OTTO MARINE LIMITED
(Unique Entity Number: 197902647M)
(Incorporated with limited liability in the Republic of Singapore on 5 September 1979)

HOLDING ANNOUNCEMENT

The board of directors (the "**Board**") of Otto Marine Limited (the "**Company**") wishes to inform the shareholders of the Company that the Board has received a letter from RHB Securities Singapore Pte. Ltd. today in connection with a potential transaction. The contents of the said letter are as follows:

*"We, RHB Securities Singapore Pte. Ltd., are the financial adviser to a potential buyer (the "**Offeror**") for shares in Otto Marine Limited ("**Otto**" or the "**Company**"). On behalf of the Offeror, we would like to inform the board of directors (the "**Board**") of the Company that we may initiate a transaction which may or may not lead to an acquisition of the issued share capital of the Company.*

*We intend to submit a formal proposal ("**Proposal**") to the Board as soon as possible. We will disclose the identity of the Offeror and the details of the proposed transaction in our Proposal. As we are currently consulting the regulators, we wish to highlight that there is no certainty or assurance whatsoever that there will be any transaction until we have finalised the terms of our Proposal upon obtaining regulatory clearance, and present our Proposal to the Board.*

*As there have been undue movements in the share price of Otto for the past few days, and based on the instructions by the Securities Industry Council ("**SIC**"), we request that the Company to halt trading of its shares and to release a holding announcement under Note 5 on Rules 3.1, 3.2 and 3.3 of the Singapore Code on Take-overs and Mergers ("**Code**").*

In addition, on behalf of the Offeror, we request that the Company to consider halting trading of its shares until the release of the announcement in relation to the Proposal and subject to the applicable Listing Rules."

The Board wishes to highlight that there is presently no firm intention by this potential offeror to make an offer to shareholders for their shares in the Company and there is no certainty or assurance that such an offer will materialise.

The Board is closely monitoring the situation and will make a further announcement in connection with the lifting of the trading halt as soon as possible. In addition, if and when the Company receives further information in relation to the foregoing, the Company will, in compliance with its disclosure obligations under the SGX-ST Listing Manual and Singapore Code and Take-overs and Mergers, promptly make the relevant disclosures at the appropriate time.

Shareholders are accordingly advised to exercise caution when dealing in the shares of the Company and to refrain from taking any action in respect of their shares in the Company which may be prejudicial to their interests.

The directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained

in this announcement, the omission of which would make any statement in this announcement misleading.

By Order of the Board

Michael See Kian Heng
Group Chief Executive Officer & Group Executive Director
2 June 2016