

# ANNUAL REPORT 2024



NIPPECRAFT

This Annual Report has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor").

This Annual Report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this Annual Report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report. The contact person for the Sponsor is Ms. Charmian Lim (Tel: (65) 6232 3210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.

## Corporate Statement

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Nippcraft Limited is an established provider of high-quality business and lifestyle stationery. This includes a wide range of diaries, notebooks, organisers and other products for the office, home, and school environment.

Our core brands are Collins and Debden. Collins has a strong heritage that dates back to the early 1800's in the United Kingdom, when the founder William Collins opened a small print shop in Glasgow, Scotland. Collins is a leading stationery brand in the UK and Australia.

The Debden brand launched in Australia and New Zealand in 1978. The brand is named after the old Debden Road in Singapore, which is now part of the Changi International Airport.

We have created a new brand, Jumble & Co, in the year 2021 and offer lifestyle products to promote mental wellness among our customers in year 2022.

We aim to transform from a traditional paper manufacturer to a global lifestyle stationery company for Everyone.

In addition to the stationery business, Nippcraft also has a pulp trading division which seeks to identify and respond to the supply and demand differential of pulp on a global scale.

The Company's global headquarter is in Singapore, with satellite offices in the United Kingdom and Australia. We are actively expanding into other markets to extend our global reach to our customers.



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# Sustainability Initiatives

Nippecraft strongly believes in sustainability. As a Company we are committed to continually improving our environmental performance and to the prevention of pollution and the minimisation of wastage. We work closely with our key vendors to implement a sustainable sourcing and procurement program. We only use raw materials from reputable, well-established suppliers who are compliant with environmental legislation and procedures.

Pulp and paper are the key raw materials in our products today, and we are committed to responsible forestry management. The Company is both Forest Stewardship Council (“FSC”) and Programme for the Endorsement of Forest Certification (“PEFC”) certified. Our pulp trading arm, Paperich Pte. Ltd. has also obtained endorsement by PEFC in 2021. Our Stationery business is committed to increasing or maintaining the proportion of materials from sources that are certified under Chain of Custody (“CoC”) programs as well as increasing the use of renewable materials that goes into our products.

In addition to sustainable sourcing, we also adhere to high social and ethical standards along our supply chain. The Company is a member of Supplier Ethical Data Exchange (“SEDEX”), a global organisation that helps companies manage an ethical supply chain. The SEDEX Members Ethical Trade Audit (“SMETA”) is one of the most widely used audit procedures in the world. It provides a globally recognised way to assess responsible supply chain activities, including labour rights, health & safety, the environment and business ethics. Furthermore, we have been instrumental in our key vendors adoption of the SEDEX standards.



The mark of responsible forestry



# CORPORATE INFORMATION

## Our Board of Directors

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Independent Non-Executive Chairman	Chow Wai San
Executive Director and Chief Executive Officer	Raja Hayat
Executive Director and Chief Financial Officer	Chan Cheng Fei
Independent Director	Raymond Lam Kuo Wei
Independent Director	Eddie Foo Toon Ee
Independent Director	Yek Boon Seng (Appointed on 15 March 2025)

## Audit Committee

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Chairman	Chow Wai San
Member	Raymond Lam Kuo Wei
Member	Eddie Foo Toon Ee

## Nominating Committee

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Chairman	Eddie Foo Toon Ee
Member	Chow Wai San
Member	Raymond Lam Kuo Wei

## Remuneration Committee

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Chairman	Raymond Lam Kuo Wei
Member	Chow Wai San
Member	Eddie Foo Toon Ee

## Auditors

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Crowe Horwath First Trust LLP (Appointed on 19 September 2014) 9 Raffles Place #19-20 Republic Plaza Tower 2 Singapore 048619	Partner-in-charge: Goh Sia (Appointed on 10 August 2022)
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## Companies Secretaries

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Chen Chuanjian, Jason  
Tan Ching Ching

## Registered Office

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2 Venture Drive  
#24-01 Vision Exchange  
Singapore 608526  
Tel: (65) 6262 2662  
Email: [Investors@nippecraft.com.sg](mailto:Investors@nippecraft.com.sg)

## Share Registrar

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B.A.C.S. Private Limited  
77 Robinson Road  
#06-03 Robinson 77  
Singapore 068896

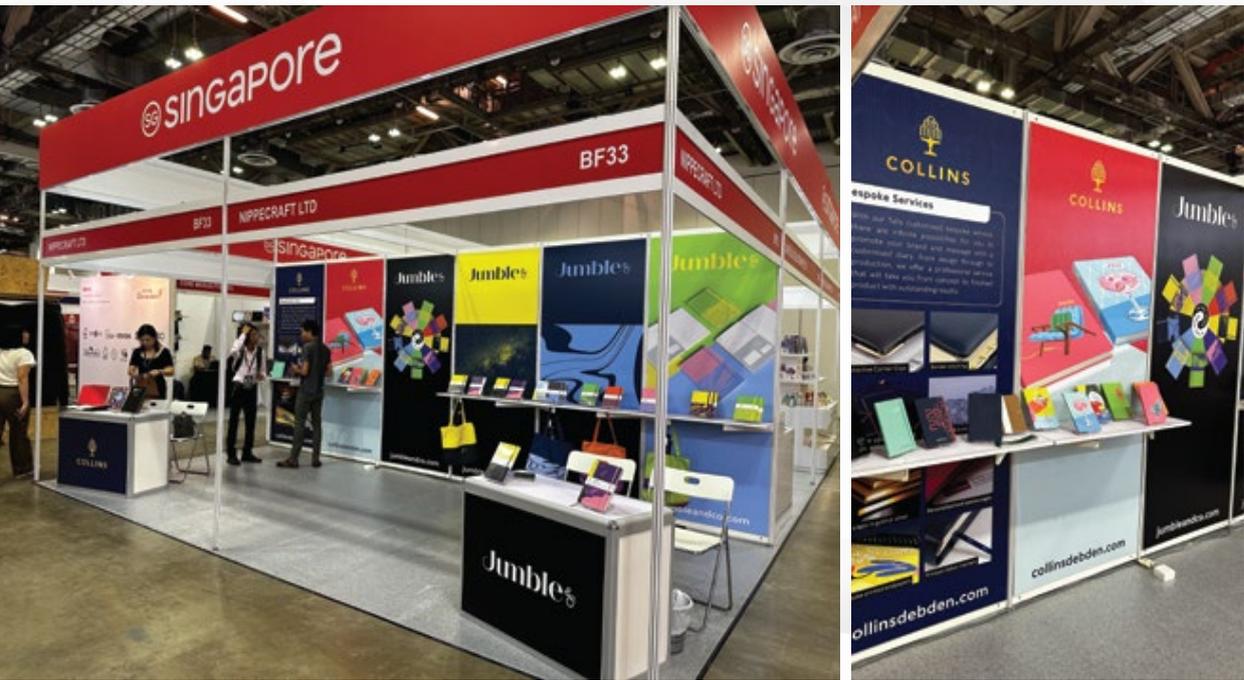
## Continuing Sponsor

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SAC Capital Private Limited  
1 Robinson Road  
#21-01 AIA Tower  
Singapore 048542

# MARKETING ACTIVITIES

## Singapore Gift Trade Fair



## USA Vegas Trade Fair



## Edinburgh Wedding Exhibition



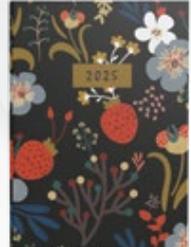
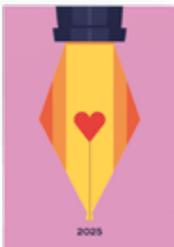
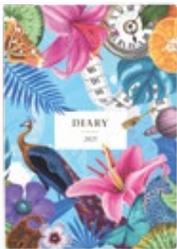
## Display at Singapore NBC Raffles City & Bugis Junction



## Product Showcase at Singapore Design Orchard



## 2025 New Product Range



2025



# CORPORATE SOCIAL RESPONSIBILITY

Singapore Beach Clean Up at East Coast Park



Clean Up Australia Day at Bella Vista Park



## Glasgow Children's Hospital Charity Walk



## Glasgow City Mission



# Key Financial Data



<b>Key Financial Data</b>	<b>FY2024</b>	<b>FY2023</b>	<b>FY2022</b>	<b>FY2021</b>	<b>FY2020</b>
<b>US\$'000</b>					
<b>Sales</b>	<b>105,343</b>	111,548	129,719	140,143	143,048
<b>Profit after tax</b>	<b>485</b>	1,344	4	324	59
<b>Profit / (Loss) before tax</b>	<b>469</b>	1,370	(11)	300	225
<b>Depreciation</b>	<b>645</b>	616	493	679	645
<b>Interest expense</b>	<b>67</b>	72	302	458	444
<b>EBITDA*</b>	<b>1,181</b>	2,058	784	1,437	1,314
<b>At year-end</b>					
Shareholders' funds / Net assets	<b>32,117</b>	31,952	30,143	31,010	30,849
Total assets	<b>56,783</b>	56,421	63,846	63,398	57,687
Cash and bank balances	<b>17,626</b>	19,326	16,943	22,985	18,242
<b>Per Share Data (cents)</b>					
Net earnings**	<b>0.138</b>	0.382	0.001	0.092	0.017
Net assets***	<b>9.14</b>	9.09	8.58	8.82	8.78
<b>Financial Ratios</b>					
Return on equity (%)****	<b>1.51</b>	4.33	0.01	1.05	0.19

\* *EBITDA means earnings before interest, taxes, depreciation and amortisation.*

\*\* *Earnings per share is based on the weighted average number of shares.*

\*\*\* *Net assets per share is based on the number of issued shares (excluding treasury share) as at year end.*

\*\*\*\* *Return on equity is computed based on the net profit after tax over the average of beginning and closing of shareholders' funds.*

# Chairman's message

## Dear Shareholders,

On behalf of the Board, I am delighted to share the Company's annual report for the fiscal year ended 31 December 2024 ("FY2024"). This marks the fifth consecutive year of profitability for the Group.

The past year unfolded against a backdrop of geopolitical tensions, rivalry between global economic powerhouses and potential slowdown in economic growth. Restrictive monetary and fiscal policies in an uncertain interest rate environment dampened global consumer sentiments. These factors fuelled global uncertainties and market volatility.

Despite a series of interest rate cuts by various central banks and tamer inflation rates in our key markets in year 2024, the persistent strong US dollar continues to dampen consumer confidence in our core markets. Consequently, Group revenue fell by 6% while through better inventory management, gross profit improved by 8%. This helped the Group to absorb the 4% increase in operating expenses. Despite those headwinds, the Group emerged strongly, achieving positive results for the fifth straight year.

In FY2024, revenue from our stationery and trading businesses declined by 3% and 6% respectively, resulting in a total revenue of US\$105.3 million, i.e a 6% year-on-year decrease. The trading segment's decline was mainly due to the unavailability of the supplier's shipment.

Notably, the Group's overall gross profit margin improved from 7% to 8%, due to the aforementioned reasons, coupled with a favourable shift in sales mix for the stationery business. The margin for stationery business climbed from 46.4% to 52.4%.

The Group reported a profit after tax of US\$0.5 million and an EBITDA of US\$1.2 million. Net asset value per share increased to 9.14 US cents, and the year concluded with a strong net cash position of US\$17.6 million.

Near-term projections suggest that the Group will continue to face global and economic uncertainties and headwinds from continued commercial conflicts, which may potentially add to the inflationary pressures in our key markets. Changes in consumer sentiments and consumption will also be more impactful given the increase in the Group's ecommerce and/or online sales.

The Group remains committed to evolving from a traditional paper manufacturer into a globally accessible stationery brand for Everyone. Prioritising the socio-environmental impact of our operations is critical to maintaining relevance and ensuring long-term sustainability.

The Board oversees the Group's policies and performance across Economic, Environmental, Social, and Governance ("EESG") priorities. In FY2024, these frameworks were reviewed and updated, with detailed insights published in the Sustainability Report section of this annual report.

The Board holds primary responsibility for shaping the Group's policies and performance in critical EESG areas. It actively monitors and oversees the management of these priorities. In FY2024, the Group reviewed and updated its EESG frameworks, with comprehensive details outlined in the Sustainability Report.

As part of the ongoing sustainability commitment, the Group is focused on embedding sustainability deeper into strategic decision-making and assuring stakeholders that our operations prioritise transparency and long-term sustainability.

We are pleased to welcome Mr. Yek Boon Seng (“**Boon Seng**”) to the Board as an Independent Director, effective from 15 March 2025. Boon Seng, is an accountant with extensive professional experience. In recent years, he has taken on senior leadership roles in a number of significant companies. He brings with him a wealth of commercial and operational experience. We look forward to his participation on the Board and Board Committees. His role, across all Board Committees will be finalised and announced after the Annual General Meeting (“**AGM**”) to be held on 28 April 2025.

I was appointed as an Independent Director some eight years ago on 26 October 2016. Since then, I have witnessed the various challenges the Group has overcome. It was a privilege to journey those testing times with the support and hard work of the various professionals, previous board members, shareholders, management and other stakeholders. Nippecraft emerged well from unprecedented difficulties to exit the SGX-ST watchlist in 2018 and persevered through the Covid-19 pandemic. Nippecraft has also achieved greater and more profitability in the process. Excluding the one-time gains on disposal of the 9 Fan Yoong Road property in financial year ended 31 December 2023, Nippecraft has doubled its net profit after tax in FY2024, notwithstanding the decline in revenues.

The Company’s quest for global success and sustainable profitability will continue in an environment of current macroeconomic uncertainties and challenges as well as shifting consumers consumption patterns. These will have unavoidable impact on the business and operations of Nippecraft. However, I am confident that the reconstituted Board after the forthcoming AGM, together with the strong management team will be able to build on the strong foundation of the Company and lead Nippecraft forward amid the current economic disruptions.

After more than eight years of service in Nippecraft and as part of Board renewal, I will step down as Independent Non-Executive Chairman following the conclusion of the AGM on 28 April 2025. Mr. Raymond Lam Kuo Wei (“**Raymond**”) who was appointed as Independent Director on 30 July 2021 will succeed me as the Independent Non-Executive Chairman of the Board. The Company will release an announcement of the reconstitution of the Board and Board Committees after the conclusion of the forthcoming AGM.

As a final note, I would like to express my sincere gratitude for the opportunity to serve on the Nippecraft Board. I also wish to extend my heartfelt appreciation to both the current and previous boards of the Company, the management, shareholders, professionals and other stakeholders who have supported and guided me during my tenure as Independent Director of Nippecraft. As I hand over Nippecraft to the new Board under Raymond’s leadership, I look forward to watching Nippecraft create and deliver greater value to its stakeholders as it advances toward its vision of becoming a global stationery for Everyone.

Sincerely,

Chow Wai San  
Independent Non-Executive Chairman  
2 April 2025

# Board of Directors

**Chow Wai San, 53**

*Independent Non-Executive Chairman*

**Committee(s)**

Chairman, Audit Committee

Member, Nominating Committee

Member, Remuneration Committee

**Date of Appointment**

Director on 26 October 2016

Chairman on 30 April 2024

**Last re-elected on**

26 April 2022

**Other Listed Company Directorships**

- Universal Resource and Services Limited
- The Hour Glass Limited

**Principal Commitments**

Partner

Avenue Family Office (SG) Pte Ltd

**Professional Qualifications**

- Bachelor of Accountancy,  
Nanyang Technological University
- Chartered Financial Analyst,  
CFA Institute, USA
- Chartered Accountant,  
Institute of Singapore Chartered Accountants
- Certified Public Accountant,  
CPA Australia
- Senior Accredited Director,  
Singapore Institute of Directors

**Past Experiences**

Over 28 years of professional experience in various corporate advisory work, including cross-border corporate restructuring, mergers and acquisitions as well as litigation consultancy and support.

**Raja Hayat, 53**

*Executive Director and Chief Executive Officer*

**Committee(s)**

Nil

**Date of Appointment**

Director on 1 January 2021

Chief Executive Officer on 1 March 2022

**Last re-elected on**

30 April 2024

**Other Listed Company Directorships**

Nil

**Principal Commitments**

Chief Executive Officer

Nippecraft Limited

**Professional Qualifications**

- Advance Level Certificate,  
General Cambridge Examination

**Past Experiences**

Over 30 years of experience in retail management in United Kingdom and internationally.

**Chan Cheng Fei, 53***Executive Director and Chief Financial Officer***Committee(s)**

Nil

**Date of Appointment**

Director on 1 January 2021

Chief Financial Officer on 29 June 2018

**Last re-elected on**

24 April 2023

**Other Listed Company Directorships**

Nil

**Principal Commitments**Chief Financial Officer  
Nippecraft Limited**Professional Qualifications**

- Master of Business Administration & Bachelor of Accountancy,  
Nanyang Technology University
- Fellow Chartered Accountant,  
Institute of Singapore Chartered Accountants

**Past Experiences**

Over 28 years in both corporate finance and operational financial management in companies listed on the Singapore Exchange.

**Raymond Lam Kuo Wei, 48***Independent Director***Committee(s)**

Chairman, Remuneration Committee

Member, Audit Committee

Member, Nominating Committee

**Date of Appointment**

Director on 30 July 2021

**Last re-elected on**

24 April 2023

**Other Listed Company Directorships**

- XMH Holdings Ltd
- ASTI Holdings Limited

**Principal Commitments**Managing Director  
RL Law LLC**Professional Qualifications**

- Bachelor of Law (Hons),  
National University of Singapore
- Advocate & Solicitor,  
Supreme Court of Singapore
- Solicitor,  
England and Wales
- Fellow,  
Chartered Secretaries Institute of Singapore
- Notary Public & Commissioner of Oath
- Senior Accredited Director,  
Singapore Institute of Directors

**Past Experiences**

Over 20 years of legal experience in corporate restructuring and insolvency.

**Eddie Foo Toon Ee, 53**  
*Independent Director*

**Committee(s)**

Chairman, Nominating Committee  
Member, Audit Committee  
Member, Remuneration Committee

**Date of Appointment**

Director on 15 March 2024

**Last re-elected on**

30 April 2024

**Other Listed Company Directorships**

- XMH Holdings Ltd

**Principal Commitments**

Group Chief Financial Officer  
CSE Global Ltd

**Professional Qualifications**

- Bachelor of Accountancy,  
Nanyang Technological University
- Chartered Accountant,  
Institute of Singapore Chartered Accountants
- Certified Public Accountant,  
CPA Australia
- Accredited Director,  
Singapore Institute of Directors

**Past Experiences**

Over 28 years of financial management, corporate finance, mergers and acquisitions experience in listed and multinational companies.

**Yek Boon Seng, 49**  
*Independent Director*

**Committee(s)**

Nil

**Date of Appointment**

Director on 15 March 2025

**Last re-elected on**

Not applicable

**Other Listed Company Directorships**

Nil

**Principal Commitments**

Chief Executive Officer  
E-Bridge Pre-School Pte Ltd

**Professional Qualifications**

- Bachelor of Accountancy,  
Nanyang Technological University
- Chartered Accountant,  
Institute of Singapore Chartered Accountants
- ASEAN Chartered Professional Accountant  
– ASEAN CPA

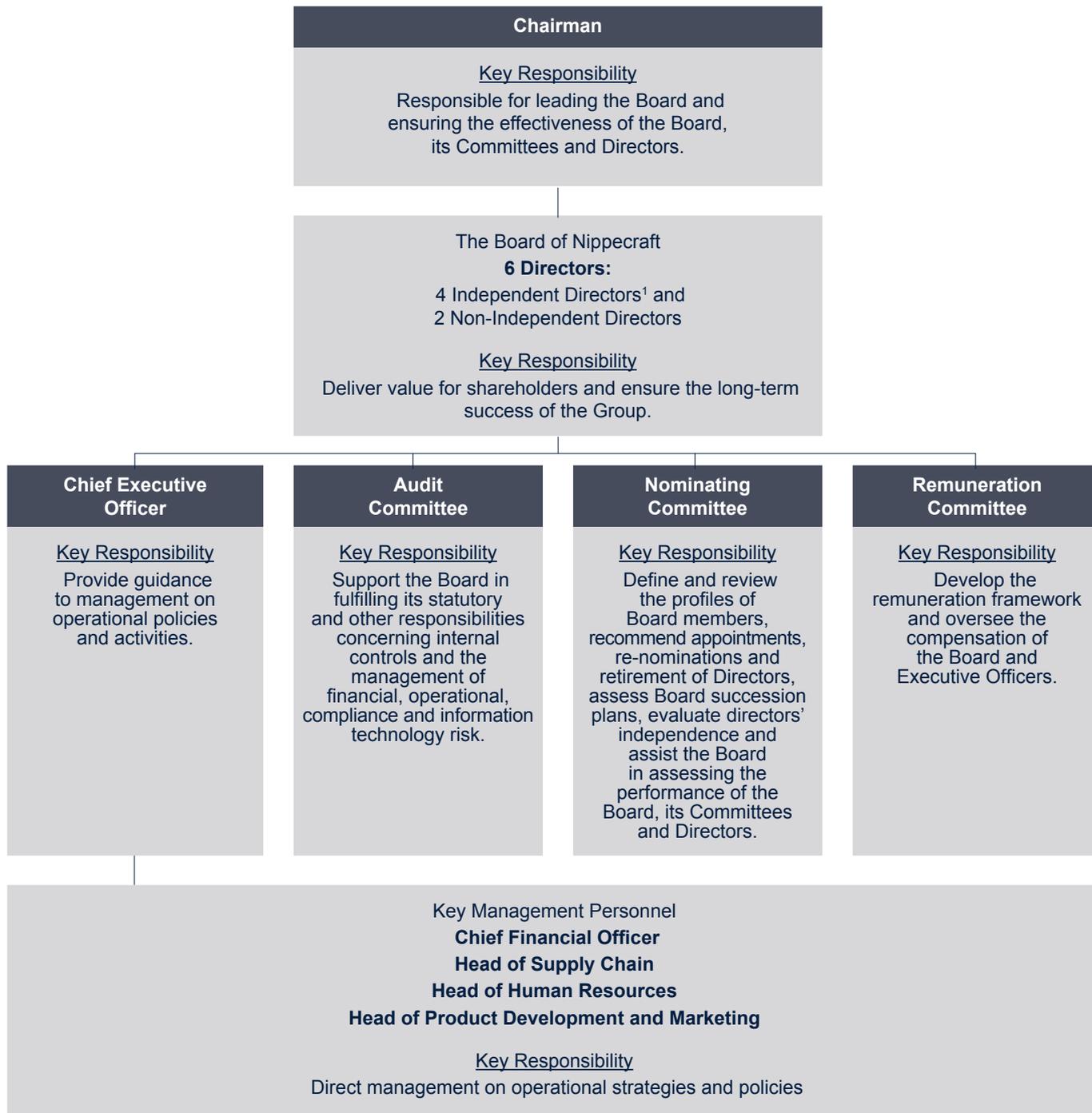
**Past Experiences**

Over 25 years of professional experience in corporate finance, restructuring advisory, and financial forensic investigations across local and international engagements, with commercial and operations management experience in Singapore and Malaysia.



# Corporate Governance Statement

## Our Governance Framework



<sup>1</sup> Mr. Chow Wai San will be retiring at the conclusion of the annual general meeting to be held on 28 April 2025 as Independent Non-Executive Chairman.

Nippcraft Limited (“**Nippcraft**” or the “**Company**”, and together with its subsidiaries, the “**Group**”), view corporate accountability, transparency and sustainability as strategic tools for enhancing long-term shareholders’ value and is committed to observing high standards of corporate governance.

The Listing Manual - Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**” or “**Singapore Exchange**”) requires an issuer to describe its corporate governance practices with specific reference to the principles and the provisions of the Code of Corporate Governance 2018 (“**2018 Code**”) in its annual report, as well as disclose any deviation from any provision of the 2018 Code and explain how the practices it had adopted are consistent with the intent of the relevant principle.

This statement outlines the policies adopted and practised by the Group for its annual report for the financial year ended 31 December 2024 (“**FY2024**”) (“**Annual Report 2024**”) with specific reference to the relevant principles and provisions of the 2018 Code. The Company has generally adopted principles and practices of corporate governance in line with the recommendations of the 2018 Code, save as highlighted and explained in this statement.

## **BOARD MATTERS**

### **1.0 THE BOARD’S CONDUCT OF AFFAIRS**

*The company is headed by an effective Board which is collectively responsible and works with Management for the long- term success of the company.*

#### **1.1 Directors are fiduciaries who act objectively in the best interests of the Company**

As at the date of this report, the Board of Directors of the Company (the “**Board**” or the “**Directors**”) is made up of the following members:

Chow Wai San	Independent Non-Executive Chairman
Raja Hayat	Executive Director and Chief Executive Officer (“ <b>CEO</b> ”)
Chan Cheng Fei	Executive Director and Chief Financial Officer (“ <b>CFO</b> ”)
Raymond Lam Kuo Wei	Independent Director
Eddie Foo Toon Ee	Independent Director
Yek Boon Seng	Independent Director

The Board is accountable to the shareholders for delivering value for shareholders and ensuring the long-term success of the Group. The Board works closely with the management of the Company (the “**Management**”) and the Management remains accountable to the Board.

The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group and are fiduciaries who are obliged to act in good faith and to make objective decisions in the best interests of the Group.

The Board is also aware of the requirements of Rules 905 and 906 of the Catalist Rules in relation to Interested Person Transactions. The Company will ensure that any Interested Person Transactions are clearly communicated to shareholders in public announcements released via SGXNet, when deemed necessary.

The primary functions of the Board, apart from its statutory duties, include:

- Guide the formulation of the Group’s overall long-term strategic plans and performance objectives as well as operational initiatives;
- Oversee the evaluation of the adequacy and effectiveness of financial reporting, internal controls and risk management frameworks;
- Monitor the financial performance of the business including approval of release of the interim and annual financial reports and interested person transactions;
- Identify the key shareholder groups and recognise that their perceptions affect the Company’s reputation;
- Appointment or removal of Directors, executive officers and Company Secretary;
- Approve major proposals involving funding, investments, acquisitions and/or divestments;
- Set the Group’s approach to corporate governance, including the establishment of the Company’s ethical values and standards;

- Balance of the demands of the business with those of the Company's stakeholders and ensure obligations to material stakeholder group (including shareholders) are met; and
- Review sustainability and climate change issues.

The Board adopted a set of ethical values and standards which establishes the fundamental principles of professional and ethical conduct expected of the Directors in the performance of their duties. It includes guidelines on matters relating to conflicts of interest. When an actual, potential or perceived conflict of interest arises, the concerned Director must disclose such interest, recuse himself or herself from discussions and decisions involving the matter, and abstain from voting on resolutions regarding the matter.

## 1.2 Directors' duties, induction, training and development

All Directors are aware of their fiduciary duties and are committed to exercising due care and diligence in making decisions and to objectively discharge their duties and responsibilities in the best interest of the Company. Aside from their statutory duties, the key roles of different classes of Directors are set out below:

- The Executive Directors, who are members of the Management, are involved in the day-to-day running of the Group's business operations. The Executive Directors work closely with the Independent Directors on the long-term sustainability and success of the Group. They provide insights and recommendations on the Group's operations at the Board and Board Committee meetings.
- Our Independent Directors do not participate in the Group's business operations and are deemed independent by the Board. They provide independent and objective advice and insights to the Board and the Management. They constructively challenge the Management on its decisions and contribute to the development of the Group's strategic goals and policies. They participate in the review of the Management's performance in achieving the strategic goals as well as the appointment, assessment and remuneration of the Executive Directors and the Executive Officers.

The Executive Directors are appointed by way of service agreements while the Independent Directors are appointed by way of letters of appointment. The duties and responsibilities of the Directors are clearly set out in these service agreements and letters of appointment respectively.

New Directors appointed to the Board are briefed by the Chairman, as well as Chairmen of the Board Committees on issues relevant to the Board and Board Committees. A new Director would be provided an induction pack on the Group's industry, business, organisational structure and strategic plans and objectives. Terms of reference of the Board Committees, the Enterprise Risk Management Manual and all relevant policies and procedural guidelines would also be provided.

It is a requirement under Rule 406(3)(a) of the Catalist Rules for first-time appointees on boards of public listed companies in Singapore to attend the prescribe training under Practice Note 4D of the Catalist Rules. Mr. Yek Boon Seng ("**Mr. Yek**") was appointed to the Board on 15 March 2025 and will be attending the necessary training on the roles and responsibilities of a director of a listed issuer as prescribed by the Singapore Exchange within one year from his appointment date.

Orientation for new Directors includes meetings with various key executives of the Management and visits to the Company's corporate office to familiarise themselves with the operations. Management will also brief the new Director on the Group's strategic direction, business activities, key business risks, governance practices, statutory and other duties and responsibilities as Director.

On an ongoing basis, Directors were provided with updates on changes in laws and regulations, including the Companies Act 1967 of Singapore ("**Companies Act**"), the Catalist Rules and the Code of Corporate Governance and the Singapore Exchange which are relevant to the Group. The external auditors regularly update the Audit Committee and the Board on the developments in the Singapore Financial Reporting Standards (International) ("**SFRS(I)**") which are applicable to the Group. Changes to regulations and accounting standards are monitored closely by the Management. In addition, the Management regularly updates and familiarises the Directors on the business activities of the Group during Board and Board Committee meetings.

Directors have also attended courses, training and development programmes organised by the following establishments:

Establishment	Chow Wai San	Raja Hayat	Chan Cheng Fei	Raymond Lam Kuo Wei	Eddie Foo Toon Ee	Yek Boon Seng
Accounting and Corporate Regulatory Authority	✓			✓		
Assure Safety Pte. Ltd.		✓	✓			
Building Construction Timber Industries Employees Union			✓			
CPA Australia	✓				✓	
CFA Institute	✓					
Chartered Secretaries Institute of Singapore				✓		
C-Engagement Convention		✓	✓			
Crowe Horwath First Trust LLC			✓			
Drew & Napier LLC		✓	✓	✓		
Ingram Micro Asia Pte Ltd			✓			
Institute of Singapore Chartered Accountants	✓		✓	✓		✓
Jedox			✓			
Law Society of Singapore				✓		
Nanyang Technological University – Decarbonisation Forum			✓			
NTUC Learning Hub		✓	✓			
Singapore Academy of Law				✓		
Singapore Exchange Limited	✓		✓	✓		
Singapore Institute of Directors	✓			✓	✓	
State Courts of Singapore				✓		
Wealtra by Hubbis						✓

The Nominating Committee evaluates the individual Director's competencies and recommends to the Board on training and development programmes for each Director. Our Directors are also encouraged to attend relevant seminars and training programmes to enhance their skills and knowledge, the expenses of which will be borne by the Company.

### 1.3 Matters requiring Board's approval

Although the day-to-day management of the Company is delegated to the Executive Directors, there are matters which are required to be decided by the Board as a whole including, but not limited to, the following:

- Appointment and compensation for executive officers;
- Board committees and executive officers' succession plans;
- Changes in auditors, company secretary and legal advisor;
- Changes to capital structure or corporate structure;
- Crisis management framework;
- Dividend policy and payout (including recommendation or declaration of dividend);
- Group financial reporting, internal controls and risk management frameworks;
- Group's annual budget and plans, financial statements (interim and full year), annual reports, circulars to shareholders and announcements;
- Material acquisitions and disposals of investments;
- Material capital expenditure;
- Material Group policies;
- Group's strategic plans;
- Group's risk appetite and risk tolerance for different category of risks as well as counter measures for management of material risks;

- Interested person transactions;
- Issuance of guarantees and charge on assets;
- Issuance of new shares;
- Recommendation of Directors' fees; and
- Sustainability and climate change issues.

Important matters are decided subject to the recommendation by the respective Board Committees. Matters which the Board considers suitable for delegation to a Board Committee are contained in the terms of reference of the respective Board Committees.

#### 1.4 Board Committees

Board Committees, namely the Audit Committee (“AC”), Nominating Committee (“NC”) and Remuneration Committee (“RC”), have been established to assist the Board. No Risk Committee was established as the responsibility continues to reside with the Board. Each Board Committee has its own terms of reference, setting out the composition, authorities and duties, which are approved by the Board. All Board Committees are chaired by an Independent Director. While these Board Committees are delegated with certain responsibilities, the responsibility for decisions relating to matters under the purview of the Board Committees ultimately lies with the entire Board.

The terms of reference of the respective Board Committees, which are reviewed by the Board on a regular basis, as well as other further information on the Board Committees can be found in the subsequent sections of this statement.

#### 1.5 Attendance and participation in Board and Board Committee Meetings

Board and Board Committee meetings are held regularly, with Board and AC meetings held at least twice a year and RC and NC meetings held at least once a year. Board and Board Committee meetings and annual general meetings are scheduled in advance to facilitate the Directors' attendance. Ad-hoc meetings will be convened when the Board's guidance or approval is required, outside of the scheduled Board meetings.

The number of Board and Board Committees meetings held during FY2024 and the attendances of the Directors at these meetings are set out below:

Names of Directors	Board Meeting		Board Committee Meeting					
			AC		NC		RC	
	Number of meetings Held <sup>(1)</sup>	Number of meetings Attended <sup>(1)</sup>	Number of meetings Held <sup>(2)</sup>	Number of meetings Attended <sup>(2)</sup>	Number of meetings Held	Number of meetings Attended	Number of meetings Held	Number of meetings Attended
Chow Wai San	3	3	3	3	1	1	1	1
Raja Hayat	3	3	3	3 <sup>(3)</sup>	1	1 <sup>(3)</sup>	1	1 <sup>(3)</sup>
Chan Cheng Fei	3	3	3	3 <sup>(3)</sup>	1	1 <sup>(3)</sup>	1	1 <sup>(3)</sup>
Raymond Lam Kuo Wei	3	3	3	3	1	1	1	1
Eddie Foo Toon Ee <sup>(4)</sup>	3	2	3	2	1	0	1	0
Yek Boon Seng <sup>(5)</sup>	3	0	3	0	1	0	1	0
Khoo Song Koon <sup>(6)</sup>	3	2	3	2	1	1	1	1

**Notes:**

- <sup>(1)</sup> Includes 1 ad-hoc Board meeting  
<sup>(2)</sup> Includes 1 ad-hoc AC meeting  
<sup>(3)</sup> By invitation  
<sup>(4)</sup> Appointed on 15 March 2024  
<sup>(5)</sup> Appointed on 15 March 2025  
<sup>(6)</sup> Retired on 30 April 2024

In accordance with the Company's Constitution, a Director who is unable to attend a Board meeting can still participate in the meeting via telephone conference, video conference or similar communication means whereby all persons participating can hear each other. Important matters concerning the Group can also be put to the Board and Board Committees for decision by way of written resolutions.

Our Directors have made a conscious effort to make themselves available and accessible to the Management for discussion and consultation outside the framework of formal meetings. Directors contribute by providing the Management with guidance and counsel on the strategic direction of the Company's plan, business and operations. As a consequence, the contribution of our Directors goes beyond attendance at formal Board and Board Committees meetings. Attendance at formal meetings alone is not a fair reflection of the true value and substance of their invaluable contributions.

When a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. In support of their candidature for directorship or re-election, Directors are to provide the NC with details of their other commitments and an indication of the time involved.

The Board and the NC have established a guideline on the maximum number of listed company directorships and other principal commitments that each Director is allowed to hold and this guideline can be found under Section 4 of this statement.

#### **1.6 Complete, adequate and timely information to make informed decisions**

The Management recognises that relevant, complete and accurate information needs to be provided to the Directors prior to meetings and on an on-going basis to enable the Directors to make informed decisions and discharge their duties and responsibilities effectively and efficiently.

The Management provides members of the Board with periodic management accounts, as well as relevant background information relating to the matters that are discussed at the Board and Board Committees meetings. Such reports keep the Board informed of the Group's performance, financial position and prospects, and consist of the consolidated financial statements, major operational updates, background or updates on matters before the Board for decision or information. The Board is also provided with minutes of the previous Board meeting, and minutes of meetings of all Board Committees held. Detailed Board papers are sent out to the Directors at least seven (7) calendar days before the scheduled meetings so that the Directors may better understand the issues beforehand, allowing for more time at such meetings for questions that Directors may have.

Any additional materials or information requested by the Directors are promptly furnished. If necessary, employees who are able to explain and provide insights to the matters to be discussed are invited to make the appropriate presentation and answer any queries that the Directors may have.

In respect of the annual budget of the Group, material variance between budgeted results and actual results would be disclosed and explained by the Management at Board meetings.

The Management will also inform the Board of all significant events as and when they occur and circulate Board papers and supporting information on major transactions to facilitate a robust discussion before the transactions are entered into.

#### **1.7 Separate and independent access to Management, company secretary and external advisers; Appointment and removal of the company secretary**

The Board has separate and independent access to the Management, the company secretaries and external professionals, including our Sponsor, legal counsels and auditors.

The Management, together with the Company Secretary, are responsible for ensuring the Group's compliance with Board procedures and other applicable rules and regulations. The Management is responsible for day-to-day operations and administration of the Group and they are accountable to the Board.

The role of the company secretaries is clearly defined and includes:

- Attending all Board and Board Committees meetings and ensuring that meeting procedures are followed;
- Together with the Management, ensuring that the Company complies with all relevant requirements of the Companies Act and the Catalist Rules;
- Advising the Board on all corporate governance matters; and

- Assisting the Chairman of the Board and Chairman of each Board Committee in ensuring adequate and timely flow of information within the Board or the Board Committees and between the Management and the Board or the Board Committees.

The appointment and removal of the company secretaries are subject to the approval of the Board as a whole.

## 2.0 BOARD COMPOSITION AND GUIDANCE

*The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the company.*

### 2.1 Independence of Director

### 2.2 Independent Directors make up a majority of the Board where the Chairman is not independent

As at the date of this statement, Mr. Chow Wai San (“**Mr. Chow**”), the Chairman of the Board is independent. The Board comprises a total of six (6) Directors, of whom four (4) are considered independent. The independent element on the Board is strong and this enables the Board to exercise objective independent judgement on corporate affairs and provide the Management with a diverse and objective perspective on issues.

The independence of each Director is reviewed annually by the NC. Each Independent Director is required to complete a checklist annually to confirm his independence in accordance with the guidelines on independence set out in the 2018 Code and the Catalyst Rules. An Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company. The NC and the Board have reviewed and ascertained that all Independent Directors are independent according to the 2018 Code, its Practice Guidance and Rules 406(3)(d)(i) and 406(3)(d)(ii) of the Catalyst Rules and noted that:

- (a) the Independent Directors:
  - (i) are not employed by the Company or any of its related corporations in the current or any of the past three (3) financial years;
  - (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three (3) financial years, and whose remuneration is determined by the RC; and
  - (iii) save for Mr. Chow, who was appointed on 26 October 2016 and is approaching his ninth year of service as a director of the Company, none of the Independent Directors have served as a director of the Company for an aggregate period of more than nine years as at the date of this statement. Mr. Chow has informed the Board of his intention to retire as a director immediately upon the conclusion of forthcoming annual general meeting. Following the retirement of Mr. Chow, Mr. Raymond Lam Kuo Wei (“**Mr. Lam**”) will be redesignated as Independent Non-Executive Chairman of the Company with effect from the conclusion of the forthcoming AGM.
- (b) none of the Independent Directors and their immediate family members had in the current or immediate past financial year:
  - (i) provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S\$50,000 for services other than compensation for board service; or
  - (ii) was a substantial shareholder, partner, executive officer or a director of any organisation which provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S\$200,000 for services rendered; and
- (c) none of the Independent Directors are directly associated with a substantial shareholder of the Company.

Mr. Lam was the Company Secretary of the Company from 23 April 2015 to 30 June 2021 during his employment as the Chief Executive Officer and Director of DrewCorp Services Pte Ltd (“**DrewCorp**”) from 1 March 2015 to 30 June 2021. Mr. Lam has also been the Company Secretary of Asia Pulp & Paper Company Ltd (“**APP**”), an indirect controlling shareholder of the Company since 2016. Between 1 February 2022 and 15 January 2025, Mr. Lam was the Chief Operating Officer of Drew Network Asia and the Head of Business Development in Drew & Napier LLC (“**DN**”).

Notwithstanding the above, Mr. Lam is considered independent as the NC and the Board has considered the following:

- (i) the total amount of fees paid by the Group to DrewCorp for corporate secretarial services during Mr. Lam's employment with DrewCorp did not exceed S\$50,000 over any financial year and is therefore consistent with Practice Guidance 2 of the 2018 Code;
- (ii) while Mr. Lam continues to hold the position of Company Secretary of APP, he receives a nominal fee that is not expected to compromise his independence;
- (iii) DN has provided intellectual property registration services to APP in FY2024 and the total fees paid was S\$3,123. DrewCorp has also provided corporate secretarial services to APP in FY2024 and the total fees paid was S\$22,874;
- (iv) save as disclosed, DrewCorp and DN did not provide any other services to the Group or to APP and its group of companies in FY2024;
- (v) he does not hold any shares in both DrewCorp and DN (the immediate holding company of DrewCorp);
- (vi) Mr. Lam has an obligation to disclose any engagement between APP and DN to the Board; and
- (vii) he would only abstain from any deliberations and discussions in relation to the same.

### **2.3 Non-executive Directors make up a majority of the Board**

As at the date of this statement, Non-executive Directors make up four (4) out of six (6) Board members and therefore constitute the majority.

### **2.4 Size and composition of the Board and Board Committees; Board diversity policy**

The Board has examined the size of the Board and the Board Committees and is of the view that it is an appropriate size for effective decision-making, considering the nature and scope of the Group's operations. No individual or small group of individuals dominate the Board's decision making. The Board and Board Committees comprise business leaders and professionals taking into account the scope and nature of the operations of the Group. The standing of the members of the Board in the business and professional communities, and with their combined business, management and professional experience, knowledge and expertise, provide the necessary core competencies to meet the Group's needs and to allow for diverse and objective perspectives on the Group's strategic direction and growth. The profiles of the Directors are set out in the "Board of Directors" section of the Annual Report 2024.

The Company recognises and embraces Board diversity as an essential element in supporting the achievement of business objectives and sustainable development in the ever-changing business environment. Together, the Directors are expected to bring with them in the context of the skills, experience, and knowledge which the Board as a whole requires to be effective. Directors must be allowed to apply their experience for the useful exchange of ideas and views. The Company believes that a diverse board will improve discussion and decision-making capability as all viewpoints will be considered before drawing a conclusion.

The benefits of Board diversity could only be harnessed if Directors adopt an independent mindset when carrying out their responsibilities. In order to gather and leverage on diverse perspectives, the Chairman of the Board strives to cultivate an inclusive environment where all Directors are able to speak up and participate in decision-making.

The Board has adopted a formal Board Diversity Policy which sets out the framework for promoting diversity on the Board. The objective of the Board Diversity Policy provides, *inter alia*, that when reviewing and assessing the composition of the Board and making recommendations to the Board for the appointment of Directors, the NC will consider all aspects of diversity in order to arrive at an optimal balanced composition of the Board. The final decision on the selection of Directors will be based on merit against objective criterias that complement and expand the skills and experience of the Board as a whole, and give due regard to the overall balance and effectiveness of a diverse Board.

While the Board acknowledges that gender and age are aspects of boardroom diversity, the Company's priority is to ensure that the Board is made up of an effective composite of competence, skills, knowledge and experience that will carry the Group towards the next phase of growth. Hence, all Board appointments will be based on merit, and candidates will be considered against objective criterias, in consideration of the benefits of a diverse Board. Further details on the targets and progress in relation to Board Diversity can be found in section 5.9 of the Sustainability Report.

## **2.5 Independent Directors meet regularly without the presence of the Management**

To facilitate a more effective check on the Management, the Independent Directors meet at least once a year with the internal and external auditors without the presence of the Management. The Independent Directors also communicate with each other from time to time without the presence of the Management to discuss the performance of the Management and any matters of concern such as the Group's financial performance, corporate governance initiatives, Board processes, succession planning as well as leadership development and the remuneration of the Executive Directors. Feedback arising from such meetings or discussions is provided to the Board, as appropriate.

## **3.0 CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

*There is a clear division of responsibility between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.*

### **3.1 Chairman and CEO are separate persons**

Mr. Chow holds the position as Independent Non-Executive Chairman of the Board while Mr. Raja Hayat holds the position of CEO. The Chairman and CEO are not related and the separation of the roles of the Chairman and the CEO ensures an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

In addition, all major proposals and decisions made by the CEO are discussed with and reviewed by the Board. His performance and continued appointment to the Board will be reviewed periodically by the NC while his remuneration package will be reviewed periodically by the RC. With the existence of Board Committees imbued with the power and authority to perform key functions, the Board believes that there are sufficient strong and independent elements and adequate safeguards in place against an uneven concentration of power and authority in any single individual.

### **3.2 Division of responsibilities between Chairman and CEO**

The Chairman is responsible for leading the Board and ensuring the effectiveness of the Board, its Committees and individual Directors. The Chairman promotes a culture of openness and debate at the Board level and ensures that corporate information is adequately disseminated to all Directors on a timely manner to facilitate discussions at meetings. In addition, he encourages constructive relations within the Board and between the Board and the Management to facilitate effective contribution of all Directors. The Chairman also ensures effective communication with shareholders and other stakeholders. The Chairman is assisted by the Board Committees in ensuring compliance with the Company's standards of corporate governance.

The CEO provides guidance to the Management on operational policies and activities. The CEO is responsible for the overall management of the Group and charting the corporate strategies for future growth with the support of the Management.

### **3.3 Lead Independent Director**

No lead independent director is appointed as the Chairman of the Board is independent.

## **4.0 BOARD MEMBERSHIP**

*The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.*

### **4.1 NC to make recommendations to the Board on relevant matters**

### **4.2 Composition of NC**

As at the date of this statement, the NC comprises three (3) Independent Directors, namely Mr. Eddie Foo Toon Ee ("**Mr. Foo**") (Chairman), Mr. Chow and Mr. Lam.

The NC defines and reviews the profiles of Board members, recommend appointments, re-nominations and retirement of Directors, assess Board succession plans, evaluate Directors' independence and assist the Board in assessing the

performance of the Board, its Committees and individual Directors. The NC's responsibilities, as set out in its terms of reference, include, *inter alia*, the following:

- To develop and maintain a formal and transparent process for the appointment of new Directors and making recommendations to the Board on the appointment of new executive and non-executive Directors, including making recommendations on the composition of the Board generally and the balance between executive and non-executive Directors appointed to the Board;
- To regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary, including the review of training and professional development programmes for the Board and its Directors;
- To determine the process and criteria for search, nomination, selection and appointment of new Board members and be responsible for assessing nominees or candidates for appointment or election to the Board, determining whether or not such nominee has the requisite qualifications and whether or not he/she is independent as well as to ensure that new Directors are aware of their duties and obligations and provides training where necessary;
- To review and make recommendations to the Board on relevant matters relating to the succession plans of the Board (in particular, the Chairman and CEO) and Executive Officer;
- To determine, upon appointment and subsequently on an annual basis, and as and when circumstances require, if a Director is independent;
- To ensure that all Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years, and to recommend Directors who are retiring by rotation to be put forward for re-election;
- To decide whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly when he/she has multiple board representations;
- To recommend to the Board internal guidelines to address the competing time commitments faced by Directors who serve on multiple boards; and
- To be responsible for assessing the effectiveness of the Board as a whole and for assessing the effective contribution and commitment of each individual Director to the effectiveness of the Board.

#### **4.3 Process for the selection, appointment and re-appointment of Directors**

The NC conducts an annual review of the nomination of the relevant Directors for re-election and re-appointment, as well as the independence of Directors. The NC conducts an annual performance assessment of individual Directors. When considering the nomination of Directors for re-election and re-appointment, the NC takes into account their contributions to the effectiveness of the Board, the preparedness, participation and competing time commitment faced by Directors who are faced with multiple board representations. The NC, in assessing the performance of each individual Director, considers sufficient time and attention has been given by the Directors to the affairs of the Company.

The NC's criteria for the selection and appointment of new Directors is based on potential candidates' skills, knowledge and experience. The NC would conduct a review of the skills and experience that is needed of a potential candidate and thereafter actively seek out such potential nominees that can provide positive contributions in those areas to the Board by conducting external searches, including using headhunters and/or relying on personal and professional networks. The NC will take an active role in screening and interviewing potential candidates before assessing the candidate's suitability and recommending him/her for nomination to the Board. The NC will also consider the need to position and shape the Board in line with the evolving needs of the Company and the business. The Board retains the final discretion in appointing new Directors.

Regulation 154 of the Company's Constitution states that any Director so appointed by the Board shall hold office only until the next annual general meeting of the Company ("**AGM**") and shall then be eligible for re-election. Mr. Yek who was appointed on 15 March 2025 will be eligible for re-election at the forthcoming AGM to be held on 28 April 2025.

In addition, Regulation 144 of the Company's Constitution states that at each AGM, one-third (or if their number is not three or a multiple of three, then the number nearest one-third) of the Directors for the time being, shall retire from office and that all Directors shall retire from office at least once in every three (3) years and such retiring Directors shall be eligible for re-election. Each member of the NC has abstained from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director. Mr. Chan Cheng Fei ("**Mr. Chan**") and Mr. Yek are eligible for re-election at the forthcoming AGM to be held on 28 April 2025. The NC noted that Mr. Chow who is due for retirement at the forthcoming AGM will not be standing for re-election in view of Catalist Rule 406(3)(d)(iv), which states that directors who have been on the Board for more than nine (9) years will no longer be considered independent.

The NC recommended that Executive Director, Mr. Chan and Independent Director, Mr. Yek be put forward for re-election at the forthcoming AGM. The Board accepted the recommendation, and being eligible, Mr. Chan and Mr. Yek will be offering themselves for re-election at the forthcoming AGM.

The NC had also conducted the following reviews and assessments:

- (a) reviewed Board meeting minutes to assess questions and voting actions of Mr. Chan;
- (b) reviewed the performance assessment on Mr. Chan done by the other Directors; and
- (c) Mr. Yek's declaration of independence.

Following Mr. Chow's retirement at the forthcoming AGM as Independent Non-Executive Chairman of the Board, Chairman of the AC and member of the NC and RC, Mr. Lam will be redesignated as Independent Non-Executive Chairman of the Board, Chairman of the RC and member of the AC and NC. Further details on changes to the Board and Board Composition after the forthcoming AGM can be found in the announcement to be released by the Company on 28 April 2025.

In consideration of the above, the Board has determined that there are no known factors that affect Mr. Yek's ability to discharge his duties as Independent and Non-Executive Director. Mr. Yek was not involved in the deliberation of his continued appointment with the Board.

Adopting the same metrics (other than independence), the Board has also concluded that there are no known factors that affect Mr. Chan's ability to discharge his duties as Executive Director and CFO. Mr. Chan was not involved in the deliberation of his continued appointment with the Board.

The NC and the Board have recommended that the approval of the shareholders be sought through ordinary resolutions for the continuation of office of Mr. Chan as Executive Director, and Mr. Yek as Independent Non-Executive Director of the Company.

The Board is of the opinion that it is in compliance with the new Catalist Rules, due to the following reasons:

- (a) the Chairman of the Board is an Independent Director;
- (b) majority of the Board are Non-Executive Directors; and
- (c) Independent Directors comprise more than one-third of the Board.

The details of the Directors seeking re-election as required under Rule 720(5) of the Catalist Rules are set out in the "Additional Information on Directors Seeking Re-election" section of this Annual Report.

#### **4.4 Circumstances affecting Director's independence**

As described under Board Composition and Guidance of this statement, the Company has put in place a process to ensure the continuous monitoring of the independence of the Directors. Each Independent Director is required to complete a checklist annually to confirm his independence. Further, an Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company. The NC is of the view that the Independent Directors are independent. As at the date of this statement, there is no relationship or circumstance set forth in the Director independence section of this statement which puts the independence of the Independent Directors in question save as disclosed.

#### **4.5 Multiple listed company directorships and other principal commitments**

To ensure Directors devote sufficient time to and attention to the affairs of the Group, if a Director is holding a full-time commitment, the maximum number of directorships he may hold in listed companies is four (4) and if he is not holding a full-time commitment, the maximum number of directorships he may hold in listed companies is six (6).

In addition to the number of listed company directorships and other principal commitments, the NC also takes into account the results the annual evaluation of each Director's effectiveness and the respective Directors' conduct at the Board and Board Committees meetings to determine whether the Director is able to discharge his duties diligently.

In respect of FY2024, notwithstanding that some of the Directors have multiple board representations, the NC was satisfied that where Directors had other listed company board representations and/or other principal commitments, all Directors were able to carry out and had been adequately carrying out their duties as Directors of the Company. The NC took into account attendance and contribution at Board and Board Committees meetings and ad-hoc discussions by each Director in deciding the capacity of the Directors. Currently, none of the Directors holds more than the stipulated maximum number of directorships in listed companies. Please refer to the “Board of Directors” section of the Annual Report 2024 for the listed company directorships and other principal commitments of the Directors.

No alternate Director has been appointed to the Board in the year under review.

## **5.0 BOARD PERFORMANCE**

*The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.*

### **5.1 & 5.2 Assessment of effectiveness of the Board and Board Committees and assessing the contribution by each Director**

The NC has established a review process and proposed objective performance criteria set out in assessment checklists which are approved by the Board.

During the financial year, all Directors were requested to complete the Board Evaluation Questionnaire, Evaluation Questionnaire for each Board Committee and Individual Director Evaluation Checklist which are designed to seek their views on the various aspects of the Board, Board Committees and individual Director performance so as to assess the overall effectiveness of the Board. The completed evaluation forms were submitted to the Company Secretary for collation and the consolidated responses were presented to the NC for review before they were submitted to the Board for review and discussion to determine areas for improvement to enhance the Board’s effectiveness. Following the review, the Board is of the view that the Board and its Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board. The Company did not engage an external facilitator in respect of the Board performance assessment process.

The performance criteria for the Board evaluation are in respect of Board size and composition, Board independence, Board processes, Board information and accountability.

Board’s performance in relation to discharging its principal functions and Board Committees’ performance in relation to discharging their responsibilities as set out in their respective terms of reference were assessed. Individual Directors’ performance takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors.

Where appropriate, the Board will review and make changes to the assessment forms to align with prevailing regulations and requirements. The performance criteria shall not be changed from year to year without justification. These assessments are carried out and overseen by the NC for each financial year to evaluate the effectiveness of the Board as a whole and recommendations based on these assessments would be tabled to the Board for discussion and/or adoption. The Chairman will act on the results of the performance evaluation and the recommendation of the NC, and where appropriate, in consultation with the NC, new members may be appointed or redesignation of Directors may be sought.

Each member of the NC shall abstain from deliberating and voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

## **REMUNERATION MATTERS**

### **6.0 PROCEDURES FOR DEVELOPING REMUNERATION POLICIES**

*The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

## 6.1 RC to recommend remuneration framework and packages

## 6.2 Composition of RC

As at the date of this statement, the RC comprises three (3) Independent Directors, namely Mr. Lam (Chairman), Mr. Chow and Mr. Foo.

The RC develops the remuneration framework and oversees the compensation of the Board and Executive Officers. The RC's responsibilities, as set out in its terms of reference, include, *inter alia*, the following:

- To develop and maintain a formal and transparent policy for the determination of the remuneration packages of individual Director and Executive Officer;
- To review and recommend to the Board a framework of remuneration and to determine the specific remuneration packages and terms of employment for Directors, CEO (or equivalent), Executive Officer and employees related to Directors or controlling shareholders of the Group;
- As part of its review, to ensure, *inter alia*, that (i) all aspects of remuneration, decisions, including Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefit-in-kind and termination payments should be covered, (ii) the remuneration packages should be comparable within the industry and comparable organisations and shall include a performance-related element coupled with appropriate and meaningful measures of assessing individual Directors' and Executive Officers' performance, and (iii) the Company's obligations arising in the event of termination of the Executive Directors' and Executive Officers' contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous;
- In the case of Directors with service contracts, to determine the period of employment, after which they are subject to re-election or renewal of their service contracts, whichever is earlier, and to consider what compensation commitments the Directors' service contracts, if any, would entail in the event of early termination;
- To ensure all its recommendations to the Board should first be made in consultation with the CEO (or equivalent); and
- To seek appropriate expert advice in the field of executive compensation outside the Company on remuneration matters where necessary and if external advice is obtained, to review whether the remuneration consultant has any relationship with the Company that could affect his or her independence and objectivity.

The recommendations of the RC shall be submitted for endorsement by the Board. Each RC member shall abstain from reviewing, deliberating and voting on any resolution in respect of his remuneration package or that of any employees who are related to him.

## 6.3 RC to consider and ensure all aspects of remuneration are fair

The RC is responsible for ensuring that a formal and transparent procedure is in place for developing policy on executive remuneration and for determining the remuneration packages of individual Director and Executive Officer with an aim to be fair and to avoid rewarding poor performance, before making any recommendation to the Board. It reviews the remuneration packages with the aim of building capable and committed management teams through competitive compensation and focused management and progression policies. The RC recommends for the Board's endorsement, a framework of remuneration which covers all aspects of remuneration decisions, including but not limited to Directors' fees, salaries, allowances, bonuses, share-based incentives and awards, benefits-in-kind, termination payments and specific remuneration package for each Director. In addition, the RC reviews the performance of the Group's Executive Officers taking into consideration the CEO's assessment and recommendation for remuneration and bonus.

Please refer to the section: "Level and Mix of Remuneration" in this statement for further details on the RC's consideration in determining the remuneration of the Directors and Executive Officers.

## 6.4 Expert advice on remuneration

During FY2022, the Company engaged Korn Ferry (SG) Pte. Ltd. ("**Korn Ferry**") to conduct a Directors' fees and Executive Remuneration benchmarking exercise. The independence of Korn Ferry had been reviewed prior to their engagement. The RC having reviewed the findings of the benchmarking exercise conducted by Korn Ferry in FY2022 decided to implement the findings by proposing an increase in the Directors' fees for FY2024. This increase is of a lower quantum compared to that recommended by Korn Ferry in its report issued in FY2022. Directors' fees for FY2025 will remain the same as FY2024.

## **7.0 LEVEL AND MIX OF REMUNERATION**

*The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.*

### **7.1 Remuneration of Executive Directors and key management personnel are appropriately structured to encourage good stewardship and promote long-term success of the Company**

In determining the remuneration packages of the Executive Directors, the RC takes into consideration the remuneration and employment conditions within the same industry or comparable organisations as well as the Group's size and scope of operations. A significant and appropriate portion of the Executive Directors' remuneration shall include a performance-related element coupled with appropriate and meaningful measures of assessing individual Executive Directors' performance, including the review of the information on the relationships between remuneration, performance and value creation of the Company. Such performance-related remuneration takes into account the risk policies of the Company, is symmetric with risk outcomes and is sensitive to the time horizon of risks. In assessing the performance of the Executive Directors, the RC takes into the account the financial and operational performance of the Group as well as the management's execution and expansion growth and strategic objective of the Company.

Executive Directors do not receive Director's fees but are remunerated as members of the Management team. The remuneration packages of the Executive Directors comprise a basic salary component and a variable component which is the annual bonus based on the performance of the Group as a whole and their individual performance.

This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group. The RC has the discretion not to award incentives in any year if an executive is involved in misconduct or fraud resulting in financial loss to the Company. The service contracts for Executive Directors do not contain onerous removal clauses.

Having reviewed and considered the variable component of the Executive Directors' remuneration, the RC is of the view that there is no requirement to institute contractual provisions to allow Company to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss. The Company believes that there are alternative legal avenues to these specific contractual provisions that will enable the Company to recover financial losses arising from such exceptional events from the Executive Directors.

The Company does not offer any share-based compensation scheme or any long-term scheme involving the offer of shares or options to the Executive Directors and key management personnel. The RC may consider other forms of long-term incentive schemes for the Management when necessary.

### **7.2 Remuneration of Non-Executive Directors dependent on contribution, effort, time spent and responsibilities**

The Independent Directors are paid Directors' fees which take into consideration their contribution, effort, time spent and responsibilities. They are not overly remunerated to the extent that their independence may be compromised. The Directors' fees are recommended by the RC and endorsed by the Board for approval by the shareholders of the Company at the AGM.

The Board concurred with the RC that the proposed Directors fees of S\$185,000 (equivalent to US\$137,000) for the year ending 31 December 2025 to be paid quarterly in arrears is appropriate. The 2025 Directors' fees are set out in ordinary resolution 4 of the notice of AGM for approval by shareholders of the Company. Except as disclosed in the Annual Report 2024, the Independent Directors do not receive any remuneration from the Company.

The Company does not offer any share-based compensation scheme or any long-term scheme involving the offer of shares or options to Independent Directors.

## 8.0 DISCLOSURE ON REMUNERATION

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

### 8.1 & 8.3

#### Remuneration disclosures of Directors and key management personnel; Details of employee share schemes

For FY2024, Directors' fees comprised a basic retainer fee and additional fee for appointment to Board Committees. The framework for determining the fees for Directors for FY2025 is the same as 31 December 2024 as follows:

#### Directors' fees structure for the FY2024 and the proposed structure for financial year ending 31 December 2025 ("FY2025")

	2024 Paid and accrued S\$ per annum	2025 Proposed S\$ per annum
<b>Basic Retainer Fee</b>		
Board Chairman <sup>^</sup>	47,000	47,000
Member	23,500	23,500
<b>Fees for Appointment to Audit Committee</b>		
Committee Chairman <sup>^^</sup>	19,000	19,000
Committee member	11,000	11,000
<b>Fees for Appointment to Nominating Committee</b>		
Committee Chairman <sup>^^</sup>	11,000	11,000
Committee member	7,000	7,000
<b>Fees for Appointment to Remuneration Committee</b>		
Committee Chairman <sup>^^</sup>	11,000	11,000
Committee member	7,000	7,000
<b>Directors' fees paid in FY2024</b>		
		<b>Directors' fees S\$</b>
Chow Wai San		67,955
Raymond Lam Kuo Wei		52,500
Eddie Foo Toon Ee		38,097
Yek Boon Seng <sup>(#)</sup>		–
Khoo Song Koon <sup>(##)</sup>		26,448
Total		<b>185,000</b>

**Note:**

<sup>^</sup> The basic retainer fee of the Board Chairman includes solely the Board Chairman fee.

<sup>^^</sup> The basic retainer fee of the Committee Chairman includes solely the Committee Chairman fee of the respective Committee.

<sup>#</sup> Appointed on 15 March 2025.

<sup>##</sup> Retired on 30 April 2024.

## Remuneration of executive directors paid in FY2024

	Fixed Remuneration <sup>(1)</sup>	Variable Bonus and Allowances <sup>(2)</sup>	Total <sup>(3)</sup>
	S\$	S\$	S\$
Raja Hayat	317,163	23,793	340,956
Chan Cheng Fei	255,038	26,413	281,451

### Notes:

- (1) Fixed remuneration includes the Central Provident Fund contributed by the Company, when applicable, paid in FY2024.
- (2) Variable Bonus comprises of Performance Bonus and the Central Provident Fund which varies according to the actual achievement against Group, business unit and individual performance objectives paid in FY2024 relating to FY2023 performance.
- (3) Total includes Fixed Remuneration and Variable Bonus and Allowances.

## Remuneration of other key management personnel paid in FY2024

Remuneration bands	Fixed Remuneration <sup>(4)</sup>	Variable Bonus and Allowances <sup>(5)</sup>	Total <sup>(6)</sup>
<b>Below S\$250,000</b>			
Koshu Raghunandan	90%	10%	100%
Kelvin Lee	90%	10%	100%
Tony Barr <sup>(7)</sup>	95%	5%	100%

### Notes

- (4) Fixed Remuneration includes the Central Provident Fund or Superannuation contributed by the respective business units, if applicable, paid in FY2024.
- (5) Variable Bonus comprises of Performance Bonus and the Central Provident Fund or Superannuation contributed by the respective business units which vary according to the actual achievement against Group, business unit and individual performance objectives paid in FY2024 relating to FY2023 performance.
- (6) Total includes Fixed Remuneration and Variable Bonus and Allowances.
- (7) Resigned on 31 January 2025.

The Board is of the view that the level of disclosure is consistent with the intent of transparency on the Company's policies taking into account evolving industry trends and forces, competition for talent recruitment and retention. In addition, full disclosure in aggregate of the total remuneration paid to the above key management personnel would not be in the interest of the Company as such information is confidential and sensitive, may be exploited by competitors and the importance of maintaining the cohesion and spirit of teamwork prevailing among senior management executives of the Group. The total remuneration paid to the top 3 key management personnel of the Group (who are not Directors or the CEO of the Company) in FY2024 amounted to S\$618,000 (equivalent to approximately US\$463,000).

## 8.2 Remuneration disclosure of related employees

None of the Directors, key management personnel and employees were substantial shareholders of the Company in FY2024. There is no employee who is the immediate family member of a Director, the CEO or a substantial shareholder of the Company, whose remuneration exceeded S\$100,000 (equivalent to approximately US\$75,000) in FY2024.

## ACCOUNTABILITY AND AUDIT

### 9.0 RISK MANAGEMENT AND INTERNAL CONTROLS

*The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.*

#### 9.1 Board determines the nature and extend of significance risks

The Board recognises its responsibilities over the governance of risks and has set in place management procedures for ensuring a sound system of risk management and internal controls. These procedures include introducing a structured Enterprise Risk Management (“**ERM**”) programme to the Group, management reviews of key transactions, and the assistance of independent consultants such as the Group’s external and internal auditors to review financial statements and internal controls covering key risk areas.

The following are key components of the ERM programme of the Group:

- **Risk Management Manual**  
The overall framework for risk management has been documented in a manual and disseminated to personnel responsible for oversight of risks and operations of risk countermeasures. This ERM manual includes the terms of reference of the various personnel and committees responsible for monitoring and managing risks in the Group. The ERM process will also require ongoing identification of risks and whether appropriate measures have been taken to address relevant risks.
- **Risk Appetite of the Company**  
The Group has assessed its tolerance to various risk events as they emerge. Generally, the Group will rely on Management to monitor day-to-day operations while subjecting key corporate decisions, such as investments or acquisitions of businesses to Board approval. The Company has also taken a strict stance towards avoiding any risks that might result in breaching relevant laws and regulations and risks that could adversely affect the reputation of the Group.
- **Risk Assessment and Monitoring**  
Based on the ERM framework, the nature and extent of risks to the Group will be assessed regularly and risk reports covering top risks to the Group will be submitted to the Board and the AC at least on a yearly basis. A set of risk registers has been developed to document the various risks faced by the Group, measures in place to address them and who the risk owners are.

By identifying and managing risks through this ERM programme, the Group should be able to make more informed and collective decisions and benefit from a better balance between risk and reward. This can help protect and also create shareholders’ value. As part of the programme, Management will also have more structured review processes as new risks emerge so as to be cognisant of the potential impact from such new risks and to undertake meaningful measures to address them.

The AC, with the assistance of the internal and external auditors, annually reviews the adequacy and effectiveness of the Group’s risk management and internal control systems, including financial, operational, compliance and information technology controls. This helps to ensure that safeguards, checks and balances are put in place to prevent any conflicts of interests or any weakening of internal controls. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviews the effectiveness of the actions taken by the Management on the recommendations made by the internal and external auditors in this respect.

#### 9.2 Assurance from CEO, CFO and other key management personnel

The internal auditor, BDO Advisory Pte Ltd, has carried out internal audit on the system of internal controls and reported the findings to the AC. The external auditor, Crowe Horwath First Trust LLP (“**CHFT**”), has also, in the course of their statutory audit, gained an understanding of the key internal accounting controls assessed to be relevant to the statutory audit. In this respect, the AC has reviewed the findings of both the internal and external auditors and will ensure that the Company follows up on the auditors’ recommendations raised during the audit processes. No material internal control weakness had been raised by our internal and external auditors in the course of their audits for FY2024.

The Board received assurance from the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances. In addition, the Board received assurance from the CEO and the CFO that the Company's risk management and internal control systems are adequate and effective.

Based on the ERM framework established, reviews carried out by the AC, work performed by the internal and external auditors and assurance from the Management referred to in the preceding paragraphs, the Board, with the concurrence of the AC, is satisfied that the system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place are adequate and effective as at 31 December 2024.

The Board notes that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, losses, fraud or other irregularities. As such, the Company's risk management and internal controls systems are regularly evaluated and improved to ensure its relevance to the Company's operations.

## **10.0 AUDIT COMMITTEE**

*The Board has an Audit Committee ("AC") which discharge its duties objectively.*

### **10.1 Duties of AC**

### **10.2 Composition of AC**

### **10.3 AC does not comprise former partners or directors of the Company's auditing firm**

As at the date of this statement, the AC comprises three (3) Independent Directors, namely Mr. Chow (Chairman), Mr. Lam and Mr. Foo.

All members of the AC are appropriately qualified and have relevant accounting or related financial management expertise and experience. They are not former partners or directors of the Company's auditing firm.

The AC supports the Board in fulfilling its statutory and other responsibilities concerning internal controls and the management of financial, operational, compliance and information risk. The AC's duties and responsibilities, as set out in its terms of reference, include, *inter alia*, the following:

- To review the audit plan of the external and internal auditors of the Company, and their reports arising from the audit;
- To ensure the adequacy of the assistance and cooperation given by the Management to the external and internal auditors;
- To review the financial statements of the Company and the consolidated financial statements of the Group;
- To review the half yearly and annual announcements of the results of the Group;
- To review at least annually the effectiveness and adequacy of the Company's internal controls in addressing the financial, operational, compliance and information technology risks;
- To review the Group's risk management structure and any oversight of our risk management processes and activities to mitigate risk at acceptable levels determined by the Board;
- To review the external auditors' audit report, their management letter (if any) and management's response on internal control;
- To discuss problems and concerns, if any, arising from the internal and external audits, and any matters which the auditors may wish to discuss (in the absence of management, where necessary);
- To review and discuss with the external and internal auditors, any suspected fraud or irregularity, or suspected infringement of any Singapore law, rules and regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and the Management's response;
- To report to the Board on its findings from time to time on matters arising and requiring the attention of the AC;
- To review the mandated interested person transactions and mandated list of interested persons to ensure that the current procedures for monitoring of interested party transactions have been complied with;
- To review the adequacy and effectiveness of internal audit function, at least annually;
- To review the independence of the external auditors annually, making recommendation to the Board the appointment/re-appointment of the external and internal auditors, the audit fee and matters relating to the resignation or dismissal of the auditors;
- To review the assurance provided by the CEO and the CFO that the financial records have been properly maintained, and that the financial statements give a true and fair view of the Company's operations and finances;

- To review sustainability and climate change issues; and
- To undertake such other reviews and projects as may be requested by the Board.

The AC is also responsible for reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on as well as to ensuring that the Company publicly discloses, and clearly communicates to employees, the existence of a whistleblowing policy and procedures for raising such concerns. The AC has explicit authority to conduct or authorise investigations into any aspect of the Group's financial affairs, audits and exposure to risks of a regulatory or legal nature, with full access to records, resources and personnel, to enable it to discharge its function properly. The AC has full access to and cooperation of the Management, and has full discretion to invite any Executive Director to attend its meetings. Management is invited to attend all meetings of the AC. Reasonable resources were made available to the AC to enable it to discharge its functions properly.

The external and internal auditors have unrestricted access to the AC. The meetings with external auditors will include a review of the Group's financial statements, the internal control procedures, prospects of the Group and the independence of the external auditor.

When there are changes to the various accounting standards that has an important bearing on the Company's disclosure obligations, the Directors are kept informed of such changes from time to time through circulation of the relevant changes which are also tabled during the Board meetings. The external auditors also provide periodic updates and briefings to the AC on changes or amendments to accounting standards to enable the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any.

The AC has reviewed the adequacy of and effectiveness of the Group's risk management system and key internal controls that address financial, operational, compliance and information technology risks, with the assistance of the internal and external auditors as well as the management, who provide regular reports during the financial year to the AC in addition to the briefings and updates provided at the AC meetings. The AC also conducted a review of the Group's interested person transactions.

The aggregate audit fees paid and payable to the external auditors, CHFT for FY2024 amounted approximately to S\$120,000 (equivalent to US\$85,000). Non-audit services provided by CHFT relating to tax services for FY2024 amounted to S\$12,400 (equivalent to US\$9,000). The AC, having reviewed all non-audit services provided by CHFT, is satisfied that the nature and extent of such services would not prejudice the independence and objectivity of the external auditors and recommends to the Board, the nomination of the external auditors for re-appointment.

CHFT is an accounting firm registered with the Accounting and Corporate Regulatory Authority. The AC is satisfied that CHFT is able to meet its audit obligation, having considered that CHFT has adequate resources and the audit engagement team (including the audit engagement partner) has the relevant experience. In this connection, the Group confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules.

In recommending the re-appointment of CHFT as the external auditor for the financial year ending 31 December 2025 to the Board, the AC considered the adequacy of their resources, training and quality control, experience of the engagement team and the firm as a whole and quality of work carried out by the external auditor.

The Board has recommended the nomination of CHFT for re-appointment as external auditors of the Company at the forthcoming AGM.

#### **10.4 Primary reporting line of the internal audit function is to AC; Internal audit function has unfettered access to Company's documents, records, properties and personnel**

The Company recognises the importance of the internal audit function as an integral part of an effective system of good corporate governance. The AC reviews, on an annual basis, the adequacy and effectiveness of the internal audit ("IA") function of the Group.

The AC approves the hiring, removal and evaluation and compensation of the internal auditors. For FY2024, the Company has outsourced its IA function to a professional service firm, BDO Advisory Pte Ltd, which is independent of the Group's business activities. The internal auditors report primarily to the AC Chairman and report administratively to the CFO. The internal auditors have unrestricted access to the documents, records, properties and personnel of the Company and the Group. The AC is satisfied that the IA function has adequate resources to perform its function effectively, has appropriate standing within the Company and is independent of the activities it audits.

BDO Advisory Pte Ltd is a well-established firm with vast experience in internal audit services. The engagement partner in-charge has more than 19 years of internal audit experience. He manages a portfolio of outsourced internal audits of various listed companies and government bodies. The engagement team comprises staff who are Accountancy, IT or Business graduates, Association of Chartered Certified Accountants graduates and many possess relevant professional certifications such as Chartered Accountant (Singapore), Certified Public Accountant, Certified Internal Auditors and Certified Information Systems Auditor. The AC has assessed and is satisfied that the IA function of the Group is independent, adequately resourced to perform its function effectively and is staffed by qualified and experienced professionals with the relevant experience. Accordingly, the Company is in compliance with Rule 1204(10C) of the Catalyst Rules.

The internal auditors conduct their work in accordance with the BDO Global IA methodology which is consistent with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors as a reference and guide when performing their reviews. The annual audit conducted by the internal auditors assesses the adequacy and effectiveness of the Group's internal control procedures and provides reasonable assurance to the AC that the Group's risk management, controls and governance processes are adequate and effective.

The IA function plans its internal audit schedules in consultation with, but independent of the Management. The audit plan is submitted to the AC for approval prior to the commencement of the internal audits. In addition, the AC works closely with the relevant Management Personnel to ensure that the internal controls are being addressed. Key processes including Cash Management, Human Resource Management and Payroll Processing, Trading and IT general controls, of the Company were reviewed by the internal auditor in FY2024. The related internal audit report, including the Management's responses and implementation status of previous internal audit recommendations, have been reviewed and approved by the AC and a summary of internal audit findings was also presented at an AC meeting. No high-risk weaknesses were identified based on the work done in FY2024.

#### **10.5 AC meets with the auditors without the presence of Management annually**

The AC met three (3) times in FY2024. In performing its functions, apart from the two (2) formal and one (1) ad-hoc meetings, the AC also met with the external and internal auditors once during the financial year without the presence of the Management.

## SIGNIFICANT ACCOUNTING MATTERS

In the review of the financial statements for FY2024, the AC has discussed with the Management the significant accounting principles that were applied and their judgement of items that might affect the accuracy and completeness of the financial statements.

The following key audit matter, which is included in the independent auditors' report for FY2024, was discussed with the Management and the external auditor and was reviewed by the AC:

Key Audit Matter	How the matter was addressed by the AC
Completeness of pulp trading revenue recognition	<p>Revenue from pulp trading amounted to approximately US\$91.0 million accounting for 86% of the Group's total revenue for FY2024.</p> <p>Pulp trading is the largest contributor to the revenue for the Group in the recent years. As such, the completeness and accuracy of the reported pulp trading revenue will have a significant impact on the financial statements. Having consulted with the internal and external auditors in respect of, <i>inter alia</i> the applicable accounting standard and its application, the works performed by both auditors, review of the relevant controls and sample testing results in relation to the completeness of pulp trading revenue recognition as well as having discussed with Management, the AC was satisfied that correct accounting treatment has been adopted and consistently applied in the financial statements to ensure completeness and accuracy of reported pulp trading revenue and the relevant controls are deemed satisfactory. Based on the recommendations by the AC, the Board has approved the audited financial statements on 2 April 2025.</p>

## WHISTLEBLOWING CHANNELS

The Group is committed to a high standard of ethical conduct and adopts a zero-tolerance approach to fraud and corruption. It undertakes to investigate complaints of alleged wrongful acts, including suspected fraud and corruption, in an objective manner. As such, the Company has put in place a whistleblowing policy. In order to promote an environment conducive to employees to raise or report genuine concerns about possible improprieties in matters of business activities, financial reporting or other matters they may encounter in confidence and without fear of retaliatory action, all whistleblowing reports, shall be received by AC Chairman, who will conduct an initial review of the report received and recommend the remedial, disciplinary or other action to be taken by the Company. All investigations shall be reported to the AC for their attention and further action as necessary.

All employees who make a disclosure or raise a concern in accordance with such policy shall be protected if such employee:

- (a) discloses the information in good faith;
- (b) has reasonable grounds to believe disclosure or concern is substantially true;
- (c) does not act maliciously; and
- (d) does not seek any personal or financial gain.

While employees are strongly encouraged to disclose their identity when lodging complaints, efforts will be made to ensure confidentiality as far as reasonably practicable. Furthermore, anonymous complaints will not be disregarded and will be considered by the Independent Directors. The contact details of the Independent Directors have been made known to the employees for the purposes of raising their concerns under the whistleblowing policy. The Company has policies and procedures to protect an employee who reveals illegal or unethical behaviour from retaliation.

On an ongoing basis, the whistleblowing policy (including the procedures for raising concerns) is covered during the employee training and periodic communication to employee as part of the Group's efforts to promote awareness of fraud and corruption control.

The whistleblowing policy is available on the corporate website: <https://www.nippecraft.com.sg> and is accessible to all stakeholders.

The AC Chairman can also be contacted directly via the following email address: [AC\\_Chairman@nippecraft.com.sg](mailto:AC_Chairman@nippecraft.com.sg).

There was no whistleblowing report received via the whistleblowing channels in FY2024.

## **SHAREHOLDER RIGHTS AND ENGAGEMENT**

### **11.0 SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS**

*The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

#### **11.1 Company provides shareholders with the opportunity to participate effectively and vote at general meetings**

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company encourages active shareholder participation at its general meetings. Notices of meetings are given to all shareholders together with explanatory notes or a circular on items of special business, at least fourteen (14) clear days (for ordinary resolutions) or at least twenty-one (21) clear days (for special resolutions) before the meeting. Reports or circulars of the general meetings are despatched to all shareholders via SGXNet.

All shareholders are entitled to vote in accordance with the established voting rules and procedures. The rules, including the voting process, will be explained by the scrutineers at such general meetings. The Company's Constitution permits a shareholder to appoint up to two (2) proxies to attend and vote in his stead at these meetings. Furthermore, the Company allows corporations which provide nominee or custodial services to appoint more than two (2) proxies to attend and vote on their behalf at general meetings. The Company will put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages. The Company will employ electronic polling, if necessary.

#### **11.2 Separate resolution on each substantially separate issue**

Shareholders are invited to attend general meetings and put forth any questions by submitting questions in advance in relation to the resolutions set out in the Notices they may have on the motions to be decided upon. Resolutions at general meetings are on each substantially separate issue. All the resolutions at the general meetings are single item resolutions. The Company avoids 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal. In situations where resolutions are inter-conditional, the Company will provide clear explanations.

#### **11.3 All Directors attend general meetings**

The Board welcomes the views of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad-hoc basis. All the Directors, including the Chairmen of various Board Committees and Executive Directors, are normally available at the general meetings to answer those queries and receive feedback from shareholders. The external auditors are also usually present to assist the Directors in addressing any relevant queries by shareholders. All Directors attended the general meeting held on 30 April 2024.

#### **11.4 Company's Constitution allow for absentia voting by shareholders**

Voting in absentia and by electronic mail may only be possible following careful study to ensure integrity of the information and authentication of the identity of shareholder through the web is not compromised and is also subject to legislative amendment to recognise electronic voting.

#### **11.5 Minutes of general meetings are published on the Company's corporate website as soon as practicable**

The Company Secretary prepares minutes of general meetings which incorporate substantial comments or queries from shareholders and responses from the Board and the Management. The minutes will be made available within one (1) month from the date of the general meetings.

#### **11.6 Dividend policy**

The Company does not have a formal dividend policy. While this would mean that its practice varies from Provision 11.6 of the 2018 Code which implies that companies should have a dividend policy, the Company is of the view that the following disclosure would constitute a balanced and understandable assessment of its position on a dividend policy, and that this practice is consistent with the intent of Principle 11 of the 2018 Code.

The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other relevant factors as the Board may be deemed appropriate.

In accordance to its Constitution and the Companies Act, the Company may, by ordinary resolution of shareholders, declare dividends out of profits at a general meeting, but may not pay dividends in excess of the amount recommended by the Directors. The declaration and payment of dividends will be determined at the sole discretion of the Directors subject to the approval of the shareholders. The Directors may also declare an interim dividend out of profits without the approval of the shareholders. No dividends have been declared for FY2024 as the Group wants to conserve financial resources in order to meet the various challenges in the foreseeable future including challenges posed by the global economic environment.

### **12.0 ENGAGEMENT WITH SHAREHOLDERS**

*The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.*

#### **12.1 Company provides avenues for communication between the Board and shareholders and discloses steps taken to solicit and understand the views of shareholders**

The Company is firmly committed to corporate governance and transparency by disclosing to its stakeholders, including its shareholder, as much relevant information as possible, fair and transparent manner as well as to hearing its shareholders' views and addressing their concerns. All material information on the performance and development of the Group and of the Company is disclosed in an accurate, comprehensive and timely manner through SGXNet. The Company does not practice selective disclosure of material information.

Material information is excluded from briefings with investors or analysts, unless it has been publicly released either before or concurrently with such meetings. Communication to shareholders is normally made through:

- (a) annual reports that are prepared and issued to all shareholders;
- (b) financial results containing a summary of the financial information and affairs of the Group for the period;
- (c) notices and explanatory memoranda for AGM and other general meetings;
- (d) other announcements on SGXNet; and
- (e) the corporate website at <https://www.nippecraft.com.sg> at which shareholders can access information of the Group.

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### 12.3 **Company has in place an investor relations policy; Investor relations policy sets out mechanism of communication between the shareholders and the Company**

In addition to general meetings, the Company uses mainly the SGXNet to disseminate information to the shareholders and investment community on a timely, accurate, fair and transparent basis.

When the opportunity arises, the Management will also meet with investors, analysts and the media as well as participate in investor relations activities to solicit and understand the views of the investment community.

Shareholders and the investment community can contact the Company by telephone at +65 6262 2662 or email us at: [investors@nippecraft.com.sg](mailto:investors@nippecraft.com.sg) to address their queries, concerns and feedback.

## **MANAGING STAKEHOLDERS RELATIONSHIPS**

### **13 ENGAGEMENT WITH STAKEHOLDERS**

*The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.*

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#### 13.2 **Engagement with material stakeholder groups**

The Company takes pride in meeting and exceeding the expectations of our stakeholders. Our engagement with material stakeholder groups, including key areas of focus and engagement channels, are disclosed in the latest Sustainability Report. Please refer to the "Sustainability Report" for more information.

The Group seizes opportunities to engage our stakeholders and welcomes feedback on our sustainability reports. The Company's sustainability team can be contacted via email at: [sustainability@nippecraft.com.sg](mailto:sustainability@nippecraft.com.sg).

#### 13.3 **Corporate website to engage stakeholders**

Stakeholders who wish to know more about the Group and our business and governance practices can visit our corporate website: <https://www.nippecraft.com.sg>.

## **DEALINGS IN SECURITIES**

In line with Rule 1204(19) of the Catalist Rules, the Group has issued a policy on share dealings by Directors and key officers of the Company, setting out the implications of insider trading and recommendations of the best practices set out in Rule 1204(19). The Group adopts a code of conduct to provide guidance to its Directors and officers with regard to dealing in the Company's shares, which includes an annual declaration by the Company's Directors and officers with regard to securities trading and disclosure by the Company's Directors and officers when they deal in the Company's shares.

The Group also issues periodic circulars to its Directors, officers and employees reminding them that the issuer and its officers must not have dealings in the Company's shares:

- (a) on short-term considerations;
- (b) during the period commencing one (1) month before the announcement of the Company's half yearly or full year financial results, as the case may be; and
- (c) if they are in possession of unpublished material price sensitive information.

During the year under review, there was no known trading of the Company's shares by insiders.

## INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transaction with interested persons and has set out the procedures for identification, monitoring, reviewing and approving the Company's interested person transactions ("IPT") to ensure that the relevant rules in Chapter 9 of the Catalist Rules are complied with.

The Company has adopted a general mandate in respect of IPT ("IPT Mandate") which has been effective since 24 October 2017, and renewed at the AGM held on 30 April 2024. The Company has established procedures to ensure that all IPT are reported in a timely manner to the AC, and that the IPT are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. The Company will seek renewal of the IPT Mandate at the forthcoming AGM and further information is set out in the Appendix to the Annual Report 2024.

The aggregate value of IPT during FY2024 was as follows:

		Aggregate value of all IPT during the financial period under review (excluding transactions less than S\$100,000)	
Name of interested person and nature of transactions	Nature of relationship	Not conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules	Conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules
		US\$'000	US\$'000
<u>Purchases</u>			
PT Pabrik Kertas Tjiwi Kimia Tbk	APP Printing (Holding) Pte Ltd, an entity under the Asia Pulp and Paper ("APP") Group, holds 49% of the Company's shares and is deemed to be the controlling shareholder of the Company. PT Pabrik Kertas Tjiwi Kimia Tbk and Gold East Trading (Hong Kong) Limited are associated companies of the APP Group.	—	186
Gold East Trading (Hong Kong) Limited		—	1,557
Total		—	1,743

## MATERIAL CONTRACTS AND LOANS

The Company and its subsidiaries did not enter into any material contract (including loan) involving the interests of the CEO, Director or controlling shareholder, which is either subsisting as at end of FY2024 or if not then subsisting, entered into since the end of the previous financial year.

## SPONSORSHIP

With reference to Rule 1204(21) of the Catalist Rules, there was no non-sponsorship fees paid/payable to the Company's Sponsor, SAC Capital Private Limited, in FY2024.

### Additional information on Directors Seeking Re-election

Mr. Chan and Mr. Yek are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 28 April 2025 (“**AGM**”) (collectively, the “**Retiring Directors**” and each a “**Retiring Director**”).

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F to the Catalist Rules relating to the Retiring Directors is set out below and to be read in conjunction with their respective biographies under the section entitled “Board of Directors”.

Name of Director seeking Re-election	Chan Cheng Fei	Yek Boon Seng
Date of appointment	1 January 2021	15 March 2025
Date of last re-appointment	24 April 2023	Not Applicable
Age	53	49
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	<p>The Board having considered the qualifications and working experience of Mr. Chan, as well as his contribution and performance during the financial year, has accepted the recommendation of the Nominating Committee and approved his re-appointment as Executive Director of the Company.</p> <p>Mr. Chan will concurrently hold the position of Chief Financial Officer of the Company.</p>	<p>The Board having considered the skills and qualifications and working experience of Mr. Yek, as well as his contribution and performance since his appointment, has accepted the recommendation of the Nominating Committee and approved his re-appointment as an Independent Director of the Company.</p>
Whether appointment is executive, and if so, the area of responsibility	<p>Executive</p> <p>Direct oversight of the functions of treasury, financial reporting and control, risk management, tax and compliance matter of the Group.</p>	Non-executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Chief Financial Officer	Independent director
Professional qualifications	<p>Master of Business Administration and Bachelor of Accountancy, Nanyang Technological University</p> <p>Fellow Chartered Accountant, Institute of Singapore Chartered Accountants</p>	<p>Bachelor of Accountancy, Nanyang Technological University</p> <p>Chartered Accountant, Institute of Singapore Chartered Accountant</p> <p>ASEAN Chartered Professional Accountant – ASEAN CPA</p>

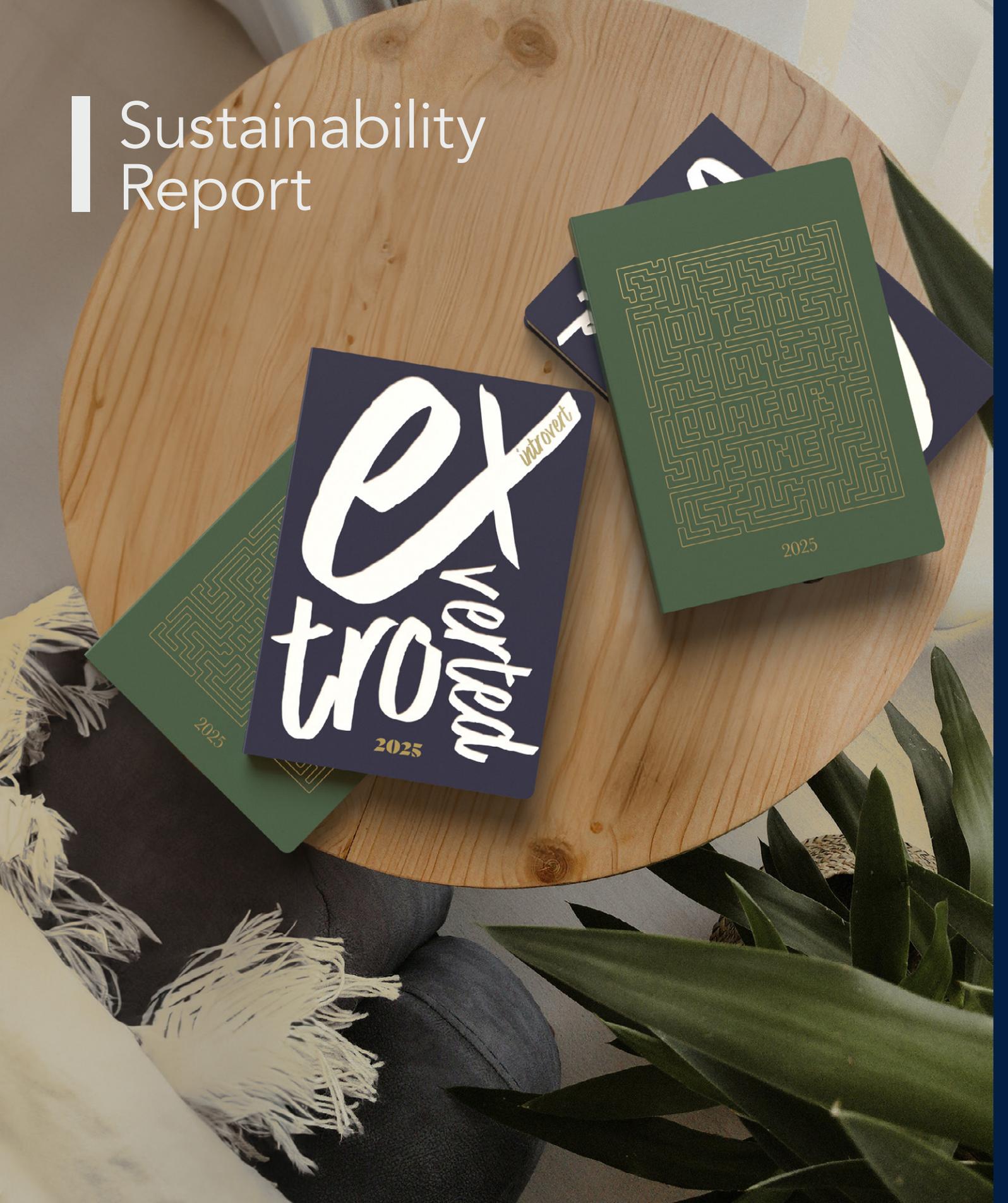
Name of Director seeking Re-election	Chan Cheng Fei	Yek Boon Seng
Working experience and occupation(s) during the past 10 years	<p>June 2018 to Present Chief Financial Officer Nippecraft Limited</p> <p>October 2016 to March 2018 Chief Financial Officer Geo Energy Resources Limited</p> <p>September 2014 to September 2016 Chief Financial Officer Chasen Holdings Limited</p>	<p>July 2024 to Present Chief Executive Officer E-Bridge Pre-School Pte Ltd</p> <p>March 2020 to June 2024 Chief Operating Officer Sunshine Bakeries</p> <p>November 2019 to June 2024 Group Director, Special Projects, Auric Pacific Group Limited</p> <p>May 2019 to October 2019 Chief Executive Officer Food Junction Management Pte Ltd</p> <p>November 2001 to April 2019 Senior Director nTan Corporate Advisory Pte Ltd</p>
Shareholding interest in the listed issuer and its Subsidiaries	20,000 ordinary shares in Nippecraft Limited	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None
Conflict of interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other principal commitments*including directorship		
<i>*Excludes the working experience and occupation(s) as listed in the previous section</i>		
Past (for the last 5 years)	Nil	<ul style="list-style-type: none"> <li>• Auric Pacific Food Industries Pte Ltd</li> <li>• Food Culture Pte Ltd</li> <li>• Auricfood Holdco Limited</li> <li>• Auric International Food Pte Ltd</li> <li>• Malones Holdings Pte Ltd</li> <li>• AGOP Limited</li> <li>• Auric Capital Pte Ltd</li> </ul>
Present	<ul style="list-style-type: none"> <li>• Collins Debden Limited;</li> <li>• Debden Importing (UK) Limited;</li> <li>• Collins Debden USA, Inc;</li> <li>• Collins Debden Pty Ltd; and</li> <li>• Paperich Pte Ltd</li> </ul>	<p>Director The 23 Fund VCC</p> <p>Committee work: Ang Mo Kio Town Council Nee Soon Town Council</p>

Name of Director seeking Re-election	Chan Cheng Fei	Yek Boon Seng
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.</p>		
<p>(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?</p>	No	No
<p>(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?</p>	No	No
<p>(c) Whether there is any unsatisfied judgment against him?</p>	No	No
<p>(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?</p>	No	No

Name of Director seeking Re-election	Chan Cheng Fei	Yek Boon Seng
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

Name of Director seeking Re-election	Chan Cheng Fei	Yek Boon Seng
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

# Sustainability Report



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## 1.0 Introduction

### 1.1 About Us

Listed on the Catalist of the SGX-ST, Nippecraft Limited is headquartered in Singapore and was founded in 1977.

Today, Nippecraft has grown from a stationery manufacturer to becoming a leading provider of innovative lifestyle stationery solutions. The key markets of the stationery business include the United Kingdom, Australia and Singapore.

The Group has three main consumer stationery brands: Collins, Debden and Jumble and Co. Collins, Debden and Jumble & Co. are global brands, with Collins having more than 205 years of British heritage, Debden has more than 40 years of history in Australia and New Zealand while Jumble & Co. is the latest addition to the Group in year 2021. We are proud of our heritage and always embrace sustainability as one of the priorities in our decision-making process for our business.

Collins, Debden and Jumble & Co. are names that are synonymous with high-quality stationery products across the world. We are passionate about everything we do and strive to make the Collins, Debden and Jumble & Co. brands the best that they can be based on our key principles:

- Quality;
- Creativity;
- Environmentally responsible;
- Innovation; and
- Investment in people.

For more information on Nippecraft, please visit our website at the following URL: <https://www.nippecraft.com.sg>.

### 1.2 Our Presence

Nippecraft Limited and its Subsidiaries:

- Nippecraft Limited (HQ in Singapore)
- Collins Debden Pty Limited (Australia, Sydney)
- Collins Debden Limited (United Kingdom, Glasgow)
- Collins Debden USA, Inc. (USA, San Francisco)
- Paperich Pte Ltd (Singapore)



### 1.3 About this Report

We are pleased to present Nippecraft's Sustainability Report for FY2024. Our reporting cycle is annually from 1 January 2024 to 31 December 2024. The most recent previous report for FY2023 was issued on 8 April 2024. The Sustainability Report for FY2024 has been prepared with reference to Global Reporting Initiatives ("GRI") Standards 2021 as well as Catalyst Rules 711A and 711B and Practice Note 7F of the Catalyst Rules. We have chosen the GRI Standards as it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures and this allows for comparison with Nippecraft's peers. In addition, we have also adopted the Recommendations of the Task Force on Climate-related Financial Disclosure ("TCFD") in developing voluntary and consistent climate-related financial risk disclosures.

We conducted a formal material assessment with internal stakeholders before the commencement of sustainability reporting, which led to the identification of sustainability matters most material to our business. These Economic, Environmental, Social and Government ("EESG") matters have been reviewed and validated by our Management in FY2024.

The reporting scope covers our corporate office and stationery operations for Singapore, Australia, the United Kingdom and the United States of America for FY2024. Where applicable, past financial year's data have been included for comparison purposes. The pulp trading business is not discussed in this report as we are not directly involved in production but in matching the demand from our customers and our suppliers.

We have engaged our internal auditors to perform an internal review of our sustainability reporting process. We have not sought external assurance on this report but will consider doing so as our reporting matures over time.

In our effort to meet the expectations of our stakeholders, we have taken steps to ensure the transparency and accountability of our global operations by the scope of our report. There is no restatement of information made from the previous reporting period.

### 1.4 Organisation Profile

Name of organisation	Nippecraft Limited
HQ location	2 Venture Drive, #24-01 Vision Exchange, Singapore 608526
Geography	Offices in Singapore, Australia, the United Kingdom, the United States of America
Legal form	Publicly listed on the SGX-ST since 1994
Markets served	The United Kingdom, Australia, Singapore, Indonesia, the United Arab Emirates, Hong Kong, Continental Europe and the United States of America

<b>Organisation scale</b>	Number of employees	: 48
	Number of key business units	: 4
	Revenue	: US\$ 105.3 million
	Total assets	: US\$ 56.8 million
	Total liabilities	: US\$ 24.7 million
	Total equity	: US\$ 32.1 million
	Cash and cash equivalents	: US\$ 17.6 million

<b>Memberships and Associations</b>	Chamber of Commerce (United Kingdom) Forest Stewardship Council ("FSC") Programme for the Endorsement of Forest Certification ("PEFC") GS1 Singapore, United Kingdom and Australia Singapore National Employer Federation Singapore Business Federation Supplier Ethical Data Exchange ("SEDEX") The BOSS Federation (United Kingdom)
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## 1.5 Direct economic value generated and distributed

Table 1: Direct Economic value generated and distributed in USD'000 for FY2024 and FY2023.

Stationery Business	Group	
	FY2024 (US\$'000)	FY2023 (US\$'000)
<b>Economic value generated</b>		
Revenue, Interest income, rental income and management fees	15,040	15,391
<b>Economic value distributed</b>		
<b>Operating costs</b>		
Cost of materials, product components and other operating costs	11,585	12,169
<b>Employee wages and benefits</b>		
Salaries and benefits	2,862	3,072
<b>Payment to providers of capital</b>		
Dividend and interest paid	–	–
<b>Payment to governments</b>		
Net income taxes paid	–	–
<b>Community investment</b>		
Voluntary donations to charity	1	7
<b>Economic value retained</b>		
Direct economic value generated less Economic value distributed	<b>592</b>	<b>143</b>

## 1.6 Financial assistance received from government

We have received the following grants from the respective governments that we operate in:

	FY2024	FY2023
	US\$'000	US\$'000
Singapore	12	9
The United Kingdom	–	–
Australia	–	–
<b>Total</b>	<b>12</b>	<b>9</b>

## 2.0 Approach to Sustainability

### 2.1 Board's Statement

Please refer to the Chairman's message on Page 16 of this Annual Report.

### 2.2 Stakeholders' Engagement

The success that we enjoyed is built upon effective stakeholder engagement. We actively manage our relationship with stakeholders and always maintain close communication with them. Feedback received from stakeholders may greatly influence business performance. Our people engage with different stakeholder groups set out in Table 2 below. We will strive to keep up with their evolving needs and proactively respond to the opinions and requests of our stakeholders. Our key approach to stakeholder engagement is detailed in Table 2 below:

**Table 2: Material Stakeholders' Engagement**

Key Stakeholders	Interest and Concerns	Communication Channels	Frequency	Our Response	
Customers	Stock availability	Sales team	Daily to annually	To sustain brand trust and loyalty through a unique brand experience to meet their needs and enjoyment	
	Quality of products and services	Meeting and company visit			
	On time and in full delivery	Telecommunication and email			
	Convenience	Social media platform			
	Customer data and privacy protection	Marketing and labelling of products		To develop innovation and strive for high quality products at competitive pricing	
		Survey, market research and focus group		Expand our sales, distribution channels and points of sale.	
Data protection policy					
Whistleblowing policy					
Local Communities	Environmental protection	Sustainability report	Daily to annually	To contribute to the development of the communities we operate in	
	Community engagement	Task Force of Climate-related Financial Disclosures			
	Corporate governance	Participation in charitable activities organised by local communities			
		Social media platform			
		Whistleblowing policy			

Key Stakeholders	Interest and Concerns	Communication Channels	Frequency	Our Response
Employees and trade union	Collective bargaining	Performance evaluation	Monthly to annually	To strengthen staff relationship through communication and participation in building our work environment
	Career development	Training and seminars		
	Equal opportunities	Townhall and departmental meetings		
	No discrimination			
	Remuneration and benefit	Electronic mails		
	Staff appraisal	Whistleblowing policy		
	Training and development			
	Safe working environment			
	Hybrid work arrangement			
Shareholders	Corporate governance	Financial result announcements and annual reports	As and when required	To improve profitability
	Business Strategies			To develop new strategies and initiatives
	Financial performance	Circulars		To create long-term sustainable value
	Compliance to the Singapore Exchange's listing rules and the Companies Act 1967	Announcements General meeting		To create an atmosphere of trust via timely communication and provide relevant and reliable information
	Investment returns	Corporate website		
		Whistleblowing policy		To adhere to good corporate governance practices

Key Stakeholders	Interest and Concerns	Communication Channels	Frequency	Our Response
Government and Regulators	Business integrity and ethics	Circulars	As and when required	To comply with relevant statutes, regulations and advisories
	Compliance with local laws, regulations and Singapore Exchange's listing rules	Announcements Financial reports		
	Contribute to economic and social development	Government agencies' portal		To support government and regulators' relevant initiatives
	Environmental protection	Participation in webinar, training and discussion		
Suppliers and Consultants	Business integrity and ethics	Procurement team	Daily to annually	To collaborate, develop products and services quality
	Cost of products and services	Meetings and company/factory visits		
	Quality of products and services	Telecommunication and electronic mail correspondences		To achieve sustainable business relationships
	Fair selection processes	Products and Service performance review		
	Long-term business relationships	Whistleblowing policy		
On-time payments				

### 2.3 Materiality Assessment

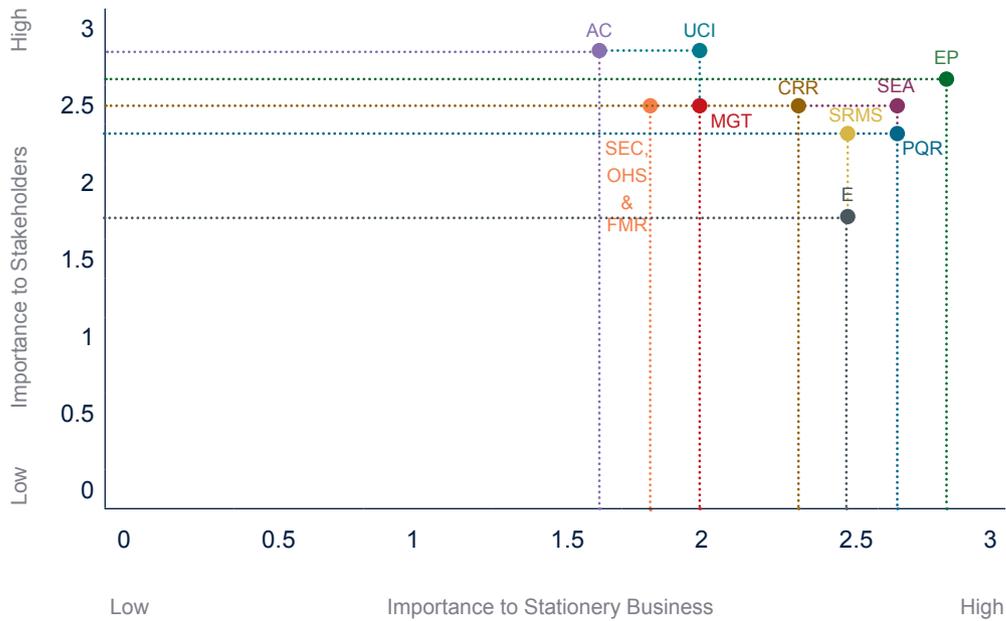
A materiality survey was conducted for FY2024 to reaffirm existing material EESG factors and at the same time, identified new material EESG factors for FY2025 and ranked them according to the significant impact on our business. Our management team met and discussed the material EESG factors that may create a significant impact on our businesses. We review our material EESG factors annually to ensure that they continue to be relevant for our future reporting periods.

**Table 3: Four Steps Materiality Assessment Process**

<b>1 Identification</b>	A list of EESG factors that are highly relevant to the Group's business development strategy was consolidated through discussions with Key Management Personnel across various stationery divisions.
<b>2 Prioritisation</b>	The identified EESG factors were evaluated and prioritised by representatives from the various stationery divisions; taking into consideration both internal and external stakeholders' perspectives. These EESG factors were subsequently aligned at the Corporate level for consistency across the Group stationery divisions.
<b>3 Validation</b>	The final list of material factors for FY2024 Sustainability Report was presented to the Board of Directors for their validation and approval.
<b>4 Review</b>	Material factors selected for reporting in FY2023 were reassessed to ensure their continued relevance to our operations in FY2024. We will continue to review our material factors on an annual basis.

In FY2024, Nippecraft has established appropriate and effective management policies for EESG issues and internal control and the information disclosed complies with the requirements of the GRI Standard 2021. A materiality assessment exercise was conducted for FY2024 by the process described above. Incorporating inputs from our stakeholders, our material factors are ranked as follows:

Chart 1: Nippecraft's Materiality Matrix



Legend		
●	EP	Economic performance
●	SEA	Supplier Environment Assessment
●	PQR	Product Quality Risk
●	UCI	Undeclared Conflict of Interests
●	CRR	Climate-Related Risk
●	AC	Anti-Corruption
●	MGT	Management
●	SEC	Socio-Economic Compliance
●	OHS	Occupational Health and Safety
●	FMR	Financial Misstatement Risk
●	E	Employment
●	SRMS	Sustainable Raw Material Sourcing

**Table 4: Material factors reported for FY2024 and the reasons for inclusion**

Material factors reported for FY2024	Reason for inclusion
Economic Performance	Our Economic Performance and the positive contributions we make to the society and communities where we operate are anticipated by both internal and external stakeholders.
Supplier Environment Assessment	We consider Supplier Environment Assessment as a key factor due to its impact on resource use, environmental footprint, supply chains, regulatory compliance and ESG performance.
Product Quality Risks	We recognise the importance of managing Product Quality Risks as they will have a significant impact on our customers' satisfaction, brand image, legal compliance, operational efficiency, competitive advantage and the financial performance.
Undeclared Conflict of Interests	Incorporating Undeclared Conflict of Interest will reflect a commitment to ethical business practices, risk mitigation, legal compliance and protect the company's reputation.
Sustainable Raw Material Sourcing	Sustainable Raw Material Sourcing is a significant for sustainability reporting as its influences resource depletion, carbon footprint, supply-chain stability, regulatory compliance, ethical sourcing and financial performance, which will ultimately affects our ESG responsibilities and long-term business resilience.
Climate-Related Risk	Taking action on Climate-Related Risks is a fundamental business necessity, requiring us to confront both our environmental footprint and the consequences of climate change on our operations.
Anti-Corruption	It promotes legal compliance, ethical conduct, risk mitigation, integrity and responsibility in conducting our business.
Management	Management plays a pivotal role in strategic decision-making, operational efficiency, talent management stakeholders' relationship, corporate governance, succession planning and financial performance. It will contribute to the overall success of the business.
Socio-Economic Compliance	Social-Economic Compliance aligns with our stakeholders' expectations, mitigates risks, and enhances legal compliance and employees' engagement. In addition, may contribute positively to brand image and customer loyalty.
Occupational Health and Safety	Addressing Occupational Health and Safety is crucial to protect employees, enhance productivity, ensure legal compliance, reduce costs, improve morale and strengthening a company's reputation. It will also foster a safer and more efficient workplace.
Financial Misstatement Risk	We highlight the importance of maintaining the importance of financial reporting. Addressing these risks is important for sustaining investors' confidence, ensuring legal compliance, and supporting decision-making. It will enhance the overall reputation and success of our business.
Employment	We acknowledge its significance in influencing workforce dynamics, talent acquisition, company's reputation, legal compliance, diversity, community impact and overall success of our Group. It will also align with responsible and sustainable business practices.
Diversity and Equal Opportunities, Governance and Enterprise Risks, Local Communities, Training and Education	These factors are no longer considered as a material factor. Disclosure is for information only.

### 3.0 Economic

#### 3.1 Economic Performance

The scope of this report covers our stationery business operations in Singapore, the United Kingdom (“UK”), Australia and the United States of America (“USA”), in which Nippcraft has an ownership interest of more than 50%. The pulp trading business is not discussed in this report as we are not directly involved in production but in matching the demand from our customers and our suppliers.

Our stationery business ended FY2024 with a 3% decrease in revenue to US\$14.3 million and a segment profit of US\$0.3 million (FY2023: segment profit of US\$0.1 million) due to an increase in gross profit, decrease in administrative expenses and increase in rental and interest income. Through proactive supply chain management, the Group was able to avoid material supply disruption during the year.

Nippcraft will continue to hold a holistic view in generating long-term profitability and shareholders’ returns with a consideration of the interests of various stakeholders identified under the stakeholders’ engagement. We will continue looking into improving our consumers’ experience by engaging them to gather feedback on their experience in using our products and to comment on our work in progress to keep up with the ever-changing consumer trends. For example, our classic diaries and notebooks are evolving to portray the personality, lifestyle and fashion-sense of the consumers.

#### 3.2 Financial Misstatement Risk

In today’s world, financial misstatements are increasing due to decentralisation, outsourcing to third party vendors, evolving financial reporting requirements and new regulatory disclosures. In addition, we may try to do more with fewer resources.

Financial reporting consists of three major structures:

- People - those responsible for input, extraction, aggregation and analysing the financial information;
- Processes - timeline that the financial information is obtained and reported; and
- Systems - which crunch the numbers into meaningful form.

In order to mitigate the risk of financial misstatement, we ensure that following policies are in place for the three major structures:

##### People

- each role has a defined job description;
- close alignment of skills with responsibilities;
- focus on training in areas that may cause material financial misstatement;
- financial reporting function is adequately staffed;
- encourage two-way communications; and
- Biannual staff survey to determine morale.

##### Process

- standardisation of policies across the Group;
- policies are integrated and automated in the processes;
- centralisation of management reporting; and
- process documentation.

##### System

- identify errors in a timely manner;
- automation of manual processes;
- automated, customised, integrated; and
- accessible through a portal and/or an application.

The reduction in financial misstatement risk is similar to other business processes within the Group. As such, we will continue to place emphasis on improving people, processes and systems to reduce financial misstatement risk and at the same time, improve the efficiency and effectiveness of the financial reporting process.

## 4.0 Environment

In Nippecraft, we are conscious of our environmental footprint and have been working with our suppliers to reduce them. With the growing concern of climate change, it is imperative for us to focus on our effort to use sustainably sourced and recyclable materials in our products so that we can contribute to the global force to shift the tide of climate change. In the year 2024, “Whatever we do, Nature will always win” remained as our guiding principle in conducting our businesses. To date, we have not been identified by any authorities for non-compliance with environmental laws and/or regulations.

### 4.1 Sustainable Raw Materials Sourcing

We have suppliers located globally. These suppliers supplied the bulk of our finished goods. We often update them about our consumers and governmental requirements so that they are prepared for the changing needs. Since 2019, we explored with our suppliers to further reduce the use of plastics for packaging. However, plastic packaging is still the most suitable for our premium product ranges such as Cosmopolitan and Legacy ranges, as there is currently no alternative in the marketplace that performs as effectively. The plastic packaging for these two ranges of products doubled up as display material to protect the products whilst they are on display on shelves in stores. However, where possible, we have used plastic packaging which contains a minimum 30% of recycled material which is better for the environment. We will continue to use paper packaging whenever we can and have adopted this for a majority of our products, which include the Associate, Rural Management, Student, Elite and Classic ranges. Moving forward, we will consciously attempt to minimise the use of plastic on our new products.

Pulp and paper are the key raw materials in our finished products. As we continue to embrace sustainable sourcing, we are committed to responsible forestry management. Nippecraft is both FSC and PEFC certified, we are committed to increasing the proportion of materials that are certified under the Chain-of-Custody programmes. In addition, most of our cover materials are either sourced from FSC or Registration, Evaluation, Authorisation and Restriction of Chemicals (“**REACH**”) accredited suppliers. We have also proactively introduced more products into our ranges which use 100% recycled paper.

In addition to sustainable sourcing, we also adhere to high social and ethical standards along with our supply chain. Nippecraft is a member of SEDEX, a global organisation that helps companies manage an ethical supply chain. The SEDEX Members Ethical Trade Audit is one of the most widely used audit procedures in the world. It provides a globally-recognised way to assess responsible supply chain activities, including labour rights, health and safety, the environment and business ethics. Furthermore, we have been instrumental in our key vendors adopting the SEDEX standards. Together with our key vendors, who are also SEDEX members, we are continuously committed to ethical sourcing & management of our supply chain.

Our materials have passed stringent checks by the customs of the importing markets and we perform ongoing reviews to ensure that we comply with respective market customs regulations. We also review the commodity codes on an ongoing basis to ensure we are using the correct codes and therefore pay the correct level of duty. Commodity codes are used to classify goods for import and export within the European Union (“**EU**”) or outside the EU. The classification aims to pay the right tax and duty and follow the respective regulations. We also continued to perform quality checks on our materials to ensure that there were no hazardous elements. For example, we ensure that our materials are non-hazardous through the use of materials that are REACH certified in particular, the materials used for our book covers. We practice ethical sourcing by using materials only from well-established suppliers who are compliant with environmental legislation and procedures.

The target tonnage set for FY2024 was based on different product mixes and volume ordered. Certain orders were secured on price using Non-FSC paper which was sustainably sourced but is not formally certified and therefore counted as non-renewable or non-certified material.

During the year, 1,453 (FY2023: 1,504) metric tonnes of materials were used to produce and pack our books sold.

### **Performance and Targets**

<b>Material Aspect</b>	<b>Target for FY2024</b>	<b>Performance for FY2024</b>	<b>Short-term Target FY2025</b>	<b>Mid-term Target FY2030</b>	<b>Long-term Target FY2050 and beyond</b>
Material from sustainable sources (Raw materials that are FSC and PEFC certified)	80%	92%	80%	90%	100%#
Renewable material (Tonnage)	1,083	1,345	1,457	1,830	4,814
Non-renewable material (Tonnage)	271	108	93	117	0

Note:

# We expect material from non-sustainable sources will either be depleted and or join the ranks of sustainable through intervention by the respective governments.

## **4.2 Supplier Environmental Assessment**

Our Quality Control team performs regular site visits to our suppliers and checks that they are indeed using sustainable materials. For all new suppliers, we perform rigorous due diligence checks before appointing them. The following reports will also be obtained from them:

- 4.2.1 ISO9001 Quality Management;
- 4.2.2 ISO14001 Environmental Management Certification;
- 4.2.3 FSC or PEFC;
- 4.2.4 SEDEX; and
- 4.2.5 Social Accountability (SA8000) or Occupational Health and Safety Assessment Series (OHSAS 18001).

Any existing or potential vendors who are unwilling or unable to provide the abovementioned reports will not be re-appointed or appointed as our vendor.

We conducted on-site product quality inspections and audits. Customers may also request for the SEDEX audit reports which we will promptly provide to them for them to understand how our supply chains are performing.

If the vendor does not perform to our requirements, the vendor will need to take the necessary corrective action to meet our requirements. We will verify that the correction actions are taken before we continue to place orders vendor with the vendor.

## **4.3 Greener Products**

During the year, we have developed five new product ranges that use recycled materials. The five product ranges include the Essentials, Dream planners, Scandi, Veridian and Maximalism. For more details of the product range, please visit our online store.

### **Performance and Targets**

<b>Material Aspect</b>	<b>Target for FY2024</b>	<b>Performance for FY2024</b>	<b>Short-term Target FY2025</b>	<b>Mid-term Target FY2030</b>	<b>Long-term Target FY2050 and beyond</b>
Product ranges using recycled materials	10	10	12	80% of product ranges	100% of product ranges

Material Aspect	Target for FY2024	Performance for FY2024	Short-term Target FY2025	Mid-term Target FY2030	Long-term Target FY2050 and beyond
Percentage of recycled materials used in the finished products	95%	95%	95%	95%	95%

#### 4.4 Climate-related Risks

Please refer to section 7 of this report on page 74.

#### 5.0 Social

In FY2024, we saw a 6% decrease in headcount to 48 employees. This was mainly due to the decrease of 18 full-time employees due to resignation and restructuring offset by the employment of 15 full-time employees. One headcount was transferred from our UK office to our Singapore office. Short-term casual and contract workers were not included in our reporting as they were employed to cover duties only when our employees were on parental or personal leave. The employee turnover rate has increased from 29% to 36% (refer to Table 8).

**Table 5: Total employees  
As at 31 December**

	Male		Female		Total	
	2024	2023	2024	2023	2024	2023
Full-Time	21	18	26	32	47	50
Part-Time	–	–	1	1	1	1
<b>Total</b>	<b>21</b>	<b>18</b>	<b>27</b>	<b>33</b>	<b>48</b>	<b>51</b>

**Table 6: Total employees by region  
As at 31 December**

	Australia	Singapore	United Kingdom	2024	2023
Full-Time	10	25	12	47	50
Part-Time	1	–	–	1	1
<b>Total</b>	<b>11</b>	<b>25</b>	<b>12</b>	<b>48</b>	<b>51</b>

Note: Operations in the USA are supported by employees in United Kingdom.

While our headcount decreased from 51 in FY2023 to 48 in FY2024, there were 15 new hires in FY2024 replacing those who have resigned within the Group, as illustrated below:

**Table 7: New employees by Countries  
As at 31 December**

By Countries	By Gender		2024	2023
	Male	Female	Total	Total
Australia	2	3	5	7
Singapore	3	–	3	2
United Kingdom	4	3	7	3
<b>Total</b>	<b>9 (60%)</b>	<b>6 (40%)</b>	<b>15</b>	<b>12</b>

**Table 8: Employee Turnover  
As at 31 December**

By Countries	By Gender		2024	2023
	Male	Female	Total	Total
Australia	–	3	3	8
Australia (Restructuring)	2	1	3	–
Singapore	1	3	4	2
Singapore (Restructuring)	–	–	–	2
United Kingdom	3	4	7	3
United Kingdom (Restructuring)	–	1	1	–
<b>Total</b>	<b>6 (33%)</b>	<b>12 (67%)</b>	<b>18</b>	<b>15</b>
<b>Employee Turnover rate</b>			<b>36%</b>	<b>29%</b>
<b>Employee Turnover rate (Excludes employee affected by Restructuring)</b>			<b>28%</b>	<b>25%</b>

As we are operating within both fast-moving consumer goods and commodity industries, people are our greatest asset and serve as an important point of contact between our customers and Nippecraft. It is a priority for us to equip them with the required skill sets so that they can be always at their best. This includes functions like customer service, sales, procurement, warehousing, quality assurance, product development, human resources, administration and finance. We hope to continue to improve their skills to meet the changing demands of the industries that we are operating in.

Nippecraft continues to commit to fair employment, elimination of discrimination and encouraging diversity amongst our workforce.

**Table 9: Age profiles of new hires**

FY2024 Age Profile of new hires	<30	30 to 50	>50
Number	6	8	1
In percentage	40%	53%	7%

FY2023 Age Profile of new hires	<30	30 to 50	>50
Number	4	7	1
In percentage	33%	59%	8%

We continue to believe that Group's operations require a strong talent pool to make a positive impact. In FY2024, we believed that we had recruited the right candidates in catering to the needs of the Company.

**Performance and Targets**

Material Aspect	Target for FY2024	Performance for FY2024	Target for FY2025	Mid-term to Long-term Target FY2030 to FY2050 and beyond
Recruiting and matching the right candidates for the job (successfully completed probation)	90%	96%	90%	94%

## 5.1 Diversity and Equal Opportunity

We embrace diversity, and at the same time expect employees to be aligned with the Group's vision and strategic initiatives. The age of our employees ranges from the 20s to the 60s. Our employees consist of people from different nationalities and academic qualifications but we strive for fair treatment. We are committed to providing competitive remuneration and benefits to our employees.

The employees in our Group comprise union and non-unionised members. In Singapore, a collective bargaining agreement between the Company and the Building Construction and Timber Industries Employees' Union ("BATU") covers all our locally engaged employees other than employees holding managerial and confidential positions. Our employees in the UK and Australia are not unionised.

Employee Profile of the Group as at 31 December 2024 and 31 December 2023 are as follows:

**Table 10: Age profile of all employees**

<b>FY2024 Age Profile of all employees</b>	<b>&lt;30</b>	<b>30 to 50</b>	<b>&gt;50</b>
Number	7	25	16
In percentage	15%	52%	33%
<b>FY2023 Age Profile of all employees</b>			
Number	6	25	20
In percentage	12%	49%	39%

**Table 11: Academic profile of all employees**

<b>FY2024 Academic Profile of all employees</b>	<b>Below diploma</b>	<b>Diploma</b>	<b>Degree and above</b>
Number	12	12	24
In percentage	25%	25%	50%
<b>FY2023 Academic Profile of all employees</b>			
Number	12	10	29
In percentage	23%	20%	57%

**Table 12: Nationality profile of all employees**

<b>FY2024 Nationality Profile</b>	<b>Australia</b>	<b>British</b>	<b>Chinese</b>	<b>Malaysian</b>	<b>Singaporean</b>	<b>Others</b>
Number	8*	14	1	5	16	4
In percentage	17%	29%	2%	11%	33%	8%
<b>FY2023 Nationality Profile</b>						
Number	8	17*	3	5	16	2
In percentage	16%	33%	6%	10%	31%	4%

Note:

\* Includes 1 part-time employees

All eligible male and female employees were entitled to parental leave in 2024. One female employee took parental (maternity) leave in year 2023 and returned to work in year 2024. This represents a return-to-work rate of 100%. The female employee who took parental leave returned to work in January 2024 and remained employed as of the date of this report. The retention rate for FY2024 was 100%.

Diversity and equal opportunity are no longer considered as a material factor since FY2023. The above disclosures are for information only.

## 5.2 Management

While the Board sets the general direction towards sustainability practices, it delegates the day-to-day task of managing the impact of sustainability practices to the Management. Management plays a pivotal role in strategic decision-making, operational efficiency, talent management stakeholders' relationship, corporate governance, succession planning and financial performance. With due consideration on being sustainable, Management will contribute to the overall success of the business.

In FY2024, there were seven senior management team members of which one was female. Among the seven members, there were three British, three Singaporeans and one Australian.

The Board continues to believe that with existing gender equality ratio in the senior management team, the Group can continue to expect diversity of ideas and innovative breakthroughs. Nippecraft will continue to ensure that gender equality is always our consideration on the boards of all our subsidiaries as well as the senior management team.

The gender profile of the Management is as follows:

**Table 13: Gender Profile of Management**

<b>FY2024 Management team</b>	<b>Senior Manager</b>	<b>Manager</b>	<b>Total</b>	<b>2023 Total</b>
Female	1	11	12	13
Male	6	10	16	14
<b>Total</b>	<b>7</b>	<b>21</b>	<b>28</b>	<b>27</b>

## 5.3 Code of Conduct

The Group sets out the expected code of conduct in its employee handbook. During the year, the Group has circulated the business ethics guidelines that are required to be adhered to in dealings with both customers and vendors. Nippecraft ensures compliance with labour and employment laws, including working hours. The Group does not discriminate against anyone because of age, gender, national origin, disability, religion, sexual orientation, marital or maternity status, union membership or political opinion, among others. An Equality and Diversity Policy has been established within the Group to show our commitment to promoting equality and diversity and to ensure that individuals are treated fairly and valued as member of a team. The Company recognises that it has clear obligations toward all employees to ensure they are treated fairly. There are channels to report any non-compliance about discrimination through our whistleblowing system.

Nippecraft's Grievance Policy encourages employees to freely communicate with their immediate supervisor or human resource personnel. This is to ensure that problems are aired and resolved as quickly as possible. If the issue cannot be resolved at the operational level, it will be escalated to the next level of the organisational hierarchy. Code of conduct is not identified as a material factor in our materiality exercise, as it is considered a norm in all the geographical regions that we operate in.

In both years 2024 and 2023, there was no known instance of discrimination or reported discrimination received.

**Performance and Targets**

Material Aspect	Target for FY2024	Performance for FY2024	Target for FY2025	Mid-term to Long-term Target FY2030 to FY2050 and beyond
Instance of discrimination	Zero tolerance of discrimination			

**5.4 Training and Education**

Training in Nippecraft begins at the induction stage of our new hires. Our employees go through a host of internal coaching programmes including selling, customer service, procurement, inventory control, human resources and finance.

Nippecraft understands that employee training and development pave the way for the Group to progress into the future. One of our initiatives is to re-deploy our employees to assume new roles while leveraging on their expertise amidst the evolving business model that we operate in. Employees are encouraged to go for courses and seminars to upgrade themselves and improve their skills. We set off into FY2024 with a training target of no less than 150 hours. At the end of FY2024, 262 (FY2023: 260 hours) training hours were provided to our employees across all functions.

**Performance and Targets**

Material Aspect	Target for FY2024	Performance for FY2024	Target for FY2025	Mid-term to Long-term Target FY2030 to FY2050 and beyond
Training and Education	150 hours	262 hours	160 hours	960 hours
Average training and education per employee	2.9 hours*	5.5 hours#	3.3 hours#	20 hours#

\* Based on 51 employees.

# Based on 48 employees.

**Table 14: Employees training hours**

FY2024 Employee Type	Number of Employees Attended Training	Total Training Hours	Average Training Hours per Employee
Female	10	88.9	8.9
Male	12	173.5	14.5
Manager	14	217.4	15.5
Non-Manager	8	45.0	5.6

Training and Education are no longer considered as a material factor FY2024. The above disclosures are for information only.

## 5.5 Occupational Health and Safety

The well-being and safety of our employees are paramount to us. We are committed to safeguarding our employees' health and safety against any potential occupational hazards. All employees are encouraged to feedback immediately to the responsible departments should they come across or identify any potential occupational hazards.

In the year 2024, there were 3 fire drills conducted in our Singapore corporate office and warehouses. Two employees who are members of our Company Emergency Response Team have undergone training and achieved proficiency in Cardiopulmonary resuscitation ("CPR") and the use of an Automated External Defibrillator ("AED").

With the support of BATU, we have an engagement session in January 2024 to gather feedback from our union employees on various matters. Moving forward, we will work together with BATU to have more frequent engagement with our employees.

In addition to occupational health and safety initiatives, we encouraged our employees to seek medical advice as early as possible to seek treatment before the condition worsens. All our employees have access to non-occupational medical and healthcare services, such as outpatient, specialist and hospitalisation services. In Singapore, all our employees are covered under the Company's health insurance for hospitalisation and medical reimbursement for outpatient services. In the United Kingdom and Australia, all employees are covered under the National Health Services and Medicare systems respectively.

### *Performance and Targets*

Material Aspect	Target for FY2024	Performance for FY2024	Short-term Target FY2025	Mid-term to Long-term Target FY2030 to FY2050 and beyond
Work-related injuries	Zero reported incident	Zero reported incident	Zero reported incident	Zero reported incident
Work-related ill health	Zero reported incident	Zero reported incident	Zero reported incident	Zero reported incident

## 5.6 Employee Engagement

The Company recognised that employee engagement is the key to driving performance. When the employees are engaged, they will be passionately committed to achieving the best results or even outperforming expectations. The Board and Management engaged our employees on an ad-hoc basis to demonstrate our appreciation for their performance. Feedback on work processes, regardless of whether constructive or not constructive is welcome. This provides a starting point for management to review the existing processes so that we can further improve our work processes to achieve higher productivity and better work-life balance. Over the years, we have recognised the contribution of our employees who have dedicated a major part of their work lives to our Group.

All employees other than contract employees received periodic performance and career development reviews. Key performance indicators are set so that performance can be benchmarked against the targets set at the end of the financial year. However, should there be any indication of underperformance, the immediate supervisor will conduct an informal review with the employee to take remedial action to improve his or her performance. Employee engagement is not identified as a material factor in our EESG material factors identification exercise. We are providing this disclosure for general information only.

**Table 15: Employees (other than contract employees) whom have received periodic performance and career development reviews**

FY2024 By Employee Category	By Gender	
	Male	Female
Manager	100%	100%
Non-manager	100%	100%

### Performance and Targets

Material Aspect	Target for FY2024	Performance for FY2024	Target for FY2025	Mid-term to Long-term Target FY2030 to FY2050 and beyond
Percentage of total employee who received a regular performance and career development review	100%	100%	100%	100%

### 5.7 Local Communities

During the year in review, our team in UK has volunteered in the “Feed the Homeless” programme, Both Singapore and Australian teams have participated in “Clean the Beach Day” and “Clean Up Australian Day”. In FY2024, the Group has achieved its target set out in the Sustainability Report for FY2023.

### Performance and Targets

Material Aspect	Target for FY2024	Performance for FY2024	Target for FY2025	Mid-term to Long-term Target FY2030 to FY2050 and beyond
Supporting local community charities and not-for-profit activities	Supports at least two charities and/or not-for-profit events	Supported three not-for-profit events	Supports at least two charities and/or not-for-profit events	Supports at least six charities and/or not-for-profit events

Local Communities are no longer considered as a material factor FY2024. The above disclosures are for information only.

### 5.8 Socio-Economic Compliance

We pride ourselves in having good corporate governance and observing compliance with applicable laws and regulations. The Group is committed to conducting business with integrity and safeguarding the interest of all our stakeholders, both internal and external.

Similar to FY2023, we have achieved zero incidents of non-compliance in FY2024.

### Performance and Targets

Material Aspect	Target for FY2024	Performance for FY2024	Short-term Target FY2025	Mid-term to Long-term Target FY2030 to FY2050 and beyond
Socio-economic Compliance	Zero tolerance of non-compliance			

### 5.9 Board Diversity

At Nippecraft, we are committed to foster a diverse and inclusive Board that reflects a broad range of perspectives, experiences and background. Our goal is to enhance corporate governance, decision-making and long term sustainability by ensuring that our Board composition aligns with our values and stakeholder expectations.

Target	Progress
Enhance the Board’s skill set and experience to support the Company’s sustainable development in the long term	Continuing – The Board continues to conduct regular reviews on its members’ competencies, such as the expertise, skills and experience, so as to ensure that its Board remains relevant to meet the ongoing challenges and evolving landscape surrounding the Group’s business.
Chairman of the Board is an Independent Director	Achieved – The Chairman of the Board is an independent director.
Majority Independence of the Board	Achieved – 67% of the Board is made up of independent directors.

## 6.0 Governance

Our ability to integrate sustainable initiatives and processes remained the critical factor for our business continuity. Our Board is overall responsible for the sustainability and integration of EESG factors in the formulation of our business strategy. Management will then set the sustainability direction for our business operations. This includes the target setting and execution of initiatives. Management will report the sustainability performance to the Board on an annual basis.

### 6.1 Minority Representation

As of the date of this report, our Board consists of six members of which four are independent directors. This will ensure that the interests of the minority shareholders are protected and that their voices will be heard.

### 6.2 Policies and Practices

Strong corporate governance and good business ethics provide foundation support for many successful organisation in the world. Nippecraft aligns itself with the industry's best practices and strives to meet stakeholders' expectations. As part of our corporate governance framework, a set of policies, such as the Code of Conduct (refer to 5.3 Code of Conduct) and Whistleblowing Policy, has been formulated to direct us on the right way to conduct business responsibly.

We strive to maintain the highest standard of accountability, fairness and integrity. Our employees are informed of their expected conduct during onboarding. We also encouraged them to raise any complaints or feedback regarding questionable accounting, audit matters, internal controls or any matter that breaches the Group policy, corruption and employee misconduct by our Whistleblowing Policy. Please refer to the Corporate Governance section for further information.

### 6.3 Enterprise Risk Management

Our Board recognised its responsibilities over the governance of risks and has set in place management procedures for ensuring a sound system of risk management and internal controls. These procedures include a structured Enterprise Risk Management ("ERM") programme to Nippecraft and its subsidiaries, management reviews of key transactions, and the assistance of independent consultants such as external and internal auditors to review financial statements and internal controls covering key risk areas.

By identifying and managing risks through the ERM programme, we should be able to make more informed and collective decisions and benefit from a better balance between risk and reward. As part of the programme, Management will also have more structured review processes as new risks emerge to be aware of the potential impact of such new risks and to undertake meaningful measures to address them.

More information on our Corporate Governance can be found in the Corporate Governance Statement section.

#### *Performance and Targets*

Material Aspect	Target for FY2024	Performance for FY2024	Target for FY2025	Mid-term to Long-term Target FY2030 to FY2050 and beyond
Percentage of total employees who received a regular performance and career development review	100%	100%	100%	100%
Perform risk assessment, compliance with Catalyst Rules, Code of Corporate Governance and the governing Statutes of the countries that we operated in.	Zero tolerance of non-compliance			

## Performance and Targets

Material Aspect	Target for FY2024	Performance for FY2024	Target for FY2025	Mid-term to Long-term Target FY2030 to FY2050 and beyond
Compliance of Code of Conduct	Maintain a high standard of ethical conduct and adopts a zero-tolerance approach to fraud and zero incident of corruption or money laundering or anti-competitive practices or similar misconduct	No known ethical misconduct, fraud, or corruption or money laundering or anti-competitive practices or similar misconduct reported	Maintain a high standard of ethical conduct and adopts a zero-tolerance approach to fraud and zero incident of corruption or money laundering or anti-competitive practices or similar misconduct	Maintain a high standard of ethical conduct and adopts a zero-tolerance approach to fraud and zero incident of corruption or money laundering or anti-competitive practices or similar misconduct

Governance and Enterprise Risks are no longer considered as a material factor FY2024. The above disclosures are for information only.

### 6.4 Undeclared conflict of interest

In Nippecraft, we acknowledged that everyone has financial and personal relationships outside of their employment. Conflict of interest arises when one personal interest and employment duty overlap which result in an actual or perceived lack of independence in dealing with the stakeholder that involved the Group's assets.

To mitigate the risk of undeclared conflict of interest, we have the following policies in place:

- All directors and employees were informed during induction that the person should not place himself or herself in positions where their interests could conflict with those of the Company or any of the Company's customers. If a conflict-of-interest situation exists, whether in fact or in apparent, the person concerned should disclose it to their immediate superior and escalate to the higher management for clarification; and
- The Group Chief Financial Officer (or equivalent person) will obtain signed letters of confirmation from Key Management Personnel, Controlling Shareholders and the Directors periodically (of not more than half a year) concerning to their interest in any transactions with the Group.

When a declared conflict of interest situation arises, it may be managed as follows:

- Engage an independent employee to oversee the relevant activity;
- Cease the involvement of the employee, who maybe in a conflict of interest position, in the matter;
- Surrender private interest that created the conflict of interest to the Company; or
- The person shall resign or transfer from the position if there is no solution to the conflict.

The existence of a conflict of interest may not necessarily imply that the employee or the group of employees have acted or implied wrong-doing. Conflict of interest itself is not a criminal act. However, if the conflict of interest relationship remains unchecked and not properly managed it may lead to other acts as other premeditated acts such concealment of relationships, financial gains, and falsification of documents, which may be criminal. Therefore, we need to adopt the best practices to avoid and manage them to reduce the consequences of not managing them properly.

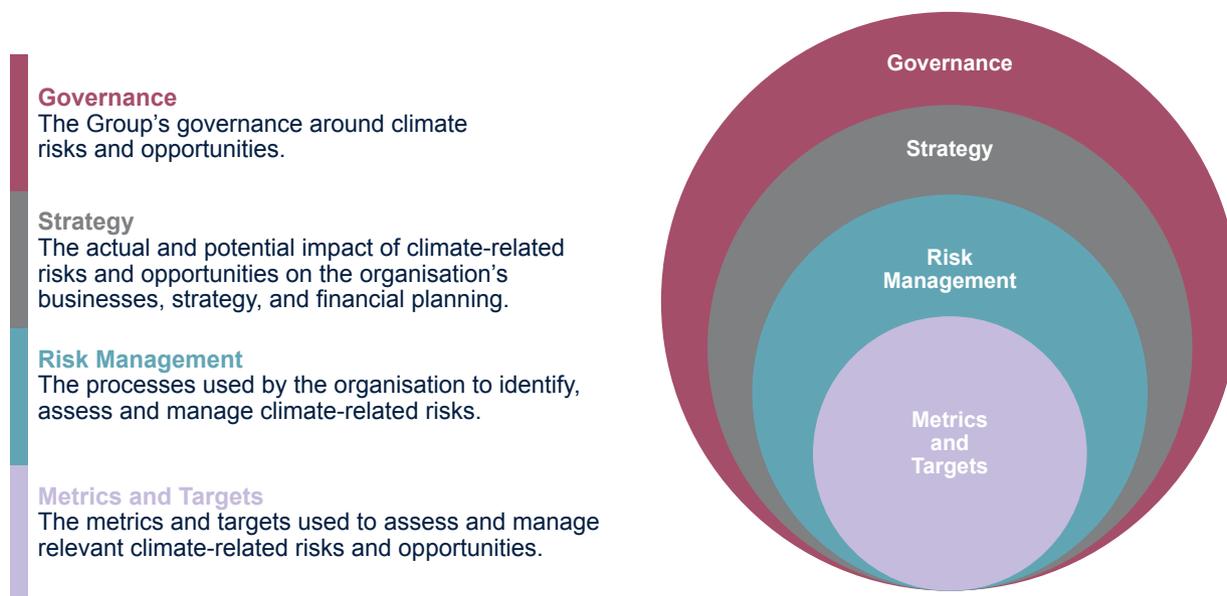
## 7.0 Task-force on Climate-related Financial Disclosures

On 15 December 2021, the Singapore Exchange Regulation (the “**SGX RegCo**”) announced that all issuers must provide climate reporting on a “comply or explain” basis in their sustainability reports from FY2022 onwards. For the agriculture, food and forest products sector, climate reporting based on the recommendations of the Task Force on Climate-related Financial Disclosures (“**TCFD**”) framework will become mandatory from FY2023 onwards.

To address the international concerns on climate change, we have adopted the Recommendations of the TCFD. The Recommendations of the TCFD aimed to develop consistent climate-related financial risk disclosures.

This report follows the TCFD structure which is presented in the following diagram

**Chart 2: Core Elements of Recommended Climate-Related Financial Disclosures**



Source: Final Report on the Recommendations of the Task Force on Climate-related Financial Disclosures.

### Key pillars of TCFD and our progress

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organisation’s governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

## Recommended Disclosures

Governance	Strategy	Risk Management	Metrics and Targets
Describe Nippecraft Group Board's oversight of climate-related risks and opportunities	Describe the climate-related risks and opportunities Nippecraft Group has identified over the short, medium and long term	Describe the Nippecraft Group's processes for identifying and assessing climate-related risks	Disclose the metrics used by Nippecraft Group to assess climate-related risks and opportunities in line with its strategy and risk management process
<b>Status: In compliance</b>	<b>Status: In compliance</b>	<b>Status: In compliance</b>	<b>Status: In compliance</b>
Describe Nippecraft Group Management's oversight of climate-related risks and opportunities	Describe the impact of climate-related risks and opportunities on Nippecraft Group's businesses, strategy and financial planning	Describe Nippecraft Group's processes for managing climate-related risks	Disclose Scope 1, Scope 2 and if appropriate Scope 3 greenhouse gas ("GHG") emissions and the related risks
<b>Status: In compliance</b>	<b>Status: In compliance</b>	<b>Status: In compliance</b>	<b>Status: In compliance</b>
	Describe the resilience of Nippecraft Group's strategy taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into Nippecraft Group's overall risk management	Describe the targets used by Nippecraft Group to manage climate-related risks and opportunities and performance against targets
	<b>Status: In compliance</b>	<b>Status: In compliance</b>	<b>Status: In compliance</b>

### 7.1 TCFD Pillar: Governance

#### 7.1.1 Board's oversight of climate-related risks and opportunities

Since the financial year 2022, the Board set the general direction of the Group's sustainability and climate-related strategy, and the decision-making process. It meets at least once a year to discuss sustainability and climate-related issues that affect the Group's operations, review the progress and performance of the Group's climate commitments and strategy and approve the disclosures in the Annual Report, Sustainability and Climate-related disclosures and metrics. The Board is supported by the audit Committee ("AC") which is tasked to ensure compliance with the sustainability and climate-related aspects and government laws and regulations. The Eco Project Committee (the "EPC") comprises the Executive Directors and Key management personnel, including representatives from our overseas subsidiaries was set up in the year 2022. The EPC reports to the AC. The Group recognise the importance of setting short term, medium-term and long-term targets for sustainability and climate-related targets. When sustainability and climate-related goals are set, EPC will ensure that all business activities and processes are aligned with the sustainability goals. The EPC is tasked to identify, assess, monitor, and report on climate-related issues and strategies to the AC.

Currently, climate-linked objectives form part of the key performance indicators of the Executive Directors. However, Executive remuneration is not linked to climate-linked objectives.

The Board members, *inter alia*, are selected from a variety range of industries, geographies and expertise and skills. This criterion discounted the risk of "Groupthink" and ensured that we have a rounded view of issues such as climate-related risks and opportunities which is crucial to our business.

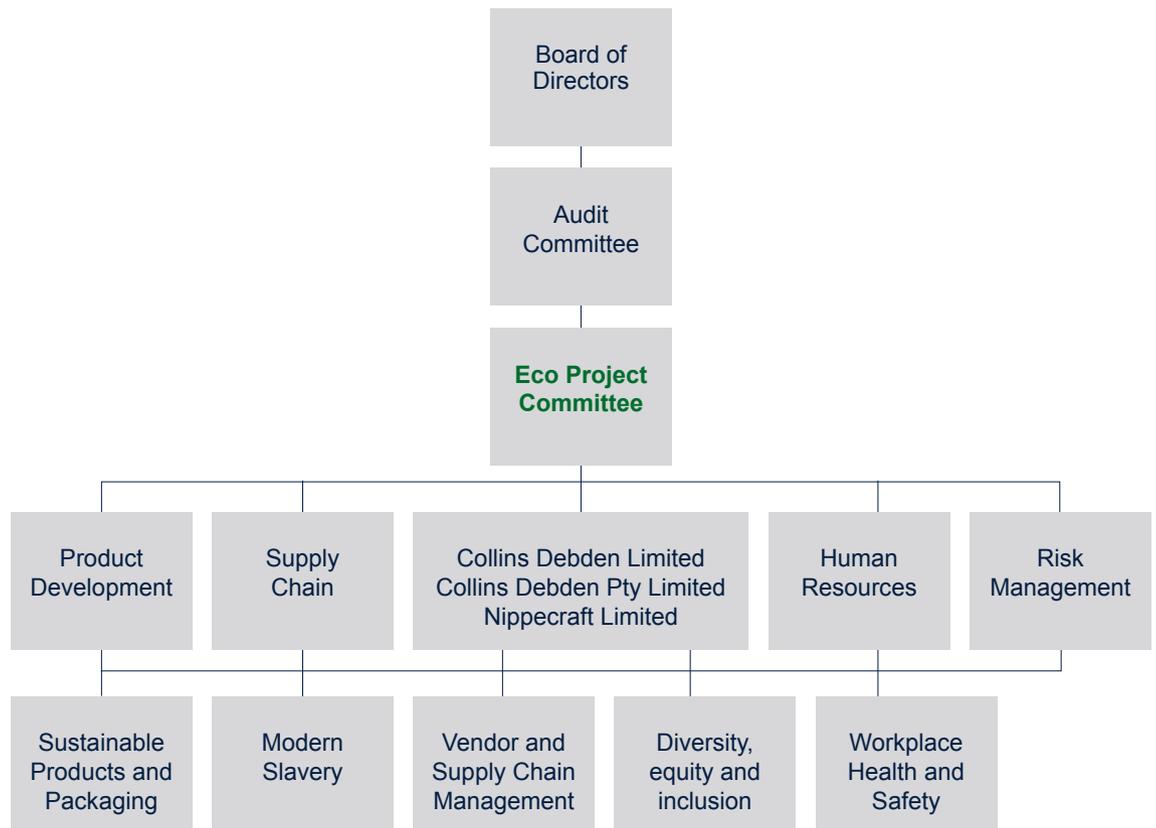
All Board members have attended formal training in sustainability organised by accredited parties by the Singapore Exchange. The composition and experience of the Board can be found on pages 18 to 20 of this report.

### 7.1.2 Management's role in assessing and managing climate-related risks and opportunities

The EPC comprises all C-level executives and functional heads, who plan, review and approve Nippecraft's Sustainability and Climate-related strategy and other EESG decisions across Singapore, Australia and United Kingdom operations. All C-level executives and functional heads (who are also members of EPC) have attended the same formal training in sustainability attended by our Board members.

The EPC reviews key climate risks that include emerging risks, mitigation plans and progress against targets and makes recommendations to the Board through the AC. The EPC also reviews the Group's progress to ensure that it is aligned with the TCFD framework and disclosures.

**Chart 3: Eco Project Committee**



A summary of sustainability and climate-related governance is detailed in Table 16 which described the roles, responsibilities and meeting frequency for each governance and management structure.

**Table 16: Sustainability and climate-related governance**

Governance/ Management Structure	Climate-related roles and responsibilities	Meeting and reporting frequency
Board of Directors	Set the general direction of the Group’s sustainability and climate-related strategy, and the decision-making process.	Once to twice a year.
Audit Committee	Review key climate risks, mitigation plans and progress against targets and recommendation from EPC.	Participate in meetings with AC, Board and EPC.
Chief Executive Officer	CEO, a Board member, and Chairperson of the Eco Project Committee, is responsible for making climate-specific recommendations to the Board, related to disclosures, performance, risks and strategy.	Participate in meetings with AC, Board and EPC.
Eco Project Committee	<p>EPC, comprises of C-level executives and Functional Heads.</p> <p>Its roles and responsibilities include:</p> <ul style="list-style-type: none"> <li>• Formulate the visions, strategies and policies on sustainability;</li> <li>• Addressing EESG issues of the Group;</li> <li>• Identify, assess, monitor and report on climate-related issues;</li> <li>• Prepare Sustainability Report, including alignment with the TCFD framework;</li> <li>• Review effectiveness of policies and measures by monitoring targets set; and</li> <li>• Report to the Board through AC at least once a year on latest issues within its scope and power.</li> </ul>	Monthly to quarterly or when required.

**7.2 TCFD Pillar: Strategy**

Nippecraft aims to create long-term sustainable value for all our stakeholders. Our key objectives are to attract, develop and retain our employees. We want to connect, enrich and satisfy our customers and the local community that we serve through innovative sustainable products that creates a positive impact on our Earth.

### 7.2.1 Climate-related risks and opportunities the organisation has identified over the short, medium, and long-term

Climate change is a medium to long-term risk for which it is difficult to quantify the impact on Nippecraft's activities. We understand the important role that we act upon in minimising the environmental footprint of our operations and sustainable production through the efficient use of resources. As one of the oldest heritage brands, Collins, together with Nippecraft, aims to create sustainable value for all our stakeholders. Our objective is to attract, develop, and keep our people. In addition, through innovation, connect and improve the lives of our customers and community. Ultimately, creating a positive impact on our environment.

We are committed to minimise our carbon footprint in our business operations to meet our carbon reduction targets. Our products mainly consist of Pulp and Paper. Pulp and Paper are renewable and recyclable and are the most recycled materials globally. On the packaging of our stationery products, plastic remains the preferred material. Nevertheless, we will continue exploring opportunities to reduce the use of plastic.

Climate-related risks identified include material transition risks including new laws and regulations, market adaption and technology adoption. Physical risks (chronic) include increasing temperature and rising sea levels. We have also identified an increase in the frequency of extreme weather events on the surface across years in 2025 (short term), 2030 (medium term) and 2050 and beyond (long term).

On the other hand, it presented us opportunities, such as sustained improvements, to reconsider the need to use plastic as a preferred material to package our stationery products or that we can do away with packaging altogether; drive towards eco-friendly stationery items; offer ranges of seasonal products to harness solar power as a solution for our electricity needs for our Singapore warehouses; and a resilient stationery and pulp trader during extreme weather events.

### 7.2.2 Impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning

We reviewed the possible impact over the short term (year 2025), medium term (year 2030) and long-term (year 2050 and beyond) horizons. The outcome of the scenario mapping has been summarised as climate related risks and opportunities.

The wide swing in temperature will also gear towards an increase in energy consumption and other related costs associated with our business which inevitably drive up our business costs. Over the years, the Group has mitigated higher energy consumption and adopted energy-saving measures such as downsizing our corporate and overseas offices and outsourcing our overseas warehousing and transportation/delivery needs to third party logistic service providers to reap economies of scale. In Singapore, we have also used LED lights, which consume less energy, in our warehouse. This strategy has enabled the Group to reduce our carbon footprint over the years.

On the opportunity front, we realised that there is a shift in our customer bases in gearing toward buying stationery products that are produced using recycled materials. In the year 2024, we continue to produce twelve product ranges that are made up of recycled materials to meet the demand of this group of customers (Please refer to section 4.3 Greener Products). The Group will continue to incorporate sustainable elements into our business when the opportunities arise. In addition, in the geographical regions that we operate in, the local governments have pledged to be carbon neutral before year 2050. We anticipate that sustainability related stationery products are growing and are expected to grow at a faster pace than in the last ten years.

#### **Material risks and opportunities**

Nippecraft Group has a comprehensive and proactive manner road map to anticipate and manage climate change impacts on our business, which includes building climate resilience into the core of our corporate strategy and business operations. We make use of climate risk assessments, which include scenario modeling, to identify events that can be a business opportunity or may potentially affect our business operations. The following are our climate-related risk view, the impacts, and our response and opportunities to those risks identified:

**Table 17: Identified Climate-related Risks and Opportunities**

Risk Type	Description of Potential Impacts	Impacts	Our Response and Opportunities
Transition	Policy and regulation	<p>Regulators in various jurisdictions where we operate may enforce additional requirements related to utilities and stricter environmental policies. The oversight of emissions and adoption of carbon pricing measures may raise operating expenses.</p> <p>Non-compliance may expose us to potential litigation risks.</p>	<p><b>Resource Optimisation</b></p> <p>Sustained improvements and innovation design, along with alternative more environmentally friendly raw materials, aim to enhance resource efficiency, achieve a reduced carbon footprint, and cut long-term operating expenses.</p>
	Market	<p>Adapting to changing customer preferences for sustainable products (such as more environmentally friendly plastic) might pose a challenge if we cannot fulfill their demands.</p>	
	Technology	<p>Moving toward a low-carbon economy may necessitate the adoption of new technologies to improve resource efficiency across our global operations.</p> <p>Falling behind in technology adoption may result in a loss of competitiveness</p> <p>In addition, there may be a need to phase out older equipment to remain relevant.</p>	

Risk Type	Description of Potential Impacts	Impacts	Our Response and Opportunities
Physical (Chronic)	Increase in temperature	<p>Increase in temperature might contribute to drought conditions, affecting the health of the forests and quality of pulpwood. It may influence the overall eco-system, potentially impacting the availability of pulpwood resources.</p> <p>Potential challenges may include disruption in raw material (primarily paper), increased production costs, and the need for sustainable practices to address environmental concerns.</p>	<p><b>Diversification of supply-chain</b></p> <p>We will diversify our supply chain by sourcing and producing across different suppliers across different countries and regions. This will mitigate risks that may cause disruptions, such as geopolitical tensions and natural disasters. With diversification, it will enhance our resilience toward unforeseen challenges and ensuring a more reliable supply chain. The opportunities include fostering greater innovation as suppliers explore for greater diversity marketplace and technologies; and may lead to higher cost efficiency and improve responsiveness, which will lead to longer term sustainability and competitiveness of our supply chain.</p>
	Rising sea levels	<p>Raw materials that are sourced from coastal areas, rising sea levels may disrupt the supply chain, affecting the cost of paper and other materials.</p> <p>Mitigating the effects of rising sea levels may disrupt the supply chain, leading to increased operational costs.</p> <p>Changing climate patterns may influence consumer preferences and behaviours which may impact the demand for certain types of paper stationery products. For example, increased awareness of environmental issues may drive a demand for eco-friendly and sustainable products.</p>	<p><b>Innovation in Product Design</b></p> <p>The need for climate-adapted and sustainable products may drive innovation in the design and production of eco-friendly stationery items that align with environmentally conscious consumer preferences.</p> <p><b>Seasonal Products</b></p> <p>With changing temperature patterns, there may be opportunities to diversify product lines, offering seasonal products or weather-specific stationery items that cater to different consumer needs throughout the year.</p>

Risk Type	Description of Potential Impacts	Impacts	Our Response and Opportunities
Physical (Acute)	Increase in the frequency in extreme weather events	<p>More frequent and intense extreme weather events, such as storms with strong winds, that have the potential to damage our warehouses and inventory.</p> <p>This may require increased capital expenditure for repairs or the installation of climate-resilient roofing on our warehouses. In addition, damaged inventory may adversely affect our import, domestic and export business operations.</p>	<p><b>Resilience measures</b></p> <p>To complement our ongoing research and development of innovative product design, we have proactively assessed and addressed the potential impacts by incorporating sustainable practices into our business strategies, such as harnessing solar energy for our energy needs and at the same time offsetting our GHG emissions.</p>

7.2.3 Resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including 2° Celsius or lower scenario

We believe that scenario analysis is important and useful for creating a strategic plan to reduce climate-related risk. The following is a list of climate-related scenarios and our strategy in neutralising the impact on our business:

Climate-related Scenarios	Our strategy/counter measures
Damage to assets	Sufficient insurance coverage on our assets.
Increase in temperature & rise in sea levels	Warehouse and offices are not located near forested and/or costal area to avoid bushfire and flooding.
Increase in environmental regulations	Comply with all environmental regulations and ensure supplies are purchased from sustainable sources, wherever possible.
Increase in carbon taxes	Use more energy efficient equipment and lighting to reduce GHG emissions and carbon taxes.

**7.3 TCFD Pillar: Risk Management**

7.3.1 Describe the organisation’s process for identifying and assessing climate-related risks

7.3.2 Describe the organisation’s processes for managing climate-related risks

We systematically recognise, evaluate and control risks to minimise uncertainties linked to implementing our business strategies, thereby lessening potential adverse effects on our operations. At the enterprise level, we have implemented a thorough risk management framework outlining our governance structure, risk appetite, tolerance levels, management approach, and key risk factors. Through stakeholder engagement and material assessments, we scrutinise EESG risks across our value chain, addressing them through corporate sustainability initiatives. Additionally, we conduct climate scenario analyses to identify and manage climate-related risks.

7.3.3 Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management

We have incorporated climate-related risks into our risk register. Along with other global companies, we will face various strategic and operational challenges due to climate change, encompassing financial risks from both transitional and physical (Chronic and acute) risks, which will impact the sustainability of our businesses. Our strategy involves each strategic business unit (“SBU”) in identifying, assessing and managing risks within its enterprise, integrating these actions into the annual business planning and budgeting process.

Stages of the risk management process	Status	The approach to manage climate risks
<p><b>Establishing the environment</b></p> <p>Describe the SBU commercial landscape which undertakes the risk assessment operations, providing the environment for the assessment and the criteria against the risks that will be assessed later in the process.</p>	Completed	Refer to 7.2.3
<p><b>Identification of Risk</b></p> <p>By getting inputs from key management personnel and internal information sources.</p>	Completed	The various risk owners and stakeholders are involved in the risk assessment process within the Group.
<p><b>Assessment of risk</b></p> <p>To comprehend the root cause of the risk and the likelihood of the risk may occur and cause impact on financial and non-financial impact for the SBU.</p>	Completed	The Group has assessed risks and has also implemented its risk mitigating strategy.
<p><b>Mitigation of Risk</b></p> <p>Determine the risk mitigating strategy that can be identified to mitigate risks that have been identified.</p>	Carried out	
<p><b>Mitigation of Risk</b></p> <p>Monitor those identified risks and ensure that they remain within acceptable levels.</p>	Carried out	The Group incorporated climate risks into the current risk surveillance system.
<p><b>Response to the Risk</b></p> <p>Evaluate the effectiveness of the mitigating strategy to the identified risks and update the mitigating strategy, if necessary.</p>	Carried out	The Group evaluated the effectiveness of the mitigating strategy to the realised risks and updated the response when necessary.
<p><b>Communicate, Collaborate, Review and update</b></p> <p>Consolidate key information and share with the appropriate management level and/or to the Board.</p>	On-going	Periodic update on the progress of the above steps and update the risk management plan to keep the plan up to date and effective.

**7.4 TCFD Pillar: Metrics & Targets**

7.4.1 Metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risks management process. Globally and locally, more businesses are pivoting towards sustainable practices as greater demand grows from customers, investors and other stakeholders.

In September 2022, Singapore announced new ambitions to reach net-zero emissions by 2050, and during Budget 2022, to raise the carbon tax from \$5 per tonne of emissions to between \$50 and \$80 by 2030.

7.4.2 Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (“GHG”) emissions, and related risks

7.4.3 Targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Nippecraft has started measuring GHG emissions (scope 1, 2 and 3) in accordance with GHG Protocol. The GHG emissions summary for the last three years are as follows:

**Performance and Targets**

Environmental - GHG emissions	Unit	2022 Actual	2023 Actual	2024 Actual	2025 Target
Direct GHG emissions (Scope 1) - Petrol consumption <sup>1</sup>	tCO <sub>2</sub> e	10	8	–	–
Energy indirect GHG emissions (Scope 2) - Electricity consumption <sup>2</sup>	tCO <sub>2</sub> e	95	23 <sup>4</sup>	17	–
Other indirect GHG emissions (Scope 3) - Business trips <sup>3</sup>	tCO <sub>2</sub> e	24	72	33	80
<b>Total</b>	tCO <sub>2</sub> e	<b>129</b>	<b>103</b>	<b>50</b>	<b>80</b>
GHG emission intensity	tCO <sub>2</sub> e/ revenue (US\$'000)	0.008	0.007	0.003	

**Note:**

- <sup>1</sup> Petrol consumption refers to petrol consumed for business purposes which are paid or reimbursed by the Group disclosed in year 2023 and prior years. GHG emission generated by petrol consumption by rented vehicles were to be accounted under Other indirect GHG emissions (Scope 3).
- <sup>2</sup> Electricity consumption refers to electricity consumed by the Group only. It excludes electricity consumption by tenants, vendors and third-party warehouses. To provide a more accurate reflection of the GHG emissions, we used emission factors sourced from each country where we operate. The latest published emission factors from each country or region were applied to calculate the GHG emissions for year 2022, 2023 and 2024. The latest emission factors used by our Singapore operations were sourced from the latest Energy Market Authority’s Energy Statistic in Singapore published in year 2021, 2022 and 2023. The Australian subsidiary emission factors were sourced from the latest Australian National Greenhouse Accounts Factors published in year 2022, 2023 and 2024. Our UK subsidiary operates in a serviced office and does not have a direct electricity consumption data.
- <sup>3</sup> Business trips refers to business trips taken by the Group employees and vendors that are reimbursed by the Group. It also include emissions from petrol consumption used in vehicles rented by the Group.
- <sup>4</sup> Due to the disposal of factory cum warehouse on 8 March 2023.

Since September 2024, Nippecraft’s solar photovoltaic systems in Singapore, comprising over 320 solar panels installed on the roofs of the warehouse located at 8 Kwong Min Road have been generating about 75 MWh of clean energy and reduced GHG emission by 30 tCO<sub>2</sub>e in the four months ended 31 December 2024.

A target zero increase in Scope 1 and Scope 2 of the GHG emissions by the financial year ended 31 December 2025. As for Scope 3, we have targeted an increase due to an expected increase in business-related travelling. We continued to be mindful to communicate using telecommunication channels with our stakeholders, where possible rather than visiting them by road, by rail or by air to their offices for meetings.

**8. Contact Us**

Your input will contribute to the ongoing enhancement of our EESG efforts and overall performance. Should you have any inquiries or suggestions about this sustainability report or our EESG initiatives, kindly reach out to us via email at [sustainability@nippecraft.com.sg](mailto:sustainability@nippecraft.com.sg).

Universal Standard Disclosure		Reference / Page
<b>GRI 3: Material Topics 2021</b>		
<b>1.</b>	<b>The organization and its reporting practices</b>	
2-1	Organisational details	1.1 - 1.4 / 54
2-2	Entities included in the organisation's sustainability reporting	1.3 / 55
2-3	Reporting period, frequency and contact point	1.3 / 55
2-4	Restatements of information	None
2-5	External assurance	No external assurance obtained
<b>2.</b>	<b>Activities and workers</b>	
2-6	Activities, value chain and other business relationships	5.0 / 65
2-7	Employees	5.0 / 65
2-8	Workers who are not employees	5.0 / 65
<b>3.</b>	<b>Governance</b>	
2-9	Governance and Structure and composition	CG framework & 7.1 / 22 & 75
2-10	Nomination and selection of the highest governance body	CG framework / 22
2-11	Chair of the highest governance body	CG framework / 22
2-12	Role of the highest governance body in overseeing the management impacts	CG framework / 22
2-13	Delegation of responsibility for managing impact	7.1.2 & 5.2 / 76 & 68
2-14	Role of the highest governance body in sustainability reporting	7.1.2 / 76
2-15	Conflicts of interest	6.4 / 73
2-16	Communication of critical concerns	Whistleblowing Channels / 42 Managing Stakeholders Relationships / 45
2-17	Collective knowledge of the highest governance body	Directors' duties, induction, training and development / 24
2-18	Evaluation of the performance of the highest governance body	Board Performance / 33
2-19	Remuneration policies	Procedures for developing for developing remuneration policies / 33
2-20	Process to determine remuneration	RC to consider and ensure all aspects of remuneration are fair / 34
2-21	Annual total compensation ratio	5:1 (CEO total compensation to median annual total compensation for Nippecraft Group, excluding CEO)
<b>4.</b>	<b>Strategy, policies and practices</b>	
2-22	Statement on sustainability development strategy	Chairman's message / 16
2-23	Policy commitments	1.1 / 54
2-24	Embedding policy commitments	4.0, 5.0, 6.0 & 7.0 / 63, 65, 72 & 74

Universal Standard Disclosure		Reference / Page
2-25	Processes to remediate negative impacts	Whistleblowing Channels / 42 Engagement with shareholders / 44
2-26	Mechanisms for seeking advice and raising concerns	Engagement with shareholders / 44
2-27	Compliance with laws and regulations	6.0 / 72
2-28	Membership associations	1.4 / 55
<b>5. Stakeholder Engagement</b>		
2-29	Approach to stakeholder engagement	2.2 / 57
2-30	Collective bargaining agreements	5.1 / 67
<b>GRI 3: Material Topics 2021</b>		
3-1	Process to determine material topics	2.3 / 59
3-2	List of material topics	2.3 / 59
3-3	Management of material topics	2.3, 3.0 - 7.0 / 59, 62
<b>GRI 201: Economic Performance</b>		
201-1	Direct economic value generated and distributed	1.5 / 56
201-3	Defined benefit plan obligations and other retirement plans	1.5 / 56
201-4	Financial assistance received from government	1.6 / 56
<b>Category: Environmental</b>		
<b>GRI 301: Materials</b>		
301-1	Material used by weight or volume	4.1 / 63
301-2	Recycled input materials used	4.1 / 63
<b>GRI 302: Energy</b>		
302-1	Energy consumption within the organization	7.4.2 / 83
302-4	Reduction of energy consumption	7.4.3 / 83
<b>GRI 308: Supplier Environmental Assessment</b>		
308-1	New suppliers that were screened using environmental criteria	4.2 / 64
308-2	Negative environmental impacts in the supply chain and actions taken	4.2 / 64
<b>GRI 401: Employment</b>		
401-1	New employee hires and employee turnover	5.0 / 65
401-3	Parental leave	5.1 / 67
<b>GRI 403: Occupational Health and Safety</b>		
403-6	Promotion of worker health	5.5 / 70
403-9	Work-related injuries	5.5 / 70
403-10	Work-related ill health	5.5 / 70

Universal Standard Disclosure		Reference / Page
<b>GRI 404: Training and Education</b>		
404-1	Average hours of training per year per employee	5.4 / 69
404-2	Programs for upgrading employee skills and transition assistance programs	5.4 / 69
404-3	Percentage of employees receiving regular performance and career Development reviews	5.6 / 70
<b>GRI 413: Local Communities</b>		
414-1	Operations with local community engagement, impact assessments, and development programs	5.7 / 71
<b>GRI 419: Socio-Economic Compliance</b>		
419-1	Non-compliance with laws and regulations in the social and economic area	5.8 / 71
<b>MATERIAL TOPICS</b>		
<b>GRI 205: Anti-corruption 2016</b>		
205-1	Operations assessed for risks related to corruption	6.3 & Whistle-blowing channels / 72 & 42
205-2	Communication and training about anti-corruption policies and procedures	5.4 / 69
205-3	Confirmed incident of corruption and actions taken	6.3 / 72
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
405-1	Diversity of governance bodies and employees	5.1 / 67

## The TCFD recommendations on Climate-related Financial Disclosures

Recommended disclosures		Reference / page
Governance	Disclose the organisation's governance around climate-related risks and opportunities	(a) Describe the board's oversight of climate-related risks and opportunities. 7.0 / 74
		(b) Describe the board's oversight of climate-related risks and opportunities. 7.1 / 75
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term. 7.2.1 / 78
		(b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning. 7.2.2 / 78
Risk Management	Disclose how the organization identifies, assesses, and manage climate-related risks.	(a) Describe the organisational's processes for identifying and assessing climate-related risks. 7.3.1 / 81
		(b) Describe the organisational's processes for managing climate-related risks. 7.3.2 / 81
		(c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management. 7.3.3 / 82
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	(a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. 7.4.1 / 82
		(b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks. 7.4.2 / 83
		(c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. 7.4.3 / 83

# Financial Report



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# DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of Nippecraft Limited (the "Company") and subsidiaries (the "Group") for the financial year ended 31 December 2024 and the statement of financial position of the Company as at 31 December 2024.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 98 to 150 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2024 and of the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors has, on the date of this statement, authorised these financial statements for issue.

## Directors

The directors of the Company in office at the date of this statement are as follows:

Chow Wai San	Independent Non-Executive Chairman
Raja Hayat	Executive Director and Chief Executive Officer
Chan Cheng Fei	Executive Director and Chief Financial Officer
Raymond Lam Kuo Wei	Independent Director
Eddie Foo Toon Ee	Independent Director
Yek Boon Seng	Independent Director (Appointed on 15 March 2025)

## Directors' interests in shares or debentures

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act 1967, none of the other directors and chief executive officers holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations either at the beginning or the end of financial year or as at 21 January 2025, except as follows:

	Direct interests		
	At 1 January 2024	At 31 December 2024	At 21 January 2025
<b>Company</b>			
<i>Ordinary shares</i>			
Chan Cheng Fei	20,000	20,000	20,000

## **DIRECTORS' STATEMENT (Continued)**

### **Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### **Share options**

During the financial year, no options to take up unissued shares of the Company or any subsidiaries were granted and no shares were issued by virtue of the exercise of options to take up unissued shares of the Company or any subsidiaries. There were no unissued shares of the Company or any subsidiaries under option at the end of the financial year.

### **Audit committee**

The members of the Audit Committee (the "AC") at the end of the financial year are as follows:

Chow Wai San	Chairman of Audit Committee, Independent Non-Executive Chairman
Raymond Lam Kuo Wei	Independent Director
Eddie Foo Toon Ee	Independent Director

The AC carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act 1967, the Listing Manual of the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance.

In performing its functions, the AC met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

In performing those functions, the AC:

- to review the audit plan of the external and internal auditors of the Company, and their reports arising from the audit;
- to ensure the adequacy of the assistance and cooperation given by the Management to the external and internal auditors;
- to review the financial statements of the Company and the consolidated financial statements of the Group before submission to the Board for approval;
- to review the half yearly and annual announcements of the results of the Group before submission to the Board for approval;
- to review at least annually the effectiveness and adequacy of the Company's internal controls in addressing the financial, operational, compliance and information technology risks;
- to review the Group's risk management structure and any oversight of our risk management processes and activities to mitigate risk at acceptable levels determined by the Board;
- to review the external auditors' audit report, their management letter (if any) and management's response on internal control;
- to discuss problems and concerns, if any, arising from the internal and external audits, and any matters which the auditors may wish to discuss (in the absence of management, where necessary);
- to review and discuss with the external and internal auditors, any suspected fraud or irregularity, or suspected infringement of any Singapore law, rules and regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and the Management's response;

**DIRECTORS' STATEMENT (Continued)****Audit committee (Continued)**

- to report to the Board on its findings from time to time on matters arising and requiring the attention of the AC;
- to review the mandated interested person transactions and mandated list of interested persons to ensure that the current procedures for monitoring of interested party transactions have been complied with;
- to review adequacy and effectiveness of internal audit function, at least annually;
- to review the independence of the external auditors annually, making recommendation to the Board the appointment/re-appointment of the external and internal auditors, the audit fee and matters relating to the resignation or dismissal of the auditors;
- to review the assurance provided by the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") that the financial records have been properly maintained, and that the financial statements give a true and fair view of the Company's operations and finances; and
- to undertake such other reviews and projects as may be requested by the Board.

The AC has recommended to the Board of Directors that the independent auditors, Crowe Horwath First Trust LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company. The AC has conducted an annual review of non-audit services provided by the auditors to satisfy itself that the nature and extent of such services will not affect the independence and objectivity of the external auditors before confirming their re-nomination.

In appointing the external auditors for the Company and subsidiaries, the Company has complied with Rules 712 and 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Further details regarding the AC are disclosed in the Corporate Governance Statement.

**Independent auditors**

The independent auditors, Crowe Horwath First Trust LLP, have expressed their willingness to accept re-appointment as auditors of the Company.

**On behalf of the Board of Directors****RAJA HAYAT**

Director

**CHAN CHENG FEI**

Director

2 April 2025

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NIPPECRAFT LIMITED

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Nippecraft Limited (the "Company") and its subsidiaries (the "Group") set out on pages 98 to 150, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

#### *Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
NIPPECRAFT LIMITED (Continued)**

**Key Audit Matters (Continued)**

<b>Completeness of revenue – Pulp Trading</b>	
<p>Refer to the following notes to the financial statements            Note 2.3 "Material accounting policy – revenue from contracts with customers"            Note 14 "Revenue from contracts with customers"</p>	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>The Group's pulp trading forms a significant portion 86% (2023: 87%) of the Group's revenue, amounting to US\$91,010,000 (2023: US\$96,798,000). As the sales transactions of pulp trading are individually material transactions, errors in the recording of sales in the correct financial period represents a significant risk of misstatement. Manual, rather than automated process, also increases the risk that transactions might not be captured in the financial statements in a complete manner.</p> <p>Reviews are undertaken by management to ensure that internal controls are operating effectively and proper revenue recognition policies are complied with.</p>	<p>Our audit of revenue focused on whether the Group's revenue recognition policies complied with SFRS(I) 15 <i>Revenue from Contracts with Customers</i> and in addressing the completeness of the recorded revenue.</p> <p>Our procedures applied include:</p> <ul style="list-style-type: none"> <li>- Assess whether the Group's revenue recognition policies complied with SFRS(I) 15 and test the implementation of these policies;</li> <li>- Obtain sales confirmations to ensure the completeness of the recorded revenue;</li> <li>- Perform relevant test of controls on the back-to-back trading arrangement and ensure that the transactions are supported with shipping documents and proper approval; and</li> <li>- Perform revenue cut off testing to ensure that revenue was recognised based on the transfer of the controls of ownership to the customers and the accounting period in which the trade occurred by testing a sample of revenue items to contract and shipping documents, with a specific focus on transactions which occurred near the financial reporting date.</li> </ul>

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NIPPECRAFT LIMITED (Continued)**

### ***Other Information***

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of Management and Directors for the Financial Statements***

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NIPPECRAFT LIMITED (Continued)**

### ***Auditor's Responsibilities for the Audit of the Financial Statements (Continued)***

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
NIPPECRAFT LIMITED (Continued)**

***Auditor's Responsibilities for the Audit of the Financial Statements (Continued)***

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Goh Sia.

**Crowe Horwath First Trust LLP**

Public Accountants and  
Chartered Accountants  
Singapore

2 April 2025

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2024

(Amounts in United States dollars)

	Note	Group		Company	
		2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	3	3,039	3,385	2,837	2,951
Investment in subsidiaries	4	–	–	16,512	16,512
Deferred tax assets	10	21	21	20	19
		3,060	3,406	19,369	19,482
<b>Current assets</b>					
Inventories	5	3,113	2,894	245	149
Trade and other receivables	6	32,772	30,649	4,048	4,870
Prepayments		212	146	90	32
Cash and bank balances	7	17,626	19,326	2,585	1,955
		53,723	53,015	6,968	7,006
<b>TOTAL ASSETS</b>		<b>56,783</b>	<b>56,421</b>	<b>26,337</b>	<b>26,488</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	8	23,380	22,726	1,162	886
Lease liabilities	9	444	479	355	347
Income tax payable		3	31	–	–
		23,827	23,236	1,517	1,233
<b>Non-current liabilities</b>					
Lease liabilities	9	831	1,224	831	1,097
Provision for long service leave		8	9	–	–
		839	1,233	831	1,097
<b>TOTAL LIABILITIES</b>		<b>24,666</b>	<b>24,469</b>	<b>2,348</b>	<b>2,330</b>
<b>NET ASSETS</b>		<b>32,117</b>	<b>31,952</b>	<b>23,989</b>	<b>24,158</b>

**STATEMENTS OF FINANCIAL POSITION**  
**(CONTINUED) AS AT 31 DECEMBER 2024**  
(Amounts in United States dollars)

	Note	Group		Company	
		2024	2023	2024	2023
		US\$'000	US\$'000	US\$'000	US\$'000
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	11	36,817	36,817	36,817	36,817
Asset revaluation reserve	12	496	496	496	496
Foreign currency translation reserve	12	(33)	287	–	–
Accumulated losses	13	(5,163)	(5,648)	(13,324)	(13,155)
<b>TOTAL EQUITY</b>		<b>32,117</b>	<b>31,952</b>	<b>23,989</b>	<b>24,158</b>

The accompanying notes are an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Amounts in United States dollars)

	Note	2024 US\$'000	2023 US\$'000
<b>Revenue from contracts with customers</b>	14	105,343	111,548
Cost of sales		(96,933)	(103,725)
Gross profit		8,410	7,823
Distribution and marketing expenses		(4,920)	(4,543)
Administrative expenses		(3,440)	(3,524)
Allowance for expected credit losses	23(iii)(a)	(7)	(4)
Other income, net	15	282	1,578
Finance income, net	16	144	40
<b>Profit before tax</b>	17	469	1,370
Tax credit / (expense)	18	16	(26)
Profit for the year		485	1,344
<b>Other comprehensive (loss) / income</b>			
<u>Item that may be reclassified subsequently to profit or loss</u>			
- Foreign currency translation differences for foreign operations		(320)	465
<b>Other comprehensive (loss) / income for the year, net of tax</b>		(320)	465
<b>Total comprehensive income for the year</b>		165	1,809
<b>Earnings per share (cents)</b>			
Basic and diluted	20	0.138	0.382

The accompanying notes are an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

(Amounts in United States dollars)

	Attributable to equity holders of the Company				
	Share capital	Asset revaluation reserve	Foreign currency translation reserve	Accumulated losses	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance as at 1 January 2024</b>	36,817	496	287	(5,648)	31,952
Profit for the year	–	–	–	485	485
Other comprehensive loss, net of tax - Currency translation differences	–	–	(320)	–	(320)
Total comprehensive income for the year	–	–	(320)	485	165
<b>Balance as at 31 December 2024</b>	<b>36,817</b>	<b>496</b>	<b>(33)</b>	<b>(5,163)</b>	<b>32,117</b>
<b>Balance as at 1 January 2023</b>	36,817	748	(178)	(7,244)	30,143
Transfer upon disposal of asset held-for-sale	–	(252)	–	252	–
Profit for the year	–	–	–	1,344	1,344
Other comprehensive income, net of tax - Currency translation differences	–	–	465	–	465
Total comprehensive income for the year	–	–	465	1,344	1,809
<b>Balance as at 31 December 2023</b>	<b>36,817</b>	<b>496</b>	<b>287</b>	<b>(5,648)</b>	<b>31,952</b>

The accompanying notes are an integral part of the financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS**

(Amounts in United States dollars)

	Note	2024 US\$'000	2023 US\$'000
<b>Cash flows from operating activities</b>			
Profit before tax		469	1,370
Adjustments:			
Depreciation of property, plant and equipment	3	645	616
Loss on disposal of property, plant and equipment	17	–*	9
Gain on disposal of asset held-for-sale	15	–	(1,129)
Gain on lease modification	3	(2)	–
Bad debts written off	17	3	–
Allowance for expected credit losses	23(iii)(a)	7	4
Interest income	16	(211)	(112)
Interest expense	16	67	72
Write-down of inventories	17	586	686
Operating profit before working capital changes		1,564	1,516
Inventories		(945)	(1,087)
Trade and other receivables		(2,596)	9,777
Trade and other payables		1,163	(9,589)
Cash (used in) / generated from operations		(814)	617
Income tax paid		(12)	–
Net cash (used in) / from operating activities		(826)	617
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	A	(245)	(135)
Interest received		211	112
Proceeds from disposal of property, plant and equipment		1	–
Proceeds from sale of asset held-for-sale		–	2,145
Net cash (used in) / from investing activities		(33)	2,122
<b>Cash flows from financing activities</b>			
Payment of principal portion of lease liabilities	9	(443)	(613)
Interest paid on lease liabilities	16	(67)	(72)
Net cash used in financing activities		(510)	(685)
<b>Net (decrease) / increase in cash and cash equivalents</b>		(1,369)	2,054
<b>Cash and cash equivalents at beginning of year</b>		15,426	13,043
Effects of exchange rate changes on cash and cash equivalents		(331)	329
<b>Cash and cash equivalents, representing cash at bank balances at end of year</b>	7	13,726	15,426

\* Amount less than US\$1,000

# CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(Amounts in United States dollars)

	Note	2024 US\$'000	2023 US\$'000
<b>Note A:</b>			
Addition of property, plant and equipment	3	343	804
Less: Addition of right-of-use assets	3	(98)	(669)
Acquisition of property, plant and equipment		245	135

The accompanying notes are an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

(Amounts in United States dollars unless otherwise stated)

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

## 1. GENERAL INFORMATION

Nippecraft Limited (the “Company”) is a limited liability company domiciled and incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited. The address of the Company’s registered office and principal place of business is 2 Venture Drive #24-01 Vision Exchange Singapore 608526.

APP Printing (Holding) Pte Ltd (“APP Printing”), a company incorporated in Singapore, holds 49% (2023: 49%) of the share capital of the Company and is deemed to be the controlling shareholder of the Company. APP Printing is a wholly-owned subsidiary of PT Andalan Prapanca Pertiwi (“PT APP”), and Asia Pulp & Paper Company Ltd (“APP”) owns 92.45% (2023: 92.45%) of the shares in PT APP. APP Golden Limited, a company incorporated with limited liability under the laws of the British Virgin Islands, currently controls approximately 66.33% (2023: 66.33%) of the voting power of APP and is considered as the ultimate holding company.

The principal activities of the Group and the Company are those relating to the design, manufacture, distribution and trading of paper, personal and business organising tools, as well as general trading of pulp, chemical, and recycled waste and other products. The principal activities of the subsidiaries are listed in note 4.

The financial statements for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 2 April 2025.

## 2. BASIS OF PREPARATION

### 2.1 Basis of measurement

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below and are drawn up in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I”).

The preparation of the financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, actual results may ultimately differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Critical accounting estimates and assumptions used that are significant to the financial statements are disclosed in this Note. There were no significant critical judgement applied.

### 2.2 Functional and Presentation Currency

The individual financial statements of each entity are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The consolidated financial statements are presented in United States dollar (“US\$”) which is the functional currency of the Company. All values are rounded to the nearest thousand (“US\$’000”) as indicated.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****2. BASIS OF PREPARATION (Continued)****2.3 Material accounting policies****Group accounting**Subsidiaries*Basis of consolidation*

Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

**Subsidiaries**

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

**Currency translation****(i) Transactions and balances**

Transactions in a currency other than the functional currency ("foreign currency") are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity in the consolidated financial statements. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

**(ii) Translation of the Group's financial statements**

The assets and liabilities of foreign operations are translated into United States dollars at the rate of exchange ruling at the reporting date and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****2. BASIS OF PREPARATION (Continued)****2.3 Material accounting policies (Continued)****Currency translation (Continued)****(ii) Translation of the Group's financial statements (Continued)**

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss.

**Property, plant and equipment**

All items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses except for certain leasehold buildings, which are stated at their revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The revalued amounts were based on external professional valuations carried out in July 1993 on the open market value basis for the Company's Initial Public Offering of shares in 1994. No subsequent revaluation has been performed and the Company does not have a policy of regularly revaluing the properties.

Any gain arising on revaluation is recognised in profit or loss to the extent the gain reverses a previous impairment loss on the specific leasehold building, with any remaining gain recognised in other comprehensive income and presented in the asset revaluation reserve in equity. Any loss is recognised in other comprehensive income and presented in the asset revaluation reserve in equity to the extent that an amount had previously been included in the asset revaluation reserve relating to the specific leasehold building, with any remaining loss recognised immediately in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

The estimated useful life and depreciation method are reviewed, and adjusted as appropriate, at each reporting date to ensure that the amount, method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. Fully depreciated assets are retained in the financial statements until they are no longer in use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on retirement or disposal is determined as the difference between any sales proceeds and the carrying amounts of the asset and is recognised in the profit or loss within "Other income / (expenses)" and the asset revaluation reserve related to those assets, if any, is transferred directly to retained earnings.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****2. BASIS OF PREPARATION (Continued)****2.3 Material accounting policies (Continued)****Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent on those from other assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecasts calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth years.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. This increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit and loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

**Financial assets and liabilities****(i) Initial recognition and measurement**

Trade receivables are initially recognised when they are originated. Other financial assets and financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Trade receivables without financing component is initially measured at the transaction price in accordance with SFRS(I) 15. Other financial assets or financial liabilities are initially recognised at fair value plus, in the case of financial assets or liabilities not at fair value through profit or loss, directly attributable transaction costs.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****2. BASIS OF PREPARATION (Continued)****2.3 Material accounting policies (Continued)****Financial assets and liabilities (Continued)****(ii) Classification and subsequent measurement**Financial assets

Financial assets are classified and subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, at the following categories:

- Amortised costs
- Fair value through Other Comprehensive Income (FVOCI) – Debt investments
- FVOCI – Equity investments
- Fair value through profit or loss (FVPL)

Financial assets are not reclassified after initial recognition unless the Group changes its business model for managing financial assets, in which case such reclassification will be applied prospectively from the reclassification date.

These assets, mainly trade and other receivables including amounts due from related companies and subsidiaries, and cash and bank balances, are subsequently measured at amortised costs using the effective interest rate method, which is reduced by impairment losses. Interest income, foreign exchange differences, and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The Group does not have financial assets at other categories except for financial assets at amortised cost.

Financial liabilities

Financial liabilities are subsequently measured at amortised costs unless it is held for trading (including derivative liabilities), or designated as financial liabilities at FVPL on initial recognition to significantly reduce accounting mismatch or when a group of financial liabilities are managed whose performance is evaluated on a fair value basis.

Financial liabilities at amortised costs are subsequently measured at amortised costs using the effective interest rate method. Interest expense and foreign exchange differences are recognised in profit or loss. These financial liabilities mainly comprise trade and other payables including amounts due to related companies and subsidiaries, and lease liabilities.

**(iii) Derecognition**Financial assets

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial assets. On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the derecognition date and the sum of the consideration received is recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****2. BASIS OF PREPARATION (Continued)****2.3 Material accounting policies (Continued)****Financial assets and liabilities (Continued)****(iii) Derecognition (Continued)**Financial assets (Continued)

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of the assets within the period generally established by regulation or convention in the marketplace concerned.

Financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. The Group also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount of the financial liabilities extinguished, or transferred and the consideration paid (including non-cash transferred or liabilities assumed) is recognised in profit or loss.

**Impairment of financial assets**

The Group applies impairment model in SFRS(I) 9 to measure the Expected Credit Losses (ECL) of the financial assets at amortised costs.

ECLs are probability-weighted estimates of credit losses, which are measured at the present value of all cash shortfalls (difference between the cash flows due to the Group in accordance with the contracts and the cash flows that the Group expects to receive), discounted at effective interest rate of the financial asset. The expected cash flows include cash flows from the sale of collaterals held, if any, or other credit enhancements that are integral to the contractual terms.

*Simplified approach*

The Group applies simplified approach to all trade receivables. Impairment loss allowance is measured at life time ECL, which represents ECLs that result from all possible default events over the expected life of a financial instrument ('life-time ECL'). The Group has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to those customers and the economic environment.

*General approach*

The Group applies general approach on all other financial instruments and recognise a 12-month ECL on initial recognition. 12-months ECL are ECLs that result from possible default events within 12 months after the reporting date or up to the expected life of the instrument, if shorter.

Impairment loss allowance or reversals are recognised in profit or loss. Loss allowance on financial assets at amortised cost are deducted from the gross carrying amount of those asset.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****2. BASIS OF PREPARATION (Continued)****2.3 Material accounting policies (Continued)****Impairment of financial assets (Continued)**Significant increase in credit risk (Stage 2)

For credit exposures for which there has been a significant increase in credit risk since initial recognition, impairment loss allowance is measured at life-time ECL. When a financial asset is determined to have a low credit risk at reporting date, the Group assumes that there has been no significant increase in credit risk since initial recognition. For other cases, the Group uses reasonable and supportable forward-looking information available without undue cost or effort to determine, at each reporting date, whether there is significant increase in credit risk since initial recognition. In assessing whether there has been significant increase in credit risks, the Group takes into account factors such as:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the debtor's ability to meet its debt obligations.
- actual or expected significant adverse change in the regulatory, economic, or technological environment that are expected to cause a significant change in the debtor's ability to meet its debt obligations.
- an actual or expected significant change in the operating results of the debtors.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

If credit risk has not increased significantly since initial recognition or if the credit quality improves such that there is no longer significant increase in credit risk since initial recognition, loss allowance is measured at 12-month ECL.

Definition of default

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligation in full, without recourse by the Group; or
- The financial asset is more than 90 days past due.

Credit-impaired (Stage 3)

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off the gross carrying amount of a financial asset to the extent that there is no realistic prospect of recovery, for example when the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the Group.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****2. BASIS OF PREPARATION (Continued)****2.3 Material accounting policies (Continued)****Inventories**

Inventories are stated at the lower of cost and net realisable value. The costs of inventories is calculated using the weighted average cost formula, and includes expenditures incurred in acquiring the inventories, production conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to be incurred for selling and distribution.

**Leases**

The Group assess whether a contract is or contains a lease, at inception of the contract. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

As lessee

At the lease commencement date, the Group recognises a Right-of-Use (ROU) asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and low-value leases as described below.

ROU asset

ROU assets are initially measured at cost, which comprise initial amount of lease liability, any lease payment made at or before commencement date, plus initial direct costs incurred, less lease incentives received. Initial direct costs are costs that would not have been incurred if the lease had not been obtained.

ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from commencement date to the earlier of end of lease terms and useful life of the ROU assets.

ROU assets are presented within 'Property, Plant and Equipment' in the statements of financial position.

Lease liability

Lease liability is initially measured at the present value of lease payments discounted using interest rate implicit in the lease, or if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally the Group uses the incremental borrowing rate as the discount rate, which is estimated by reference to interests rates from various external financing sources for similar terms such as lease terms, type of assets leases and economic environment.

Lease liability is measured at amortised cost using effective interest method. The lease payments included in the lease liabilities are fixed payments.

Exemption / exclusion

The Group has elected not to recognise ROU assets and lease liabilities for short term leases (defined as leases with a lease term of 12 months or less). For such leases, the Group recognises the lease payments in profit or loss as an operating expense on a straight-line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****2. BASIS OF PREPARATION (Continued)****2.3 Material accounting policies (Continued)****Leases (Continued)**Sub-leasing

The Company acts as intermediate lessor and sublet part of its leasehold property as allowed by the lessor, JTC Corporation.

In classifying a sub-lease, the Group as an intermediate lessor classifies the sub-lease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sub-lease is assessed as an operating lease, the Group recognise lease income from sub-lease in profit or loss within "Other income". The right-of-use asset relating to the head lease is not derecognised.

For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

**Revenue from contract with customers**

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customers, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Unless otherwise mentioned, the Group concludes that it is acting as a principal in the provision of goods or services in its contracts with customers.

Revenue from sale of goods is recognised upon transfer of control to the customers, indicated by the transfer of risks and rewards at the point in time when the goods have been delivered to customers warehouse; however, for some international shipments, transfer occurs upon loading of the goods onto the relevant carrier at the port in accordance with international trade term.

**Employees' benefits****(i) Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

**(ii) Retirement benefits**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pensions are recognised as an employee benefit expense in profit or loss in the period during which related services are rendered by employees.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****2. BASIS OF PREPARATION (Continued)****2.3 Material accounting policies (Continued)****Employees' benefits (Continued)****(iii) Employee leave entitlement**

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the reporting date.

**(iv) Termination benefits**

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

**Income tax**

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been substantially enacted by the reporting date in the countries where the Group operates and generates taxable income. Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and it does not give rise to equal and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax assets to be recovered.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****2. BASIS OF PREPARATION (Continued)****2.3 Material accounting policies (Continued)****Income tax (Continued)**

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

**Earnings per share**

The Group presents basic and diluted earnings or loss per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

**Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****2. BASIS OF PREPARATION (Continued)****2.4 Critical accounting estimates and assumptions**

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*(a) Allowance for inventory obsolescence*

The Group reviews the ageing analysis of inventories in stationery segment at the end of each period, and makes allowance of inventories that are identified as obsolete or slow-moving. The management estimates the net realisable value for undated products based on the future demand for the inventories by taking into consideration the ageing and condition of the inventories by categories. The allowance of dated products are based on actual sales order and sales subsequent to financial year. The carrying amount of inventories and the expense recognised on the write-down is disclosed in Note 5 to the financial statements.

*(b) Impairment of financial assets*

Impairment allowance for financial assets measured at amortised costs are applied using the ECL model, which requires assumptions of risk of default and expected loss rates. The Group uses judgement in making these assumptions and determining key inputs to the impairment calculation, taking into account the Group's past history, existing market conditions as well as forward-looking information relating to industry, market development and macroeconomic factors. For trade receivables, the Group applied the practical expedient of provision matrix based on ageing profile of the customers. Expected loss rate is based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The cumulative allowance made, key assumptions and inputs used are disclosed in Note 23(iii)(a).

**2.5 Change in accounting policy**

On 1 January 2024, the Group adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I). The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 3. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land <sup>(a)</sup>	Leasehold buildings <sup>(b)</sup>	Office equipment	Furniture and fittings	Factory equipment	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cost</b>						
As at 1 January 2023	1,351	5,817	430	108	–	7,706
Additions	–	669	85	50	–	804
Written off	–	(1,135)	(14)	–	–	(1,149)
Disposal	–	–	–	(40)	–	(40)
Currency translation differences	–	(194)	15	1	–	(178)
As at 31 December 2023	1,351	5,157	516	119	–	7,143
As at 1 January 2024	1,351	5,157	516	119	–	7,143
Additions	–	98	22	5	218	343
Lease modification (Note 9)	–	(36)	–	–	–	(36)
Disposal	–	–	(4)	(2)	–	(6)
Currency translation differences	–	(14)	(18)	(4)	–	(36)
As at 31 December 2024	1,351	5,205	516	118	218	7,408

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 3. PROPERTY, PLANT AND EQUIPMENT (Continued)

Group	Leasehold land <sup>(a)</sup> US\$'000	Leasehold buildings <sup>(b)</sup> US\$'000	Office equipment US\$'000	Furniture and fittings US\$'000	Factory equipment US\$'000	Total US\$'000
<b>Accumulated depreciation and impairment losses</b>						
As at 1 January 2023	295	3,920	210	83	–	4,508
Charge for the year	59	450	100	7	–	616
Written off	–	(1,135)	(14)	–	–	(1,149)
Disposal	–	–	–	(31)	–	(31)
Currency translation differences	–	(194)	9	(1)	–	(186)
As at 31 December 2023	354	3,041	305	58	–	3,758
As at 1 January 2024	354	3,041	305	58	–	3,758
Charge for the year	60	487	84	9	5	645
Disposal	–	–	(3)	(2)	–	(5)
Currency translation differences	–	(10)	(15)	(4)	–	(29)
As at 31 December 2024	414	3,518	371	61	5	4,369
<b>Net carrying amount</b>						
As at 31 December 2024	937	1,687	145	57	213	3,039
As at 31 December 2023	997	2,116	211	61	–	3,385

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 3. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company	Leasehold land <sup>(a)</sup>	Leasehold buildings <sup>(b)</sup>	Office equipment	Furniture and fittings	Factory equipment	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cost</b>						
As at 1 January 2023	1,351	5,304	100	54	–	6,809
Additions	–	419	27	49	–	495
Written off	–	(938)	(14)	–	–	(952)
Disposal	–	–	–	(34)	–	(34)
As at 31 December 2023	1,351	4,785	113	69	–	6,318
As at 1 January 2024	1,351	4,785	113	69	–	6,318
Additions	–	98	14	4	218	334
Lease modification (Note 9)	–	(36)	–	–	–	(36)
Disposal	–	–	(3)	(2)	–	(5)
As at 31 December 2024	1,351	4,847	124	71	218	6,611

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 3. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company	Leasehold land <sup>(a)</sup>	Leasehold buildings <sup>(b)</sup>	Office equipment	Furniture and fittings	Factory equipment	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Accumulated depreciation and impairment losses</b>						
As at 1 January 2023	295	3,581	75	28	–	3,979
Charge for the year	59	279	21	6	–	365
Written off	–	(938)	(14)	–	–	(952)
Disposal	–	–	–	(25)	–	(25)
<b>As at 31 December 2023</b>	<b>354</b>	<b>2,922</b>	<b>82</b>	<b>9</b>	<b>–</b>	<b>3,367</b>
As at 1 January 2024	354	2,922	82	9	–	3,367
Charge for the year	60	323	16	8	5	412
Disposal	–	–	(4)	(1)	–	(5)
<b>As at 31 December 2024</b>	<b>414</b>	<b>3,245</b>	<b>94</b>	<b>16</b>	<b>5</b>	<b>3,774</b>
<b>Net carrying amount</b>						
As at 31 December 2024	937	1,602	30	55	213	2,837
As at 31 December 2023	997	1,863	31	60	–	2,951

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****3. PROPERTY, PLANT AND EQUIPMENT (Continued)**

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 3 (a) and 3 (b).

- (a) The Group has lease agreement for land with Jurong Town Corporation (“JTC”). The average lease term is 55 – 60 years (2023: 55 – 60 years). With JTC’s approval, the Group acts as an intermediate lessor under arrangement in which it sub-leases out partial of its leasehold land to third parties for monthly lease payments. The sub-lease periods do not form a major part of the remaining leases terms under the head leases and accordingly, the sub-leases are classified as an operating lease.

Income from sub-leasing the leasehold buildings in Singapore and office space in Australia as disclosed in Note 15 recognised during the financial year was US\$590,000 (2023: US\$447,000) as operating lease.

- (b) The Group has entered into the new lease agreements for office premises in the current financial year and the average lease term is 2 years. Except for restriction on sub-leasing, there are no restrictions or covenants imposed by the lease contracts.

The total cash outflow for leases for the current financial year amounted to US\$515,000 (2023: US\$692,000), which includes leases expenses not included in lease liabilities, as disclosed in Note 9.

Potential exposure of future cash flows that are not included in lease liabilities as at 31 December 2024 are the lease payments for leasehold buildings under extension options not included in lease term as the Group has determined at commencement date, that it is not reasonably certain to be exercised. If the Group were to extend those leases, additional potential future cash outflows are US\$490,000 (2023: US\$738,000).

Right-of-use assets are included in the following categories:

	<b>Leasehold buildings</b>	<b>Leasehold land</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Group</b>			
Carrying amounts as at 1 January 2024	534	997	1,531
Additions for the year	98	–	98
Depreciation for the year	(394)	(60)	(454)
Lease modification (Note 9)	(36)	–	(36)
Currency translation differences	(4)	–	(4)
<b>Carrying amounts as at 31 December 2024</b>	<b>198</b>	<b>937</b>	<b>1,135</b>
Carrying amounts as at 1 January 2023	224	1,056	1,280
Additions for the year	669	–	669
Depreciation for the year	(358)	(59)	(417)
Currency translation differences	(1)	–	(1)
<b>Carrying amounts as at 31 December 2023</b>	<b>534</b>	<b>997</b>	<b>1,531</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****3. PROPERTY, PLANT AND EQUIPMENT (Continued)**

Right-of-use assets are included in the following categories: (Continued)

	<b>Leasehold buildings</b>	<b>Leasehold land</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Company</b>			
Carrying amounts as at 1 January 2024	285	997	1,282
Additions for the year	98	–	98
Depreciation for the year	(231)	(60)	(291)
Lease modification (Note 9)	(36)	–	(36)
<b>Carrying amounts as at 31 December 2024</b>	<b>116</b>	<b>937</b>	<b>1,053</b>
Carrying amounts as at 1 January 2023	51	1,056	1,107
Additions for the year	419	–	419
Depreciation for the year	(185)	(59)	(244)
<b>Carrying amounts as at 31 December 2023</b>	<b>285</b>	<b>997</b>	<b>1,282</b>

During the current financial year, there is an early termination of tenancy agreement for leasehold building resulting in a derecognition of the right-of-use asset amounting to US\$36,000 and its corresponding lease liabilities of US\$38,000 (Note 9), resulted a gain on lease modification of US\$2,000 (Note 17) to profit or loss.

(c) The Group's major properties as at 31 December 2024 and 2023 are as follows:

<b>Type of Property</b>	<b>Location</b>	<b>Approximate land area (in square metres)</b>	<b>Tenure</b>
<b>Property, Plant and Equipment</b>			
Single-storey factory building	11 Fan Yoong Road Singapore 629789	4,499.3	Lease of 60 years from 15 July 1982
Single-storey factory building	8 Kwong Min Road Singapore 628711	4,551.4	Lease of 55 years and 11 months from 1 July 1983

The above leasehold buildings located at Jurong, Singapore, were revalued by the directors based on external professional valuations carried out in July 1993 on the open market value basis for the Company's Initial Public Offering of shares in 1994. The revaluation was done on a one-off basis and accordingly, the transitional provision in SFRS(I)1-16 *Property, Plant and Equipment* was adopted to continue with its existing policy of stating leasehold buildings at cost. Subsequent leasehold buildings are carried at cost less accumulated depreciation.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****3. PROPERTY, PLANT AND EQUIPMENT (Continued)**

(c) The Group's major properties as at 31 December 2024 and 2023 are as follows: (Continued)

If the leasehold buildings stated at valuation had been included in the financial statements at cost less accumulated depreciation, their net book values would have been US\$596,000 (2023: US\$735,000). The net book value of US\$735,000 in the prior year excludes the value for 9 Fan Yoong Road, which was sold on 8 March 2023.

(d) All items of property, plant and equipment are depreciated using the straight-line method to write-off the cost of the assets over their estimated useful lives as follows:

	Useful lives (Years)
Leasehold buildings	Over the terms of the lease which range from 55 to 60 years
Factory equipment	15 years
Office equipment	2 to 10 years
Furniture and fittings	1 to 25 years

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 4. INVESTMENT IN SUBSIDIARIES

	Company	
	2024 US\$'000	2023 US\$'000
<b>Unquoted equity investments, at cost</b>		
At beginning and end of the year	26,038	26,038
<b>Less: Impairment losses</b>		
At beginning and end of the year	(9,526)	(9,526)
<b>Net carrying amount</b>	<b>16,512</b>	<b>16,512</b>

Name of companies	Principal activities/ Country of incorporation	Proportion (%) of ownership interest	
		2024 %	2023 %
<b>Held by Company</b>			
Paperich Pte Ltd <sup>(1)</sup>	Trading of pulp and waste paper / Singapore	100	100
Debden Importing (UK) Limited (‘DIUK’) <sup>(2)</sup>	Design, marketing and sale of branded products / United Kingdom	100	100
Collins Debden Pty Ltd (‘CDA’) <sup>(3)</sup>	Supplier of paper based stationery products / Australia	100	100
Collins Office Products International Ltd <sup>(4)</sup>	To hold the Collins trademark in Australia / Mauritius	–	100
<b>Held by DIUK</b>			
Collins Debden Limited <sup>(2)</sup>	Design, marketing and sale of branded products / United Kingdom	100	100
Collins Debden USA, Inc <sup>(5)</sup>	To carry on the business of promoting the global marketing services of the Group’s stationery business / United States	100	100

<sup>(1)</sup> Audited by Crowe Horwath First Trust LLP, Singapore.

<sup>(2)</sup> Audited by Crowe U.K. LLP, a member firm of Crowe Global in United Kingdom.

<sup>(3)</sup> Audited by Crowe Australasia Sydney, a member firm of Crowe Global in Australia.

<sup>(4)</sup> On 22 July 2024, the voluntary liquidation of Collins Office Products International Ltd was completed.

<sup>(5)</sup> Not required to be audited or not significant subsidiary.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****5. INVENTORIES**

	Group		Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Finished goods	2,546	2,893	245	149
Goods in transit	567	1	–	–
	3,113	2,894	245	149

The cost of inventories recognised as an expense and included in “cost of sales” amounted US\$12,600,000 (2023: US\$14,561,000). The Group’s inventories are stated at net realisable value after the write-down of inventories of US\$586,000 (2023: US\$686,000) respectively during the year (Note 17).

**6. TRADE AND OTHER RECEIVABLES**

	Group		Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Trade receivables				
- Subsidiaries <sup>(1)</sup>	–	–	1,639	2,774
- Third parties	29,440	28,155	260	133
	29,440	28,155	1,899	2,907
Less: Impairment losses (Note 23(iii)(a))				
- Third parties	(17)	(10)	–	–
Net trade receivables	29,423	28,145	1,899	2,907
Deposits <sup>(2)</sup>	3,221	2,269	49	43
Other receivables				
- Third parties	128	235	23	116
- Subsidiaries <sup>(3)</sup>	–	–	2,077	1,804
	32,772	30,649	4,048	4,870

<sup>(1)</sup> Trade receivables due from subsidiaries are unsecured, interest-free and with credit term of 30 to 165 days (2023: 30 to 165 days).

<sup>(2)</sup> The Group’s deposits mainly relate to deposits placed with suppliers for the Group’s pulp-trading business.

<sup>(3)</sup> Amount due from subsidiaries are non-trade in nature, unsecured, repayable on demand and interest-free.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****7. CASH AND BANK BALANCES**

	Group		Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Bank balances and cash in hand	13,542	10,299	2,585	1,955
Fixed deposits <sup>(i)</sup>	4,084	9,027	–	–
Cash and bank balances as per statements of financial position	17,626	19,326	2,585	1,955
Bank deposits pledged <sup>(ii)</sup>	(3,900)	(3,900)		
Cash and cash equivalents as per consolidated statement of cash flows	13,726	15,426		

(i) Fixed deposit at the reporting date had maturity between of 12 months (2023: 4 days to 12 months ) from the end of the financial year, with interest rate of 1% (2023: 0.50% to 3.75%). Fixed deposits with maturity dates more than 3 months can be withdrawn at any time before the maturity dates without penalty. However, any interest receivable will be forfeited upon pre-mature withdrawal. As the principal value of the deposits is readily convertible to cash, they form part of the cash and cash equivalents in the consolidated statements of cash flows.

(ii) Bank deposits are pledged to banks as security by the Group to obtain trade finance facilities.

**8. TRADE AND OTHER PAYABLES**

	Group		Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Trade payables				
- Third parties	19,837	19,744	26	40
- Related companies	371	280	362	264
Rental deposits received	175	66	175	66
Advances from a subsidiary <sup>(1)</sup>	–	–	–	4
Accrued operating expenses	2,689	2,433	533	480
Other payables	308	203	66	32
	23,380	22,726	1,162	886

<sup>(1)</sup> The advances from a subsidiary is unsecured, interest-free and repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 9. LEASE LIABILITIES

	Group		Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Current	444	479	355	347
Non-current	831	1,224	831	1,097
	1,275	1,703	1,186	1,444

Reconciliation of liabilities arising from financing activities

	At beginning of the year US\$'000	Financing cash flows US\$'000	New lease (Note 3(b)) US\$'000	Lease modification US\$'000	Non-cash changes		At end of the year US\$'000
					Currency translation differences US\$'000	Accretion of interests (Note 16) US\$'000	
<b>Group</b>							
2024	1,703	(510)	98	(38)	(45)	67	1,275
2023	1,603	(685)	669	–	44	72	1,703
<b>Company</b>							
2024	1,444	(338)	98	(38)	(36)	56	1,186
2023	1,427	(497)	419	–	35	60	1,444

Maturity analysis:

	Effective interest rate	Group		Company	
		Lease liabilities US\$'000	Contractual undiscounted cash flows US\$'000	Lease liabilities US\$'000	Contractual undiscounted cash flows US\$'000
<b>2024</b>					
Not later than 1 year		444	278	355	188
Later than 1 year and not later than 5 years		244	406	244	406
Later than 5 years		587	1,032	587	1,032
	3.38% - 7.35%	1,275	1,716	1,186	1,626

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 9. LEASE LIABILITIES (Continued)

	Group		Company		
	Effective interest rate	Lease liabilities	Contractual undiscounted cash flows	Lease liabilities	Contractual undiscounted cash flows
		US\$'000	US\$'000	US\$'000	US\$'000
<b>2023</b>					
Not later than 1 year		479	498	347	319
Later than 1 year and not later than 5 years		422	565	295	471
Later than 5 years		802	1,160	802	1,160
	0.81% - 7.35%	1,703	2,223	1,444	1,950

## 10. DEFERRED TAX ASSETS

The Group has recognised deferred tax asset of US\$21,000 (2023: US\$21,000) arising from temporary differences which the Group expect to utilise in subsequent years.

	Group		Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
At beginning of year	21	15	19	14
Recognised in the:				
- Profit or loss (Note 18)	-	6	1	5
At end of year	21	21	20	19
Presented after appropriate offsetting as follows:				
Deferred tax assets	236	312	210	250
Deferred tax liabilities	(215)	(291)	(190)	(231)
	21	21	20	19

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****10. DEFERRED TAX ASSETS (Continued)**

The components and movement of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	<b>Group</b>	<b>Company</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Deferred tax liabilities – Lease assets</b>		
<b>2024</b>		
At beginning of year	291	231
Acquisition of lease assets	17	17
Lease modification	(6)	(6)
Recognised in the:		
- Profit or loss	(85)	(51)
Exchange differences	(2)	(1)
<b>At end of year</b>	<b>215</b>	<b>190</b>
<b>2023</b>		
At beginning of year	291	205
Acquisition of lease assets	118	72
Lease modification	(72)	(16)
Recognised in the:		
- Profit or loss	(46)	(30)
<b>At end of year</b>	<b>291</b>	<b>231</b>
	<b>Group</b>	<b>Company</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Deferred tax assets – Lease liabilities</b>		
<b>2024</b>		
At beginning of year	312	250
Acquisition of lease assets	17	17
Lease modification	(6)	(6)
Recognised in the:		
- Profit or loss	(85)	(50)
Exchange differences	(2)	(1)
<b>At end of year</b>	<b>236</b>	<b>210</b>
<b>2023</b>		
At beginning of year	306	219
Acquisition of lease assets	118	72
Lease modification	(72)	(16)
Recognised in the:		
- Profit or loss	(40)	(25)
Exchange differences		
<b>At end of year</b>	<b>312</b>	<b>250</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****10. DEFERRED TAX ASSETS (Continued)****Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following unutilised tax losses:

	Group		Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Tax losses	5,073	7,481	105	486

The unutilised tax losses do not expire under current tax legislation of Singapore, Australia and United Kingdom. These tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group and the Company can utilise the benefits therefrom.

**11. SHARE CAPITAL**

	Group and Company			
	2024		2023	
	Number of ordinary shares ( <sup>'000</sup> )	US\$'000	Number of ordinary shares ( <sup>'000</sup> )	US\$'000
<b>Issued and fully paid ordinary shares</b>				
At beginning and end of the year	351,398	36,817	351,398	36,817

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per share at meeting of the Company. There is no par value for these ordinary shares.

**12. RESERVES****Asset revaluation reserve**

The asset revaluation reserve arose from the one-off revaluation of leasehold buildings (Note 3(c)).

	Company	
	2024	2023
	US\$'000	US\$'000
At the beginning of the year	496	748
Transfer to accumulated losses (Note 3(c))	–	(252)
At the end of the year	496	496

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****12. RESERVES (Continued)****Foreign currency translation reserve**

The foreign currency translation reserve comprises all foreign currency differences arising from translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Group.

The above reserves are not distributable as dividends.

**13. ACCUMULATED LOSSES**

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>
At the beginning of the year	13,155	14,930
Transfer from asset revaluation reserve (Note 3(c))	–	(252)
Loss / (Profit) for the year	169	(1,523)
At the end of the year	13,324	13,155

**14. REVENUE FROM CONTRACTS WITH CUSTOMERS**

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time and disaggregation by type of products and geographical location based on location of customers.

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Sales of goods		
- Stationery products	14,333	14,750
- Pulp and related trading products	91,010	96,798
	105,343	111,548

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<u>Geographical markets</u>		
Asia Pacific	26,549	88,099
Europe and United Kingdom	78,366	22,934
Others	428	515
	105,343	111,548

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****15. OTHER INCOME, NET**

	Note	Group	
		2024 US\$'000	2023 US\$'000
<u>Other income</u>			
Government grant income		12	9
Rental income from sublet of premise	A	590	447
Foreign exchange gain		–	62
Gain on disposal of asset held-for-sale		–	1,129
Gain on lease modification	3	2	–
Others		64	2
		668	1,649
<u>Other expenses</u>			
Foreign exchange loss		(246)	–
Termination benefits	19,22	(140)	(71)
		(386)	(71)
<u>Other income, net</u>		282	1,578

Note A

Undiscounted lease payments from the operating leases (Note 3(a)) to be received after the reporting date are as follows:

	Group	
	2024 US\$'000	2023 US\$'000
Less than one year	694	522
One to two years	654	–
<u>Total undiscounted lease payment</u>	1,348	522

**16. FINANCE INCOME, NET**

	Group	
	2024 US\$'000	2023 US\$'000
Interest income	211	112
Interest expense on lease liabilities	(67)	(72)
	144	40

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****17. PROFIT BEFORE TAX**

This is determined after charging / (crediting) the following:

	Note	2024 US\$'000	Group 2023 US\$'000
Depreciation of property, plant and equipment	3	645	616
Audit fees payable to:			
- auditors of the Company		85	84
- other auditors		73	67
Directors' fees paid and payable to:			
- directors of the Company	21	139	92
Non-audit fees payable to:			
- auditors of the Company		9	8
- other auditors		55	20
Lease expenses not included in lease liabilities			
- short term lease		3	7
Personnel expenses	19	3,571	3,825
Write-down of inventories	5	586	686
Loss on disposal on property, plant and equipment		—*	9
Gain on lease modification	3	(2)	—
Bad debts written off		3	—
Allowance for expected credit losses		7	4

\* Amount less than US\$1,000

**18. TAX (CREDIT) / EXPENSE**

	2024 US\$'000	Group 2023 US\$'000
<b>Current tax</b>		
Current year	—	32
Over-provision in prior year	(16)	—
<b>Income tax (credit) / expense</b>	<b>(16)</b>	<b>32</b>
<b>Deferred tax</b>		
Current year (Note 10)	—	(6)
<b>Income tax (credit) / expense</b>	<b>(16)</b>	<b>26</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****18. TAX (CREDIT) / EXPENSE (Continued)**

The reconciliation of the tax (credit) / expense and the product of accounting profit before tax multiplied by the applicable rate is as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Profit before tax	469	1,370
Tax using the Singapore tax rate of 17% (2023: 17%)	80	233
Effect of different tax rates in foreign jurisdictions	7	(6)
Income not subject to tax	(90)	(261)
Non-deductible expenses	99	87
Deferred tax assets on tax losses not recognised	14	153
Utilisation of previously unrecognised deferred tax assets	(85)	(159)
Tax exemptions	–	(13)
Over-provision in prior year	(16)	–
Others	(25)	(8)
<b>Tax (credit) / expense</b>	<b>(16)</b>	<b>26</b>

The Company and its Singapore subsidiary

The Company and its Singapore incorporated subsidiary are subject to an applicable tax rate of 17% (2023: 17%), constitute a group under the Group Relief System for Singapore tax purposes.

United Kingdom subsidiaries

These subsidiaries are subject to an applicable tax rate of 25% (2023: 25%).

Australia subsidiary

This subsidiary is subject to an applicable tax rate of 30% (2023: 30%).

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****19. PERSONNEL EXPENSES**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Wages, salaries and bonuses*	3,100	3,367
Defined contribution plans*	275	294
Termination benefits (Note 15)	140	71
Others	56	93
	<b>3,571</b>	<b>3,825</b>

\* This includes directors' remuneration as disclosed in Notes 17 and 21.

Out of the above personnel expenses, an amount US\$512,000 (2023: US\$530,000) is included as cost of sales for the current financial year.

**20. EARNINGS PER SHARE (CENTS)**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Net profit attributable to the equity holders of the Company	485	1,344
	Number of shares ( '000)	Number of shares ( '000)
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share	351,398	351,398
Basic and diluted earnings per share (cents)	0.138	0.382

As at 31 December 2024 and 2023, there is no dilutive or anti-dilutive instrument outstanding. The diluted earnings per share is the same as the basic earnings per share.

**21. RELATED PARTY INFORMATION****Related party transactions**

Some of the arrangements with related parties and the effects of these bases determined between the parties are reflected elsewhere in this report. Details of transactions between the Group and other related companies are disclosed below:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Purchase of goods from related companies	1,784	32	227	32

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****21. RELATED PARTY INFORMATION (Continued)****Related party transactions (Continued)**

Related companies are entities under the APP Group (which comprises of Asia Pulp & Paper Company Ltd, its subsidiaries and associated companies).

**Key management personnel compensation**

Compensation payable to key management personnel comprise:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Short-term employee benefits	896	831
Defined contribution plans	33	32
Directors' fees	139	92
	1,068	955

Included in the key management personnel compensation was total compensation to directors of the Company amounting to US\$605,000 (2023: US\$527,000).

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

**22. OPERATING SEGMENTS**

The Group has two strategic divisions, which are its reportable segments. These divisions offer different products and are managed separately because they require different technology and marketing strategies. The Group's CEO (Chief Executive Officer), the chief operating decision maker, reviews internal management reports of each division on a monthly basis for segment performance assessment and resource allocation. The following summary describes the operations in each of the Group's reportable segments:

**(i) Stationery business**

The main activities are design, development, sales and marketing of planners/diaries, business accessories and related stationery products.

**(ii) Trading business**

The main activities are trading and strategic sourcing of recycled waste, chemicals, papers, paper bags, pulp and other related materials.

Inter-segment pricing is determined on mutually agreed terms. Segment assets consist of primarily of property, plant and equipment, cash and bank balances, inventories, trade and other receivables and prepayments.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before interest and tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****22. OPERATING SEGMENTS (Continued)**

Segment liabilities consist primarily of trade and other payables and lease liabilities. Capital expenditure consists of additions to property, plant and equipment (excluding right-of-use assets).

The segment results, assets and liabilities of the above reportable segments are disclosed by geographical markets as those markets are regarded by management to exhibit similar economic characteristics including nature of products, type of customers and distribution method.

Group	Stationery US\$'000	Trading US\$'000	Total US\$'000
<b>2024</b>			
Segment revenue	21,107	91,010	112,117
Intra-segment revenue	(6,774)	–	(6,774)
External revenue	14,333	91,010	105,343
Segment profit	268	57	325
Finance income			211
Finance expense			(67)
Profit before tax			469
Tax credit			16
Consolidated profit for the year			485
Segment assets	21,224	35,559	56,783
Segment liabilities	5,114	19,552	24,666
Other segment information:			
Capital expenditure	245	–	245
Depreciation of property, plant and equipment	601	44	645
Termination benefits	140	–	140
Write-down of inventories	586	–	586
Allowance for expected credit losses	7	–	7

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 22. OPERATING SEGMENTS (Continued)

Group	Stationery US\$'000	Trading US\$'000	Unallocated US\$'000	Total US\$'000
<b>2023</b>				
Segment revenue	23,256	96,798	–	120,054
Intra-segment revenue	(8,506)	–	–	(8,506)
External revenue	14,750	96,798	–	111,548
Segment profit	141	60	1,129	1,330
Finance income				112
Finance expense				(72)
Profit before tax				1,370
Tax expense				(26)
Consolidated profit for the year				1,344
Segment assets	21,380	35,041	–	56,421
Segment liabilities	5,129	19,340	–	24,469
Other segment information:				
Capital expenditure	135	–	–	135
Depreciation of property, plant and equipment	571	45	–	616
Gain on disposal of asset held-for-sale	–	–	(1,129)	(1,129)
Termination benefits	71	–	–	71
Write-down of inventories	686	–	–	686
Allowance for expected credit losses	4	–	–	4

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****22. OPERATING SEGMENTS (Continued)****Geographical information**

The stationery and trading segments are managed on a worldwide basis, but sales offices operate primarily in Singapore, Australia and United Kingdom.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and non-current assets (excluding deferred tax asset) are based on location of those assets.

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>External revenue</b>		
Continental Europe	71,904	16,167
Hong Kong	16,060	63,345
Australia	7,160	7,189
United Kingdom	6,462	6,767
Singapore	3,208	282
United States of America	106	91
Malaysia	1	17,181
Others	442	526
	105,343	111,548
<b>Non-current assets</b>		
Singapore	2,861	3,019
United Kingdom	156	274
Australia	43	113
	3,060	3,406

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****22. OPERATING SEGMENTS (Continued)****Geographical information (Continued)**Major customers for trading segment

Revenue of approximately US\$71,792,000 and US\$14,480,000 (2023: US\$55,148,000 and US\$17,181,000) are derived from 2 major third party customers operating from Europe and Hong Kong (2023: Hong Kong and Malaysia) respectively.

**23. FINANCIAL INSTRUMENTS****Financial risk management objectives and policies**

The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group. The Audit Committee provides written principles for overall financial risk management and written policies covering specific areas, such as market risk (including foreign exchange risk), liquidity risk and credit risk. Such written policies are reviewed annually by the Board of Directors and periodic reviews are undertaken to ensure that the Group's policy guidelines are complied with. Risk management is carried out by the Audit Committee.

It is the Group's policy not to trade in derivative contracts.

**(i) Market risk**Foreign exchange risk

The Group is exposed to currency risk on sales and purchases, including intragroup sales, purchases and balances that are denominated in a currency other than the respective functional currencies of Group's entities. The currencies in which these transactions primarily are denominated are the Singapore dollars, United States dollars, Australian dollars and Great Britain pound.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 23. FINANCIAL INSTRUMENTS (Continued)

## Financial risk management objectives and policies (Continued)

## (i) Market risk (Continued)

Foreign exchange risk (Continued)

The summary of quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

Group 2024	Singapore dollars US\$'000	United States dollars US\$'000	Australian dollars US\$'000	Great Britain pound US\$'000	Total US\$'000
<b>Financial assets</b>					
Trade and other receivables	66	22,973	3,384	3,155	29,578
Cash and bank balances	343	12,522	1,944	2,817	17,626
Intragroup receivables	114	3,360	243	4	3,721
	523	38,855	5,571	5,976	50,925
<b>Financial liabilities</b>					
Trade and other payables	(734)	(19,740)	(1,204)	(1,444)	(23,122)
Lease liabilities	(1,189)	–	(22)	(64)	(1,275)
Intragroup payables	(114)	(3,360)	(243)	(4)	(3,721)
	(2,037)	(23,100)	(1,469)	(1,512)	(28,118)
Net financial (liabilities) / assets	(1,514)	15,755	4,102	4,464	22,807
Less: Net financial assets denominated in the respective entities' functional currencies	–	(18,405)	(2,375)	(4,419)	(25,199)
Foreign currency exposure	(1,514)	(2,650)	1,727	45	(2,392)

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 23. FINANCIAL INSTRUMENTS (Continued)

## Financial risk management objectives and policies (Continued)

## (i) Market risk (Continued)

Foreign exchange risk (Continued)

Group 2023	Singapore dollars US\$'000	United States dollars US\$'000	Australian dollars US\$'000	Great Britain pound US\$'000	Total US\$'000
<b>Financial assets</b>					
Trade and other receivables	57	21,730	3,681	2,832	28,300
Cash and bank balances	545	12,946	3,070	2,765	19,326
Intragroup receivables	117	4,244	220	–	4,581
	719	38,920	6,971	5,597	52,207
<b>Financial liabilities</b>					
Trade and other payables	(532)	(19,397)	(1,532)	(1,079)	(22,540)
Lease liabilities	(1,494)	–	(65)	(144)	(1,703)
Intragroup payables	(117)	(4,244)	(220)	–	(4,581)
	(2,143)	(23,641)	(1,817)	(1,223)	(28,824)
Net financial (liabilities) / assets	(1,424)	15,279	5,154	4,374	23,383
Less: Net financial assets denominated in the respective entities' functional currencies	–	(19,030)	(5,109)	(4,325)	(28,464)
Foreign currency exposure	(1,424)	(3,751)	45	49	(5,081)

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****23. FINANCIAL INSTRUMENTS (Continued)****Financial risk management objectives and policies (Continued)****(i) Market risk (Continued)**Foreign exchange risk (Continued)

<b>Company 2024</b>	<b>Singapore dollars</b>	<b>United States dollars</b>	<b>Australian dollars</b>	<b>Great Britain pound</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b><u>Financial assets</u></b>					
Trade and other receivables	180	3,608	243	–	4,031
Cash and bank balances	272	2,286	–	27	2,585
	452	5,894	243	27	6,616
<b><u>Financial liabilities</u></b>					
Trade and other payables	(709)	(221)	(215)	–	(1,145)
Lease liabilities	(1,186)	–	–	–	(1,186)
	(1,895)	(221)	(215)	–	(2,331)
Net financial (liabilities) / assets	(1,443)	5,673	28	27	4,285
Less: Net financial assets denominated in the functional currency of the Company	–	(5,673)	–	–	(5,673)
Foreign currency exposure	(1,443)	-	28	27	(1,388)

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****23. FINANCIAL INSTRUMENTS (Continued)****Financial risk management objectives and policies (Continued)****(i) Market risk (Continued)**Foreign exchange risk (Continued)

<b>Company 2023</b>	<b>Singapore dollars</b>	<b>United States dollars</b>	<b>Australian dollars</b>	<b>Great Britain pound</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b><u>Financial assets</u></b>					
Trade and other receivables	174	4,360	220	–	4,754
Cash and bank balances	487	1,441	–	27	1,955
	661	5,801	220	27	6,709
<b><u>Financial liabilities</u></b>					
Trade and other payables	(504)	(171)	(196)	–	(871)
Lease liabilities	(1,444)	–	–	–	(1,444)
	(1,948)	(171)	(196)	–	(2,315)
Net financial (liabilities) / assets	(1,287)	5,630	24	27	4,394
Less: Net financial assets denominated in the functional currency of the Company	–	(5,630)	–	–	(5,630)
Foreign currency exposure	(1,287)	–	24	27	(1,236)

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****23. FINANCIAL INSTRUMENTS (Continued)****Financial risk management objectives and policies (Continued)****(i) Market risk (Continued)**Foreign exchange risk (Continued)*Foreign exchange risk sensitivity*

If the respective entity's functional currencies strengthen by 10% (2023: 10%) against relevant foreign currencies, assumes that all other variables, in particular interest rates, remain constant, the profit / (loss) before tax for the year will increase / (decrease) by:

	Singapore dollars	United States dollars	Australian dollars	Great Britain pound
<b>Group</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>2024</b>				
Increase / (decrease) in profit before tax	151	265	(173)	(5)
<b>2023</b>				
Increase / (decrease) in profit before tax	142	375	(5)	(5)
<b>Company</b>				
<b>2024</b>				
Increase / (decrease) in profit before tax	144	–	(3)	(3)
<b>2023</b>				
Increase / (decrease) in profit before tax	129	–	(3)	(3)

A weakening of the above foreign currencies against the respective entity's functional currencies at 31 December would have had the equal but opposite effect on the profit before tax to the amounts shown above, on the basis that all other variables remain constant.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****23. FINANCIAL INSTRUMENTS (Continued)****Financial risk management objectives and policies (Continued)****(ii) Liquidity risk**

The Group monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations.

The maturity analysis of the contractual undiscounted cash flows of lease liabilities are disclosed in Note 9. All the other financial liabilities of the Group as at 31 December 2024 and 2023 are repayable on demand or due within 1 year from the reporting date.

**(iii) Credit risk**Expected Credit Losses

The Group manages credit loss based on Expected Credit Losses (ECL) model.

The management assess that there are no material ECL on cash and bank balances and other receivables.

**(a) Trade receivables - Group**

The Group's exposure to credit risk from trade receivables are linked to the individual characteristics of each customer, and also influenced by the default risk specific to the industry or country brought about by the general economic condition.

The Group's exposure to credit losses can be analysed by the segments:

<b>Group</b>	<b>Trade receivables – gross carrying amount (Note 6)</b>	
	<b>2024 US\$'000</b>	<b>2023 US\$'000</b>
Stationery	6,767	6,594
Trading		
- Not past due	22,669	20,328
- Past due 1 to 60 days	–	1,233
- Past due more than 90 days	4	–
	<b>22,673</b>	<b>21,561</b>
	<b>29,440</b>	<b>28,155</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****23. FINANCIAL INSTRUMENTS (Continued)****Financial risk management objectives and policies (Continued)****(iii) Credit risk (Continued)**Expected Credit Losses (Continued)**(a) Trade receivables - Group (Continued)**Trading

Credit risks from Group's trading business normally are very low, as the Group deals only with a few companies with established relationship with the related companies, and trades on letter of credit payment terms for certain material transactions. Such customers have a good payment record with the Group. Past due but not impaired balances have been fully recovered subsequent to reporting date. Credit term granted for trading business is from 30 to 170 days (2023: 30 to 170 days). Based on historical default rates and analysis of the profiles, the Group believes that no ECL allowance is necessary in respect of trading business.

Stationery

Customers from stationery business represents retailers (both online and physical stores) and individual customers. Retailers are granted with credit term ranging from 30 to 90 days (2023: 30 to 90 days) and individual customers are settled with cash on delivery basis. Based on the past experience, the Group has very low historical loss experience from the past track records.

The Group has established a provision matrix for trade receivables for stationery business which is based on historical credit loss experience, adjusted for forward-looking factors specific to those customers and the economic environment, as disclosed below:

Group	Not past due	Past due 1 to 60 days	Past due 61 to 90 days	Total
<b>As at 31 December 2024</b>				
Expected loss rate	0%	0.2%	8%	
Gross carrying amount (US\$'000)	4,685	1,617	465	6,767
ECL assessed (US\$'000)	–	3	37	40
ECL allowance (US\$'000)	–	*	*	*
Individually impaired (US\$'000)	–	–	17	17
<b>As at 31 December 2023</b>				
Expected loss rate	0%	0.3%	7%	
Gross carrying amount (US\$'000)	4,574	1,622	398	6,594
ECL assessed (US\$'000)	–	5	28	33
ECL allowance (US\$'000)	–	*	*	*
Individually impaired (US\$'000)	–	–	10	10

\* No loss allowance was provided as the relevant ECL assessed were noted to be insignificant. After taking into account forward looking information regarding economic environment in United Kingdom and Australia, the Group does not expect significant credit losses beyond the amounts provided above.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****23. FINANCIAL INSTRUMENTS (Continued)****Financial risk management objectives and policies (Continued)****(iii) Credit risk (Continued)**Expected Credit Losses (Continued)**(a) Trade receivables - Group (Continued)**

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

<b>Group</b>	<b>Credit-impaired US\$'000</b>
Balance as at 1 January 2024	10
Impairment loss recognised during the year	11
Written off	(4)
Currency translation differences	–
Balance as at 31 December 2024	17
Balance as at 1 January 2023	8
Impairment loss recognised during the year	4
Written off	(1)
Currency translation differences	(1)
Balance as at 31 December 2023	10

The maximum exposure to credit risk for trade receivables (net of ECL allowance) at the reporting date by geographical areas (location of customers) and by type of counterparty is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2024 US\$'000</b>	<b>2023 US\$'000</b>	<b>2024 US\$'000</b>	<b>2023 US\$'000</b>
<u>By geographical areas</u>				
- Asia Pacific	5,099	10,878	1,649	2,907
- Europe	24,324	17,267	250	–
	29,423	28,145	1,899	2,907

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****23. FINANCIAL INSTRUMENTS (Continued)****Financial risk management objectives and policies (Continued)****(iii) Credit risk (Continued)**Expected Credit Losses (Continued)**(a) Trade receivables – Group (Continued)**

	Group		Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
<u>By types of customers</u>				
Subsidiaries	–	–	1,639	2,774
Non-related parties *	29,423	28,145	260	133
	29,423	28,145	1,899	2,907

\* Amount in stationery business includes balances owing from the office supplies wholesaler and retailers in Australia and United Kingdom totalling US\$6,490,000 (2023: US\$6,451,000), out of which total amount of US\$2,800,800 (2023: US\$3,018,000) was owing from two customers.

The top 2 balance in trading business was a customer from Europe amounted to US\$21,170,000 (2023: US\$14,436,000); and a customer from Hong Kong with balance of US\$1,499,300 (2023: US\$7,119,000).

Other than these debtors, there are no other concentration of credit risks from non-related parties of the Group and the Company.

**(b) Trade and other receivables – Company level**

The credit exposure of the Company mainly arise from trade and non-trade balances due from subsidiaries, totalling US\$3,716,000 (2023: US\$4,578,000). Trade balance are with 60-90 days credit term. Non-trade balances are repayable on demand, however the Company did not demand such payments until there are cash flows needs. Based on the liquidity position of these subsidiaries, including the amount of liquid assets, the Company assessed that the credit risk is low on these subsidiaries, and the amount of 12-month ECL is insignificant.

**(c) Cash and bank balances**

The Group and the Company held cash and bank balances of US\$17,626,000 and US\$2,585,000 (2023: US\$19,326,000 and US\$1,955,000) under reputable financial institutions. The cash and bank balances are mainly held in 2 financial institutions (2023: 2) that individually represented 31% and 24% (2023: 34% and 18% respectively) of cash and bank balances as at the reporting date.

Impairment on cash and bank balances has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and bank balances was negligible.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****23. FINANCIAL INSTRUMENTS (Continued)****Financial risk management objectives and policies (Continued)****(iv) Financial instruments by category**

The following table sets out the financial instruments as at reporting date:

	Group		Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Financial assets at amortised cost	47,204	47,626	6,616	6,709
Financial liabilities at amortised cost	24,397	24,243	2,331	2,315

**Capital risk management policies and objectives**

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group had maintain its strategy in maintaining debts capital to a minimum.

The capital structure of the Group consists of equity attributable to equity holders of the Company, comprising issued capital and statutory reserves as disclosed in Notes 11 and 12.

The management reviews the capital structure on an annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the committee, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debts.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

**24. FAIR VALUE DISCLOSURES**

At reporting date, there are no financial instruments that are carried at fair value. The carrying amounts of financial assets and liabilities reported on the reporting date are reasonable approximation of their fair value due to relatively short-term maturity of these financial instruments.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****25. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS**

The Group has not adopted the new or revised standards and interpretations that have been issued but not yet effective, except as discussed below:

SFRS(I) 18 Presentation and Disclosure in Financial Statements

SFRS(I) 18 will replace SFRS(I) 1-1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit sub-total. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs.

Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Instruments*

These amendments:

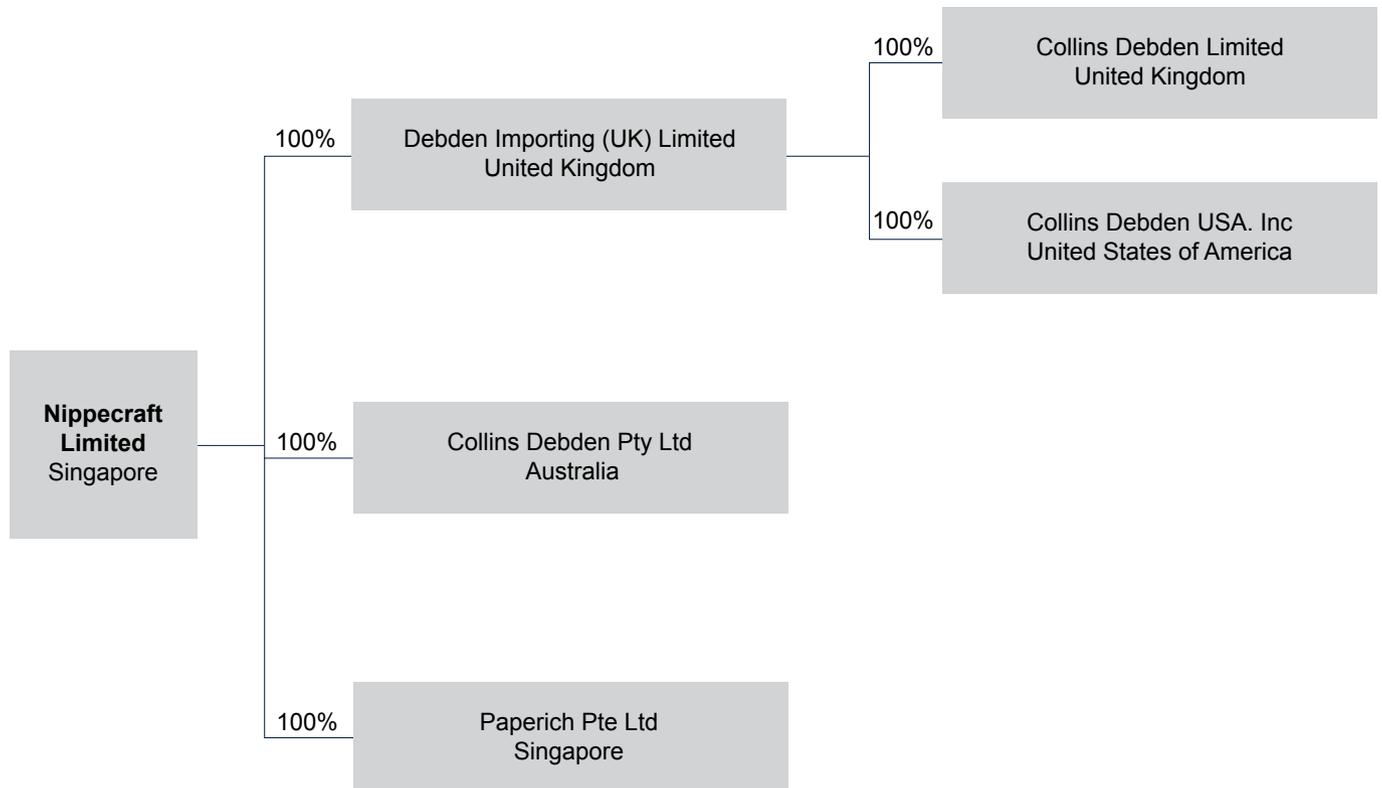
- a. clarify the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- b. clarify and add further guidance for assessing whether a financial asset meets the sole payments of principal and interest (SPPI) criterion for financial assets with certain contingent features;
- c. add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- d. update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

These amendments are effective for annual periods beginning on or after 1 January 2026.

# CORPORATE STRUCTURE

As at 2 April 2025

For the financial year ended 31 December 2024



## Head Office

Singapore

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Singapore 608526  
Tel: +65 6262 2662  
Website: <https://www.nippecraft.com.sg/>

## Subsidiaries

Australia

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Unit 429-431, Bella Vista,  
New South Wales 2153  
Tel: +61 2 8833 2900  
Website: <https://www.collinsdebden.com.au/>

United Kingdom

Collins Debden Limited  
38 Queen Street,  
Suite 4D, The Centrum Business Centre  
Glasgow G1 3DX  
Tel: +44 141 300 8500  
Website: <https://uk.collinsdebden.com/>

United States of America

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60 Cragmont Ave  
San Francisco  
CA 94116  
Tel: +1 415 255 8843  
Website: <https://collinsdebden.us/>

# SHAREHOLDING STATISTICS AS AT 18 MARCH 2025

For the financial year ended 31 December 2024

Number of issued ordinary shares	:	351,398,000
Issued and paid-up capital	:	US\$36,817,000 (equivalent to S\$51,547,000)
Number of subsidiary holdings and percentage	:	Nil
Number of treasury shares and percentage	:	Nil
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share

Shareholdings held in the hands of public

Based on the information available to the Company as at 18 March 2025, approximately 36.3% of the issued ordinary shares of the company is held by the public and therefore, Rule 723 of the Catalist is complied with.

## Analysis of Shareholdings

Range of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	6	0.12	206	0.00
100 - 1,000	1,459	29.92	1,445,650	0.41
1,001 – 10,000	2,535	51.99	13,607,851	3.87
10,001 – 1,000,000	856	17.56	59,123,657	16.83
1,000,001 and above	20	0.41	277,220,636	78.89
Total	4,876	100.00	351,398,000	100.00

## TOP 20 SHAREHOLDERS

No.	Name of Shareholders	No. of Shares Held	%
1	APP PRINTING (HOLDING) PTE LTD	172,185,020	49.00
2	UPWOOD INVESTMENTS LIMITED	51,619,646	14.69
3	DBS NOMINEES PTE LTD	9,549,800	2.72
4	UOB KAY HIAN PTE LTD	6,115,100	1.74
5	OCBC SECURITIES PRIVATE LTD	5,858,220	1.67
6	ABN AMRO CLEARING BANK N.V.	4,994,100	1.42
7	LIM POH CHOON	4,922,700	1.40
8	LYE MENG LEONG	2,803,400	0.80
9	LEE AH SIAN @ LEE SIT SENG	2,600,000	0.74
10	OCBC NOMINEES SINGAPORE PTE LTD	2,363,500	0.67
11	IFAST FINANCIAL PTE LTD	1,878,600	0.54
12	CITIBANK NOMINEES SINGAPORE PTE LTD	1,791,900	0.51
13	LIM CHIN HOCK	1,450,000	0.41
14	MERRILL LYNCH (SINGAPORE) PTE LTD	1,410,100	0.40
15	UNITED OVERSEAS BANK NOMINEES PRIVATE LIMITED	1,400,750	0.40
16	RAFFLES NOMINEES (PTE) LIMITED	1,368,200	0.39
17	TEOH HAI THOW	1,263,800	0.36
18	THIAN YIAN CHIEW	1,243,000	0.35
19	KWOK TOI LENG	1,204,000	0.34
20	PHILLIP SECURITIES PTE LTD	1,198,800	0.34
		277,220,636	78.89

**Substantial Shareholders as at 18 March 2025**

(as shown in the Company's Register of substantial shareholders)

Name of Shareholders	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
APP Printing (Holding) Pte Ltd (“ <b>APP Printing</b> ”)	172,185,020	49.00	–	–
PT Andalan Prapanca Pertiwi (“ <b>PT APP</b> ”)	–	–	172,185,020	49.00
Asia Pulp & Paper Company Ltd (“ <b>APP</b> ”)	–	–	172,185,020	49.00
APP Golden Limited (“ <b>APP Golden</b> ”)	–	–	172,185,020	49.00
Upwood Investments Limited	51,619,646	14.69	–	–

PT APP, APP and APP Golden are deemed to have an interest of 172,185,020 shares in Nippecraft Limited as APP Printing is a wholly-owned subsidiary of PT APP and APP has 92.45% shares in PT APP whereas APP Golden controls approximately 66.33% of the voting power of APP.

# NOTICE OF ANNUAL GENERAL MEETING

For the financial year ended 31 December 2024

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting (“**AGM**”) of Nippecraft Limited (“**Company**”) will be held at Function Room 3-2, Level 3, ISCA House, 60 Cecil Street, Singapore 049709, on Monday, 28 April 2025 at 10:00 a.m. for the following purposes:

## As Ordinary Business

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2024, together with the Auditor’s Report thereon. **(Resolution 1)**
2. To note the retirement of Mr. Chow Wai San who is retiring by rotation under regulation 144 of the Company’s Constitution and will not be seeking re-election as a director of the Company.
3. To re-elect and re-appoint Mr. Chan Cheng Fei, who is retiring by rotation under regulation 144 of the Company’s Constitution, as a director of the Company. **(Resolution 2)**
4. To re-elect and re-appoint Mr. Yek Boon Seng, who is retiring under regulation 154 of the Company’s Constitution, as a director of the Company. **(Resolution 3)**
5. To approve Directors’ fees of S\$185,000 (equivalent to US\$137,000) for the financial year ending 31 December 2025, payable quarterly in arrears (2024: S\$185,000, equivalent to US\$139,000). **(Resolution 4)**
6. To re-appoint Crowe Horwath First Trust LLP as auditors of the Company for the financial year ending 31 December 2025 and to authorize the Directors of the Company to fix their remuneration. **(Resolution 5)**
7. To transact any other ordinary business that may properly be transacted at an AGM.

## As Special Business

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolutions:

### 8. Authority To Allot And Issue Shares

“THAT, pursuant to section 161 of the Companies Act 1967 (“**Companies Act**”) and Rule 806 of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:

- (a) (i) allot and issue shares in the capital of the Company (“**Shares**”) (whether by way of rights, bonus or otherwise); and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force, provided that:
  - (1) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the Company’s total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below);

- (2) (subject to such manner of calculation and adjustments as may be prescribed by SGX-ST), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:
- (a) new Shares arising from the conversion or exercise of any convertible securities;
  - (b) new Shares arising from the exercise of share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (c) any subsequent bonus issue, consolidation or subdivision of Shares.

Adjustments in accordance with sub-paragraph (2)(a) or sub-paragraph (2)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all legal requirements under the Companies Act and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in a general meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in general meeting, whichever is the earlier.”

(See Explanatory Notes)

**(Resolution 6)**

#### 9. Renewal Of The Shareholders' Mandate For Interested Person Transactions

“THAT:

- (a) approval be and is hereby given for the purposes of Chapter 9 of the Catalist Rules for the Company, its subsidiaries and target associated companies or any of them, to enter into any of the transactions falling within the types of interested person transactions, described in the Appendix dated 2 April 2025 (“**Appendix**”) with any party who is of the class of interested persons described in the Appendix, provided that such transactions are made on an arm’s length basis and on normal commercial terms and in accordance with the guidelines and review procedures for such interested person transactions as amended in the Appendix;
- (b) the approval given in paragraph (a) above (“**Shareholders’ Mandate**”) shall, unless revoked or varied by the Company in general meeting, continue in force until the next AGM of the Company; and
- (c) the Directors of the Company, be and are hereby authorised to complete and do all such acts, deeds and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Shareholders’ Mandate or this Resolution.”

(See Explanatory Notes)

**(Resolution 7)**

#### 10. Renewal Of The Share Purchase Mandate

“THAT:

- (a) for the purposes of the Companies Act, the authority conferred on the Directors to exercise all the powers of the Company to purchase or otherwise acquire from time to time the Shares (excluding treasury shares and subsidiary holdings, if any) not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) on-market purchase(s) (each a “**Market Purchase**”) on the SGX-ST; and/or
- (ii) off-market purchase(s) (each an “**Off-Market Purchase**”) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to the provisions of the Companies Act and the Catalist Rules as may for the time being be applicable, be and is hereby approved generally and unconditionally (the “**Share Purchase Mandate**”);

- (b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
  - (i) the date on which the next AGM is held or required by law to be held;
  - (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; and
  - (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by shareholders in general meeting.

#### ADDITIONAL INFORMATION

- (c) in this Resolution:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) consecutive Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Catalist Rules, for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made;

“**date of the making of the offer**” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holder of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

“**Market Day**” means a day on which the SGX-ST is open for trading in securities;

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase, pursuant to an equal access scheme, 105% of the Average Closing Price of the Shares; and

“**Prescribed Limit**” means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares and subsidiary holdings, if any, as at that date); and

- (d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may in their/his absolute discretion consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

(See Explanatory Notes)

**(Resolution 8)**

## BY ORDER OF THE BOARD

**CHEN CHUANJIAN, JASON**  
**TAN CHING CHING**  
Company Secretaries  
Singapore

**2 April 2025**

### **Explanatory Notes:**

#### Resolution 2

If re-appointed, Mr. Chan Cheng Fei will remain as an Executive Director and Chief Financial Officer of the Company. Key information on Mr. Chan can be found on pages 47 to 51 of the Annual Report 2024 of the Company.

#### Resolution 3

If re-appointed, Mr. Yek Boon Seng will remain as an independent non-executive director of the Company. He is considered an independent director for the purpose of Rule 704(7) of the Catalist Rules. Key information on Mr. Yek can be found on pages 47 to 51 of the Annual Report 2024 of the Company.

#### Resolution 6

The proposed Resolution 6, if passed, will empower the Directors, from the date of the AGM until the next AGM of the Company, to issue Shares and/or Instruments up to an aggregate number not exceeding 100% of the total number of issued Shares excluding treasury shares and subsidiary holdings if any, with a sub-limit of 50% for Shares other than on a pro-rata basis to shareholders.

#### Resolution 7

The proposed Resolution 7, if passed, will renew the Shareholders' Mandate (which was first approved at the Extraordinary General Meeting held on 24 October 2017 and last renewed at the AGM of the Company held on 30 April 2024) to facilitate the Company, its subsidiaries and associated companies which are entities at risk as defined in Chapter 9 of the Catalist Rules, to enter into interested person transactions, the details of which are set out in the Appendix. The authority under the renewed Shareholders' Mandate will, unless revoked or varied by the Company in general meeting, expire at the conclusion of the next AGM of the Company, or the date by which the next AGM is required by law to be held, whichever is the earlier.

#### Resolution 8

The proposed Resolution 8, if passed, will empower the Directors to exercise all powers of the Company to purchase or otherwise acquire (whether by way of Market Purchases or Off-Market Purchases) Shares on the terms of the Share Purchase Mandate as set out in the Appendix. This authority shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next AGM is held or is required by law to be held or the date on which the purchases and acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated, whichever is the earlier.

**Notes:**

1. A member of the Company, other than relevant intermediary, entitled to attend and vote at the AGM may appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
2. Pursuant to section 181 of the Companies Act, a member who is a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint more than two proxies to attend and vote at the AGM, but each such proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such a member appoints more than one proxy, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

“**relevant intermediary**” means:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.
3. The instrument appointing a proxy(ies) must be submitted to the Company no later than 10:00 a.m. on 25 April 2025 (being 72 hours before the appointed time for the AGM).
  4. An investor who hold shares through relevant intermediaries, including an investor who buys shares using CPF monies (“**CPF Investor**”) or SRS monies (“**SRS Investor**”), and who wish to appoint the Chairman of the AGM to act as their proxy should approach their respective relevant intermediaries, including CPF Agent Banks or SRS Operators, to submit their votes at least 7 working days before the AGM and in any case, no later than 5:00 p.m. on 16 April 2025.
  5. A Depositor’s name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of proxy(ies) appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service provider) to comply with any applicable law, listing rules, take-over rules, regulations and/or guidelines (collectively, the “**Purposes**”);
- (ii) warrants that where the member discloses the member’s personal data by the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) for the collection, use and disclosure by the Company (or its agent or service providers) of the personal data of such proxy(ies) for the Purposes above; and
- (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request.

**IMPORTANT AGM NOTICE:**

1. The members of the Company are invited to **attend physically** at the AGM. There will be no option for the members to participate virtually. Printed copies of this Notice of AGM, Proxy Form and the Request Form for members to request for a printed copy of the Annual Report (the “**Request Form**”) will be sent to members. Copies of the Annual Report are available to members by electronic means via publication on the Company’s corporate website at the URL <https://www.nippecraft.com.sg> and will also be made available on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. Members who wish to request for printed copies of the Annual Report will need to complete and return the Request Form, by sending it back to the Company by post to the address stated on the Request Form by 14 April 2025.
2. Alternative arrangements relating to the attendance at the AGM by members, including CPF and SRS Investors, submitting questions to the Chairman of the AGM by members, including CPF and SRS Investors, in advance of, or at, the AGM, addressing of substantial and relevant questions in advance of, or at, the AGM, and voting at the AGM by the members, CPF and SRS Investors, or (where applicable) duly appointed proxy(ies) are set out in the Notice of the AGM.
  - (a) Members are encouraged to submit any questions related to the resolutions to be tabled for approval at the AGM by no later than 10:00 a.m. on 14 April 2025 so that the Company can address Shareholders’ questions no later than 10:00 a.m. on 23 April 2025, being 48 hours prior to the deadline for the submission of proxy forms.
  - (b) Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), including CPF and SRS Investors, can also submit their questions relate to the resolutions to be tabled for approval at the AGM based on the abovementioned instructions.
  - (c) The Company will endeavour to provide its answers and responses to the substantial and relevant questions received from members relating to the resolutions to be tabled for approval prior to or at the AGM via publication on (i) the SGXNet at <https://www.sgx.com/securities/company-announcements> and (ii) the Company’s corporate website at <https://www.nippecraft.com.sg>; or (iii) at the AGM.
  - (d) The minutes of the AGM, will thereafter be published on (i) the SGXNet at <https://www.sgx.com/securities/company-announcements>; and (ii) the Company’s corporate website at <https://www.nippecraft.com.sg> within (1) one month after the date of the AGM.
3.
  - (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member’s instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
  - (b) A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member’s instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

“**Relevant intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.
4. A proxy need not be a member of the Company.
5. For investors who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), including CPF and SRS Investors, should contact their relevant intermediaries (which would include, in the case of CPF and SRS Investors, their respective CPF Agent Banks and SRS Operator(s) through which they hold such shares as soon as possible in order to submit their votes at least (7) seven working days before the AGM. CPF/SRS Investors should contact their respective CPF Agent Banks or SRS Operator(s) for any queries they may have with regard to the appointment of proxy for the AGM.

6. The instrument appointing a proxy(ies), must be submitted to the Company in the following manner:
- (a) if submitted by post, be deposited at the registered office of the Company's Share Registrar at  
B.A.C.S Private Limited  
77 Robinson Road  
#06-03 Robinson 77  
Singapore 068896;

or

  - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at [main@zicoholdings.com](mailto:main@zicoholdings.com),
- in either case, not less than 72 hours before the time appointed for holding the AGM, i.e. no later than 10:00 a.m. on 25 April 2025.
- A member who wishes to submit an instrument appointing a proxy(ies) by post or via email must first download a copy of the proxy form from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
7. The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (such as in the case where the appointor submits more than one instrument of proxy).

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*This Notice has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). This Notice has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this Notice, including the correctness of any of the statements or opinions made, or reports contained in this Notice.*

*The contact person for the Sponsor is Ms Charmian Lim (+65 6232 3210) at 1 Robinson Road #21-01 AIA Tower, Singapore 048542.*



# NIPPECRAFT LIMITED

(Company Registration Number: 197702861N)  
(Incorporated in the Republic of Singapore on 29 December 1977)

## ANNUAL GENERAL MEETING PROXY FORM

### IMPORTANT

1. A relevant intermediary (as defined in section 181 of the Companies Act 1967) may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or is purported to be used by Central Provident Fund (CPF) and Supplementary Retirement Scheme (SRS) investors who hold the Company's shares through CPF Agent Banks/SRS Operators). CPF/SRS investors who wish to vote should approach their respective CPF Agent Bank/SRS Operators to submit their instructions at least seven (7) working days before the date of the AGM.
3. **PLEASE READ THE NOTES TO THE PROXY FORM.**

\*I/We, \_\_\_\_\_ (Name), \_\_\_\_\_ \*NRIC/Passport number/Company registration number of \_\_\_\_\_ (address) being \*a member/members of **NIPPECRAFT LIMITED** (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of shares	%
and/or (delete as appropriate)				

or failing \*him/her/them, the Chairman of the annual general meeting (the "**AGM**") of the Company, as \*my/our \*proxy/proxies to attend, speak and vote for \*me/us on \*my/our behalf at the AGM of the Company, to be held at Function Room 3-2, Level 3, ISCA House, 60 Cecil Street, Singapore 049709 on Monday, 28 April 2025 at 10:00 a.m. and at any adjournment thereof.

\*I/We direct \*my/our \*proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the \*proxy/proxies will vote or abstain from voting at \*his/her/their discretion, as \*he/she/they will on any other matter arising at the AGM and at any adjournment thereof.

\* **Delete Accordingly**

No.	Resolutions	No. of votes for <sup>(1)</sup>	No. of votes against <sup>(1)</sup>	Abstain from voting <sup>(1)</sup>
<b>Ordinary Business</b>				
1.	To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2024, together with the Auditors' Report thereon.			
2.	To re-elect and re-appoint Mr. Chan Cheng Fei as a director.			
3.	To re-elect and re-appoint Mr. Yek Boon Seng as a director.			
4.	To approve Directors' fees for the financial year ending 31 December 2025, payable quarterly in arrears.			
5.	To re-appoint Crowe Horwath First Trust LLP as auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors of the Company to fix their remuneration.			
<b>Special Business</b>				
6.	To authorise the Directors to issue and allot shares and/or instruments pursuant to Section 161 of the Companies Act 1967.			
7.	To renew the Shareholders' Mandate for Interested Person Transactions.			
8.	To renew the Share Purchase Mandate.			

### Notes:

- (1) If you wish to exercise all your votes "For" or "Against" or "Abstain", please indicate with a tick within the box provided. Alternatively, please indicate the number of votes as appropriate.
- (2) In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

Signature(s) of Member(s)/Common seal <b>IMPORTANT: PLEASE READ NOTES OVERLEAF.</b>	Total number of shares in:	Number of shares
	(a) CDP Register	
	(b) Register of Members	
	<b>Total</b>	

## Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2.
  - (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
  - (b) A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

**"Relevant intermediary"** has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy(ies), together with the power of attorney or other authority, if any, under which the instrument of proxy is signed or duly certified copy of that power of attorney or other authority (failing previous registration with the Company), must be submitted to the Company in the following manner:
  - (a) if submitted by post, be deposited at the office of the Company's Share Registrar at  
B.A.C.S Private Limited  
77 Robinson Road  
#06-03 Robinson 77  
Singapore 068896;  
  
or
  - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at [main@zicoholdings.com](mailto:main@zicoholdings.com),  
  
in either case, not less than 72 hours before the time appointed for holding the AGM, i.e. no later than 10:00 a.m. on 25 April 2025.
5. Completion and submission of the instrument appointing a proxy(ies) does not preclude a member from attending and voting at the AGM. The appointment of a proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any persons appointed under the relevant instrument appointing a proxy(ies) to attend the AGM.
6. The instrument appointing a proxy(ies) must, if submitted by post or electronically via email, be signed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must, if submitted by post or electronically via email, be executed either under the common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy(ie) is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.

**Members are strongly encouraged to submit completed proxy forms electronically via email.**

8. A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to vote thereat unless his name appears on the Depository Register as at 72 hours before the time appointed for holding the AGM.
9. The Company shall be entitled to reject the instrument appointing a proxy(ies) which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy(ies) if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

## Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 2 April 2025.

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