

NOEL GIFTS INTERNATIONAL LTD.

(Company Registration No. 198303940Z)
(Incorporated in the Republic of Singapore)

SGX QUERIES REGARDING THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

The Board of Directors of Noel Gifts International Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the following in response to queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) with respect to the Company’s annual report for the financial year ended 30 June 2023 (the “**Annual Report**”).

Unless otherwise defined, all capitalised terms used in this announcement shall have the same meaning ascribed to them in the Annual Report.

1. SGX-ST’s query 1

Please provide explanations for the following material variances in:

- (i) net cash used in operating activities from S\$45,000 to S\$77,000; and
- (ii) net cash used in investing activities from S\$534,000 to S\$7,005,000.

Listing Rule 704(6) provides that an issuer must immediately announce if it has previously announced its preliminary full-year results, any material adjustments to its preliminary full-year results made subsequently by auditors.

Please clarify whether and how Listing Rule 704(6) has been complied with.

Company’s response

- (i) The difference was due to reclassification of provision of reinstatement cost of \$32,000 under other payables (operating activities) against purchase of plant and equipment (investing activities) as it pertains to a non-cash movement under investing activities.
- (ii) The placement of fixed deposits of \$6,503,000 has been disclosed as usage or outflow of cash and cash equivalents because these fixed deposits have minimum tenors of 3 months and do not fall under the definition of cash equivalents under the Standard. Nonetheless, there is no change in the overall cash position of the Group.

The reclassifications to the unaudited results only occur in the Statement of Cash Flows. There was no material difference between the audited and unaudited Statement of Profit or Loss and Other Comprehensive income and Statement of Financial Position for FY2023. Shareholders are advised to read this announcement in conjunction with the audited financial statements as presented in the Annual Report.

2. **SGX-ST's query 2**

Listing Rule 710A states that an issuer must describe in its annual report its board diversity policy, including the following:

- (a) the issuer's targets to achieve diversity on its board;
- (b) the issuer's accompanying plans and timelines for achieving the targets; the issuer's progress towards achieving the targets within the timelines; and
- (c) a description of how the combination of skills, talents, experience and diversity of its directors serves the needs and plans of the issuer.

Please disclose whether and how Listing Rule 710A has been complied with.

Company's response

The Company notes that, pursuant to Listing Rule 710A, a description of the Company's Board Diversity Policy is set out on Page 154 of the Annual Report. The Board Diversity Policy has also been set out on Page 188 of the Annual Report.

As set out on Page 155 of the Annual Report, in considering the composition and diversity of the Board, the Board and the Nominating Committee ("NC") gives due regard to the benefits of all aspects of diversity and strive to ensure that the Board is appropriately balanced to support the long-term success of the Company. The Company aims to continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long-term success of the Company. The Board, through the NC, has examined the Board's size and is satisfied that it is appropriate for effective decision-making, taking into account the nature and scope of the Company's operations, and is of the view that the Board has a good balance of Directors who come from diverse backgrounds and have extensive industry knowledge, skills and/or business, financial, accounting and management experience, so as to avoid groupthink and foster constructive debate.

As further set out on Page 155 of the Annual Report, the Board is of the view that the current Board members comprise persons whose diverse skills, experience, knowledge of the Company, attributes and gender (with one female Non-Executive Director on the Board) provide for effective direction for the Group. To maintain or enhance the Board's balance and diversity, the existing attributes and core competencies of the Board are reviewed on an annual basis by the NC with reference to the Board Diversity Policy to ensure that the Board has the appropriate mix of skills, knowledge, experience including familiarity in the Company's core markets, age, gender and length of service, and assess the combined factors against the requirements needed to govern and direct the Company's strategic objectives.

In view of the foregoing, as stated in the Annual Report, the Board is of the view that the current Board members comprise persons who have diverse skills, experience, knowledge of the Company, attributes, age and gender (with 20% of Board representation being female and the age range of the Directors being between 50s and 70s). As the Board is

sufficiently diverse, the NC has not set further targets for Board diversity as it may detract from the more fundamental principle that a director candidate must be of the right fit and meet the relevant needs and vision of the Company and the Board.

As such, the Board believes that the intent of Listing Rule 710A has been met and Listing Rule 710A has been complied with.

By Order of the Board

Wong Siu Hong Alfred
Executive Chairman and Managing Director
18 October 2023