

FURTHER EXTENSION OF TIME TO MEET WATCH-LIST EXIT REQUIREMENTS

*Unless otherwise defined, all capitalized terms used herein shall have the meanings ascribed to them in the Company’s announcements dated 3 March 2015 (the “**2015 Watch-List Announcement**”) and 25 November 2016 (the “**2016 Watch-List Announcement**”).*

1. INTRODUCTION

The Company refers to the following announcements:

- (a) the 2015 Watch-List Announcement which stated that (a) the Company had been placed on the watch-list of the SGX-ST; and (b) that it would have to fulfil the requirements under Rule 1314 of the Listing Manual for its removal from the watch-list within 24 months from 4 March 2015 (the “**Cure Period**”), failing which the SGX-ST would delist the Company or suspend trading in the Company’s shares with a view to delisting the Company; and
- (b) the 2016 Watch-List Announcement whereby the Company announced that (a) it had submitted an application to the SGX-ST on 19 October 2016 to request for an extension of the Cure Period till 3 March 2018, being an extension of 12 months from 3 March 2017; and (b) the SGX-ST had no objection to granting the Company an extension of the Cure Period of up to 12 months to 3 March 2018 (the “**Extended Cure Period**”).

The Company had on 18 December 2017 submitted a further application to the SGX-ST for an extension of another 12 months to the Extended Cure Period for its removal from the watch-list (the “**Extension Application**”).

2. FURTHER EXTENSION OF TIME GRANTED BY THE SGX-ST FOR REMOVAL FROM THE WATCH-LIST

The Company wishes to update its shareholders that the SGX-ST has on 18 January 2018 approved the Extension Application and extended the Extended Cure Period for an additional 12 months, ending 3 March 2019. The SGX-ST’s approval is subject to the following:

- (a) the Company’s audited financial year ended 31 December 2017 (“**FY2017**”) reporting a profit for FY2017;
- (b) submission of a written undertaking from the Company to the Exchange that it will provide an exit offer in the event it is delisted from the SGX-ST;
- (c) the Company announcing the period of extension granted, the reasons for seeking the extension of time and the conditions as required under Listing Rule 107; and
- (d) submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company and the articles of association of the Company.

3. REASONS FOR SEEKING THE FURTHER EXTENSION OF TIME

3.1. The Company’s consolidated pre-tax profit and market capitalization

- a) The Group recorded a consolidated pre-tax profit of approximately S\$1,637,000 for FY2016, as compared to a consolidated pre-tax profit of approximately S\$660,000 for FY2015. Based on the Company’s un-audited 3Q FY2017 financial statements and results announcement, the Company has also recorded a consolidated pre-tax profit of approximately S\$1,197,000 for the 9-months period ended 30 September 2017.

Pending the Company's release of its full year financial results in respect of FY2017 in due course and publication of the audited full year results in respect of FY2017 in the Group's annual report, shareholders should exercise caution in dealing in the Company's shares.

- b) In addition, the Company's share price has been in the range of S\$2.50 to S\$3.10 for the last 60 days prior to the date of the Extension Application, which is comfortably above the MTP requirement of 20 cents as one of the exit criterion.
- c) Further, the Company's average daily market capitalization for the period between 3 August 2017 to 14 December 2017 is approximately S\$38.8 million,, which is approximately S\$1.2 million (or approximately 3.1%) below the S\$40 million criteria. The Company continues, as a matter of priority, to explore how to meet or exceed the S\$40 million criteria in the near future, but may need more time to do so.

3.2. The Company's improved corporate prospects

- a) The Company is fully committed to making all efforts to fulfil the Financial Exit Criteria through strategic, tactical and corporate actions. The Indonesian business for the distribution of operator products is stable and growing. The Company has increased its geographical distribution area ("clusters") in 2017 and has recorded an increase of close to SGD 25 million in revenue by mid-2017. This is a result of good performance of existing clusters and growth through operators' alliances.
- b) Similarly, the Company has developed more innovative products and services business in the IT space in Cavu Corp Pte Ltd in Singapore and Bharat IT Services Limited in India, improving margins and productivity. The BEVs pilot run is also stabilizing and has given the Company a better understanding of the BEVs business sector.

3.3. Interests of the Company and its shareholders to continue listing

The Company believes 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.

BY ORDER OF THE BOARD

Maneesh Tripathi

Executive Director and Group CEO

S i2i Limited

24 January 2018