

DAPAI INTERNATIONAL HOLDINGS CO. LTD.

(Company Registration No. 41211)

(Incorporated in Bermuda)

("Company")

**FURTHER EXTENSION OF TIME TO MEET REQUIREMENTS
UNDER RULE 1314 OF THE LISTING MANUAL OF THE SGX-ST TO EXIT FROM SGX-ST WATCH-LIST
- SUPPLEMENTAL ANNOUNCEMENT**

Unless otherwise defined, capitalised terms used herein shall bear the same meaning ascribed to them in the announcements of the Company on 16 February 2016, 4 March 2016, 5 April 2016, 5 September 2016 and 8 September 2016.

The Board refers to the Company's announcement of 8 September 2016 relating to the further extension of time granted by the SGX-ST to the Company of up to six (6) months to 5 March 2017 to meet the requirements for removal from the Watch-list ("**Extension of Time**"), pursuant to paragraph 3.2(1) of Practice Note 13.2 of the SGX-ST Listing Manual in view that the Company had reported profit before tax of approximately RMB 6.02 million for its financial year ended 31 December 2015.

The Company had applied for the Extension of Time to consummate the Proposed Acquisition, which progress remains ongoing. In connection therewith:

- (a) the Company had appointed relevant professional advisers;
- (b) the Company's professional advisers have made physical visits to Smart Traffic's premises, and are conducting ongoing due diligence on Smart Traffic;
- (c) the Company is also engaging the SM Controlling Shareholder on its due diligence into the Company; and
- (d) the Company and Smart Traffic are negotiating the definitive transaction agreements.

The Company will continue to keep shareholders updated on the progress of the Proposed Acquisition as and when appropriate.

By Order of the Board

Chen Xizhong
Executive Chairman

14 September 2016