

UPDATES ON THE PROPOSED ACQUISITION OF SUPRATECHNIC PTE LTD

1. INTRODUCTION

The Board of Directors (the "**Board**") of the Company refers to its announcements dated 30 September 2015 and 13 December 2015 in relation to its proposed acquisition of Supratechnic Pte Ltd (the "**Target**") (the "**Earlier Announcements**"). Unless otherwise defined herein, capitalised terms used in this Announcement shall have the meanings ascribed to them in the Earlier Announcements.

As mentioned in the Earlier Announcements, the Target Group is a Singapore based wholesale and trading group involved mainly in the trading of marine equipment and industrial machinery and equipment with operations in Singapore, Malaysia and Indonesia ("**Territories**"). The Proposed Acquisition was intended to allow the Company to diversify its existing business to include the trading of marine equipment and industrial machinery and equipment.

2. POSSIBLE NON CONTINUATION OF DISTRIBUTORSHIP FOLLOWING CLOSING OF THE PROPOSED ACQUISITION

Pursuant to the due diligence conducted in connection with the Proposed Acquisition, it is assessed that some or all of the manufacturers which had granted distributorship rights to the Target Group may decide not to continue the distribution or trading of their products through the Target in the Territories following the completion of the Proposed Acquisition.

The Board is assessing the viability of the Proposed Acquisition and will consider the strategic benefits of the Proposed Acquisition before proceeding. Shareholders will be duly informed of any developments via SGXNET.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors (other than in his capacity as a Director or Shareholder) and to the best of the Directors' knowledge, none of the controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading.

Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Announcement in its proper form and context.

5. CAUTIONARY STATEMENT

Meanwhile, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. There is no assurance that the Proposed Acquisition will complete. When in doubt, shareholders and potential investors are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.

BY ORDER OF THE BOARD

Li Hua
Executive Chairman
18 February 2016