



DAPAI INTERNATIONAL HOLDINGS CO. LTD.
(the "Company")
Company Registration No.: 41211

**RESPONSE TO SGX QUERY IN RELATION TO THE ANNOUNCEMENT ON CESSATION OF
MR CHUA MENG HING AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

The Board of Directors (the "Board") of Dapai International Holdings Co. Ltd. (the "Company") refers to the announcement made by the Company on 27 February 2017 ("Announcement") in relation to the cessation of Mr Chua Meng Hing ("Mr Chua") as an Independent Director of the Company. Pursuant to a query by the Singapore Exchange Securities Trading Limited ("SGX-ST") in relation to the Announcement, the Board wishes to announce the said query and its response herein.

1. **SGX-ST's Query**

Please elaborate on these "other personal commitments" and why he has to step down as an independent non-executive director of the Company because of these.

Company's Response

Mr Chua is the managing director of the PRC segment of Stirling Coleman Capital Limited. He is also a deputy director with the Financial Advisory Committee of Entrepreneur Capital Management Association of Guangdong Province. He has very heavy commitment and spends most of his time in China. In fact, he has voiced his intention to resign from the Company since early last year. Nevertheless, he stayed with the Company for the whole of last year to ensure that the special audit done by BDO is completed.

2. **SGX-ST's Query**

Please provide Mr. Chua Meng Hing's confirmation that there are no concerns over matters involving the Company and/or the special audit that led to his resignation or disagreements with the Board of Directors/management. If these factors were present, please provide details of these concerns or disagreements.

Company's Response

Mr Chua confirmed that there are no concerns over matters involving the Company and/or the special audit that led to his resignation or disagreements with the Board of Directors/management.

3. **SGX-ST's Query**

Please explain why Mr. Chua Meng Hing is stepping down in the midst of a special audit instead of waiting for the outcome of the audit to be known before stepping down, and to explain his views why his departure in the midst of a special audit is not prejudicial to the interest of the Company and its public shareholders.

Company's Response

Some of Mr Chua's personal ventures with his PRC business associates are now in its important phases which require his full attention. Therefore, he would not be able to devote enough time for the Company. The Company has already re-designated an Independent Director and as a member of the Audit Committee, Nominating Committee and Remuneration Committee of the Company. Together with the other two existing Independent Directors, they are able to attend to the special audit and there is no reason to believe that the interest of the Company and its shareholders will be prejudiced.

By Order of the Board

Chen Xizhong
Executive Chairman
2 March 2017