Terms**");
- (b) payment in accordance with the Revised Payment Terms shall constitute good settlement for the outstanding sums due to Mr Stanley in connection with the Loan;

- (c) upon the Assignment becoming effective in accordance with the Deed, neither the Company nor the Subsidiary shall, under any circumstances whatsoever, be obligated to pay to Mr Stanley any portion of the Receivables which Mr Stanley may fail to or is unable to recover from Sunjoy; and
- (d) in the event that there is any default in the Company's payment in accordance with the Revised Payment Terms, any balance amounts of the outstanding sums due to Mr Stanley in connection with the Loan shall be due and payable immediately without demand.

Query 2:

Please disclose whether the Company has made any payment to-date to Mr Stanley in relation to the repayment of the \$500,000 loan.

Company's Response:

As of the date of this announcement: (a) S\$144,585.00 had been repaid by way of the Assignment; and (b) S\$250,000.00 had been repaid by way of a cheque. The resources utilized for the repayment of the Loan to-date comprises: (a) the Assignment; (b) existing cash on hand of the Group; and (c) trade receivables collected by the Company's wholly-owned subsidiary, Jiangyin Litai Ornamental Materials Co., Ltd. ("**Litai**").

Query 3:

The Company disclosed on 5 September 2021 in its response to Exchange's queries that "the Company is in advanced stage of discussions with a prospective lender to obtain a new loan to repay Mr Stanley". Please elaborate on the status of the new loan to be undertaken and how is the Company intending to repay the new loan if discussions are successful.

Company's Response:

The Company did not manage to obtain any new loans in September 2021 to repay the Loan. Repayment of the Loan is therefore to be satisfied using the Group's existing cash on hand, trade receivables collected and to be collected by Litai as well as the Assignment.

Company is currently negotiating with prospective lender(s) to obtain loan facilities for its working capital requirements (which, for the avoidance of doubt, includes but are not limited to funding the special audit and listing compliance costs). Any repayment of such future loan facilities will be through revenue generated from the Group's operations or by way of issuance of shares in the capital of the Company, with issuance terms to be negotiated and agreed to in due course, and subject to satisfaction of the necessary regulatory requirements.

The Company will provide the necessary update(s) to shareholders via SGXNET, as and when there are any material developments in relation to this matter.

BY ORDER OF THE BOARD

5 October 2021