

NIPPECRAFT LTD

(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 (THE SGX-ST) TO EXIT FROM THE SGX-ST WATCH-LIST (FINANCIAL CRITERIA) (THE WATCH-LIST)

The Board of Directors (the **Board**) of Nippecraft Limited (the **Company**) refers to the following announcements:

- (a) the announcement dated 5 March 2014, pursuant to which it was announced that the Company would be placed on the Watch-List with effect from 5 March 2014; and
- (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 an extension of time to apply for its removal from the Watch-List (the **Extension**).

The Board wishes to announce that the Company has on 10 April 2017 received a notification from the SGX-ST that it is unable to grant an extension of time to exit from the Watch-List as the Company has not demonstrated that it has been able to meet any of the criteria under Rule 1314 of the Listing Manual (the **Decision**). Hence, the Company will be delisted pursuant to Rule 1315 of the Listing Manual.

The Company is required to provide a cash exit offer to its shareholders pursuant to Rules 1306 and 1309 of the Listing Manual, and the SGX-ST will grant the Company an extension of time for the Company or its controlling shareholder(s) to make a cash exit offer to shareholders.

Trading of the Company's securities will continue until 5:05pm on 9 May 2017 and the trading will remain suspended from 9am on 11 May 2017 until completion of the cash exit offer.

The Board is discussing the Decision with the SGX-ST with the aim of obtaining the Extension, as, *inter alia*, the Company would have been profitable for the financial year ended 31 December 2016 (**FY2016**), had the Company not incurred various one-off expenses which amounted to approximately US\$2.37 million (the **One Off Expenses**) for FY2016. The One Off Expenses comprise (1) redundancy payout, (2) production wage cost of the retrenched employees and (3) incurred air freight costs to ensure that its products were delivered to customers due to outsourcing delays.

Based on its audited financial results for FY2016, had the Company not incurred the One Off Expenses, the Company would have a pre-tax profit of US\$318,000. In this regard, the Company does not expect to incur the One Off Expenses for the financial year ending 31 December 2017.

The Company will continue to update shareholders on any further developments.

The Company would like to remind all shareholders that there is no assurance that the SGX-ST will grant the abovementioned Extension. As such, shareholders of the Company 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
Chief Executive Officer and Executive Director
18 April 2017