

NIPPECRAFT LIMITED
(Company Registration No.: 197702861N)
(Incorporated in the Republic of Singapore)

APPLICATION FOR EXTENSION OF TIME TO MEET THE REQUIREMENTS UNDER RULE 1314 OF THE LISTING MANUAL (THE *LISTING MANUAL*) OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE *SGX-ST*) TO EXIT FROM THE SGX-ST FINANCIAL WATCH-LIST (THE *WATCH-LIST*)

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 5 March 2014, pursuant to which it was announced that the Company would be placed on the Financial Watch-List with effect from 5 March 2014; and
- (b) the announcement dated 4 April 2016, pursuant to which it was announced that the Company received a 12 month extension to meet the requirements by 1 March 2017 for removal from the Financial Watch-List.

The Board wishes to announce that the Company has on 27 February 2017 submitted an application to the SGX-ST for an extension of a further 12 months to apply for its removal from the Financial Watch-List (the **Application**).

The rationale of the Application is, *inter alia*, as follows:

- (i) the Company has implemented various measures to lower costs and improve the profitability of the Group. Some of these measures have already been translated to a reduction in the Group's cost and will bring greater profitability in the long run. In this regard, the Company will continue with its outsourcing programme as well as focus on generating revenue. The Application is necessary to provide the Group with "sufficient runway" for the Group's cost-cutting measures and business plans to be fully realised and for the Group to turn profitable; and
- (ii) the Company believes in the underlying prospects and viability of the Group and that it would be in the interests of the Company and its shareholders for the shares in the Company to continue to be publicly listed and traded on the Main Board of the SGX-ST.

The Company will update the shareholders of the outcome of the Application in due course.

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
27 February 2017