

CIRCULAR DATED 6 OCTOBER 2017

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Nippecraft Limited (the “**Company**”), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the attached proxy form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the contents of this Circular, including the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



NIPPECRAFT LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 197702861N)

CIRCULAR TO SHAREHOLDERS IN RELATION TO

- (I) THE PROPOSED ADOPTION OF THE INTERESTED PERSON
TRANSACTIONS MANDATE**
- (II) THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE**

**Independent Financial Advisor to the
Independent Directors of the Company in relation to
the IPT Mandate**

ASIAN CORPORATE ADVISORS PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200310232R)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	: 22 October 2017 at 9.00 a.m.
Date and time of Extraordinary General Meeting	: 24 October 2017 at 9.00 a.m.
Place of Extraordinary General Meeting	: 9 Fan Yoong Road, Singapore 629787

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DEFINITIONS

In this Circular, unless the context otherwise requires, the following terms or expressions shall have the following meanings:

"AGM"	: The Annual General Meeting of the Company
"APP"	: Asia Pulp & Paper Company Ltd, a company incorporated in Singapore
"APP Golden"	: APP Golden Limited, a company incorporated in the British Virgin Islands
"APP Group"	: APP, its subsidiary and associated companies
"APP Printing"	: APP Printing (Holding) Pte Ltd, a company incorporated in Singapore
"Approved Agency/Distributor Agreement"	: Has the meaning ascribed to it in Paragraph 7.2(d)(i) of Appendix A
"Approved Independent Sources"	: Has the meaning ascribed to it in Paragraph 7.2(b)(i) of Appendix A
"Approved Licensing Fees"	: Has the meaning ascribed to it in Paragraph 7.2(d)(ii) of Appendix A
"Audit Committee"	: The Audit Committee of the Board of Directors
"Board"	: The Board of Directors of the Company
"CDP"	: The Central Depository (Pte) Limited
"Circular"	: This circular dated 6 October 2017
"Companies Act"	: The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
"Company"	: Nippecraft Limited
"Constitution"	: The constitution of the Company, as amended from time to time up to the Latest Practicable Date
"Control"	: The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
"Controlling Shareholder"	: A person who: (a) holds directly or indirectly 15% or more of the number of all voting shares in a company; or (b) in fact exercises Control over a company
"Directors"	: The directors of the Company as at the date of this Circular
"EAR Group"	: Has the meaning ascribed to it in Paragraph 2.2(c) of Appendix A
"EGM"	: The Extraordinary General Meeting of the Company, notice of which is set out on page N-1 of this Circular

DEFINITIONS

“EPS”	: Earnings per Share
“FY2016”	: Financial year ended 31 December 2016
“Group”	: Company and its subsidiaries collectively
“IFA”	: Asian Corporate Advisors Pte. Ltd.
“IPT Mandate”	: The general mandate to be considered and, if thought fit, to be adopted and renewed by Shareholders at the Company’s EGM on 24 October 2017 pursuant to Chapter 9 of the Listing Manual that permits the Group to enter into certain transactions with Interested Persons
“IPT Register”	: Has the meaning ascribed to it in Paragraph 7.6(a) of Appendix A
“Independent Directors”	: Messrs Lim Yu Neng Paul, Khoo Song Koon and Chow Wai San
“Interested Person Transactions” or “IPT”	: Transactions proposed to be entered into between the EAR Group and interested persons as defined under Chapter 9 of the Listing Manual
“Latest Practicable Date”	: 25 September 2017, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	: The listing manual of the SGX-ST
“Mandated Interested Person”	: Has the meaning ascribed to it in Paragraph 5.1 of Appendix A
“Mandated IPTs”	: Has the meaning ascribed to it in Paragraph 6.1 of Appendix A
“Market Day”	: A day on which the SGX-ST is open for trading in securities
“Market Purchase”	: Has the meaning ascribed to it in Paragraph 3.3(c)(i) of this Circular
“Maximum Price”	: Has the meaning ascribed to it in Paragraph 3.3(d) of this Circular
“NTA”	: Net tangible assets
“Notice of EGM”	: The notice of EGM as set out on page N-1 of this Circular
“Off-Market Purchase”	: Has the meaning ascribed to it in Paragraph 3.3(c)(ii) of this Circular
“Relevant Period”	: The period commencing from the date on which the resolution authorising the Share Purchase Mandate is passed and expiring on the date on which the next AGM is or is required by law to be held, whichever is the earlier.
“Review Procedures”	: Has the meaning ascribed to it in Paragraph 2.2 of this Circular
“Proposals”	: Has the meaning ascribed to it in Paragraph 1.1 of this Circular
“Proxy Form”	: The Proxy Form as set out on page N-4 of this Circular
“PT APP”	: PT Andalan Prapanca Pertiwi, a company incorporated in the Republic of Indonesia
“SFA”	: Securities and Futures Act, Chapter 289 of Singapore

DEFINITIONS

“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shares”	: Issued ordinary shares (excluding treasury shares, if any) in the capital of the Company
“Shareholder”	: Registered holders of the Shares or, if the registered holder of the Shares is the CDP, depositors who have Shares entered against their names in the depository register
“Share Purchase Mandate”	: The general mandate to enable the Company to purchase or otherwise acquire its issued Shares
“Substantial Shareholder”	: A person who has an interest (as defined in the Companies Act) in Shares and the total votes attached to those Shares is not less than 5% of the total votes attached to all the voting Shares
“Stationery Business”	: Has the meaning set out in Paragraph 2.1 of this Circular
“Take-over Code”	: The Singapore Code on Take-overs and Mergers
“Trading Business”	: Has the meaning set out in Paragraph 2.1 of this Circular
“USD” or “US\$” and “cents”	: United States dollars and cents, respectively, being the lawful currency of the United States of America
“S\$” and “cents”	: Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
“%” or “per cent.”	: Per centum or percentage

DEFINITIONS

Unless otherwise defined, the terms “**acting in concert**”, “**associates**” and “**associated company**” in Paragraph 3 of this Circular shall have the meanings ascribed to them in the Take-over Code.

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms “**treasury shares**”, “**subsidiary**”, “**related corporation**” and “**interest**” shall have the meanings ascribed to them in Section 4, Section 5, Section 6, and Section 7 of the Companies Act.

The terms “**entity at risk**”, “**interested person**”, “**interested person transaction**” and “**transaction**” shall have the meanings given to them in Chapter 9 of the Listing Manual.

The prevailing exchange rate between USD and SGD is assessed at 1.35 for the purposes of this Circular.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

Any reference to a time of day and date in this Circular shall be a reference to Singapore time, unless otherwise stated.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any word defined under the Companies Act, the Listing Manual or any modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the Listing Manual or any modification thereof and used in this circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the Listing Manual or modification as the case may be, unless otherwise provided.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

LETTER TO SHAREHOLDERS

NIPPECRAFT LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 197702861N)

Directors:

Connie Oi Yan Chan (Chairlady, Chief Executive Officer and Executive Director)
Khoo Song Koon (Lead Independent Director)
Lim Yu Neng Paul (Independent Director)
Chow Wai San (Independent Director)

Registered Office:

9 Fan Yoong Road
Singapore 629787

6 October 2017

To: The Shareholders of Nippecraft Limited

- (I) **THE PROPOSED ADOPTION OF THE INTERESTED PERSON TRANSACTIONS MANDATE ("IPT MANDATE")**
(II) **THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE ("SHARE PURCHASE MANDATE")**

Dear Sir/Madam,

1. INTRODUCTION

1.1 EGM

The Directors are proposing to convene an EGM to seek Shareholders' approval for the following proposals:

- (a) Resolution No. 1 being an ordinary resolution, relating to the proposed adoption of the IPT Mandate; and
(b) Resolution No. 2 being an ordinary resolution, relating to the proposed adoption of the Share Purchase Mandate.
(collectively, the "**Proposals**")

1.2 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with information pertaining to and reasons for the Proposals, and to seek Shareholders' approval in respect of the same at the EGM to be held on 24 October 2017 at 9.00 a.m. at 9 Fan Yoong Road, Singapore 629787. The notice of which is set out of page N-1 of this Circular.

2. THE PROPOSED IPT MANDATE

2.1 Background

The Company is principally engaged in the business of designing, manufacturing, outsourcing and distributing of planners, organisers, business accessories and general stationery related products (the “**Stationery Business**”).

The Group is also engaged in the business of trading of pulp and paper, waste papers, semi-finished paper products and paper bags (the “**Trading Business**”).

The Company has also diversified into the business of global brand management, product development as well as outsourcing services. The Company intends to leverage on its key brand and product competencies that include knowledge of personal and business enrichment tools along its dominant market position in Australia, the United Kingdom, and South East Asia regions.

2.2 Rationale of the IPT Mandate

The Company is proposing the implementation of the IPT Mandate, pursuant to Chapter 9 of the Listing Manual, to enable the Company, its subsidiaries and associated companies which are considered to be “entities at risk” to enter in the ordinary course of business into certain types of transactions with specified classes of the Company’s “interested persons”, provided that such transactions are made on normal commercial terms and in accordance with the review procedures set out in Paragraph 7 of Appendix A of this Circular (the “**Review Procedures**”).

The adoption of the IPT Mandate will:

- (a) facilitate entry into the mandated transactions with the interested person in the ordinary course of the Group’s businesses; and
- (b) eliminate the need for the Company to convene separate general meetings on each occasion, pursuant to the financial limits imposed under Chapter 9 of the Listing Manual, to seek Shareholders’ approval as and when such transactions with the interested person arise, thereby:
 - (i) reducing substantially the administrative time, inconvenience and costs associated with the convening of such meetings; and
 - (ii) enabling the Group to maintain its overall competitiveness and not be placed at a disadvantage to other parties that do not require shareholders’ approval to be obtained for entering into such transactions.

It is intended that approval will be sought for the renewal of the IPT Mandate from the Shareholders at the next and at each subsequent AGM of the Company, subject to satisfactory review by the Audit Committee of its continued application to the Interested Person Transactions and that the Review Procedures continue to be sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the Company and its minority Shareholders.

The IPT Mandate, including, inter alia, elaboration on the rationale for, its scope, the benefits to the Company and Shareholders, the classes of interested persons, the categories of transactions between the EAR Group and an interested person, the Review Procedures and other general information relating to Chapter 9 of the Listing Manual, are set out in Appendix A to this Circular.

2.3 Classes of Interested Persons

APP Printing is the Controlling Shareholder of the Company, and the companies in the APP Group and associates are regarded as “interested persons” of the Company for the purposes of Chapter 9 of the Listing Manual. The APP Group and associates are principally involved in manufacturing and distributing fine printing and writing paper, consumer and industrial packaging products, as well as paper towel and tissue paper.

The direct and/or indirect interests of the APP Group in the Company are as follows:

- (a) APP Printing holds 63.69% of the issued share capital of the Company and is the Controlling Shareholder of the Company;
- (b) APP Printing is a company incorporated in the Republic of Singapore and is a wholly-owned subsidiary of PT APP, a company incorporated in the Republic of Indonesia;
- (c) APP, a company incorporated in the Republic of Singapore, holds approximately 89.9% of PT APP; and
- (d) APP Golden Limited, a company incorporated with limited liability under the laws of the British Virgin Islands, controls approximately 63.32% of the voting power of APP and is considered the ultimate holding company of the Company.

2.4 Independent Financial Adviser

Asian Corporate Advisors Pte. Ltd. (the “**IFA**”) has been appointed the independent financial adviser in relation to the proposed adoption of the IPT Mandate. Having regard to the matters set out in their letter dated 6 October 2017 to the Independent Directors, the IFA is of the opinion that the adoption of the IPT Mandate and the procedures as set out in the Circular, is in the interest of the Company and that the review procedures (including the additional controls) for determining the transaction prices pursuant to the IPT Mandate as set out in Paragraph 7 of Appendix A to the Circular, if adhered to fully, are sufficient to ensure that the Mandated IPTs will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and minority Shareholders.

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, its letter to the Independent Directors dated 6 October 2017 and all references thereto, in the form and context in which they appear in this Circular.

2.5 Disclosure

Disclosure will be made in the Company’s annual report of the aggregate value of all Interested Person Transactions conducted pursuant to the IPT Mandate during the relevant financial year, in accordance with Chapter 9 of the Listing Manual. The Company will also announce the aggregate value of Interested Person Transactions conducted pursuant to the IPT Mandate for the relevant financial periods that it is required to report on pursuant to Rule 705 of the Listing Manual and within the time period required for the announcement of such report.

3. THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

3.1 The Share Purchase Mandate

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Listing Manual and such other laws and regulations as may for the time being be applicable.

Rule 881 of the Listing Manual provides that a company may purchase its own shares if it has obtained the prior specific approval of shareholders in a general meeting. Accordingly, approval is being sought from the Shareholders at the EGM for the adoption of the Share Purchase Mandate.

If approved by the Shareholders at the EGM, the authority conferred by the Share Purchase Mandate will take effect from the date of the EGM and continue in force until the date on which the next AGM is held or required by law to be held, unless prior thereto, purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate have been carried out to the full extent mandated, or the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting.

3.2 Rationale for the Share Purchase Mandate

The approval of the Share Purchase Mandate will give the Company flexibility to undertake purchases or acquisitions of its own Shares subject to the terms and limits described in Paragraph 3.3 of this Circular.

The Directors constantly seek to increase Shareholders' value and to improve, inter alia, the return on equity of the Group. A Share purchase or acquisition of Shares by the Company at an appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.

The Share Purchase Mandate would provide the Company with the flexibility to purchase or acquire Shares if and when circumstances permit, during the period when the Share Purchase Mandate is in force. Shares purchased pursuant to the Share Purchase Mandate will either be cancelled or held as treasury shares as may be determined by the Directors. This will provide the Directors with greater flexibility over the Company's share capital structure, inter alia, with a view to enhancing the earnings and/or NTA value per Share or to maintain a pool of Shares to be deployed for future purposes as deemed appropriate by the Directors.

It is currently contemplated by the Company that the Shares purchased pursuant to the Share Purchase Mandate will be held as treasury shares which may be (i) used as consideration for the acquisition of shares in or assets of another company or assets of a person; (ii) sold in the event of future share placements; and/or (iii) transferred for the purposes of or pursuant to an employee's share scheme. The Directors further believe that Share purchases by the Company will help to mitigate short term share price volatility or trading trends which, in the reasonable opinion of the Company, are not otherwise caused by general market factors or sentiments and/or the fundamentals of the Company and offset the effects of short-term speculation (as and when they may occur), and bolster Shareholder confidence.

The Company will only purchase or acquire Shares pursuant to the Share Purchase Mandate if it can benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full extent as authorised. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy position of the Group as a whole and/or affect the listing status of the Company on the SGX-ST.

3.3 Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate, if approved at the EGM, are summarised below:

(a) Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares as at the date on which the resolution authorising the Share Purchase Mandate is passed, unless the Company has, at any time during the Relevant Period, effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, in which event the issued share capital of the Company shall be taken to be the amount of the issued share capital of the Company as altered. Any Shares which are held as treasury shares shall be disregarded for the purposes of computing the 10% limit.

For illustrative purposes only, based on 351,398,000 issued Shares as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the EGM, the purchase or acquisition by the Company pursuant to the Share Purchase Mandate of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 35,139,800 Shares. However, as stated in Paragraph 3.2 above and Paragraph 3.7 below, purchases or acquisitions pursuant to the Share Purchase Mandate need not be carried out to the full extent mandated, and, in any case, would not be carried out to such an extent that would result in the Company being delisted from the SGX-ST. The public float in the issued Shares as at the Latest Practicable Date is disclosed in Paragraph 3.8 below.

(b) Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the EGM at which the Share Purchase Mandate is approved, up to the earliest of:

- (i) the date on which the next AGM is held or is 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; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting.

The Share Purchase Mandate may be renewed at each subsequent AGM or other general meetings of the Company.

(c) Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

- (i) on-market purchases, transacted through the SGX-ST's trading system, through one or more duly licensed stock brokers appointed by the Company for that purpose ("**Market Purchase**"); and/or
- (ii) off-market purchases pursuant to an equal access scheme in accordance with Section 76C of the Companies Act ("**Off-Market Purchase**").

LETTER TO SHAREHOLDERS

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

An Off-Market Purchase must, however, satisfy all of the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (A) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (B) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - (C) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders containing at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed purchase or acquisition of Shares by the Company;
- (iv) the consequences, if any, of the proposed purchase or acquisition of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (v) whether the proposed purchase or acquisition of Shares by the Company, if made, could affect the listing of the Company's equity securities on the SGX-ST;
- (vi) details of any purchase or acquisition of Shares by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

(d) Purchase Price

The purchase price (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for the Shares will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must 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,

in each case, excluding related expenses of the purchase or acquisition (the “**Maximum Price**”).

For the purposes of determining the Maximum Price:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five 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 rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period; and

“**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.

3.4 Status of the Purchased Shares

Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

3.5 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

(a) Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

(b) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury shares is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Take-over Code):

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

In addition, under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares held by it stating the following:

- (aa) the date of the sale, transfer, cancellation and/or use of such treasury shares;
- (bb) the purpose of such sale, transfer, cancellation and/or use of such treasury shares;
- (cc) the number of treasury shares which have been sold, transferred, cancelled and/or used;
- (dd) the number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (ee) the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use; and
- (ff) the value of the treasury shares if they are used for a sale or transfer, or cancelled.

3.6 Source of funds

The Companies Act permits the Company to purchase or acquire its own Shares out of capital, as well as from its distributable profits. The Company will use internal resources or external borrowings or a combination of both to finance the purchase or acquisition of Shares pursuant to the Share Purchase Mandate. In purchasing or acquiring Shares pursuant to the Share Purchase Mandate, the Directors will principally consider the availability of internal resources. The Directors will also consider the availability of external financing. However, in considering the option of external financing, the Directors will particularly consider the prevailing gearing level of the Group. The Directors will only make purchases or acquisitions of Shares in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group. The purchase or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions.

3.7 Financial Effects

The financial effects arising from a purchase or acquisition of Shares pursuant to the Share Purchase Mandate on the Group and the Company will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the audited financial statements of the Group and the Company for FY2016 will depend, *inter alia*, on the factors set out below:

(a) Purchase or Acquisition out of Profits and/or Capital

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

(b) Number of Shares Acquired or Purchased

Based on 351,398,000 issued Shares as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the EGM, the purchase or acquisition of Shares by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 35,139,800 Shares.

(c) Maximum Price Paid for Shares Acquired or Purchased

Assuming that the Company purchases or acquires 35,139,800 Shares at the Maximum Price of S\$0.056 per Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 35,139,800 Shares is approximately S\$1,967,829 (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses).

(d) Illustrative Financial Effects

For illustrative purposes only, based on the assumptions set out above and assuming that (i) the purchase or acquisition of Shares are made to the extent aforesaid; (ii) such Shares are funded wholly by internal resources within the Group; and (iii) the Company had purchased 35,139,800 Shares (representing 10% of the issued Shares as at the Latest Practicable Date) on 25 September 2017, the financial effects of the purchase of 35,139,800 Shares by way of:

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- (i) purchases made entirely out of capital and held as treasury shares;
- (ii) purchases made entirely out of capital and cancelled;
- (iii) purchases made entirely out of profits and held as treasury shares; and
- (iv) purchases made entirely out of profits and cancelled,

on the audited financial statements of the Group and the Company for FY2016 pursuant to the Share Purchase Mandate are set out as follows:-

- (i) Purchases made entirely out of capital and held as treasury shares

	Group		Company	
	Before Share Purchase	After Share Purchase ⁽⁶⁾	Before Share Purchase	After Share Purchase ⁽⁶⁾
As at	US\$ '000	US\$ '000	US\$ '000	US\$ '000
31 December 2016				
Share capital	36,817	36,817	36,817	36,817
Capital and other reserve	(6,695)	(6,695)	748	748
Retained earnings	1,100	1,100	(15,396)	(15,396)
	31,222	31,222	22,169	22,169
Treasury shares	-	(1,458)	-	(1,458)
Shareholders' funds	31,222	29,764	22,169	20,711
NTA ⁽¹⁾	31,222	29,764	22,169	20,711
Current assets	48,052	46,594	4,857	3,399
Current liabilities	20,852	20,852	3,174	3,174
Working capital	27,200	25,742	1,683	225
Number of Shares (in '000)	351,398	316,258	351,398	316,258
Financial Ratios				
NTA per Share ⁽²⁾ (cents)	8.89	9.41	6.31	6.55
Net gearing ratio ⁽³⁾ (times)	(0.52)	(0.50)	(0.03)	0.04
Current ratio ⁽⁴⁾ (times)	2.30	2.23	1.53	1.07
EPS ⁽⁵⁾ (cents)	(0.56)	(0.62)	(1.04)	(1.15)

Notes:-

- (1) NTA refers to net assets less intangible assets.
- (2) NTA per Share is computed based on the NTA divided by the number of issued Shares.
- (3) Net gearing ratio equals to total borrowings less cash and cash equivalents divided by Shareholders' funds.
- (4) Current ratio equals to current assets divided by current liabilities.
- (5) EPS equals profit after tax and non-controlling interests divided by the total number of shares as at 31 December 2016.
- (6) Assumes that the Company purchases the 35,139,800 Shares at the Maximum Price of S\$0.056 for one Share which is 5% above the Average Closing Prices of a Share over the last 5 Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 35,139,800 Shares is approximately S\$1,967,829 (US\$1,457,651 equivalent).

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(ii) Purchases made entirely out of capital and cancelled

	Group		Company	
	Before Share Purchase	After Share Purchase ⁽⁶⁾	Before Share Purchase	After Share Purchase ⁽⁶⁾
As at	US\$ '000	US\$ '000	US\$ '000	US\$ '000
31 December 2016				
Share capital	36,817	35,359	36,817	35,359
Capital and other reserve	(6,695)	(6,695)	748	748
Retained earnings	1,100	1,100	(15,396)	(15,396)
Shareholders' funds	31,222	29,764	22,169	20,711
NTA ⁽¹⁾	31,222	29,764	22,169	20,711
Current assets	48,052	46,594	4,857	3,399
Current liabilities	20,852	20,852	3,174	3,174
Working capital	27,200	25,742	1,683	225
Number of Shares (in '000)	351,398	316,258	351,398	316,258
Financial Ratios				
NTA per Share ⁽²⁾ (cents)	8.89	9.41	6.31	6.55
Net gearing ratio ⁽³⁾ (times)	(0.52)	(0.50)	(0.03)	0.04
Current ratio ⁽⁴⁾ (times)	2.30	2.23	1.53	1.07
EPS ⁽⁵⁾ (cents)	(0.56)	(0.62)	(1.04)	(1.15)

Notes:-

- (1) NTA refers to net assets less intangible assets.
- (2) NTA per Share is computed based on the NTA divided by the number of issued Shares.
- (3) Net gearing ratio equals to total borrowings less cash and cash equivalents divided by Shareholders' funds.
- (4) Current ratio equals to current assets divided by current liabilities.
- (5) EPS equals profit after tax and non-controlling interests divided by the total number of shares as at 31 December 2016.
- (6) Assumes that the Company purchases the 35,139,800 Shares at the Maximum Price of S\$0.056 for one Share which is 5% above the Average Closing Prices of a Share over the last 5 Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 35,139,800 Shares is approximately S\$1,967,829 (US\$1,457,651 equivalent).

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(iii) Purchases made entirely out of profits and held as treasury shares

	Group		Company	
	Before Share Purchase	After Share Purchase ⁽⁶⁾	Before Share Purchase	After Share Purchase ⁽⁶⁾
As at	US\$ '000	US\$ '000	US\$ '000	US\$ '000
31 December 2016				
Share capital	36,817	36,817	36,817	36,817
Capital and other reserve	(6,695)	(6,695)	748	748
Retained earnings	1,100	1,100	(15,396)	(15,396)
	31,222	31,222	22,169	22,169
Treasury shares	-	(1,458)	-	(1,458)
Shareholders' funds	31,222	29,764	22,169	20,711
NTA ⁽¹⁾	31,222	29,764	22,169	20,711
Current assets	48,052	46,594	4,857	3,399
Current liabilities	20,852	20,852	3,174	3,174
Working capital	27,200	25,742	1,683	225
Number of Shares (in '000)	351,398	316,258	351,398	316,258
Financial Ratios				
NTA per Share ⁽²⁾ (cents)	8.89	9.41	6.31	6.55
Net gearing ratio ⁽³⁾ (times)	(0.52)	(0.50)	(0.03)	0.04
Current ratio ⁽⁴⁾ (times)	2.30	2.23	1.53	1.07
EPS ⁽⁵⁾ (cents)	(0.56)	(0.62)	(1.04)	(1.15)

Notes:-

- (1) NTA refers to net assets less intangible assets.
- (2) NTA per Share is computed based on the NTA divided by the number of issued Shares.
- (3) Net gearing ratio equals to total borrowings less cash and cash equivalents divided by Shareholders' funds.
- (4) Current ratio equals to current assets divided by current liabilities.
- (5) EPS equals profit after tax and non-controlling interests divided by the total number of shares as at 31 December 2016.
- (6) Assumes that the Company purchases the 35,139,800 Shares at the Maximum Price of S\$0.056 for one Share which is 5% above the Average Closing Prices of a Share over the last 5 Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 35,139,800 Shares is approximately S\$1,967,829 (US\$1,457,651 equivalent).
- (7) The Company has accumulated losses and does not have profits available for the purposes of the proposed Share purchase.

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(iv) Purchases made entirely out of profits and cancelled

	Group		Company	
	Before Share Purchase	After Share Purchase ⁽⁶⁾	Before Share Purchase	After Share Purchase ⁽⁶⁾
As at	US\$ '000	US\$ '000	US\$ '000	US\$ '000
31 December 2016				
Share capital	36,817	36,817	36,817	36,817
Capital and other reserve	(6,695)	(6,695)	748	748
Retained earnings	1,100	(358)	(15,396)	(16,854)
Shareholders' funds	31,222	29,764	22,169	20,711
NTA ⁽¹⁾	31,222	29,764	22,169	20,711
Current assets	48,052	46,594	4,857	3,399
Current liabilities	20,852	20,852	3,174	3,174
Working capital	27,200	25,742	1,683	225
Number of Shares (in '000)	351,398	316,258	351,398	316,258
Financial Ratios				
NTA per Share ⁽²⁾ (cents)	8.89	9.41	6.31	6.55
Net gearing ratio ⁽³⁾ (times)	(0.52)	(0.50)	(0.03)	0.04
Current ratio ⁽⁴⁾ (times)	2.30	2.23	1.53	1.07
EPS ⁽⁵⁾ (cents)	(0.56)	(0.62)	(1.04)	(1.15)

Notes:-

- (1) NTA refers to net assets less intangible assets.
- (2) NTA per Share is computed based on the NTA divided by the number of issued Shares.
- (3) Net gearing ratio equals to total borrowings less cash and cash equivalents divided by Shareholders' funds.
- (4) Current ratio equals to current assets divided by current liabilities.
- (5) EPS equals profit after tax and non-controlling interests divided by the total number of shares as at 31 December 2016.
- (6) Assumes that the Company purchases the 35,139,800 Shares at the Maximum Price of S\$0.056 for one Share which is 5% above the Average Closing Prices of a Share over the last 5 Market Days on which the transactions in the Shares were traded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 35,139,800 Shares is approximately S\$1,967,829 (US\$1,457,651 equivalent).
- (7) The Company has accumulated losses and does not have profits available for the purposes of the proposed Share purchase.

Shareholders should note that the financial effects, based on the respective assumptions aforementioned, are for illustrative purposes only. In particular, it is important to note that it is not possible for the Company to realistically calculate or quantify the impact of the purchase or acquisition of Shares that may be made pursuant to the Share Purchase Mandate on the NTA per Share and EPS as the resultant effect would depend on factors such as the aggregate number of Shares purchased, the purchase price paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchase or acquisition of Shares.

It should also be noted that the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate would only be made in circumstances where it is considered to be in the best interest of the Company. Although the Share Purchase Mandate would enable the Company to potentially purchase or acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares. In addition, the Company may cancel or hold in treasury all or part of the Shares it purchased or acquired. Further, the Directors will only make purchases or acquisitions of Shares in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group, or in the Company being delisted from the SGX-ST. The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a purchase or acquisition of Shares before execution.

3.8 Listing Rules

Rule 886 of the Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement (which must be in the form of Appendix 8.3.1 of the Listing Manual) must include the details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, and the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.

The Listing Manual does not expressly prohibit a listed company from purchasing or acquiring its own shares during any particular time or times. However, as the Company would be regarded as an “insider” in relation to any proposed purchase or acquisition of Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after a price-sensitive development has occurred or has been the subject of a decision of the Directors until such time as the price-sensitive information has been publicly announced or disseminated in accordance with the requirements of the Listing Manual. In particular, in line with the best practices guide on dealings in securities issued by the SGX-ST, the Company will not purchase or acquire any Shares pursuant to the Share Purchase Mandate during the period of one month immediately preceding the announcement of the Company’s full year and half year financial results.

The Listing Manual requires a listed company to ensure that at least 10% of any class of its listed securities (excluding treasury shares, preference shares and convertible equity securities) must be held by public shareholders. As at the Latest Practicable Date, approximately 36.31% of the Shares are held by public shareholders. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

3.9 Take-over Implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

(a) Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in the change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

(b) Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert:

(i) the following companies:

(aa) a company;

(bb) the parent company of (aa);

(cc) the subsidiaries of (aa);

(dd) the fellow subsidiaries of (aa);

(ee) the associated companies of any of (aa), (bb), (cc) or (dd);

(ff) companies whose associated companies include any of (aa), (bb), (cc), (dd) or (ee);

(gg) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights; and

- (ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

(c) Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14, if as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and the persons acting in concert with them would increase to 30% or more, or in the event that such Directors and the persons acting in concert with them hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and the persons acting in concert with them would increase by more than 1% in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14, if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholders holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholders would increase by more than 1% in any period of six months. Such a Shareholder need not abstain from voting in respect of the ordinary resolution authorising the Share Purchase Mandate.

Based solely on the interests of Substantial Shareholders as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date, none of the Substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the acquisition or purchase by the Company of 10% of its issued Shares as at the Latest Practicable Date..

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any Share purchases by the Company.

3.10 Tax Implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company or who may be subject to tax whether in or outside Singapore should consult their own professional advisers.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1 Directors' Interest in Shares

As at the Latest Practicable Date, none of the Directors have any interests in the Shares of the Company.

4.2 Substantial Shareholders' Interest in Shares

As at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares are as set out below.

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	% of Shares ⁽¹⁾	No. of Shares	% of Shares ⁽¹⁾
APP Printing	223,804,666	63.69	-	-
PT APP	-	-	223,804,666	63.69
APP	-	-	223,804,666	63.69
APP Golden	-	-	223,804,666	63.69

Note:

- (1) The percentage is computed based on the total of 351,398,000 Shares in issue as at the Latest Practicable Date.
- (2) APP Printing is the immediate holding company of Nippecraft Limited.
- (3) APP and APP Golden are deemed to have an interest of 223,804,666 ordinary shares in Nippecraft Limited as AHPH is a wholly owned subsidiary of PT APP and APP has 89.9% shares in PT APP whereas APP Golden controls approximately 63.32% of the voting power of APP.

- 4.3 Save as disclosed in this Circular, the Directors and the Substantial Shareholders of the Company do not have any interest, whether directly or indirectly, in the Shares.

5. DIRECTORS' RECOMMENDATIONS

5.1 Proposed IPT Mandate

Having considered the opinion of the IFA, the Directors are of the opinion that the entry by the EAR Group into the Interested Person Transactions with the interested persons is on normal commercial terms and not prejudicial to the interest of the Company and its minority Shareholders. Further, as the Interested Person Transactions is in the ordinary course of business, it will enhance the efficiency of the Group, and is in the interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the adoption of the IPT Mandate to be proposed at the EGM.

5.2 Proposed Share Purchase Mandate

The Directors are of the opinion that the proposed adoption of the Share Purchase Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the adoption of the Share Purchase Mandate to be proposed at the EGM.

6. ABSTENTION FROM VOTING

APP Printing, the Controlling Shareholder and a member of the APP Group, will abstain from voting its holding of Shares (if any), and shall ensure that its respective associates will abstain from voting their respective holdings of Shares (if any), on the ordinary resolution relating to the proposed adoption of the IPT Mandate to be proposed at the EGM.

APP Printing will also decline to accept appointment as proxy for any Shareholder to vote in respect of the ordinary resolution relating to the proposed adoption of the IPT Mandate to be proposed at the EGM, unless the Shareholder concerned shall have given specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of the ordinary resolution.

7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page N-1 of this Circular, will be held at 9 Fan Yoong Road, Singapore 629787 on 24 October 2017 at 9.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolutions set out in the Notice of EGM.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

8.1 Appointment of Proxies

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 9 Fan Yoong Road, Singapore 629787, not later than 48 hours before the time appointed for the EGM. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM if he so wishes. An appointment of a proxy or proxies shall be deemed to be revoked if a Shareholder attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.

8.2 When a Depositor is regarded as a Shareholder

A depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the depository register, as certified by CDP at least 72 hours before the time appointed for the EGM.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed adoption of the IPT Mandate and the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

10. INSPECTION OF DOCUMENTS

Copies of the following documents are available for inspection at the registered office of the Company at 9 Fan Yoong Road Singapore 629787 during normal business hours from the date of this Circular up to and including the time and date of the EGM:

- (a) the Constitution of the Company;
- (b) the IFA's letter to the Independent Directors referred to in Paragraph 2.4 above;
- (c) the IFA's letter of consent referred to in Paragraph 2.4 above; and
- (d) the Annual Report for FY2016.

Yours faithfully
For and on behalf of
the Board of Directors of
NIPPECRAFT LIMITED

Connie Oi Yan Chan
Chairlady, Chief Executive Officer and Executive Director

THE IPT MANDATE

1. Chapter 9 of the Listing Manual

- 1.1 Chapter 9 of the listing manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) governs transactions between a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be “at risk”, with the listed company’s interested persons.
- 1.2 Terms such as “interested person”, “associate”, “associated company”, “controlling shareholder”, “and entity at risk”, “interested person transaction and transaction” shall have the meanings given to them in the Listing Manual.
- 1.3 Except for any transaction which is below S\$100,000 in value and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9 of the Listing Manual, when this Chapter applies to a transaction with an interested person and the value of the transaction alone or in aggregation with other transactions conducted with the same interested person during the financial year reaches or exceeds certain materiality thresholds (which are based on the listed company’s latest audited consolidated NTA, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders’ approval for the transaction. In particular, shareholders’ approval is required for an interested person transaction of a value equal to, or exceeding:
 - (a) 5% of the listed company’s latest audited consolidated NTA; or
 - (b) 5% of the listed company’s latest audited consolidated NTA, when aggregated with the values of all other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.
- 1.4 Based on the latest audited consolidated financial statements of the Company and its subsidiaries for the FY2016, the consolidated NTA of the group was US\$31,222,000. Accordingly, in relation to the Company for the purpose of Chapter 9 of the Listing Manual, in the current financial year and until such time as the audited consolidated financial statements of the Group for the financial year ending 31 December 2017 are published, 5% of the latest audited consolidated NTA of the Group would be US\$1,561,000.
- 1.5 Chapter 9 of the Listing Manual, however, allows a listed company to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not for the purchase or sale of assets, undertakings or businesses) which may be carried out with the listed company’s interested persons. A general mandate is subject to annual renewal.

2. Rationale and Benefit to Shareholders

- 2.1 It is envisaged that in the ordinary course of their businesses, transactions between companies in the EAR Group and the Company’s interested persons are likely to occur from time to time. Such transactions would include, but are not limited to; the provision of goods and services in the ordinary course of business of the EAR Group to the Company’s interested persons or the obtaining of goods and services from them.

- 2.2 In view of the time-sensitive and recurrent nature of commercial transactions, the obtaining of the IPT Mandate pursuant to Chapter 9 of the Listing Manual will enable:
- (a) the Company;
 - (b) subsidiaries of the Company (excluding other subsidiaries listed on the SGX-ST or an approved exchange); and
 - (c) associated companies of the Company (other than an associated company that is listed on the SGX-ST or an approved exchange) over which the Company, or the Company and its interested person(s), has or have control, (together, the “**EAR Group**”), or any of them, in the ordinary course of their businesses, to enter into the categories of interested person transactions set out in Paragraph 6 below with the specified classes of the Company’s interested persons set out in Paragraph 5 below, provided such interested person transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.
- 2.3 The IPT Mandate (and its subsequent renewal thereafter on an annual basis) will enhance the ability of companies in the EAR Group to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for the Company to announce, or to announce and convene separate general meetings, on each occasion to seek shareholders’ prior approval for the entry by the relevant company in the EAR Group into such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an *ad hoc* basis, improve administrative efficacy considerably, and allow manpower resources and time to be channelled towards attaining corporate objectives.

3. Principal Activities

- 3.1 The Group is principally engaged in the Stationery Business.
- 3.2 The Group is also engaged in the Trading Business.

4. Scope and Validity Period of the IPT Mandate

- 4.1 The IPT Mandate covers various types of interested person transactions under each category of activities to which the IPT Mandate applies, and describes the review procedures for ensuring that such transactions will be entered into with the specified classes of interested persons on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.
- 4.2 The IPT Mandate will not apply to any transaction by a company in the EAR Group with an interested person that:
- (a) is below S\$100,000 in value, as the threshold and aggregation requirements contained in Chapter 9 of the Listing Manual would not apply to such a transaction; or
 - (b) is equal to or exceeds S\$100,000 in value, but qualifies as an excepted transaction in accordance with Rule 915 of the Listing Manual and is thus exempted from the threshold and aggregation requirements contained in Chapter 9 of the Listing Manual.

Transactions with interested persons that do not fall within the ambit of either of the exceptions in (a) or (b) above, or the scope of the IPT Mandate, will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

- 4.3 The IPT Mandate will take effect from the passing of the Ordinary Resolution relating thereto, and will continue in force until the conclusion of the next AGM of the Company (unless sooner revoked or varied by the Company in general meeting). Approval from shareholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM of the Company, subject to satisfactory review by the Audit Committee of its continued application to the Interested Person Transactions and that the Review Procedures continue to be sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the Company and its minority Shareholders.

5. Classes of Interested Persons

- 5.1 The IPT Mandate will apply to the EAR Group's transactions with companies in the APP Group and associates ("**Mandated Interested Person**"). The APP Group and associates are principally involved in manufacturing and distributing fine printing and writing paper, consumer and industrial packaging products, as well as paper towel and tissue paper.
- 5.2 The direct and/or indirect interests of the APP Group in the Company are as follows:
- (a) APP Printing holds 63.69% of the issued share capital of the Company and is the Controlling Shareholder of the Company;
 - (b) APP Printing is a company incorporated in the Republic of Singapore and is a wholly-owned subsidiary of PT APP, a company incorporated in the Republic of Indonesia;
 - (c) APP, a company incorporated in the Republic of Singapore, holds approximately 89.9% of PT APP; and
 - (d) APP Golden Limited, a company incorporated with limited liability under the laws of the British Virgin Islands, controls approximately 63.32% of the voting power of APP and is considered the ultimate holding company of the Company.
- 5.3 Transactions with Mandated Interested Persons which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

6. Categories of Interested Person Transactions

- 6.1 The transactions with the Mandated Interested Persons which will be covered by the proposed new IPT Mandate relate to transactions by the EAR Group for the sale and purchase of goods and/or raw materials and the provision of services by the Mandated Interested Person in the normal course of the EAR Group's business, of a revenue or trading nature or which are necessary for the EAR Group's day-to-day operations (but not in respect of the purchase or sale of assets, undertakings or businesses which are not part of the EAR Group's day-to-day operations) ("**Mandated IPTs**") and are set out in Paragraphs 6.2 and 6.3 below:

6.2 Stationery Business

With respect to the Stationery Business, the Group may, from time to time:

- (a) engage a Mandated Interested Person to produce paper stationeries;
- (b) purchase materials, pulp and paper and products from a Mandated Interested Person;
- (c) engage a Mandated Interested Person as sales agent and enter into commission-based agency agreements with such Mandated Interested Persons for the sale of the Company's products at selling prices to be determined by the Company in overseas markets such as Indonesia, the Middle East, Japan, India and other markets where the Company has yet to establish its sales and distribution network; and
- (d) enter into licensing agreements with Mandated Interested Persons in consideration for the rights to sell products of brands belonging to the Group.

6.3 Trading Business

With respect to the Trading Business, the Group may, from time to time enter into sales and/or purchase agreements with Mandated Interested Persons in respect of pulp, waste papers, semi-finished goods and paper bags on a cost plus markup basis. For the avoidance of doubt, the Group will not be engaged in selling finished paper stationeries products to the Mandated Interested Persons in its Trading Business.

7. Guidelines and Review Procedures

7.1 To ensure that the Mandated IPTs are carried out on normal commercial terms and are not prejudicial to the interests of the Company and the minority Shareholders, the Group has put in place the following guidelines and review procedures for the Mandated IPTs under the proposed IPT Mandate to ensure that transactions with the “interested persons under the IPT Mandate” (including the Mandated Interested Persons) are made on normal commercial terms, and are consistent with the Group’s usual business practices and policies. The Audit Committee of the Company (which currently comprises Mr Khoo Song Koon (chairman), Mr Lim Yu Neng Paul and Mr Chow Wai San) will also review the Interested Person Transactions on a periodic basis, and give its prior approval for the Interested Person Transactions in accordance with the approval procedures set out in Paragraph 7.3, to ensure that all Interested Person Transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Group or the Minority Shareholders.

7.2 The following guidelines and review procedures will be implemented by the Group:

- (a) The guiding principle is that all Mandated IPTs shall be conducted in accordance with the Group’s usual business practices and pricing policies, consistent with the usual profit margins or prices extended to or received by the Group for the same or substantially similar type of transactions between the Group and unrelated third parties, and the terms are not more favourable to the Mandated Interested Person compared to those extended to or received from unrelated third parties and/or are in accordance with published or prevailing rates/prices or applicable industry norms after taking into account all pertinent factors such as, but not limited to the purchase price, order quantity, product quality, standard of services, reliability, industry norms, experience and expertise, customer requirements, product specifications, delivery schedule, track record, potential for future repeat business, contract duration, credit term, discounts and rebates and fluctuations in foreign exchange rates. The Company will use its reasonable endeavours to make comparisons with at least two other quotes from unrelated third parties, wherever possible for the same or substantially similar type of transactions.
- (b) In relation to the engagement of a Mandated Interested Person to produce products and the purchase of materials, pulp and paper and products by the Group from a Mandated Interested Person:
 - (i) subject to and in accordance with Paragraphs 7.1 to 7.2(a) above, the Company will make comparisons against the quotations from at least two other comparative quotations from unrelated third parties and/or an industry recognised benchmark price published by independently verifiable and reliable sources as approved by the Audit Committee from time to time (“**Approved Independent Sources**”) that are reasonably contemporaneous in time, to ensure that such purchase price is no less favourable to the Group. Comparisons will take into consideration, the purchase price, order quantity, product quality, standard of services, reliability, industry norms, experience and expertise, customer requirements, product specifications, delivery schedule, track record, potential for future repeat business, contract duration, credit term discounts and rebates and fluctuations in foreign exchange rates; and

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- (ii) in the event where it is impractical or impossible to obtain comparable prices of similar transactions or products reasonably contemporaneous in time due to the nature of the materials, pulp and paper or products to be purchased, such transaction may only be entered into with approval from any two of the Independent Directors and/or Executive Directors with no interest, direct or indirect in the Mandated IPT. Such Independent Directors/Executive Directors will, subject to the procedures and approval thresholds at Paragraph 7.3 below, take such necessary steps which would include but is not limited to (1) relying on corroborative inputs from reasonably experienced market practitioners in order to determine that the terms provided from/to the Mandated Interested Person (as the case may be) are fair and reasonable; and/or (2) evaluate and weigh the benefits of and/or rationale for transacting with the Mandated Interested Person to ensure that the terms of the transaction are in accordance with applicable industry norms and/or are not prejudicial to the Company, taking into account factors such as, but not limited to, the nature of the materials, pulp and paper or products, order quantity, produce quality, standard of services, reliability, industry norms, experience and expertise, customer requirements, product specifications, delivery schedule, track record, contract duration, credit terms discounts and rebates and fluctuations in foreign exchange rates.
- (c) In relation to the sale of materials, pulp and paper, and products to a Mandated Interested Person:
 - (i) subject to and in accordance with Paragraph 7.1 to 7.2(a) above, in the case of the sale of materials, pulp and paper, and products in the ordinary course of business of the Group, the sale price and/or rates shall be no more favourable to the Mandated Interested Person than the usual commercial terms extended by the Group to unrelated third parties and/or in accordance with applicable industry norms, taking into account factors such as but not limited to, the nature of the materials, pulp and paper, or products, order quantity, product quality, standard of services, reliability, industry norms, experience and expertise, customer requirements, product specifications, delivery schedule, track record, credit standing, credit terms, potential for future repeat business, contract duration, discounts and rebates and fluctuations in foreign exchange rates subject to the Group being able to obtain a positive profit margin from the transaction; and
 - (ii) in the event where it is impractical or impossible to obtain comparable prices of similar transactions reasonably contemporaneous in time due to the nature of the materials, pulp and paper or products to be sold, any two of the Independent Directors and/or Executive Directors with no interest, direct or indirect in the Mandated IPT, may at their discretion, determine the reasonableness of the sale price and/or rates, after taking into account factors such as, but not limited to the costs for the materials, pulp and paper and products (including direct and indirect) to be incurred, payment terms, responsiveness, discounts and rebates and comparisons based on relevant costing (if applicable) etc. Furthermore, in the exercise of such discretion, each transaction will be evaluated based on its profitability (as compared to existing profit margins for other products or services provided by the Group) to ensure that transactions are on an arms-length basis and not prejudicial to the interest of the Company and its Minority Shareholders.
- (d) In relation to the engagement or utilisation of a Mandated Interested Person as a sales agent or distributor for the sale of products and/or distribution of products via agency or distributor agreement or entering into licensing agreements with Mandated Interested Persons in consideration for the rights to sell products of brands belonging to the Group:
 - (i) subject to and in accordance with 7.1 to 7.2(a) above, the agent fees, distributor fees and/or commission (where applicable) payable by the Group to the Mandated Interested Person for the engagement of the Mandated Interested Person as a sales agent and/or distributor for the sale and/or distribution of products shall be determined and approved by the Audit Committee prior to the entry of such agency and/or distributor agreement (“**Approved Agency/Distributor Agreement**”) with inputs from the relevant departments such as finance and sales departments and after taking into account factors such as, but not limited to, usual or historical margins or cost (where applicable), geographical market, order quantity, reliability, industry norms, experience and expertise, track record, potential for future repeat business, and subject to the Group being able to obtain a positive profit margin from the transaction. For all payments to the Mandated Interested Person as a sales agent and/or distributor, the agent fees, distributor fees and/or commission (where applicable) payable by the Group shall be reviewed and checked against the Approved Agency/Distributor Agreement by the respective approving authorities based on the respective approving limits indicated in Paragraph 7.3 below.

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- (ii) subject to and in accordance with (a) above, the royalty fees payable by the Mandated Interested Person to the Group for the utilisation of the Mandated Interested Person as a distributor of products via a licensing agreement shall be determined and approved by the Audit Committee prior to the entry of such licensing agreement with inputs from independent professionals such as tax consultants, to ensure that such royalty fees or rates are not less favourable than those comparable royalty fees in the respective geographical market and in compliance with respective relevant laws and regulations ("**Approved Licensing Fees**"). The royalty fees payable by the Mandated Interested Person to the Group shall be reviewed and checked against the Approved Licensing Fees by the respective approving authorities based on the respective approval limits indicated in Paragraph 7.3 below.
- (iii) the Audit Committee will, subject to the approval thresholds set out in Paragraph 7.3 below, evaluate and weigh the benefit of and rationale for transacting with the Mandated Interested Person to ensure that the terms of the transaction are in accordance with the applicable industry norms and/or are not prejudicial to the Company, taking into account factors such as but not limited to the nature of the materials, pulp and paper, products or services procured, standard of services, reliability, industry norms, experience and expertise, the applicable laws of the respective countries, geographical location, network, the price competitiveness of the Group's products and/or services (after incorporating such mark up or fee) and the Group's profit margin from the transaction.
- (e) The considerations in Paragraphs 7.1 and 7.2 will allow for variations in prices and terms of the comparative offers or sales so long as the volume of trade, credit-worthiness of the buyer, difference in service, reliability or such other relevant factors justify such variations and so long as such comparative offer or sale incorporates modifications that account for volatility of the market for the goods and services in question.

7.3 The following approval procedures will be implemented in respect of the Group to supplement existing internal control procedures for the Mandated IPTs to ensure that such transactions are undertaken on an arm's length basis and on normal commercial terms. For the avoidance of doubt, where the approving party as stipulated herein is interested in the transaction to be approved, he will abstain from reviewing the transaction and inform the Audit Committee accordingly, and such disclosures should be documented. In the event any equivalent person with the relevant experience and responsibility, as stated below for the various thresholds cannot be determined, the approving authority shall be decided by the Audit Committee. The individual and aggregate transactions review and approval thresholds are set out as follows:

- (a) where the individual or aggregate value of the Interested Person Transactions is equal to or more than S\$100,000 but less than 3% of the Group's latest audited NTA, all subsequent Interested Person Transactions shall require the prior approval of the Group's Chief Financial Officer or any one Director (each having no interest, direct or indirect, in the Interested Person Transaction). Interested Person Transactions which have been approved by the Audit Committee need not be aggregated for the purpose of the approval;
- (b) where the individual or aggregate value of the Interested Person Transactions is equal to or more than 3% but less than 5% of the Group's latest audited NTA, all subsequent Interested Person Transactions will be subject to the prior approval of the Group's Chief Financial Officer (or equivalent person) and any two Directors (each having no interest, direct or indirect, in the Interested Person Transactions) unless the transaction has been specifically approved by the Audit Committee. Interested Person Transactions which have been approved by the Audit Committee need not be aggregated for the purpose of the approval; and
- (c) where the individual or aggregate value of the Interested Person Transactions is equal to or more than 5% of the Group's latest NTA, all subsequent Interested Person Transactions will be subject to the prior approval of the Audit Committee (if a member of the Audit Committee is interested in any Interested Person Transactions, he shall abstain from participating in the review of that particular transaction). The Interested Person Transactions which have been approved by the Audit Committee need not be aggregated for the purpose of such approval. For the avoidance of doubt, the Audit Committee shall be responsible for such approvals.

In addition, the Group's Chief Financial Officer (or equivalent person), will review (and document such reviews) all Interested Person Transactions (including Interested Person Transactions that are less than S\$100,000 in value) and its register on a quarterly basis or such other periods as approved by the Audit Committee.

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All approvals must strictly follow the guidelines and review procedures as stipulated in this Paragraph 7.3 and shall be documented. The documentation, including the reasons for approval where necessary, must be accompanied with supporting documents to serve as audit trails, which will be subject to internal and/or external audit.

7.4 The above approval thresholds are adopted by the Company after taking into account, inter alia, the nature, volume, recurrent frequency and transaction size as well as the Group's day-to-day operations, administration and businesses. The threshold limits are arrived at after considering the operational efficiency for the day-to-day business operations of the Group and the internal control for Interested Person Transactions. The approval thresholds act as an additional safeguard to supplement the review procedures to be implemented for the Mandated IPTs.

7.5 Any of the persons referred to in Paragraph 7.3 above may, as he deems fit, request for additional information pertaining to the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. If any of the persons referred to in Paragraph 7.3 above:

- (a) is an interested person in respect of that particular Mandated IPT to be reviewed;
- (b) has an interest, whether direct or indirect, in relation to that particular Mandated IPT; and/or
- (c) is otherwise not considered independent in relation to that particular Mandated IPT, he will, and will undertake to ensure that his associates will, abstain from any decision making in respect of that particular Mandated IPT.

7.6 Additional Controls

In addition to the review and approval procedures set out in Paragraphs 7.2 to 7.5 above, the Group will also implement the following additional procedures:

- (a) The finance department of the Group will maintain and update a register of all transactions carried out with the Mandated Interested Person pursuant to the IPT Mandate, including those of value below S\$100,000 (the "**IPT Register**"). The IPT Register will record the basis for entering into the Mandated IPTs including but not limited to, including the quotations and supporting evidence or records or details obtained to support such basis, on which they were entered into as well as the approving authority. The IPT Register shall be prepared, maintained, monitored and reviewed on a monthly basis, by both the Group Finance Manager and the Group Chief Financial Officer (or equivalent person) of the Company who are not Interested Persons. This is to ensure that they are carried out on normal commercial terms and in accordance with the guidelines and review procedures in the IPT Mandate. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction(s) and its supporting documents or such other data deemed necessary by the Audit Committee. In addition, any exceptions or departures from the procedures shall be reported and highlighted to the Audit Committee immediately.
- (b) The Group Chief Financial Officer (or equivalent person) will obtain signed letters of confirmation from key management personnel, Controlling Shareholders and the Directors on a periodic basis (of not more than half year) with respect to their interest in any transactions with the Group.
- (c) the Group Chief Financial Officer (or equivalent person) will maintain a list of the Directors and Controlling Shareholders and their associates of the Company (which is to be updated immediately if there are any changes) to enable identification of Mandated Interested Persons. The master list of Mandated Interested Persons which is maintained shall be reviewed by the Audit Committee on at least a semi-annual basis.
- (d) the Group's annual or periodic (such periods to be decided by the Audit Committee) internal audit plan shall incorporate a review of all Interested Person Transactions (where applicable), including the established review procedures for monitoring of such Mandated IPTs, entered into during the current financial year pursuant to the IPT Mandate. The approving authority in the approval thresholds as set out in Paragraph 7.3 may be delegated with the approval in writing of the Audit Committee, such approval in writing of the Audit Committee to additionally set out the basis for the Audit Committee's approval.

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- (e) The Audit Committee shall:
- (i) carry out regular periodic reviews (at least twice a year) on the IPT Register and on all the Mandated IPTs to ascertain that the established guidelines and procedures for the Mandated IPTs have been complied with and are carried out on normal commercial terms. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction(s) and its supporting documents or such other data deemed necessary by the Audit Committee. The Audit Committee shall, when it deems fit, have the right to require the appointment of independent sources, advisers and/or valuers to provide additional information or review of controls and its implementation pertaining to the transactions under review;
 - (ii) approve and/or ratify all the records for all the related party transactions to ensure that they comply with the internal control procedures;
 - (iii) consider from time to time (annually or such other period as may be determined by the Audit Committee) whether the established guidelines and procedures for transactions with interested persons have become inappropriate or are unable to ensure that the transactions will be transacted on arm's length basis, and will not be on terms or conditions that would be prejudicial to the interests of the Company. If the Audit Committee is of the view that the guidelines and review procedures have become inappropriate or insufficient to meet such objectives during periodic reviews, the Company will seek a fresh mandate from Shareholders based on new guidelines and review procedures for the Mandated IPTs. During the period prior to obtaining a fresh mandate from Shareholders, all Mandated IPTs will be subject to prior review and approval by the Audit Committee;
 - (iv) review the letters of confirmation from key management personnel, controlling shareholders and the Directors of the Company and all Mandated IPTs on a periodic basis (of not more than half a year) and the outcome of such review shall be minuted;
 - (v) approve the internal control procedures and arrangements for all future interested person transactions to ensure that they are transacted on an arm's length basis, and will not be on terms or conditions that would be prejudicial to the interests of the Company. The review includes the examination of the transaction and its supporting documents or such other data deemed necessary by the Audit Committee; and
- (f) In the event that a member of the Audit Committee is interested in any Mandated IPTs, he shall abstain from participating in the review of that particular transaction.
- (g) The Group's internal auditor shall periodically (based on the internal audit plan as approved by the Audit Committee, and subject to adjustment in frequency, depending on factors such as, inter alia, the substantial increment of aggregate transactional value), report to the Audit Committee on all Mandated IPTs, and the bases of such transactions, entered into with Mandated Interested Persons during the preceding period. Except where the Mandated IPTs concerned are required under the review procedures to be reviewed and approved by the Audit Committee prior to the entry thereof, the Audit Committee shall review such Mandated IPTs at its periodic meetings (which shall be held at least twice a year, or at such other frequency as decided by the Audit Committee).
- (h) For purposes of the above review and approval process, any Director who is not considered independent for purposes of the IPT Mandate and/or any Mandated IPTs will abstain from voting in relation to any respective resolution, and/or abstain from participating in the Audit Committee's decision during its review of the established review procedures for the Mandated IPTs or during its review or approval of any Mandated IPTs.
- (i) The Directors will ensure that all disclosures, approvals and other requirements in respect of the IPT Mandate, including those required by prevailing legislation, the Listing Manual and relevant accounting standards, are complied with.

8. Disclosures

- 8.1 In accordance with the requirements of Chapter 9 of the Listing Manual, the Company will:
- (a) disclose in the annual report of the Company the aggregate value of transactions conducted with interested persons pursuant to the IPT Mandate during the financial year (as well as in the annual reports for subsequent financial years that the IPT Mandate continues in force);
 - (b) announce the aggregate value of transactions conducted with interested persons pursuant to the IPT Mandate for the financial period that it is required to report on pursuant to Rule 705 of the Listing Manual (which relates to quarterly reporting by listed companies) within the time required for the announcement of such report; and
 - (c) disclosures of the Mandated IPTs will be presented in the form set out in Rule 907 of the Listing Manual as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)
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9. Abstention

- 9.1 APP Printing, the Controlling Shareholder and a member of the APP Group, will abstain from voting its holding of Shares (if any), and shall ensure that its respective associates will abstain from voting their respective holdings of Shares (if any), on the ordinary resolution relating to the proposed adoption of the IPT mandate to be proposed at the EGM.
- 9.2 APP Printing will also decline to accept appointment as proxy for any Shareholder to vote in respect of the ordinary resolution relating to the proposed adoption of the IPT Mandate to be proposed at the EGM, unless the Shareholder concerned shall have given specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of the ordinary resolution.

LETTER FROM ASIAN CORPORATE ADVISORS TO THE INDEPENDENT
DIRECTORS OF NIPPECRAFT LIMITED

ASIAN CORPORATE ADVISORS PTE. LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No: 200310232R)

160 Robinson Road #21-05

SBF Center

Singapore 068914

The Independent Directors (as defined herein)

Nippecraft Limited

9 Fan Yoong Road

Singapore 629787

6 October 2017

THE PROPOSED ADOPTION OF THE INTERESTED PERSON TRANSACTIONS MANDATE (THE "IPT MANDATE")

Unless otherwise defined or where the context otherwise requires, the definitions used in the circular dated 6 October 2017, (the "Circular") shall apply throughout this letter

1. INTRODUCTION

Nippecraft Limited (the "**Company**" or "**Nippecraft**") is seeking shareholders' approval for the adoption of the IPT Mandate for the Company, its subsidiaries and associated companies (collectively referred as the "**Group**") (and the EAR Group) which are considered to be "entities at risk" within the meaning of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Listing Manual**"), or any member of the Group, to enter into certain categories of transactions or the Mandated IPTs (defined later) with specified classes of interested persons (the "**Mandated Interested Persons**").

To comply with the requirements of Chapter 9 of the Listing Manual, Asian Corporate Advisors Pte. Ltd. ("**ACA**") has been appointed as the independent financial adviser to provide an opinion on whether the methods or procedures for the IPT Mandate as described in the Section 7 of Appendix A of the Circular issued by the Company to its shareholders ("**Shareholders**"), for determining the transaction prices and/or terms of the Mandated IPTs are sufficient to ensure that the said transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and minority Shareholders of the Company (the "**Minority Shareholders**").

This letter (the "**Letter**") has been prepared for the use by the directors of the Company who are deemed independent (the "**Independent Directors**"), for the purposes of making a recommendation to the Shareholders in respect of the IPT Mandate for inclusion in the Circular. We note from the Circular that as at 25 September 2017 (the "**Latest Practicable Date**"), the Independent Directors are Messrs Lim Yu Neng Paul, Khoo Song Koon and Chow Wai San.

2. TERMS OF REFERENCE

ACA has been appointed by the Company, pursuant to Chapter 9 of the Listing Manual, to advise the Independent Directors in respect of the IPT Mandate. We were neither a party to negotiations entered into by the Company, its subsidiaries and associated companies in relation to the transactions contemplated under the IPT Mandate nor were we involved in deliberations leading to the decision by the directors of the Company ("**Directors**") to obtain the IPT Mandate and we do not, by this Letter or otherwise, advise or form any judgment on the merits or risks or commercial rationales of the IPT Mandate other than to form an opinion, on the bases set out herein on whether the methods or procedures, as set out in Section 7 Appendix A of the Circular, for determining transaction prices and/or the terms, are sufficient to ensure that the transactions under the IPT Mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its Minority Shareholders.

Our terms of reference do not require us to evaluate or comment on the strategic or commercial/financial merits of the IPT Mandate (including the reliability of the sources for the transactions as well as the pricing as compared to third party sources) or the profitability of the Mandated IPTs or the profitability of the Company or the Group or on the future prospects or value of the Company or the Group. In addition we are not required to comment and have not commented on the reliability or quality as well as the implementation of the system for Mandated IPTs reporting and the monitoring of such system. We also do not and are not required to confirm the nature or types of Mandated IPTs or disclosure of the Mandated IPTs that the Group is involved in. Although, there are certain controls and procedures in determining interested persons, we are not required to and had not commented on or evaluated the methods or procedures for determining Mandated Interested Persons. Likewise we are not required to comment on or evaluate the methods or procedures used by the Group in the context of possible changes in the nature of operations. Such evaluations or comments remain the sole responsibility of Directors and management of the Company ("**Management**").

We were not requested nor authorised to solicit, and we have not solicited, any indications of interest, quotations or transaction prices from any third party with respect to transactions similar to those covered under the IPT Mandate. Neither are we required to solicit any alternative sources for the transactions nor review the existence of alternative sources. In that regard, we are not able to, and we will not compare the recurrent Mandated IPTs with similar transactions that may be entered into with any third party and such comparison and consideration remain the responsibility of Directors.

In the course of our evaluation, we have held discussions with certain members of the Directors and Management and have relied on information contained in the Circular as well as information provided by the Directors, Management and professional advisers of the Company and their representatives, which include the existing and future processes or procedures for the Company and the Group. We have relied upon and assumed the accuracy without having independently verified such information, whether written or verbal, and accordingly cannot and do not expressly or impliedly warrant, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. Whilst care has been exercised in reviewing the information on which we have relied, we cannot and have not independently verified the information but nevertheless have made such reasonable enquiries (to the Directors and Management) and exercised our judgment as was deemed necessary in the context of our engagement and have found no reason to doubt the accuracy or reliability of the information.

Nevertheless, the Directors have confirmed to us that to the best of their knowledge, information and belief, having made due and careful enquiries, all material information available to them in connection with the IPT Mandate (including *inter alia* review procedures and systems) has been disclosed to ACA and that such information constitutes a full and true disclosure and is true, complete and accurate in all material respects and there is no other information or fact, the omission of which would cause any of the information disclosed to us or relied upon by us in making our recommendation or giving our advice or information disclosed or opinion expressed herein or in the Circular to be inaccurate, incomplete or untrue in any material respect or misleading. This includes the Mandated IPTs which are set out in Section 6 of Appendix A of the Circular and the effects of the state of efficiency of the markets on the pricing for the transactions and the recurrent Mandated IPTs.

We have further assumed that all statements of fact, belief, opinion and intention made by the Directors and Management in the Circular and that all representations and undertakings from the Directors to us on the continuance of the system for Mandated IPTs, have been reasonably made after due and careful enquiry. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information. In addition, we are not able to and are not required to ascertain the efficiency of the respective markets for the transactions and the impact of any inefficiencies on the pricing for the recurrent Mandated IPTs. We relied on the Directors' representation and have assumed for the purposes of this Letter that there are transactions with other third parties similar to the recurrent Mandated IPTs and that it would be possible to determine the market prices and terms. For transactions where the prevailing market rates or prices are not available due to the type of the product or services to be sold/purchased, or rendered from/provided to the Mandated Interested Person, we have relied on the Directors' representation that it is possible to determine the pricing for such products to be sold to or purchase from, including services to be rendered from or provided to the Mandated Interested Persons in accordance with the Group's usual business practices (as modified from time to time taking into account market, business conditions and competition) and pricing policies, at margins to be obtained by the Group for the same or substantially similar type of services with unrelated third parties. In determining the transaction price payable by the Mandated Interested Persons for such products or services, factors such as, but not limited to, the nature of the services, requirements and specifications of the customer, duration of contract, complexity, industry norms, capacity and resources required for the provision of the service, will be taken into account. We cannot and have not independently verified the above mentioned representations from the Directors, but nevertheless have made such reasonable enquiries and exercised our judgment and have found no reason to doubt the accuracy or reliability of the above mentioned representations from the Directors.

Our views are based on the market, economic, industry, monetary and other conditions (where applicable) prevailing on, and the information made available to us as of the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion, factors or assumptions in light of any subsequent development after the Latest Practicable Date as well as review the existence or the implementation of the procedures or processes for recurrent Mandated IPTs that may affect our opinion or factors or assumptions contained herein.

We have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment portfolios and objectives, we would advise you that any individual Shareholder who may require advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

Our opinion in respect of the IPT Mandate, as set out under Section 4 of this Letter, should be considered in the context of the entirety of our advice as set out in this Letter.

3. THE IPT MANDATE

3.1. General

Information on the classes of the Mandated Interested Persons and the categories of the Mandated IPTs under the IPT Mandate are set out in Sections 5 and 6 respectively of Appendix A of the Circular.

3.1.1. Classes of Mandated Interested Persons

APP Printing (Holding) Pte Ltd ("**APP Printing**"), a company incorporated in Singapore, is the Controlling Shareholder of the Company, and the companies in the APP Group (defined later) and associates are regarded as "interested persons" of the Company for the purposes of Chapter 9 of the Listing Manual.

The direct and/or indirect interests of APP (defined later), its subsidiaries and associated companies (the "**APP Group**") in the Company are as follows:

- (a) APP Printing holds 63.69% of the issued share capital of the Company and is the Controlling Shareholder of the Company;
- (b) APP Printing is a company incorporated in the Republic of Singapore and is a wholly-owned subsidiary of PT Andalan Prapanca Pertiwi ("**PT APP**"), a company incorporated in the Republic of Indonesia;
- (c) Asia Pulp & Paper Company Ltd ("**APP**"), a company incorporated in the Republic of Singapore, holds approximately 89.9% of PT APP; and
- (d) APP Golden Limited, a company incorporated with limited liability under the laws of the British Virgin Islands, controls approximately 63.32% of the voting power of APP and is considered the ultimate holding company of the Company.

Transactions with Mandated Interested Person which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

3.1.2. Categories of the Interested Person Transactions

The nature of the Interested Person Transactions to which the IPT General Mandate is applicable, and the benefits to be derived, is set out below.

The transactions with the Mandated Interested Persons which will be covered by the proposed new IPT Mandate relate to transactions by the EAR Group for the sale and purchase of goods and/or raw materials and the provision of services by the Mandated Interested Person in the normal course of the EAR Group's business, of a revenue or trading nature or which are necessary for the EAR Group's day-to-day operations (but not in respect of the purchase or sale of assets, undertakings or businesses which are not part of the EAR Group's day-to-day operations) ("**Mandated IPTs**") and are set out below:

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- (a) with respect to the business of designing, manufacturing, outsourcing and distributing of planners, organisers, business accessories and general stationery related products ("**Stationery Business**"), the Group may, from time to time:
 - (i) engage a Mandated Interested Person to produce paper stationeries;
 - (ii) purchase materials, pulp and paper and products from a Mandated Interested Person;
 - (iii) engage a Mandated Interested Person as sales agent and enter into commission-based agency agreements with such Mandated Interested Persons for the sale of the Company's products at selling prices to be determined by the Company in overseas markets such as Indonesia, the Middle East, Japan, India and other markets where the Company has yet to establish its sales and distribution network;
 - (iv) enter into licensing agreements with Mandated Interested Persons in consideration for the rights to sell products of brands belonging to the Group; and
- (b) with respect to the business of trading of pulp and paper, waste papers, semi-finished paper products and paper bags ("**Trading Business**"), the Group may, from time to time enter into sales and/or purchase agreements with Mandated Interested Persons in respect of pulp, waste papers, semifinished goods and paper bags on a cost plus markup basis.

3.2. Rationale and benefit to Shareholders

The rationale and benefits of the IPT Mandate to Shareholders have been extracted from Section 2 of Appendix A of the Circular and are set out in italics below. We advise Independent Directors to recommend Independent Shareholders to read those pages of the Circular carefully. Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meaning herein.

"2. Rationale and Benefit to Shareholders

- 2.1 *It is envisaged that in the ordinary course of their businesses, transactions between companies in the EAR Group and the Company's interested persons are likely to occur from time to time. Such transactions would include, but are not limited to; the provision of goods and services in the ordinary course of business of the EAR Group to the Company's interested persons or the obtaining of goods and services from them.*
- 2.2 *In view of the time-sensitive and recurrent nature of commercial transactions, the obtaining of the IPT Mandate pursuant to Chapter 9 of the Listing Manual will enable:*
 - (a) *the Company;*
 - (b) *subsidiaries of the Company (excluding other subsidiaries listed on the SGX-ST or an approved exchange); and*
 - (c) *associated companies of the Company (other than an associated company that is listed on the SGX-ST or an approved exchange) over which the Company, or the Company and its interested person(s), has or have control, (together, the "EAR Group"), or any of them, in the ordinary course of their businesses, to enter into the categories of interested person transactions set out in paragraph 6 below with the specified classes of the Company's interested persons set out in paragraph 5 below, provided such interested person transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.*
- 2.3 *The IPT Mandate (and its subsequent renewal thereafter on an annual basis) will enhance the ability of companies in the EAR Group to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for the Company to announce, or to announce and convene separate general meetings, on each occasion to seek shareholders' prior approval for the entry by the relevant company in the EAR Group into such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an ad hoc basis, improve administrative efficacy considerably, and allow manpower resources and time to be channelled towards attaining corporate objectives."*

3.3. Guidelines and review procedures for Interested Person Transactions

3.3.1. Introduction

To ensure that the Mandated IPTs are carried out on normal commercial terms and are not prejudicial to the interests of the Company and the minority Shareholders, the Group has put in place the following guidelines and review procedures for the Mandated IPTs under the proposed IPT Mandate to ensure that transactions with the “interested persons under the IPT Mandate” (including the Mandated Interested Persons) are made on normal commercial terms and not prejudicial, and are consistent with the Group’s usual business practices and policies. The audit committee of the Company (“**Audit Committee**”) (which currently comprises Mr Khoo Song Koon (chairman), Mr Lim Yu Neng Paul and Mr Chow Wai San) will also review and approve the Interested Person Transactions on a periodic basis to ensure that all Interested Person Transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Group or the Minority Shareholders.

The following guidelines and review procedures will be implemented by the Group:

3.3.2. Guidelines and review procedures

- (a) The guiding principle is that all Mandated IPTs shall be conducted in accordance with the Group’s usual business practices and pricing policies, consistent with the usual profit margins or prices extended to or received by the Group for the same or substantially similar type of transactions between the Group and unrelated third parties, and the terms are not more favourable to the Mandated Interested Person compared to those extended to or received from unrelated third parties and/or are in accordance with published or prevailing rates/prices or applicable industry norms after taking into account all pertinent factors such as but not limited to the purchase price, order quantity, product quality, standard of services, reliability, industry norms, experience and expertise, customer requirements, product specifications, delivery schedule, track record, potential for future repeat business, contract duration, credit term, discounts and rebates and fluctuations in foreign exchange rates. The Company will use its reasonable endeavours to make comparisons with at least two other quotes from unrelated third parties, wherever possible for the same or substantially similar type of transactions.
- (b) In relation to the engagement of a Mandated Interested Person to produce products and the purchase of materials, pulp and paper and products by the Group from a Mandated Interested Person:
 - (i) subject to and in accordance with 3.3.1 and 3.3.2(a) above, the Company will make comparisons against the quotations from at least two other comparative quotations from unrelated third parties and/or an industry recognised benchmark price published by independently verifiable and reliable sources as approved by the Audit Committee from time to time (“**Approved Independent Sources**”) that are reasonably contemporaneous in time, to ensure that such purchase price is no less favourable to the Group. Comparisons will take into consideration, the purchase price, order quantity, product quality, standard of services, reliability, industry norms, experience and expertise, customer requirements, product specifications, delivery schedule, track record, potential for future repeat business, contract duration, credit term, discounts and rebates and fluctuations in foreign exchange rates; and
 - (ii) in the event where it is impractical or impossible to obtain comparable prices of similar transactions or products reasonably contemporaneous in time due to the nature of the materials, pulp and paper or products to be purchased, such transaction may only be entered into with approval from any two of the Independent Directors and/or Executive Directors with no interest, direct or indirect in the Mandated IPT. Such Independent Directors/Executive Directors will, subject to the procedures and approval thresholds in Section 3.3.3 below, take such necessary steps which would include but is not limited to (1) relying on corroborative inputs from reasonably experienced market practitioners in order to determine that the terms provided to/from the Mandated Interested Person are fair and reasonable (as the case may be); and/or (2) evaluate and weigh benefits of and/or rationale for transacting with the Mandated Interested Person to ensure that the terms of the transaction are in accordance with applicable industry norms and/or are not prejudicial to the Company, taking into account factors such as, but not limited to, the nature of the materials, pulp and paper or products, order quantity, produce quality, standard of services, reliability, industry norms, experience and expertise, customer requirements, product specifications, delivery schedule, track record, contract duration, credit terms, discounts and rebates and fluctuations in foreign exchange rates.

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- (c) In relation to the sale of materials, pulp and paper and products to a Mandated Interested Person:
- (i) subject to and in accordance with 3.3.1 and 3.3.2 (a) above, in the case of the sale of materials, pulp and paper and products in the ordinary course of business of the Group, the sale price and/or rates shall be no more favourable to the Mandated Interested Person than the usual commercial terms extended by the Group to unrelated third parties and/or in accordance with applicable industry norms, taking into account factors such as but not limited to, the nature of the materials, pulp and paper, or products, order quantity, product quality, standard of services, reliability, industry norms, experience and expertise, customer requirements, product specifications, delivery schedule, track record, credit standing, credit terms, potential for future repeat business, contract duration, discounts and rebates and fluctuations in foreign exchange rates subject to the Group being able to obtain a positive profit margin from the transaction; and
 - (ii) in the event where it is impractical or impossible to obtain comparable prices of similar transactions reasonably contemporaneous in time due to the nature of the materials, pulp and paper or products to be sold, any two of the Independent Directors and/or Executive Directors with no interest, direct or indirect in the Mandated IPT, may at their discretion, determine the reasonableness of the sale price and/or rates, after taking into account factors such as, but not limited to the costs for the materials, pulp and paper and products (including direct and indirect) to be incurred, payment terms, responsiveness, discounts and rebates and comparisons based on relevant costing (if applicable) etc.. Furthermore, in the exercise of such discretion, each transaction will be evaluated based on its profitability (as compared to existing profit margins for other products or services provided by the Group) to ensure that transactions are on an arm's length basis and not prejudicial to the interest of the Company and its Minority Shareholders.
- (d) In relation to the engagement or utilization of a Mandated Interested Person as a sales agent or distributor for the sale of products and/or distribution of products via agency or distributor agreement or entering into licensing agreements with Mandated Interested Persons in consideration for the rights to sell products of brands belonging to the Group:
- (i) subject to and in accordance with 3.3.1 and 3.3.2(a) above, the agent fees, distributor fees and/or commission (where applicable) payable by the Group to the Mandated Interested Person for the engagement of the Mandated Interested Person as a sales agent and/or distributor for the sale and/or distribution of products shall be determined and approved by the Audit Committee prior to the entry of such agency and/or distributor agreement ("**Approved Agency/Distributor Agreement**") with inputs from the relevant departments such as finance and sales departments and after taking into account factors such as but not limited to, usual or historical margins or cost (where applicable), geographical market, order quantity, reliability, industry norms, experience and expertise, track record, potential for future repeat business, and subject to the Group being able to obtain a positive profit margin from the transaction. For all payments to the Mandated Interested Person as a sales agent and/or distributor, the agent fees, distributor fees and/or commission (where applicable) payable by the Group shall be reviewed and checked against the Approved Agency/Distributor Agreement by the respective approving authorities based on the respective approving limits indicated in Section 3.3.3 below.
 - (ii) subject to and in accordance with (a) above, the royalty fees or commission payable by the Mandated Interested Person to the Group for the utilization of the Mandated Interested Person as a distributor of products via a licensing agreement shall be determined and approved by the Audit Committee prior to the entry of such licensing agreement with inputs from independent professionals, such as tax consultants, to ensure that such royalty fees or rates are not less favourable than those comparable royalty fees in the respective geographical market and in compliance with respective relevant laws and regulations ("**Approved Licensing Fees**"). The royalty fees payable by the Mandated Interested Person to the Group shall be reviewed and checked against the Approved Licensing Fees by the respective approving authorities based on the respective approval limits indicated in Section 3.3.3 below.
 - (iii) the Audit Committee will subject to the approval thresholds set out in Section 3.3.3 below, evaluate and weigh the benefit of and rationale for transacting with the Mandated Interested Person to ensure that the terms of the transaction are in accordance with the applicable industry norms and/or are not prejudicial to the Company, taking into account factors such as but not limited to the nature of the materials, pulp and paper, products or services procured, standard of services, reliability, industry norms, experience and expertise, the applicable laws of the respective countries, geographical location, network, the price competitiveness of the Group's products and/or services (after incorporating such mark up or fee) and the Group's profit margin from the transaction.

- (e) The considerations in Section 3.3.2 will allow for variations in prices and terms of the comparative offers or sales so long as the volume of trade, credit-worthiness of the buyer, difference in service, reliability or such other relevant factors justify such variations and so long as such comparative offer or sale incorporates modifications that account for volatility of the market for the goods and services in question.

3.3.3. Approvals and review thresholds

- (a) The following approval procedures will be implemented in respect of the Group to supplement existing internal control procedures for the Mandated IPTs to ensure that such transactions are undertaken on an arm's length basis and on normal commercial terms. For the avoidance of doubt, where the approving party as stipulated herein is interested in the transaction to be approved, he will abstain from reviewing the transaction and inform the Audit Committee accordingly, and such disclosures should be documented. In the event any equivalent person with the relevant experience and responsibility, as stated below for the various thresholds cannot be determined, the approving authority shall be decided by the Audit Committee.

Individual and aggregate transactions review and approval thresholds are set out as follows:

- (i) where the individual or aggregate value of the Interested Person Transactions is equal to or more than S\$100,000 but less than 3% of the Group's latest audited NTA, all subsequent Interested Person Transactions shall require the prior approval of the Group's Chief Financial Officer or any one Director (each having no interest, direct or indirect, in the Interested Person Transaction). Interested Person Transactions which have been approved by the Audit Committee need not be aggregated for the purpose of the approval;
- (ii) where the individual or aggregate value of the Interested Person Transactions is equal to or more than 3% but less than 5% of the Group's latest audited NTA, all subsequent Interested Person Transactions will be subject to the prior approval of the Group's Chief Financial Officer (or equivalent person) and any two Directors (each having no interest, direct or indirect, in the Interested Person Transactions) unless the transaction has been specifically approved by the Audit Committee. Interested Person Transactions which have been approved by the Audit Committee need not be aggregated for the purpose of the approval; and
- (iii) where the individual or aggregate value of the Interested Person Transactions is equal to or more than 5% of the Group's latest NTA, all subsequent Interested Person Transactions will be subject to the prior approval of the Audit Committee (if a member of the Audit Committee is interested in any Interested Person Transactions, he shall abstain from participating in the review of that particular transaction). The Interested Person Transactions which have been approved by the Audit Committee need not be aggregated for the purpose of such approval. For the avoidance of doubt, the Audit Committee shall be responsible for such approvals.

In addition, the Group's Chief Financial Officer (or equivalent person), will review (and document such reviews) all Interested Person Transactions (including Interested Person Transactions that are less than S\$100,000 in value) and its register on a quarterly basis or such other periods as approved by the Audit Committee.

All approvals must strictly follow the guidelines and review procedures as stipulated in Sections 3.3.3(a) and 3.3.3(b) of this Letter and shall be documented. The documentation, including the reasons for approval where necessary, must be accompanied with supporting documents to serve as audit trails, which will be subject to internal and/or external audit.

- (b) The above approval thresholds are adopted by the Company after taking into account, *inter alia*, the nature, volume, recurrent frequency and transaction size as well as the Group's day-to-day operations, administration and businesses. The threshold limits are arrived at after considering the operational efficiency for the day-to-day business operations of the Group and the internal control for Interested Person Transactions. The approval thresholds act as an additional safeguard to supplement the review procedures to be implemented for the Mandated IPTs.

- (c) Any of the persons referred to in (a) above may, as he deems fit, request for additional information pertaining to the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. If any of the persons referred to in (a) above:
- (i) is an interested person in respect of that particular Mandated IPT to be reviewed;
 - (ii) has an interest, whether direct or indirect, in relation to that particular Mandated IPT; and/or
 - (iii) is otherwise not considered independent in relation to that particular Mandated IPT, he will, and will undertake to ensure that his associates will, abstain from any decision making in respect of that particular Mandated IPT.

3.3.4. Additional controls

In addition to the review and approval procedures as set out in Sections 3.3.2 to 3.3.3(c) of this Letter, the Group will also implement the following additional procedures:

- (a) The finance department of the Group will maintain and update a register of all transactions carried out with the Mandated Interested Person pursuant to the IPT Mandate, including those of value below S\$100,000 (the “**IPT Register**”). The IPT Register will record the basis for entering into the Mandated IPTs including but not limited to, including the quotations and supporting evidence or records or details obtained to support such basis, on which they were entered into as well as the approving authority. The IPT Register shall be prepared, maintained, monitored and reviewed on a monthly basis, by both the Group Finance Manager and the Group Chief Financial Officer (or equivalent person) of the Company who are not Interested Persons. This is to ensure that they are carried out on normal commercial terms and in accordance with the guidelines and review procedures in the IPT Mandate. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction(s) and its supporting documents or such other data deemed necessary by the Audit Committee. In addition, any exceptions or departures from the procedures shall be reported and highlighted to the Audit Committee immediately.
- (b) The Group Chief Financial Officer (or equivalent person) will obtain signed letters of confirmation from key management personnel, Controlling Shareholders and the Directors on a periodic basis (of not more than half year) with respect to their interest in any transactions with the Group.
- (c) the Group Chief Financial Officer (or equivalent person) will maintain a list of the Directors and Controlling Shareholders and their associates of the Company (which is to be updated immediately if there are any changes) to enable identification of Mandated Interested Persons. The master list of Mandated Interested Persons which is maintained shall be reviewed by the Audit Committee on at least on semi-annual basis;
- (d) the Group’s annual or periodic (such periods to be decided by the Audit Committee) internal audit plan shall incorporate a review of all Interested Person Transactions (where applicable), including the established review procedures for monitoring of such Mandated IPTs, entered into during the current financial year pursuant to the IPT Mandate. The approving authority in the approval thresholds as set out in Section 3.3.3 of this Letter may be delegated with the approval in writing of the Audit Committee, such approval in writing of the Audit Committee to additionally set out the basis for the Audit Committee’s approval;

- (e) The Audit Committee shall:
- (i) carry out regular periodic reviews (at least twice a year) on the IPT Register and on all the Mandated IPTs to ascertain that the established guidelines and procedures for the Mandated IPTs have been complied with and are carried out on normal commercial terms. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction(s) and its supporting documents or such other data deemed necessary by the Audit Committee. The Audit Committee shall, when it deems fit, have the right to require the appointment of independent sources, advisers and/or valuers to provide additional information or review of controls and its implementation pertaining to the transactions under review;
 - (ii) approve and/or ratify all the records for all the related party transactions to ensure that they comply with the internal control procedures;
 - (iii) consider from time to time (annually or such other period as may be determined by the Audit Committee) whether the established guidelines and procedures for transactions with interested persons have become inappropriate or are unable to ensure that the transactions will be transacted on arm's length basis, and will not be on terms or conditions that would be prejudicial to the interests of the Company. If the Audit Committee is of the view that the guidelines and review procedures have become inappropriate or insufficient to meet such objectives during periodic reviews, the Company will seek a fresh mandate from Shareholders based on new guidelines and review procedures for the Mandated IPTs. During the period prior to obtaining a fresh mandate from Shareholders, all Mandated IPTs will be subject to prior review and approval by the Audit Committee;
 - (iv) review the letters of confirmation from key management personnel, controlling shareholders and the Directors of the Company and all Mandated IPTs on a periodic basis (of not more than half a year) and the outcome of such review shall be minuted; and
 - (v) approve the internal control procedures and arrangements for all future interested person transactions to ensure that they are transacted on an arm's length basis, and will not be on terms or conditions that would be prejudicial to the interests of the Company. The review includes the examination of the transaction and its supporting documents or such other data deemed necessary by the Audit Committee.
- (f) In the event that a member of the Audit Committee is interested in any Mandated IPTs, he shall abstain from participating in the review of that particular transaction.
- (g) The Group's internal auditor shall periodically (based on the internal audit plan as approved by the Audit Committee and subject to adjustment in frequency, depending on factors such as, *inter alia*, substantial increment of aggregate transactional value), report to the Audit Committee on all Mandated IPTs, and the bases of such transactions, entered into with Mandated Interested Persons during the preceding period. Except where Mandated IPTs concerned are required under the review procedures to be reviewed and approved by the Audit Committee prior to the entry thereof, the Audit Committee shall review such Mandated IPTs at its periodic meetings (which shall be held at least twice a year, or at such other frequency as decided by the Audit Committee);
- (h) For purposes of the above review and approval process, any Director who is not considered independent for purposes of the IPT Mandate and/or any Mandated IPTs will abstain from voting in relation to any respective resolution, and/or abstain from participating in the Audit Committee's decision during its review of the established review procedures for the Mandated IPTs or during its review or approval of any Mandated IPTs.
- (i) The Directors will ensure that all disclosures, approvals and other requirements in respect of the IPT Mandate, including those required by prevailing legislation, the Listing Manual and relevant accounting standards, are complied with.

3.3.5. Disclosure requirements

In accordance with the requirements of Chapter 9 of the Listing Manual, the Company will:

- (a) disclose in the annual report of the Company the aggregate value of transactions conducted with interested persons pursuant to the IPT Mandate during the financial year (as well as in the annual reports for subsequent financial years that the IPT Mandate continues in force);
- (b) announce the aggregate value of transactions conducted with interested persons pursuant to the IPT Mandate for the financial period that it is required to report on pursuant to Rule 705 of the Listing Manual (which relates to quarterly reporting by listed companies) within the time required for the announcement of such report; and
- (c) disclosures of the Mandated IPTs will be presented in the form set out in Rule 907 of the Listing Manual as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)
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3.3.6. Validity period of the IPT Mandate

The IPT Mandate will take effect from the passing of the ordinary resolution relating thereto, and will continue in force until the conclusion of the next AGM of the Company (unless sooner revoked or varied by the Company in general meeting). Approval from shareholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM of the Company, subject to satisfactory review by the Audit Committee of its continued application to the Interested Person Transactions and that the review procedures continue to be sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the Company and its minority Shareholders.

4. OPINION

In arriving at our opinion in respect of the IPT Mandate, we have considered, *inter alia*, the following:

- 4.1 the rationale and benefit of the IPT Mandate, as set out in Section 2 of Appendix A of the Circular; and
- 4.2 the guidelines and review procedures and additional controls of the Company in relation to the IPT Mandate, including the role of the Audit Committee in ensuring that the Company adheres to the review procedures, as set out in Section 7 of Appendix A of the Circular, and in particular that the Audit Committee will review all Mandated IPTs on at least twice a year basis.

Based on the above, we are of the opinion that the adoption of the IPT Mandate and the procedures as set out in the Circular, is in the interest of the Company and that the review procedures (including the additional controls) for determining the transaction prices pursuant to the IPT Mandate as set out in Section 7 of Appendix A of the Circular, if adhered to fully, are sufficient to ensure that the Mandated IPTs will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and Minority Shareholders.

This Letter is addressed to the Independent Directors in connection with and for the purpose of their consideration of the IPT Mandate and is not meant or intended to be an evaluation of the other resolutions to be proposed or alternatives. Whilst a copy of this Letter may be included in the Circular, neither the Company nor the Directors nor any other party, may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of ACA in each specific case, except that the Company and the Directors and Shareholders may reproduce, disseminate or quote for the purpose of the IPT Mandate and also at the forthcoming EGM. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters and the scope of our appointment stated herein and does not apply by implication to any other matter.

APPENDIX B

The recommendations made by the Directors to the Shareholders in relation to the IPT Mandate as well as other resolutions referred to in the Circular and the issue of the Circular shall remain the sole responsibility of the Directors.

Yours faithfully
For and on behalf of
ASIAN CORPORATE ADVISORS PTE. LTD.

H.K. LIAU
MANAGING DIRECTOR

FOO QUEE YIN
MANAGING DIRECTOR

NOTICE OF EXTRAORDINARY GENERAL MEETING

NIPPECRAFT LIMITED

(Company Registration Number: 197702861N)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

All capitalised terms in this Notice of Extraordinary General Meeting which are not defined herein shall have the same meanings ascribed to them in the Company's circular dated 6 October 2017.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of **NIPPECRAFT LIMITED** (the "**Company**") will be held at **9 Fan Yoong Road, Singapore 629787 on 24 October 2017 at 9.00 a.m.** for the purpose of considering and, if thought fit, passing with or without modifications, the following Ordinary Resolutions:

1. ORDINARY RESOLUTION – THE PROPOSED ADOPTION OF THE INTERESTED PERSON TRANSACTIONS MANDATE

That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), as may be amended, supplemented or modified from time to time, for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions described in Appendix A to the Company's Circular to Shareholders dated 6 October 2017 (the "**Circular**"), with any party who is of the class of interested persons described in Appendix A to the Circular, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions (the "**IPT Mandate**");
- (b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company is to be held or is required by law to be held; whichever is earlier;
- (c) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of such procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 which may be prescribed by the SGX-ST from time to time; and
- (d) the Independent Directors for the purpose of the IPT Mandate be and are authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as they may consider expedient or necessary in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

2. ORDINARY RESOLUTION – THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the exercise by the Directors of the Company ("**Directors**") of all the powers of the Company to purchase or otherwise acquire from time to time the issued and fully-paid ordinary shares in the capital of the Company ("**Shares**") (excluding treasury shares) 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 purchases transacted on the SGX-ST through the ready market, and through one or more duly licensed stockbrokers appointed by the Company for the purpose (each a "**Market Purchase**"); and/or
 - (ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme as may be determined or formulated by the Directors as they may consider fit, which scheme shall satisfy all the conditions prescribed by the Companies Act (each an "**Off-Market Purchase**"),

NOTICE OF EXTRAORDINARY GENERAL MEETING

and otherwise in accordance with all other laws and regulations, including but not limited to, the listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the **"Share Purchase Mandate"**);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company 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 of the Company is held or the date by which the next AGM is required by law to be held, whichever is earlier;
 - (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;
- (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 listing rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period;

"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, 105% of the Average Closing Price of the Shares; and

"Prescribed Limit" means that number of issued Shares representing ten per cent. (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 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.

BY ORDER OF THE BOARD

RAYMOND LAM KUO WEI
LEE LIH FENG
Company Secretaries
Singapore
6 October 2017

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Every member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one (1) or two (2) proxies to attend and vote on his behalf. A proxy need not be a member of the Company and where there is more than one proxy, the proportion (expressed as a percentage of the whole) of his shareholding to be represented by each proxy must be stated.
2. **Pursuant to section 181 of the Companies Act, Chapter 50 a member who is a relevant intermediary entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint more than two proxies to attend and vote at the Extraordinary General Meeting instead of such member, but each such proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, 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 licenced under the Banking Act, Chapter 19 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, Chapter 289 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 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 must be deposited at the registered office of the Company at 9 Fan Yoong Road, Singapore 629787, not less than **forty-eight (48)** hours before the time set for the Extraordinary General Meeting.

Personal Data Privacy:

By attending the Extraordinary General Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **“Purposes”**), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

NIPPECRAFT LIMITED

Registration No: 197702861N
(Incorporated in the Republic of Singapore)

PROXY FORM EXTRAORDINARY GENERAL MEETING

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Extraordinary General Meeting and vote (please see Note No 4 for the definition of "relevant intermediary").
2. This proxy form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. PLEASE READ THE NOTES TO THE PROXY FORM.

I/We _____ (Name) _____ (NRIC/ Passport No./ UEN) of
_____ (Address)

being a member/members of NIPPECRAFT LIMITED ("Company"), hereby appoint:-

Name	Address	NRIC / Passport Number	Proportion of Shareholdings (%)

and / or (delete as appropriate)

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or failing him/them, the Chairman of the Extraordinary General Meeting ("EGM") as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the EGM of the Company to be held at 9 Fan Yoong Road, Singapore 629787 on Tuesday, 24 October 2017 at 9.00 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 EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the EGM and at any adjournment thereof.

(Note: Voting on all resolutions will be conducted by poll. If you wish to exercise all your votes "For" or "Against" a resolution, please indicate with a tick "✓" within the box provided. Alternatively, please indicate the number of votes as appropriate.)

No.	Ordinary Resolutions	For	Against
1.	To approve the Proposed Adoption of the Interested Person Transactions Mandate		
2.	To approve the Proposed Adoption of the Share Purchase Mandate		

Signed this _____ day of October 2017.

.....
Signature(s) of member(s)/Common Seal

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	
Total	

IMPORTANT
PLEASE READ NOTES OVERLEAF

PROXY FORM

Notes:

1. A member should insert the total number of ordinary shares in the capital of the Company (**Shares**) held. If the member has Shares entered against his name in the Depository Register, he should insert that number of Shares. If the member has Shares registered in his name in the Register of Members, he should insert that number of Shares. If a member has Shares entered against his name in the Depository Register and Shares registered in his name in the Register of Members, he should insert the aggregate number of Shares entered against his name in the Depository Register and registered in his name in the Register of Members. If no number is inserted, this instrument appointing a proxy or proxies will be deemed to relate to all Shares held by the member.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
4. Pursuant to section 181 of the Companies Act, Chapter 50 a member who is a relevant intermediary entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint more than two proxies to attend and vote at the Extraordinary General Meeting instead of such member, but each such proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, 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 licenced under the Banking Act, Chapter 19 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, Chapter 289 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 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.
5. This instrument appointing a proxy or proxies (together with the power of attorney or other authority, if any, under which the instrument of proxy is signed or a duly certified copy of that power of attorney or other authority (failing previous registration with the Company)) must be deposited at the registered office of the Company at 9 Fan Yoong Road, Singapore 629787 not less than 48 hours before the time appointed for the Extraordinary General Meeting.
 6. The instrument appointing a proxy or proxies must be under the hand of the appointer or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of its attorney duly authorised.
 7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting, in accordance with section 179 of the Companies Act, Cap. 50.
 8. The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in this instrument of proxy. In addition, in the case of members whose shares are entered in the Depository Register, the Company shall be entitled to reject any instrument of proxy lodged if the member, being the appointer, is not shown to have any shares entered against his name in the Depository Register as at 72 hours before the time set for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM.

