

DAPAI INTERNATIONAL HOLDINGS CO. LTD.

(Company Registration No. 41211)

(Incorporated in Bermuda)

**TERMINATION OF LEASE IN RELATION TO FACTORY PREMISES IN BENBU CITY, ANHUI PROVINCE, PEOPLE'S
REPUBLIC OF CHINA**

1. INTRODUCTION

The Board of Directors of Dapai International Holdings Co. Ltd. ("**Company**" and together with its subsidiaries, "**Group**") refers to the announcement made on 2 June 2014 in relation to the lease of factory premises in Benbu City, Anhui Province, People's Republic of China ("**Announcement**"). Unless otherwise defined, capitalised terms used herein shall bear the same meaning ascribed to them in the Announcements.

2. TERMS OF TERMINATION

The Group wishes to announce that the lessee Anhui Sanda had served their one month notice of termination on 13 December 2016, as per the termination clause within the rental agreement. The termination letter was signed and received by the Company on 18 December 2016.

3. IMPACT OF TERMINATION OF THE LEASE AGREEMENT

The termination of the Lease Agreement is not expected to have any material impact on the net tangible assets per share of the Company and the Group for the current financial year.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the other directors or controlling shareholders of the Company have any interest, direct or indirect, in the abovementioned termination of the Lease Agreement, other than through their directorships or respective shareholdings in the Company (if any).

By Order of the Board

Chen Xizhong
Executive Chairman

23 December 2016