

NOBEL DESIGN HOLDINGS LTD
(Incorporated in the Republic of Singapore)
(Company Registration No.:198104591E)
(the “**Company**”)

APPROVAL FOR (1) THE PROPOSED DELISTING OF THE COMPANY, (2) WAIVER OF RULE 1307 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”), (3) CONFIRMATION OF NON-APPLICABILITY OF RULE 1309 OF THE LISTING MANUAL, AND (4) WAIVER OF RULE 705(2) OF THE LISTING MANUAL IN CONNECTION WITH THE MANDATORY UNCONDITIONAL CASH OFFER BY OVERSEA-CHINESE BANKING CORPORATION LIMITED (“OCBC BANK”) FOR AND ON BEHALF OF GRAND SLAM RF18 INVESTMENTS PTE. LTD. (THE “OFFEROR”) TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE “OFFER”)

1. INTRODUCTION

The Board of Directors (“**Board**” or “**Directors**”) of Nobel Design Holdings Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to, *inter alia*:

- (a) the announcements released by the Company on 3 May 2017 and 4 May 2017 in relation to the Offer;
- (b) the offer document dated 23 May 2017 containing the terms and conditions of the Offer (the “**Offer Document**”);
- (c) the circular dated 6 June 2017 containing, *inter alia*, the advice of the independent financial adviser to the Directors of the Company who are considered independent for the purposes of the Offer (the “**Recommending Directors**”) and the recommendation of the Recommending Directors to Shareholders in relation to the Offer (the “**Circular**”);
- (d) the announcement released by OCBC Bank, for and on behalf of the Offeror, dated 6 July 2017 in relation to, *inter alia*, the Offeror having received valid acceptances pursuant to the Offer and/or acquired Shares from the date the Offer was made otherwise than through valid acceptances of the Offer in respect of not less than 90% of the total number of Shares in issue and the Offeror’s intention to exercise its right to compulsorily acquire all the Shares held by Shareholders who had not accepted the Offer (the “**Dissenting Shareholders**”) (the “**Compulsory Acquisition Announcement**”); and
- (e) the announcement released by OCBC Bank, for and on behalf of the Offeror, dated 11 July 2017 in relation to, *inter alia*, the level of acceptances of the Offer and the close of the Offer (the “**Close of Offer Announcement**”).

All capitalized terms used and not defined herein shall have the same meanings ascribed to them in the Offer Document, the Circular, the Compulsory Acquisition Announcement or the Close of Offer Announcement (as the case may be).

2. BACKGROUND TO AND GROUNDS FOR THE SGX APPLICATION

Further to the Close of Offer Announcement, the Company had submitted an application to the SGX-ST (the “**SGX Application**”) to seek approval for:

- (a) the delisting of the Company from the SGX-ST (“**Delisting**”);
- (b) a waiver of the requirement under Rule 1307 of the Listing Manual that the Delisting be approved by Shareholders in a general meeting (“**Rule 1307 Waiver**”);

- (c) a confirmation that Rule 1309 of the Listing Manual is not applicable ("**Rule 1309 Confirmation**"); and
- (d) a waiver of the requirement under Rule 705(2) of the Listing Manual that the Company announces its financial statements for the second quarter of its financial year ending 30 June 2017 ("**Q2 Results**") not later than 45 days after the quarter end.

2.1 The Delisting Application, Rule 1307 Waiver and Rule 1309 Confirmation

(a) Listing Manual Requirements

Pursuant to Rule 1307 of the Listing Manual, the SGX-ST may agree to an application by an issuer to delist from the SGX-ST if:

- (1) the issuer convenes a general meeting to obtain shareholder approval for the delisting ("**Delisting EGM**");
- (2) the resolution to delist the issuer has been approved by a majority of at least 75% of the total number of issued shares excluding treasury shares and subsidiary holdings held by the shareholders present and voting, on a poll, either in person or by proxy at the meeting (the issuer's directors and controlling shareholder need not abstain from voting on the resolution); and
- (3) the resolution has not been voted against by 10% or more of the total number of issued shares excluding treasury shares and subsidiary holdings held by the shareholders present and voting, on a poll, either in person or by proxy at the meeting.

Pursuant to Rule 1309 of the Listing Manual, if an issuer is seeking to delist from the SGX-ST:

- (1) a reasonable exit alternative, which should normally be in cash, should be offered to (a) the issuer's shareholders and (b) holders of any other classes of listed securities to be delisted; and
- (2) the issuer should normally appoint an independent financial adviser to advise on the exit offer.

(b) Grounds for Application

The Rule 1307 Waiver is sought based on the following grounds:

- (1) As at the close of the Offer at 5.30 p.m. (Singapore time) on 11 July 2017, the number of Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties, together with valid acceptances of the Offer, constitute approximately 97.28% of the Shares in the Company.
- (2) If the Delisting of the Company were to be put to a vote by the shareholders of the Company ("**Delisting Resolution**"), the Offeror and its Concert Parties will vote all their Shares in favour of the Delisting Resolution, in line with the public disclosures previously made by the Offeror concerning the listing status of the Company, including but not limited to the Offer Document and the Compulsory Acquisition Announcement. Accordingly, the Offeror will be able to unilaterally determine the outcome of the Delisting Resolution proposed to be passed at the Delisting EGM, if such meeting is convened pursuant to Rule 1307 of the Listing Manual.
- (3) In addition, after the compulsory acquisition is completed, the Offeror would become the sole shareholder of the Company.

- (4) In view of the above, it is a foregone conclusion that any Delisting Resolution will be approved, and the Company considers that it would be neither meaningful nor justifiable to incur the unnecessary expenditure of time and costs if the Company were to be required to call a Delisting EGM for the purposes of approving the Delisting Resolution.

The Rule 1309 Confirmation is sought based on the following grounds:

- (1) The Offeror's intention to delist the Company following compulsory acquisition is set out clearly in the Offer Document, the Compulsory Acquisition Announcement and other public disclosures.
- (2) As the Offeror has received valid acceptances pursuant to the Offer or acquired Shares from the date of the Offer Document otherwise than through valid acceptances of the Offer, in respect of not less than 90% of the total number of Shares in issue (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of despatch of the offer document), the Offeror is entitled to exercise the right to compulsorily acquire, at the offer price under the Offer, all the Shares held by the Dissenting Shareholders under Section 215(1) of the Companies Act (the "**215(1) Compulsory Acquisition**"), as announced in the Compulsory Acquisition Announcement.
- (3) In addition to the foregoing, the Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares (the "**215(3) Compulsory Acquisition**").
- (4) The Company had appointed Stirling Coleman Capital Limited as the independent financial adviser (the "**IFA**") to the Recommending Directors for making a recommendation on the Offer. In the letter from the IFA to the Recommending Directors dated 6 June 2017 (a copy of which was appended to the Circular), the IFA had advised that the financial terms of the Offer were not fair but reasonable.
- (5) In view of the above, the Dissenting Shareholders will have a reasonable exit alternative by requiring the Offeror to acquire their Shares under the 215(3) Compulsory Acquisition. In addition, the IFA has opined that the financial terms of the Offer were not fair but reasonable.

2.2 Waiver in relation to Rule 705(2) of the Listing Manual

(a) Listing Manual Requirements

An issuer must announce the financial statements for each of the first three quarters of its financial year immediately after the figures are available, but in any event not later than 45 days after the quarter end if:

- (1) its market capitalization exceeded S\$75 million as at 31 March 2003; or
- (2) it was listed after 31 March 2003 and its market capitalization exceeded S\$75 million at the time of listing (based on the IPO issue price); or
- (3) its market capitalization is S\$75 million or higher on the last trading day of each calendar year commencing from 31 December 2006. An issuer whose obligation falls within this sub-section (c) will have a grace period of a year to prepare for quarterly reporting. As an illustration, an issuer whose market capitalization is S\$75 million or higher as at the end of the calendar year 31 December 2006 must announce its quarterly financial statements for any quarter of its financial year commencing in 2008. Notwithstanding the grace period, all issuers whose obligation falls under this subsection (c) are strongly encouraged to adopt quarterly reporting as soon as possible.

Based on the requirements of Rule 705(2) of the Listing Manual, the Company was required to announce the Q2 Results by 14 August 2017.

(b) Grounds for Application

The waiver of the requirement to announce the Q2 Results is sought based on the following grounds:

- (1) **Trading Suspension pending Delisting.** On 19 June 2017, the Offeror had announced that the final closing date of the Offer would be 11 July 2017. On 5 July 2017, the Offeror had announced that it is envisaged that the trading of the Shares will be suspended at the close of the Offer. Based on the Offeror's stated intentions in the Offer Document, the listing status of the Company will not be preserved and no steps will be taken to lift the trading suspension in the Shares.
- (2) **Compulsory Acquisition of Dissenting Shareholders.** Pursuant to Section 215(1) of the Companies Act, on 6 July 2017, the Offeror had notified the Dissenting Shareholders in the Compulsory Acquisition Announcement of its right and intention to compulsorily acquire all the Shares from the Dissenting Shareholders on the same terms as those offered under the Offer. The Offeror reiterated its intention to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act in the Close of Offer Announcement.
- (3) **Offeror will become sole Shareholder.** After the compulsory acquisition is completed, the Offeror would become the sole shareholder of the Company. As such, it would not be meaningful to announce the Q2 results.

Based on the reasons above, Shareholders and investors are unlikely to be prejudiced by the non-release of the Q2 Results. Accordingly, it will serve little purpose to require the Company to release the Q2 Results before the anticipated Delisting and incur additional compliance costs in connection with the preparation and the release of the Q2 Results. Trading in the Shares has since been suspended with effect from 9.00 a.m. on 12 July 2017.

3. CONFIRMATION FROM THE SGX-ST

The Board wishes to announce that the SGX-ST had on 21 August 2017, informed the Company that based on the Company's submission and representations to the SGX-ST, the SGX-ST:

- (a) has no objection to the Delisting of the Company from the Official List of the SGX-ST, subject to an announcement via SGXNET of the SGX-ST's no objection to the Company's Delisting; and
- (b) is of the view that Rule 1309 of the Listing Manual is not applicable to the Company as it has already been complied with.

The SGX-ST also indicated that it has no objection to:

- (a) the Company's application for a waiver of Rule 1307 of the Listing Manual in connection with the Delisting; and
- (b) granting the waiver of Rule 705(2) of the Listing Manual in connection with the announcement of the Q2 Results,

subject to:-

- (1) an announcement via SGXNET of the waivers granted, the reasons for seeking the waivers and the conditions as required under Rule 107 of the Listing Manual;

- (2) submission of a written confirmation from the Company that the waivers do not contravene any laws and regulations governing the Company and the Constitution of the Company; and
- (3) in respect of the waiver of Rule 705(2) of the Listing Manual, the Company's submission of a written confirmation that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company.

The Company intends to submit the confirmations referred to in the above paragraphs (2) and (3) respectively to the SGX-ST.

The SGX-ST's decision is not an indication of the merits of the Delisting.

The date and time of the Delisting will be announced in due course, following the completion of the compulsory acquisition.

BY ORDER OF THE BOARD

Adrian Chan Pengee
Non-Executive Chairman and Independent Director

21 August 2017