

CHINA HAIDA LTD.
(Incorporated in Singapore)
(Company Registration No. 200410428C)

PLACEMENT OF 25 MILLION NEW ORDINARY SHARES IN THE CAPITAL OF CHINA HAIDA LTD. (THE "PLACEMENT")

The Directors (the "Directors") of China Haida Ltd. (the "Company") are pleased to announce that the Company has entered into a placement agreement (the "Placement Agreement") today with Westcomb Securities Pte Ltd (the "Placement Agent") pursuant to which the Placement Agent has agreed, on a best endeavours basis, to procure subscription of up to 25 million new ordinary shares ("Shares") in the Company (the "Placement Shares"), at a placement price of S\$0.282 for each Placement Share. The Placement is not underwritten.

The Placement Price of S\$0.282 for each Placement Share represents a discount of S\$0.0308 per share or approximately 9.85% to the weighted average price of S\$0.3128 per Placement Share based on the trades done on the Company's Shares on the Singapore Exchange Securities Trading Limited (the "SGX-ST") for 3 October 2007 (being the preceding market day prior to the signing of the Placement Agreement). Trading in the Company's Shares was halted for 4 October 2007. Assuming the Placement has been fully subscribed for, the aggregate consideration of the Placement Shares will be S\$7,050,000.

The Placement Shares, when issued and fully paid, will rank *pari passu* in all respects with the ordinary shares of the Company existing at the time of issue of the Placement Shares.

The Placement is conditional upon, *inter alia*, an Offer Information Statement (the "OIS") pursuant to Section 277 of the Securities and Futures Act, Chapter 289 of Singapore, being lodged with and accepted by the Monetary Authority of Singapore (the "Authority") and the in-principle approval being granted by the SGX-ST for the listing and quotation of the Placement Shares on the Official List of SGX-ST.

The OIS will be lodged with the Authority on 4 October 2007. A copy of the OIS will be available on <http://masnet.mas.gov.sg/operasdrprosp.nsf>. The Company will be making an application to the SGX-ST for the listing and quotation of the Placement Shares on the Official List of the SGX-ST.

The estimated net proceeds from the placement of the Placement Shares of approximately S\$6.7 million will be utilised as working capital of the Group.

The earnings per Share ("**EPS**") of the Group for the year ended 31 December 2006 ("**FY2006**") and after adjusting for the issue of Placement Shares are as follow:-

	Audited FY2006
EPS ⁽¹⁾ (RMB cents)	21.4
EPS after Placement ⁽²⁾ (RMB cents)	19.2

Notes:

- (1) For comparative purposes, EPS has been computed based on the audited net profit for FY2006 and the pre-Placement weighted average share capital of the Company during FY2006.
- (2) For calculation of EPS after Placement, it is assumed:
 - a. that the size of the Placement is 25 million Placement Shares which have been fully subscribed; and
 - b. that the Placement Shares have been issued at the beginning of each financial period and no income contribution from the proceeds of the Placement has been taken into consideration.

The net asset value ("**NAV**") per Share of the Group based on the audited accounts of the Group as at 31 December 2006 and after adjusting for the issue of the Placement Shares are as follow:

	Audited As at 31 December 2006
NAV per Share (RMB cents)	89.9
NAV per Share after Placement ⁽¹⁾ (RMB cents)	81.1

Notes:

- (1) For calculation of net asset after Placement, it is assumed:
 - a. that the size of the Placement is 25 million Placement Shares which have been fully subscribed;
 - b. that the Placement Shares have been issued by the end of each financial period; and
 - c. no proceeds from the Placement have been taken into consideration.

The Placement Shares will be issued pursuant to the general mandate obtained at the annual general meeting of the Company on 26 April 2007 (the "**Mandate**") which authorised the Directors to issue new shares in the capital of the Company during the period in which the Mandate is in force, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of Shares to be issued pursuant to such resolution, other than on a pro-rata basis to the existing shareholders, shall not exceed twenty per cent (20%) of the issued share capital of the Company at the time the Mandate was obtained.

The Placement will on completion, increase the issued share capital of the Company from S\$21,776,696 divided into 229,880,660 Shares to S\$28,826,696 divided into 254,880,660 Shares.

The Placement Shares, when issued and allotted, will represent approximately 10.88% of the Company's issued and paid-up share capital as at the date of this announcement and approximately 9.81% of the enlarged issued share capital of the Company upon completion of the proposed Placement.

None of the Placement Shares will be placed with any person or groups of persons set out under Rule 812(1)(a) to (d) of the Listing Manual of the SGX-ST.

None of the other Directors or substantial shareholders of the Company has any interest, direct or indirectly, in the Placement.

By Order of the Board
China Haida Ltd.

Submitted by Guo Yun on 4 October 2007 to the SGX-ST