

NIPPECRAFT LIMITED

(Company Registration No.: 197702861N)

(Incorporated in the Republic of Singapore)

UPDATE ON APPLICATION FOR EXTENSION OF TIME TO MEET THE REQUIREMENTS UNDER RULE 1314 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (SGX-ST) TO EXIT FROM THE FINANCIAL WATCH-LIST OF THE SGX-ST PENDING THE PROPOSED TRANSFER OF THE COMPANY'S LISTING TO THE CATALIST SPONSORED REGIME (THE *PROPOSED TRANSFER*)

1. INTRODUCTION

1.1 The Board of Directors (the **Board**) of Nippecraft Limited (the **Company**, and together with its subsidiaries, the **Group**) refers to the following announcements:

- (a) the announcement dated 4 March 2014, pursuant to which it was announced that the Company would be placed on the financial-watch list of the SGX-ST (the **Watch-List**) with effect from 5 March 2014;
- (b) the announcement dated 27 February 2017, pursuant to which it was announced that the Company had, on 27 February 2017, submitted an application to the SGX-ST for a further extension of time to apply for its removal from the Watch-List;
- (c) the announcement dated 1 June 2017, pursuant to which it was announced that the Company had obtained a further time extension of 12 months to 1 March 2018 for the Company to meet the requirements for its removal from the Watch-List;
- (d) the announcement dated 23 February 2018, pursuant to which the Company had announced its results for the financial year ended 31 December 2017 (**FY2017**);
- (e) the announcement dated 27 February 2018, pursuant to which the Company had announced (i) the proposed transfer (**Proposed Transfer**) of the listing of the Company from the Mainboard of the SGX-ST to the Catalist Board of the SGX-ST (the **Catalist**) and (ii) the application for a further 6 month extension to exit the Watch-List pending the Proposed Transfer of the Company's listing to the Catalist (the **Proposed Transfer and Application for Extension of Time Announcement**).

1.2 Unless otherwise defined, all capitalised terms shall bear the same meanings ascribed to them in the Proposed Transfer and Application for Extension of Time Announcement.

2. RATIONALE OF THE APPLICATION

2.1 Based on the FY2017 results, the Company had made a net profit before tax of US\$97,000 for FY2017, but does not meet the market capitalisation requirement to exit the Watch-List under Rule 1314(1) of the SGX-ST Listing Manual (**Listing Manual**) as the Company's average daily market capitalisation over the last 6 months does not exceed S\$40 million.

2.2 The Company's trading price is significantly below the S\$0.20 minimum trading price requirement (**MTP Requirement**) as imposed on Mainboard listed companies. Based on the foregoing, the Company expects that it would have to carry out substantive corporate actions

(including without limitation share consolidation, business acquisitions) to raise its share price to meet the MTP Requirement if it wishes to remain on the Mainboard of the SGX-ST.

- 2.3 The Board believes that the market capitalisation of the Group better resemble that of the companies on the Catalist. In addition, the Board is of the view that the Proposed Transfer and listing on the Catalist will position the Company appropriately and better allow the Company to attract investors in the future. .
- 2.4 In light of the foregoing Proposed Transfer, the Company had submitted an application to the SGX-ST for a further extension of time to exit the Watch-List pending the Proposed Transfer of the Company's listing to the Catalist.

3. GRANT OF EXTENSION

The Board wishes to announce that the Company has on 2 May 2018 been notified by the SGX-ST that the SGX-ST has no objection to granting the Company an extension of time of up to 4 months to meet the requirements by 1 July 2018 for removal from the Watch-List (**Waiver**), subject to the following:

- (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver and the conditions as required under Rule 107 of the Listing Manual (as set out in paragraph 2 above);
- (b) the Company announcing that (i) the SGX-ST had reviewed the Proposed Transfer and has no objections to the same and (ii) the Waiver is granted to facilitate the Proposed Transfer (as set out in paragraph 4 below); and
- (c) the submission of a written undertaking from the Company that the waiver does not contravene any laws and regulations governing the Company and the articles of association of the Company.

4. THE PROPOSED TRANSFER

- 4.1 The Board also wishes to announce that the SGX-ST had reviewed the Proposed Transfer and has no objections to the same, and the Waiver is granted to facilitate the Proposed Transfer.
- 4.2 Shareholders of the Company (**Shareholders**) may refer to the announcement on the Proposed Transfer dated 3 May 2018 for more information on the Proposed Transfer.

The Company would like to remind all Shareholders that there is no assurance of the Proposed Transfer taking place. As such, Shareholders are advised to exercise caution when dealing in the shares of the Company and to refrain from taking any action in relation to their shares which may be prejudicial to their interests. Persons who are in doubt, as to the action they should take, should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

BY ORDER OF THE BOARD

Connie Oi Yan Chan
Chairlady and Chief Executive Officer
3 May 2018