

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

**MINUTES OF ANNUAL GENERAL MEETING OF THE COMPANY**

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The Annual General Meeting of the Company (the “**AGM**” or the “**Meeting**”) was held at Function Room 3-1, Level 3, ISCA House, 60 Cecil Street, Singapore 049709 on Tuesday, 30 April 2024 at 10:00 a.m.

PRESENT:

Directors

Mr. Khoo Song Koon	- Independent Non-Executive Chairman
Mr. Raja Hayat	- Executive Director and Chief Executive Officer
Mr. Chan Cheng Fei	- Executive Director and Chief Financial Officer
Mr. Chow Wai San	- Independent Director
Mr. Raymond Lam Kuo Wei	- Independent Director
Mr. Eddie Foo Toon Ee	- Independent Director

Company Secretary

Mr. Chen Chuanjian, Jason

Management, Company Secretaries, shareholders and invitees	- As set out in the attendance records maintained by the Company.
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*Due to the restriction on the use of personal data pursuant to the provisions of the Personal Data Protection Act 2012, the names of the shareholders and proxies present at the Meeting will not be published in this minute.*

1. WELCOME ADDRESS

At 10:00 am, Mr. Khoo Song Koon (“**Mr. Khoo**”), the Independent Non-Executive Chairman (the “**Chairman**”) of the Company chaired the Meeting after confirming that a quorum was present. Mr. Khoo declared the AGM open and welcomed everyone at the Company’s AGM.

The Chairman introduced the Directors, Management of the Company and professionals present at the Meeting.

Chairman informed the Shareholders that the Company had invited shareholders to submit questions relating to the resolutions to be tabled at this AGM in advance. However, the Company did not receive questions prior to the Meeting.

Chairman then invited Mr. Raja Hayat (“**Mr. Hayat**”), the Chief Executive Officer (“**CEO**”), to deliver a presentation on the Group’s marketing activities and the Group’s strategy at the Meeting.

The CEO provided an update on the Group’s marketing activities undertaken in 2023 in the United Kingdom and Australia. He also shared new lifestyle product ranges that were launched between the last quarter of 2023 and the first quarter of 2024. He then went on to share the framework for Marketing, Talent Management and Sustainability Strategy, after which he presented the Company’s focus for 2024.

After the presentation, the proceeding was handed back to the Chairman. Shareholders raised 9 questions to the Company. Kindly refer to **Appendix 1** for the list of questions raised by Shareholders and the responses provided by the Company.

There being no further questions from Shareholders, the Chairman then continued with the proceedings of the Company's AGM.

2. NOTICE OF AGM

The notice of AGM was taken as read. The Chairman proposed all 8 resolutions as set out in the notice of the AGM and informed that each resolution would be decided by poll based on the proxy votes received before the Meeting and those votes cast at this meeting. The Chairman informed the Meeting that he had accepted the appointment by some shareholders to act as proxy and to vote in respect of the resolutions if valid instructions in the proxy forms were received. The results of the poll for each resolution would be declared at the end of the Meeting.

The Chairman informed that Gong Corporate Services Pte. Ltd., the appointed scrutineer for this Meeting, would independently verify all votes received for the resolutions tabled and proceeded with the resolutions tabled at this Meeting.

**ORDINARY BUSINESS**

3. RESOLUTION 1 - DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

The Chairman informed the Meeting that the first item on the agenda was to receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2023, together with the Auditors' Report thereon.

The Chairman invited questions from the shareholders on the Directors' Statement and the Audited Financial Statements. The shareholders were requested to give their names before they raised any questions at the meeting.

There being no question raised, the Chairman proposed the following motion:

"THAT the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023, together with the Auditors' Report thereon, now submitted to the meeting, be received and adopted."

Resolution 1 was put to a vote by poll.

4. TO NOTE THE RETIREMENT OF MR. KHOO SONG KOON

Chairman informed the Meeting that the next item on the agenda was to note his retirement as a director of the Company under regulation 144 of the Company's Constitution and Rules 720(4) and 406(3)(d)(iv) of the Listing Manual Section B: Rules of the Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**Exchange**"). He handed over the chair of the meeting to the CEO, Mr. Hayat.

Mr. Hayat took over the Chair and informed the meeting that Mr. Khoo would not be seeking re-election as a director of the Company at the Meeting. Mr. Khoo would retire as a director of the Company at the close of the Meeting.

Mr. Hayat, on behalf of the Board, thanked Mr. Khoo for his guidance and valuable contributions to the Group during his tenure.

Thereafter, Mr. Hayat handed back the chair of the Meeting to Mr. Khoo.

5. RESOLUTION 2 - RE-ELECTION AND RE-APPOINTMENT OF MR. RAJA HAYAT

The Chairman informed the Meeting that under regulation 144 of the Company's Constitution, Mr. Raja Hayat was due for retirement, and that he had offered himself for re-election.

The Chairman proposed the following motion:

"THAT Mr. Raja Hayat, be re-elected as a director of the Company." If re-elected, Mr. Hayat will remain as Executive Director and Chief Executive Officer of the Company.

As there was no question raised, Resolution 2 was put to a vote by poll.

6. RESOLUTION 3 - RE-ELECTION AND RE-APPOINTMENT OF MR. EDDIE FOO TOON EE

The Meeting was informed that under regulation 154 of the Company's Constitution, Mr. Foo was due for retirement, and that he had offered himself for re-election.

The Chairman proposed the following motion:

"THAT Mr. Eddie Foo Toon Ee, be re-elected as a director of the Company."

If re-elected, Mr. Foo will remain an independent director. The Company will announce the reconstitution of the Board and Board Committees after the conclusion of this meeting. Mr. Foo is considered an independent director for the purpose of Rule 704(7) of the Catalist Rules.

There being no question raised, Resolution 3 was put to a vote by poll.

7. RESOLUTION 4 - DIRECTORS' FEES

The Chairman moved on to the next item on the agenda on the payment of directors' fees of S\$185,000 (equivalent to approximately US\$138,000) for the financial year ending 31 December 2024, payable quarterly by the Company in arrears.

There being no question raised, the Chairman proposed the following motion:

"THAT the payment of Directors' fees of S\$185,000 (equivalent to approximately US\$138,000) for the financial year ending 31 December 2024, payable quarterly by the Company in arrears be approved."

Resolution 4 was put to a vote by poll.

8. RESOLUTION 5 - RE-APPOINTMENT OF AUDITORS

The Chairman moved on to the next item on the agenda relating to the re-appointment of Crowe Horwath First Trust LLP as auditors of the Company for the financial year ending 31 December 2024 and to authorise the directors of the Company to fix their remuneration.

The Meeting was informed that Crowe Horwath First Trust LLP had indicated their willingness to continue as the auditors of the Company and the Chairman proposed the following motion:

“THAT Crowe Horwath First Trust LLP be re-appointed as auditors of the Company for the ensuing year and that the Directors be authorised to fix their remuneration.”

There being no question raised, Resolution 5 was put to a vote by poll.

9. ANY OTHER BUSINESS

As the Company had not received any notice in respect of any other ordinary business that may be properly transacted at the Meeting, the Chairman proceeded to the Special Business of the Meeting.

**SPECIAL BUSINESS**

10. RESOLUTION 6 - AUTHORITY TO ALLOT AND ISSUE SHARES

The Chairman proceeded to deal with the special business on the agenda relating to Ordinary Resolution 6, to authorise the directors of the Company to issue and allot shares and/or instruments pursuant to section 161 of the Companies Act 1967 and Rule 806 of the Catalist Rules. The text of this resolution was set out in the notice of AGM.

The Chairman proposed Resolution 6 and there being no question raised, Resolution 6 was put to a vote by poll.

11. RESOLUTION 7 – RENEWAL OF THE SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS

The Chairman proceeded to the next item on the agenda relating to Ordinary Resolution 7 on the renewal of the Shareholders’ Mandate for Interested Person Transactions. Details of the Shareholders’ Mandate for Interested Person Transactions were set out in the appendix dated 8 April 2024 (“**Appendix**”) and the text of this resolution was set out in the notice of AGM.

It was noted that APP Printing (Holding) Pte Ltd, an interested person as defined in the Appendix had abstained from voting on this resolution.

The Chairman proposed Resolution 7 and there being no question raised, Resolution 7 was put to a vote by poll.

12. RESOLUTION 8 – RENEWAL OF THE SHARE PURCHASE MANDATE

The Chairman proceeded to the next item on the agenda relating to Ordinary Resolution 8 on the renewal of the Share Purchase Mandate. Details of the Share Purchase Mandate were set out in the Appendix and the text of this resolution was set out in the notice of AGM.

There being no question raised, the Chairman proposed Resolution 8 and Resolution 8 was put to a vote by poll.

13. COUNTING OF VOTES

There being no further matters to be tabled or discussed, the Chairman requested the shareholders and proxies present to complete and sign the poll voting slips. The slips were collected from the shareholders for tabulation, and the shareholders were invited for refreshments while waiting for the results of the poll from the scrutineers. Shareholders and proxies were requested to be back in the conference room for the announcement of the poll result in approximately 20 minutes.

14. POLLING RESULTS

At 10:59 a.m., the Meeting resumed, and the Chairman announced the results of the poll in Appendix 2 and declared that all the Ordinary and Special resolutions were carried.

15. CONCLUSION OF MEETING

There being no other business, the Chairman declared the Meeting closed at 11:03 a.m. and thanked all for participating in the Meeting.

The Meeting was informed that the minutes of this Meeting would be made available on the Company's website and on SGXNet within one month of the date of this Meeting.

Confirmed by,

Chow Wai San  
Independent Non-Executive Chairman

## Appendix 1

### Substantial Questions Raised by Shareholders.

**1) Are the current stationery products offered by the Company relevant in the current digital world?**

The Company's products are tools that complement the digital world and were never meant to replace digital applications or alternatives. Based on the result of a market research performed by the Company, it was noted that with the growth of e-commerce business, consumers are still looking for paper stationery products and there is still a significant demand for printed-copy diaries globally. The consumers continue to use printed-copy diaries for their personal, organisation and management needs. By using printed-copy diaries, consumers are also able to extract information offline.

It was explained that the new designs of the dairies displayed on slide 9 of the presentation pack seek to attract the younger generation. It has been noted that globally, the younger generation has developed the habit of using printed-copy diaries to write down important information and there is an increased focus on mental health wellness journalling.

**2) Is there an increase in the sale of the Stationery products of the Company in the recent years?**

There was a marginal decrease in Stationery sales. Management has shifted its focus to new target customers and new paper products. Mr. Hayat further explained the rationale of the new designs by Jumble & Co. and how the concept of the new diaries embraces the duality of emotions and our mental health awareness, as described by the Jumble & Co.'s story, and marketing its products to younger group of customers as its target market. The Company emphasised that mental health awareness is an important factor in today's world. As such, the Company is expanding from selling diaries to mental health wellness journals, while also looking into different products to grow the Company's product range.

**3) It was noted that Stationery sales to Hong Kong was US\$63.3 million (page 136 of the Annual Report). How did the Company achieve it?**

The Company clarified that revenue generated from Hong Kong was by the Company's subsidiary, Paperich Pte. Ltd. which deals primarily in pulp and paper trading. The Company's stationery revenue of the Group was US\$14.75 million (page 134 of the Annual Report) generated mainly from the United Kingdom and Australia.

**4) The Group has a fixed deposit of US\$ 9 million. Why was the interest income only US\$112,000?**

Due to liquidity and working capital requirements for the Group's operations, majority of the cash were placed in fixed deposits for short tenors of one to two months.

**5) What is the impact on the Group if the US dollar weakens?**

The Group's functional and reporting currency is US Dollars. Currency fluctuation may potentially increase or decrease the costs and/or our overseas revenue. The Group's sales are predominantly in US Dollars, Sterling Pounds, Australian Dollars while our purchases are primarily in US Dollars. Accordingly, there is a natural hedge in our foreign currency exposure. In addition, Management actively monitors exchange rate fluctuations on a daily basis and will take the necessary actions to minimise foreign exchange losses.

On the impact on the US dollar strengthening or weakening by 10% against relevant foreign currencies, kindly refer to *foreign exchange risk sensitivity* on page 142 of the Annual Report for the financial statements ending 31 December 2023.

**6) What were the interest expenses incurred on lease liabilities relating to?**

Prior to the year 2019, lease expenses were expensed off under the Statement of Profit or Loss. Effective from 1 January 2019, the new accounting standards (SFRS(I) 16 *Leases*) require all lease contracts, unless exempted, to be recorded as Right-of-Use assets and lease liabilities in the Statement of Financial Position. With reference to the recognition of lease by lessee under SFRS(I) 16, paragraph 22, "At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability."

With reference to SFRS(I) paragraph 26, "At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease". In other words, at initial recognition, the present value of lease liability (which resulted in a smaller amount than total future lease payments) represents the principal amount outstanding. Subsequently, the present value of lease liabilities will be increased considering the time value of money, and this increase will be reflected as interest expense on lease liabilities, representing the unwinding impact of previously discounted amount for future lease payments.

**7) It was noted that there was a proposed increase in Directors' fees in the Notice of the Annual General Meeting. Please explain the increase. The Company has been profitable in the last four financial years. Why didn't the Company declare a dividend?**

The Remuneration Committee ("RC") Chairman informed the meeting that when the Board Chairman and himself joined the Board in 2015 and 2016 respectively, the Company was making losses and was placed under the SGX watchlist. As such, the directors' fees paid were below market benchmark in light of the Company's financial performance. In 2017, the RC performed a benchmarking exercise on the directors' fees for implementation in 2018. In the same year, the RC also put in place a policy to benchmark the directors' fees and executive remuneration every 3 years. In 2018, the RC was mindful not to overburden the Company with the increase in directors' fees (even though the independent directors had been receiving fees below the market benchmark) as the Company was exiting the SGX watchlist. In 2020, the world was hit by COVID-19 and due to the uncertainties brought about by the COVID-19, the RC postponed the benchmarking exercise which was due in 2020 to 2022 until there is more certainty that COVID-19 has abated.

During the post-COVID-19 period, RC noted that both high interest rates and high inflation rates would affect the Company's performance. As such, the RC deferred the decision to implement the findings of the 2022 benchmarking exercise to 2024. In essence, the increase in directors' fees was deferred by some 5 years since the last increment in 2018.

It may not be appropriate to declare a dividend at this juncture, especially given the uncertain macroeconomic and operating environment that the Company is operating in. Moreover, the Company's profits over the last four financial years have been inconsistent and volatile (as shown in the annual reports of the Company).

**8) What is the future of the Company's business?**

The Company's intention is to continue on its path of growth and stabilise its core business. Moving forward, the Company seeks to achieve consistent profits and make use of the resources on hand to counter challenges ahead.

**9) Will the Company be selling the two properties in Singapore?**

The Company is currently using the properties to cater for its operational needs. Unutilised space was leased to third parties. To sell the properties and lease alternative properties to cater for its operational needs will likely increase our operational expenses.

Nevertheless, the Management team is constantly exploring ways to maximise returns for its stakeholders (such as installing solar panels on the roof of the properties to harness solar energy).





Date: 30 April 2024

**NIPPECRAFT LIMITED**

2 Venture Drive  
#24-01 Vision Exchange  
Singapore 608526

**SCRUTINEER'S CERTIFICATE FOR THE ANNUAL GENERAL MEETING**

**Date and Time: Tuesday, 30 April 2024 at 10.00 a.m.**

**Venue: Function Room 3-1, Level 3, ISCA House, 60 Cecil Street, Singapore 049709**

Dear Chairman

As scrutineer appointed for the poll conducted at the Annual General Meeting held on 30 April 2024, we hereby certify that the results of the poll in respect of the following resolutions are correctly set out below:-

Resolution number and details	Total number of shares represented by votes for and against the relevant resolution	For		Against	
		Number of Shares	As a percentage of total number of votes for and against the resolution (%)	Number of Shares	As a percentage of total number of votes for and against the resolution (%)
<b>Ordinary Resolution</b>					
<b><u>Resolution 1</u></b>					
To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023, together with the Auditors' Report thereon.	224,268,766	224,268,766	100	0	0
<b><u>Resolution 2</u></b>					
To re-elect and re-appoint Mr Raja Hayat, who is retiring by rotation under regulation 144 of the Company's Constitution and Rule 720(4) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.	224,268,766	224,268,766	100	0	0
<b><u>Resolution 3</u></b>					
To re-elect and re-appoint Mr Eddie Foo Toon Ee under regulation 154 of the Company's Constitution and Rule 720(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.	224,268,766	224,248,766	99.99	20,000	0.01
<b><u>Resolution 4</u></b>					
To approve Directors' fees for the financial year ending 31 December 2024, payable quarterly in arrears.	224,268,766	224,268,766	100	0	0
<b><u>Resolution 5</u></b>					
To re-appoint Crowe Horwath First Trust LLP as auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors of the Company to fix their remuneration.	224,268,766	224,268,766	100	0	0

Resolution number and details	Total number of shares represented by votes for and against the relevant resolution	For		Against	
		Number of Shares	As a percentage of total number of votes for and against the resolution (%)	Number of Shares	As a percentage of total number of votes for and against the resolution (%)
<b>Ordinary Resolution</b>					
<b><u>Resolution 6</u></b> To authorise the Directors to issue and allot shares and/or instruments pursuant to Section 161 of the Companies Act 1967.	<b>224,248,766</b>	<b>223,865,766</b>	<b>99.83</b>	<b>383,000</b>	<b>0.17</b>
<b><u>Resolution 7</u></b> To renew the Shareholders' Mandate for Interested Person Transactions.	<b>52,063,746</b>	<b>51,680,746</b>	<b>99.26</b>	<b>383,000</b>	<b>0.74</b>
<b><u>Resolution 8</u></b> To renew the Share Purchase Mandate.	<b>224,248,766</b>	<b>224,248,766</b>	<b>100</b>	<b>0</b>	<b>0</b>

Verified by:



**Gong Corporate Services Pte. Ltd.**  
Scrutineer