PNE INDUSTRIES LTD
(Company Registration No. 199905792R)
(Incorporated in the Republic of Singapore)

PNE INDUSTRIES LTD – SALE AND PURCHASE AGREEMENT FOR THE PROPOSED DISPOSAL OF 100% SHAREHOLDINGS IN PNE PRINT TECHNOLOGY CO., LTD

All capitalised terms used and not defined herein shall have the same meanings attributed to them in the announcements dated 5 November 2015 and 13 November 2015.

1. INTRODUCTION

The Board of Directors ("**Board**") of PNE Industries Ltd ("**Company**" together with its subsidiaries, "**Group**") refers to the announcements made on 5 November 2015 and 13 November 2015 regarding the Proposed Disposal and wishes to announce that it has on 25 February 2016 entered into the PNE SPA.

2. TERMS OF THE PNE SPA

2.1 Prior to the execution of the PNE SPA, Sanhe Xingda confirms that it has no objections to the Audit Report dated 25 February 2016.

2.2 In the event that the PNE SPA is terminated by either party despite full compliance by the non-terminating party, the terminating party shall be liable to compensate the non-terminating party an amount of RMB10 million for such termination ("**Termination**").

3. CONSIDERATION

3.1 Pursuant to a supplemental agreement dated 25 February 2016, considering the amount of cash and bank balance of PNE Print indicated in the Audit Report and the agreement in the Framework Agreement, the Company and Sanhe Xingda have agreed that the Consideration is RMB48.85 million.

3.2 In accordance with Clause 5.1 of the Framework Agreement, the Deposit of RMB10 million was paid into the Trust Account on 13 November 2015.

3.3 In accordance with Clause 5.2 of the Framework Agreement, the Consideration (after the deduction of the Deposit) has been fully paid by Sanhe Xingda into the Trust Account upon the execution of the PNE SPA. Accordingly, the Company has commenced the transfer of the 100% shareholdings in PNE Print to Sanhe Xingda ("**Transfer**").

3.4 In accordance with Clause 2.3 of the PNE SPA, the Consideration in the Trust Account shall be paid into a designated account of the Company ("**Payment**") as soon as possible after the receipt of approval of the Transfer from the competent local Bureau of Commerce (no later than 15 days from the receipt of registration of the Transfer from the local Administration for Industry and Commerce ("**AIC**")). The date of Payment shall be the completion date of the Proposed Disposal ("**Completion Date**").

3.5 In the event that Sanhe Xingda fails to pay the Consideration into the designated account of the Company within 15 days from the receipt of registration of the Transfer from the AIC, Sanhe Xingda shall be liable to pay to the Company a daily late fee which is 1% of the amount of unpaid Consideration on that same day.

3.6 In the event that Sanhe Xingda fails to pay the Consideration into the designated account of the Company within 30 days from the receipt of registration of the Transfer from the AIC, unless otherwise agreed in writing by both parties, such failure shall result in the Termination. Pursuant to such Termination, Sanhe Xingda shall transfer the 100% shareholdings in PNE Print back to the Company and shall be liable to compensate the Company an amount of RMB10 million.

4. COMPLETION

In accordance with Clause 3.2 of the PNE SPA, on the Completion Date, the Company shall deliver the following documents to Sanhe Xingda:

(a) the original copy of the land use permit owned by PNE Print;

(b) the original copies of the ownership certificates of the properties owned by PNE Print;

(c) the company seal of PNE Print; and

(d) the new business licence of PNE Print.

5. FURTHER ANNOUNCEMENTS

The Company will make further announcements upon the completion of the Proposed Disposal and/or when there are material developments in respect of the Proposed Disposal.

BY ORDER OF THE BOARD

Tan Meng Siew
Financial Controller and Company Secretary
26 February 2016