

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 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 (the **Grant of Extension Announcement**); and
 - (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**).
- 1.2 Unless otherwise defined, all capitalised terms shall bear the same meanings ascribed to them in the Grant of Extension Announcement.

2. PROPOSED TRANSFER TO CATALIST

- 2.1 The Board wishes to announce that the Company intends to undertake the proposed transfer (the **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**).
- 2.2 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 as the Company's average daily market capitalisation over the last 6 months does not exceed S\$40 million.
- 2.3 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.

- 2.4 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. In addition, the Board believes that the business and market capitalisation of the Group better resemble that of the companies on the Catalist.
- 2.5 The Proposed Transfer is subject to, amongst other things, the following:
- (a) the appointment of a continuing sponsor for the Company;
 - (b) the approval of shareholders of the Company (**Shareholders**) for the Proposed Transfer at an extraordinary general meeting to be convened; and
 - (c) the in-principle approval of the SGX-ST for the Proposed Transfer.
- 2.6 The Company will update the Shareholders as and when there are material developments in respect of the Proposed Transfer.

3. APPLICATION FOR EXTENSION OF TIME

- 3.1 In light of the foregoing Proposed Transfer, the Company has submitted an application to the SGX-ST for an extension of a further 6 months to exit the Watch-List pending the Proposed Transfer of the Company's listing to the Catalist (the **Application**).
- 3.2 The Company made the Application in order to allow additional time for it to complete the Proposed Transfer and the rationale for the Application is as follows:
- (a) the Company has made preparations for the Proposed Transfer and is in the process of appointing a continuing sponsor; and
 - (b) the Company could only formally commence the process to undertake the Proposed Transfer after the unaudited FY2017 results were announced on 23 February 2018.
- 3.3 The Company will update Shareholders of the outcome of the Application in due course.

The Company would like to remind all Shareholders that there is no assurance of the Proposed Transfer taking place, or that the SGX-ST will approve the Proposed Transfer or grant the extension requested in the Application. 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
27 February 2018