



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 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 queries raised by Singapore Exchange Securities Trading Limited ("**SGX-ST**") in their email dated 25 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:

1. As required under Listing Rule 710, please make disclosures as recommended in the Code of Corporate Governance 2012 (the "**Code**") or otherwise explain the reason(s) for the deviation from the following Code guidelines:-

Paragraph 2.4 of the Code states that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. In doing so, the Board should also take into account the need for progressive refreshing of the Board. The Board should also explain why any such director should be considered independent.

Company's response 1:

1. As disclosed on page 17 of the Annual Report 2015, the independence of each Director is reviewed annually by the NC. Based on the criterion of independence provided by the Code, the Board adopted the view that an "independent" director is one who has no relationship with the Company, or its related Corporations, or its 10% shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interest of the Group.

Such independence of each Independent Director is reviewed annually by the NC. For the financial year ended 31 December 2015, the NC had applied scrutiny when assessing the continued independence of a Director whom had served beyond 10 years from the date of his

first appointment. Each independent director is required to complete a declaration to confirm his independence based on the guidelines as set out in the Code.

In particular, Mr Wang Liangfa (“Mr Wang”), an Independent Director has served closed to 11 years. As such, the NC had taken the opportunity to consider and assess Mr Wang specifically on his length of service, character and judgement. 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. In addition, the NC noted that Mr Wang had no business dealings with the Group since he was first appointed till date.

As such, the NC had recommended to the Board and the Board had accepted NC recommendation that Mr Wang continues to display an independence of character and judgement and was not in any way affected or impaired by the reason of his length of service.

By Order of the Board

Guo Yun
Executive Director
26 April 2016