



**CHINA HAIDA LTD.**

(Incorporated in Singapore on 18 August 2004)

Company Registration No. 200410428C

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**FURTHER UPDATE OF LEGAL AND ENFORCEMENT PROCEEDINGS AGAINST JIANGYIN LITAI**

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The board of directors (the “**Board**”) of China Haida Ltd. (the “**Company**”) refers to the announcements made by the Company on 8 April 2020, 15 April 2020, 22 April 2020, 20 May 2020 and 17 June 2020 (collectively, “**Previous Announcements**”) with respect to the captioned matter. For convenience, unless otherwise stated, the same terminology used in the Previous Announcements has been adopted in this announcement.

The Company would like to provide its shareholders with a further update of the legal and enforcement proceedings against Jiangyin Litai as already disclosed in our Previous Announcements.

Enforcement Proceedings

Each of the following cases below set out in Table A below was filed against nine parties (of which Jiangyin Litai and our CEO-cum-Executive Director, Mr Xu Youcai are among them) before the Sichuan Chengdu Longquanyi District People’s Court.

Table A

S/N	Enforcement Case Number	Date of filing	Amount (RMB)
1	(2020) 川 0112 执 751 号	6 March 2020	2,053,700
2	(2020) 川 0112 执 862 号	3 April 2020	1,000,000
3	(2020) 川 0112 执 1101 号	22 April 2020	1,000,000
4	(2020) 川 0112 执 1248 号	11 May 2020	1,000,000
5	(2020) 川 0112 执 1249 号	11 May 2020	2,053,700
6	(2020) 川 0112 执 1635 号	3 June 2020	1,000,000
7	(2020) 川 0112 执 1636 号	3 June 2020	1,000,000

Apparently, these nine parties (including Jiangyin Litai and Mr Xu) were also among the twelve respondents being name in the ICO (see our Announcement dated 8 April 2020 for detail).

Pending Litigation

Further to our announcement dated 20 May 2020, it was recently brought to our attention that Jiangyin Litai was also named as a co-defendant in other legal suits brought by Industrial and Commercial Bank of China Limited (Jiangyin Sub-Branch) and Akzo Nobel Paint (Jiaxin) Co., Ltd., brief details of which are tabulated below (as the substantive details of such pending legal disputes are unavailable).

Table B

S/N	Case Number	Date of trial/hearing	Plaintiffs	Defendants	Competent Court
1	(2019) 苏 0281 民初 16262 号	17 March 2020 and 24 June 2020	Hangzhou Xiaoshan Jiangnan Iron Printing & Cans Manufacturing Co., Ltd	a) Jiangyin Comat <sup>1</sup> ; and b) Jiangyin Litai	Jiangyin People's Court
2	(2020) 苏 02 民初 123 号	30 June 2020	Industrial and Commercial Bank of China Limited (Jiangyin Sub-Branch)	a) Jiangyin East-China <sup>4</sup> ; b) Jiangyin Comat <sup>1</sup> ; c) Jiangyin Haida Caitu <sup>3</sup> ; d) Jiangsu Haida Technology <sup>2</sup> ; e) Jiangyin Litai; f) Xu Youcai; and g) 6 other parties	Wuxi Intermediate People's Court
3	2020 苏 0281 民初 4439 号	9 July 2020	Industrial and Commercial Bank of China Limited (Jiangyin Sub-Branch)	a) Jiangyin Haida Caitu <sup>3</sup> ; b) Jiangyin Litai; c) Jiangyin East-China <sup>4</sup> ; d) Jiangyin Comat <sup>1</sup> ; e) Jiangsu Haida Technology <sup>2</sup> ; and f) 6 other parties	Jiangyin People's Court
4	(2020) 浙 0421 民初 1760 号	16 July 2020	Akzo Nobel Paint (Jiaxin) Co., Ltd. <sup>6</sup>	Jiangyin Litai	Jiashan People's Court

Note:

- (1) Jiangyin Comat Metal Products Co., Ltd ("**Jiangyin Comat**") is owned by Jiangsu Haida Technology (55%), Xu Qiang (20%) and Chen Huayong (25%).
- (2) Jiangyin Haida Technology Group Co., Ltd ("**Jiangyin Haida Technology**") is owned by Mr Xu Youcai (58.7%) and Jiangyin Fu Aute International Co., Ltd ("**Fu Aute**") (41.3%). Fu Aute is wholly owned by Mdm Hu Xiuzhen.
- (3) Jiangyin Haida Caitu Co., Ltd ("**Jiangyin Haida Caitu**") is owned by Jiangsu Haida Technology (60%) and Mdm Hu Xiuzhen (40%).
- (4) Jiangyin East-China Co., Ltd ("**Jiangyin East-China**") is owned by Jiangsu Haida Technology (70%), China Delta Limited (22%) and Forbury Investment Limited (8%).
- (5) China Delta Limited (substantially owned and controlled by Mr Xu Youcai) and Forbury Investment Limited (owned and controlled by former ED, Mr Guo Yun) owns 29.2% and 5.7% respectively of the shares of the Company.
- (6) Based on the accounting records of Jiangyin Litai, Akzo Nobel Paint (Jiaxin) Co., Ltd was a trade creditor of Jiangyin Litai as at 31 December 2019.

Enforcement proceedings against the Company's CEO-cum-Executive Director, Mr Xu Youcai

In view of SGX-ST's and shareholders' recent concerns over the suitability of Mr Xu as a director of the Company given that he is *prima facie* connected to or associated with the freezing of certain bank accounts of Jiangyin Litai and causing Jiangyin Litai to be entangled in multiple legal suits and/or enforcement proceedings, and has been uncontactable for more than three months since the revelation of the same, the Company has since conferred with and further instructed its Chinese legal counsel to perform an individual search on whether Mr Xu is similarly facing some legal or enforcement proceedings in China (on top of what had already been disclosed earlier), where feasible, given their limited access to all pertinent and requisite sources of information and documents.

The Company is astounded by the result of the search and regrets to report that, as of the date of this announcement, in addition to being named as a co-respondent/co-defendant (as previously disclosed), Mr Xu has also been named as the *sole* respondent/defendant in several enforcement cases (see items 1 to 3 of Table C below). For completeness, we set out in Table C below the enforcement cases where Mr Xu is both named as the sole respondent/ defendant as well as a co-respondent/co-defendant.

Table C

S/N	Enforcement Case Number	Date of filing	Respondents/ Defendants	Competent Court	Amount (RMB)
1	(2019) 苏 0582 执 7543 号	10 December 2019	Xu Youcai	Zhangjiagang People's Court	52,193,664
2	(2020) 苏 1282 执 43 号	3 January 2020	Xu Youcai	Jingjiang People's Court	14,077,104
3	(2020) 苏 0213 执 1853 号	27 May 2020	Xu Youcai	Wuxi Liangxi People's Court	51,059,088
4	(2020) 川 0112 执 1248 号	11 May 2020	a) Xu Youcai b) Jiangyin Litai c) Jiangsu Haida Technology and others	Sichuan Longquanyi District People's Court	1,000,000
5	(2020) 川 0112 执 1249 号	11 May 2020	a) Xu Youcai b) Jiangyin Litai c) Jiangsu Haida Technology and others	Sichuan Longquanyi District People's Court	2,053,700
6	(2020) 川 0112 执 751 号	26 May 2020	a) Xu Youcai b) Jiangyin Litai c) Jiangsu Haida Technology	Sichuan Longquanyi District People's Court	2,053,700
7	(2020) 川 0112 执 862 号	26 May 2020	a) Xu Youcai b) Jiangyin Litai c) Jiangsu Haida Technology	Sichuan Longquanyi District People's Court	1,000,000
8	(2020) 川 0112 执 1101 号	26 May 2020	a) Xu Youcai b) Jiangyin Litai c) Jiangsu Haida Technology	Sichuan Longquanyi District People's Court	1,000,000

9	(2020)川0112 执1635号	3 June 2020	a) Xu Youcai b) Jiangyin Litai c) Jiangsu Haida Technology and others	Sichuan Longquanyi District People's Court	1,000,000
10	(2020)川0112 执1636号	3 June 2020	a) Xu Youcai b) Jiangyin Litai c) Jiangsu Haida Technology and others	Sichuan Longquanyi District People's Court	1,000,000

### Consumption Restriction Orders

In addition to the foregoing, each of Mr Xu, Jiangyin Litai and Jiangyin Haida Technology has been subject to several "Consumption Restriction Orders" ("**CROs**") issued by the competent courts in China. We understand that a pre-condition to making such CROs is where the judgment debtor has failed to fulfil or satisfy his/her or its payment obligations within the period specified in an effective legal instrument (such as a court judgement or an enforcement order). Where a CRO is made against a judgment debtor that is an entity, the legal representative, principal, persons directly responsible for debt settlement, or effective controller of that entity will also be subject to the same restrictions on consumption as stipulated in the CRO.

The effect of such CRO is to restrict the respondent (i.e. the judgment debtor and/or certain key personnel (as described above) of the judgment debtor where it is an entity) from high-level consumption as well as other unnecessary consumption for his or her livelihood and business operation. These restrictions would apply to consumption relating to, for instance, taking a flight or high-speed train as the means of transportation, having high consumption activities at star hotels, night clubs or golf courses, purchase of real properties, renting high-end premises for conducting businesses, purchasing vehicles that are not necessary for business operations, travelling or taking a vacation, or sending his or her children to expensive private schools, etc.

The main objective of such CROs is to impel the judgment debtor to fulfil his/her or its payment obligations and to prevent his/her or its assets from being unlawfully and furtively abated and dissipated by unwarranted consumption through different ways or means. In this regard, we understand that at present China does not have a *personal* bankruptcy regime.

As Mr Xu is the legal representative of Jiangsu Haida Technology and Jiangyin Litai, each of Jiangsu Haida, Jiangyin Litai and Mr Xu was served the CROs in conjunction with or as a consequence of the enforcement cases filed before the competent courts in China as detailed in Table D below.

Table D

S/N	Enforcement Case Number	Date of filing	Respondents/ Defendants	Competent Court	Amount (RMB)
1	(2020)苏0281 执2023号	27 March 2020	Jiangsu Haida Technology	Jiangyin People's Court	55,575,293
2	(2020)苏0281 执2024号	27 March 2020	Jiangsu Haida Technology	Jiangyin People's Court	60,062,920
3	(2020)川0112 执751号	26 May 2020	a) Xu Youcai b) Jiangyin Litai c) Jiangsu Haida Technology	Sichuan Longquanyi District People's Court	2,053,700

4	(2020)川0112 执862号	26 May 2020	a) Xu Youcai b) Jiangyin Litai c) Jiangsu Haida Technology	Sichuan Longquanyi District People's Court	1,000,000
5	(2020)川0112 执1101号	26 May 2020	a) Xu Youcai b) Jiangyin Litai c) Jiangsu Haida Technology	Sichuan Longquanyi District People's Court	1,000,000

#### Course of Action

In view of the foregoing findings regarding Mr Xu, our Chinese legal counsel has also drawn our attention to section 146(5) of the Chinese Company Law (Revised in 2013) which provides that a person shall not act as a director, supervisor or senior officer of a company where, *inter alia*, he or she has a relatively large amount of personnel debts due and unsettled. In this connection, the Company is in the process of seeking advice from the SGX-ST, the Company Secretary and/or other professionals to determine whether Mr Xu is still fit to be a director of the Company and whether his office shall *ipso facto* become vacant pursuant to the SGX-ST Listing Rules, Companies Act (Cap. 50) and/or the Constitution of the Company.

The Company will make further update on this matter in due course.

By order of the Board

Tang Chun Meng  
Independent Director  
20 July 2020