

DAPAI INTERNATIONAL HOLDINGS CO. LTD.
(Company Registration No. 41211)
(Incorporated in Bermuda)
("Company")

RE-ALLOCATION OF PLACEMENT PROCEEDS

The Board of Directors of the Company refers to the placement of 198,450,000 new ordinary shares in the capital of the Company ("**Placement**") and the memorandum of understanding in relation to the Proposed Acquisition, as announced on 17 February 2016 ("**Announcement**"). Unless otherwise defined, capitalised terms used herein shall bear the same meaning ascribed to them in the Announcement.

The Board of Directors of the Company wishes to update on the utilisation of net proceeds from the Placement.

Following the Termination of the Proposed Acquisition as announced on 7 December 2016, the Company has reallocated approximately S\$1,075,000 of the net proceeds from the Placement, which was initially allocated for the Proposed Acquisition, to general working capital purposes ("**Reallocation**"). The following table summarises the Reallocation:

Intended use of net proceeds (S\$'000)	Amount allocated in the announcement dated 17 February 2016	Amount utilised as at the date hereof	Amount allocated after the Reallocation	Balance after the Reallocation
Due diligence relating to the Proposed Acquisition	306	42	306	264
Costs and expenses (including professional fees) relating to the Proposed Acquisition	1,222	140	140	-
Listing expenses relating to the Placement ⁽¹⁾	60	67	67	-
General working capital	-	-	1,075	1,075
Total	1,588	249	1,588	1,339

Note:

- (1) S\$7,000 had been reallocated from the cost and expenses relating to the Proposed Acquisition, to listing expenses relating to the Placement.

The Board is of the view that the Reallocation is in the best interests of the Company and its shareholders as (i) save for outstanding costs and expenses in respect of due diligence relating to the Proposed Acquisition, following the Termination, no further expenses will be incurred in relation to the Proposed Acquisition; and (ii) the Group does not have any major capital expenditure plans for the near-term.

The Company will make further announcements on the use of net proceeds as and when they are materially disbursed.

By Order of the Board

Chen Xizhong
Executive Chairman

14 December 2016