

## ANNUAL REPORTS AND RELATED DOCUMENTS::

### Issuer & Securities

#### Issuer/ Manager

NEW TOYO INTERNATIONAL HOLDINGS LTD

#### Securities

NEW TOYO INT HLDGS LTD - SG1E32850828 - N08

#### Stapled Security

No

### Announcement Details

#### Announcement Title

Annual Reports and Related Documents

#### Date & Time of Broadcast

11-Apr-2024 00:13:08

#### Status

New

#### Report Type

Annual Report

#### Announcement Reference

SG240411OTHRQKPS

#### Submitted By (Co./ Ind. Name)

Lee Wei Hsiung

#### Designation

Company Secretary

#### Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please refer to the following attachments:

- (1) Annual Report 2023;
- (2) Appendix to the Notice of Annual General Meeting dated 11 April 2024; and
- (3) Constitution of the Company.

### Additional Details

#### Period Ended

31/12/2023

### Attachments

[NTIH - ANNUAL REPORT 2023.pdf](#)

[NTIH - Appendix to the Notice of AGM dated 11 April 2024.pdf](#)

[NTIH - Constitution.pdf](#)

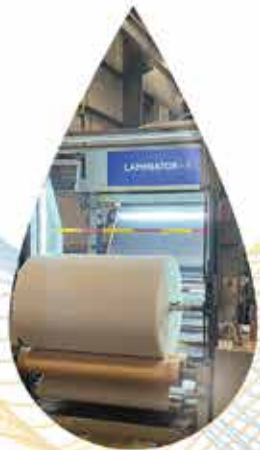
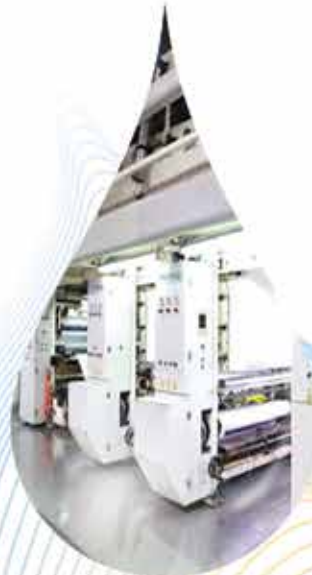
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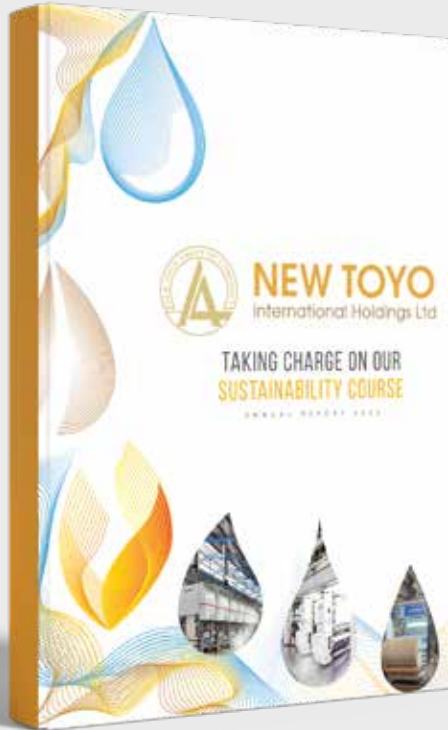
**NEW TOYO**  
International Holdings Ltd

**TAKING CHARGE ON OUR  
SUSTAINABILITY COURSE**

A N N U A L R E P O R T 2 0 2 3



# COVER RATIONALE



## TAKING CHARGE ON OUR SUSTAINABILITY COURSE

The Annual Report cover design integrates wavy elements, water droplets, and leaves to symbolize our dedication to sustainability and our journey towards a more environmentally conscious future. The wavy lines represent the path towards sustainability, while the water droplets and leaves signify the preservation of natural resources and the protection of the environment.

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# INTRODUCTION

New Toyo, established in 1975, is a leading producer of specialty packaging materials in the Asia Pacific Region. With operations spanning across Singapore, Malaysia, Vietnam, Dubai, Indonesia, and China, we serve diverse customers ranging from global corporations to local businesses. Over nearly five decades, our dedication has been to enhance product quality and meet client needs. Recognizing the importance of sustainability and innovation, we are committed to integrating these values into our business practices, creating eco-friendly packaging solutions that meet customer demands while minimizing environmental impact. By staying ahead of industry developments and enhancing productivity, we ensure competitiveness. New Toyo is committed to excellence, sustainability and innovation, driving positive change in the packaging industry while delivering value to stakeholders.

## MISSION

To grow shareholder value through quality packaging solutions and services

## VISION

To be the preferred supplier of consistently high quality packaging materials

## VALUES

Teamwork / Excellence / Innovation / Creativity / Honesty + Integrity

# CHAIRMAN'S MESSAGE



**“Our established track record in working with our major customers will put us in good stead to continue our long-term partnerships. With a focus on operational excellence and customer-centric strategies, we are poised to overcome challenges and drive sustained growth.”**

**Yen Wen Hwa**  
*Executive Chairman*

## Dear Shareholders,

On behalf of the Board of Directors of New Toyo International Holdings Limited (“New Toyo” or the “Group”), I am pleased to present our annual report for the financial year ended 31 December 2023 (“FY2023”).

Reflecting on 2023, it was indeed another challenging year for the global landscape, characterized by ongoing geopolitical tensions and inflationary pressures. However, amidst these challenges, there was a positive development as the U.S. executed the final interest rate hike in July 2023. This action played a crucial role in stabilizing borrowing costs and further shaping the economic landscape.

We achieved a modest revenue growth in FY2023, with Group turnover standing at S\$306.4 million, representing an increase of 7.2% from S\$285.7 million recorded in the financial year ended 2022 (“FY2022”). Due to better performance in the Middle East, the Group had a reversal of impairment loss on property, plant and equipment in Dubai of S\$2.5 million against the impairment loss of S\$3.6 million in FY2022. The Group’s profit after tax attributable to owners of the Company saw an increase of 28.5% to S\$12.8 million from S\$10.0 million in FY2022.

With effective management including better cost management and efficient inventory planning, the Group was able to strengthen its financial position. In FY2023, cash flow from

operating activities increased to S\$33.2 million from S\$26.4 million in FY2022. Cash and bank balances amounted to S\$30.5 million as at 31 December 2023, against S\$28.5 million as at 31 December 2022. With the net profit generated during the period, shareholders’ equity increased to S\$149.2 million from S\$146.5 million.

New Toyo is deeply committed to sustainability in all areas of our business practices, operations and culture. We have stepped up on our sustainability initiatives by expanding on scope disclosures and reporting in our sustainability report. We have been a CDP participant since 2019 and our Singapore manufacturing facility is part of the UN Global Compact Network Singapore LowCarbonSG programme. We are also honoured to receive the “Most Transparent Company Award” in the Materials Sector of the SIAS Investors’ Choice Awards 2023.

At New Toyo, we embrace corporate social responsibility and recognize our responsibility to contribute positively to society and the environment in which we operate. Our CSR initiatives included donations to the SMJK Yoke Bin school in Malaysia, contributions towards rebuilding houses in Nepal, sponsorship of the Nguyen Thi Minh Khai Scholarship through the Ho Chi Minh City Women’s Union of Vietnam, and support for the Singapore Island Country Club’s May Day Charity 2023 event in Singapore, aimed at assisting the underprivileged.

# CHAIRMAN'S MESSAGE



The outlook of the macroeconomic environment remains challenging in view of the current ongoing global uncertainties. Operationally, some of the business minefields we have to navigate include higher costs, elevated interest rates and forex volatilities. Nevertheless, we remain steadfast in our ability to overcome them and continue delivering results. The Group also looks to strengthening its core business by optimising production capabilities and efficiency. During the financial year under review, the Group's PCL division commenced the transfer of machineries from Vietnam to Indonesia and Middle East that is set for completion in 2024. This move aims to align our production footprint with customer needs, ensuring proximity and responsiveness to their expectations. Our established track record in working with our major customers will put us in good stead to continue our long-term partnerships. With a focus on operational excellence and customer-centric strategies, we are poised to overcome challenges and drive sustained growth.

We recognize the importance of strategic business diversification to sustain growth, mitigate risks, and capitalize on emerging opportunities. The Group took up an opportunity to venture into the Food & Beverage business through an acquisition by its wholly-owned subsidiary in Malaysia. For our core business, we remain innovative in leveraging on green packaging solutions and sustainable paper products.

In recognition of the continued support and faith of our shareholders, we are recommending a final one-tier tax exempt dividend of 1.0 Singapore cents per ordinary share, subject to shareholders' approval at the upcoming Annual General Meeting. Earlier this year, we had declared an interim dividend of 0.9 cents per share. This would bring a total dividend for FY2023 of 1.9 Singapore cents per share, which equates to a dividend yield of 8.6%<sup>1</sup>.

In conclusion, I would like to express my appreciation to all our shareholders, customers, suppliers and business associates for their continued support. My appreciation also goes out to the management team and staff for their hard work and dedication, which has been instrumental in our achievements. Last but not least, my sincere thanks to my Board members for their strategic counsel and business insights towards the overall stewardship of the Group. I look forward to leading NEW TOYO to another successful year ahead.

**Yen Wen Hwa**  
Executive Chairman

<sup>1</sup> Based on closing share price of S\$0.22 as at 31 December 2023

# GROUP CEO'S BUSINESS REVIEW



**“The Group stays committed to our long-term business strategy to enhance the resilience of our business to ensure sustainable growth amidst the dynamic global environment. With a solid foundation built on nearly five decades of experience, we are fundamentally strong and well-equipped to navigate a volatile business environment.”**

**Angela Heng**  
Group Chief Executive Officer

## Dear Shareholders,

The year ended 31 December 2023 (“FY2023”) was muted, marked by risks yet punctuated with opportunities. We achieved commendable operational and financial growth despite the challenging macroeconomic environment and mounting pressures from rising costs and labour constraints.

## Results Review

The Group registered a 7.2% increase in revenue to S\$306.4 million in FY2023 from S\$285.7 million posted in the financial year ended 2022 (“FY2022”). Notably, our Middle East operations exhibited improvement, contributing to this increase in revenue. Furthermore, heightened demand for raw materials from our Trading division positively impacted overall revenue, although this was partially offset by reduced sales from the Printed Cartons and Labels (“PCL”) and Specialty Papers (“SP”) divisions.

Gross profit decreased from S\$36.6 million in FY2022 to S\$34.9 million in FY2023. In the same vein, gross profit margin declined marginally to 11.4% as compared to 12.8% in FY2022 due to higher Trading sales yielding lower margin. Our profit before tax increased 59.8% to S\$17.3 million from S\$10.8 million in FY2022, largely due to a reversal of impairment loss on property, plant and equipment, consequence of the better performance in Middle East, and fall in distribution expenses as a result of lower freight costs. Excluding the Middle East's impairment adjustments, profit before tax would have been S\$14.8 million in FY2023 compared to S\$14.4 million last year.

The Group posted a net profit after tax attributable to owners of the Company of S\$12.8 million for FY2023 compared to S\$10.0 million in FY2022. This translates into earnings per share of 2.91 cents, an increase from 2.27 cents in the previous year.

Our balance sheet continued to remain strong with net asset position of S\$184.3 million and net asset value of 33.96 cents per share as at 31 December 2023. Cash position wise, we generated positive operating cashflow of S\$33.2 million. Our capex increased to S\$17.3 million mainly due to acquiring a new factory in Middle East and transfer of machineries from Vietnam to Indonesia and Middle East, to align to our customers' production footprint.

## Segmental Review



### Specialty Papers (“SP”) Business

The SP Business produces mainly coated, printed and laminated papers and paper board for packaging industries, with key manufacturing sites located in Singapore, Malaysia, Vietnam and Dubai.

SP division maintained its profitability in the year during review, despite softened customer demand amid a higher base last year and customers' inventory destocking, leading to an 18.8% decrease in revenue from S\$126.6 million in FY2022. This was achieved through active cost management and efficient inventory and production planning and enhanced efficiencies that enabled us to meet dynamic demand from our different markets. Net profit before tax for the SP Business was S\$13.2 million, a slight decrease from S\$13.7 million in the previous financial period.

# GROUP CEO'S BUSINESS REVIEW



## Printed Cartons and Labels (“PCL”) Business

The PCL Business produces mainly gravure and offset printed materials for fast moving consumer goods such as cigarette related packaging products and food and beverage packaging. The Group had successfully extended the existing supply agreement with a major tobacco customer to supply its printed carton requirements in Indonesia until the end of 2025. The PCL Business has also successfully increased its customer base to other tobacco customers supported by production plants located in Vietnam, Indonesia and Dubai.

PCL Business achieved a profit before tax of S\$4.1 million, marking a significant turnaround from a loss of S\$4.2 million in the previous year. Despite recording lower external revenue at S\$74.1 million compared to S\$75.7 million in FY2022, attributed to decreased customer demand, the segment demonstrated improved operations in the Middle East with a reversal of impairment. The Group’s strategic expansion into the Middle East has begun to yield positive results.



## Trading Business

The Trading Business involves the sale of raw materials, paper products, equipment and tissue paper related products. The Tissue Paper segment is now included into the Trading Business division.

Revenue from the Trading Business segment stood at S\$123.1 million for the year in review, compared to S\$75.7 million in the previous corresponding period. The increase in revenue was due to higher demand of certain raw materials and positive demand in certain markets, offset by lower sale of virgin pulp and jumbo reels to Vietnam. Profit before tax dropped to S\$1.0 million in FY2023 compared to S\$2.1 million in FY2022, due to a change in sales mix.

## Investing in Future Growth

During the financial year, the Group took up an opportunity to venture and explore the Food & Beverage industry through an acquisition by its wholly-owned subsidiary in Malaysia, Toyoma Non-Carbon Paper Manufacturer Sdn Bhd (“TNCP”). TNCP acquired all the shares in New Ocean Beijing Duck Restaurant Sdn. Bhd., an entity principally set up to operate restaurants, and plans to operate a restaurant specialising in serving Peking Duck in addition to other dishes. This acquisition gives New Toyo the opportunity to expand into new areas of business and diversify its revenue streams while remaining focused on its core businesses.

We have identified growth opportunities within the trends of green packaging and e-commerce, which have led to an upsurge in demand for paper packaging. In Vietnam, the compound annual growth rate for paper packaging between 2024 and 2029 is projected to reach approximately 10%<sup>1</sup>. In January 2024, our 55%-owned subsidiary, Tien Wah Press Holdings Berhad, entered into a strategic joint venture agreement with Cat Loi Joint Stock Company through Alliance Print Technologies Co., Ltd. This venture aims to bolster our presence among new offset business customers in Vietnam, furthering our expansion efforts in this promising market.

<sup>1</sup> <https://www.mordorintelligence.com/industry-reports/vietnam-paper-packaging-market>



# GROUP CEO'S BUSINESS REVIEW



In addition to manufacturing high-quality laminated and coated papers and paperboard, the SP division is developing packaging solutions tailored to meet the evolving needs of diverse industries and customer segments. These efforts emphasize the production of eco-friendly and sustainable paper products, aligning with our commitment to environmental stewardship and meeting market demands for more sustainable packaging solutions.

## Outlook

Looking ahead, we foresee that the macroeconomic environment will continue to be tumultuous, contributed by the ongoing global uncertainties. Global growth is projected at 3.1% in 2024<sup>2</sup>, which remains the same for the projected growth for 2023. Commodity price spikes amid geopolitical and weather shocks, persistent core inflation that will trigger higher interest rates and underperforming growth in China would be risks that adversely affect global growth.

The Group stays committed to our long-term business strategy to enhance the resilience of our business to ensure sustainable growth amidst the dynamic global environment. We will also actively explore new business opportunities to drive expansion

to expand our presence. With a solid foundation built on nearly five decades of experience, we are fundamentally strong and well-equipped to navigate a volatile business environment.

## Appreciation To All

As the saying goes, “great things in business are never done by one person”. At New Toyo, we are a team and we have everyone to thank for playing a part in bringing us to where we are now. To our Board members, I thank them for their guidance and counsel in the stewardship of the Group. I would also like to express our gratitude to our shareholders, customers and business partners for their continued support. I also wish to share my deepest appreciation to our management team and staff for their hard work and contributions to the Group.

Looking to the future, we remain committed in our journey to deliver long-term sustainable growth and value for all our stakeholders.

**Angela Heng**  
Group Chief Executive Officer

<sup>2</sup> <https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>

# BOARD OF DIRECTORS



**YEN WEN HWA**  
*Executive Chairman*

Mr Yen is the founder of New Toyo International Holdings Ltd (“NTIH”) Group and serves as Executive Chairman of NTIH. He had earlier served as Managing Director and Chairman of the Board of NTIH until 30 September 2011 and Non-Executive Chairman from 1 September 2016 to 31 October 2020.

Mr Yen was appointed to the Board of Tien Wah Press Holdings Berhad (“TWPH”) as Executive Chairman on 16 February 2015 and re-designated as Non-Independent Non-Executive Chairman of TWPH on 1 January 2021. He was the Chief Executive Officer of TWPH from 1 September 2010 to 31 December 2011. He also served as a Non-Independent Non-Executive Director of Shanghai Asia Holdings Ltd from 10 February 2004 up to 1 May 2012.

Mr Yen has over 40 years of experience in the paper conversion and packaging industry.



**ANGELA HENG CHOR KIANG**  
*Group Chief Executive Officer*

Ms Heng was appointed Group Chief Executive Officer on 1 September 2016.

She joined New Toyo in the 1970s and was one of the pioneers of the Group. She was instrumental in setting up the administration and accounts departments, and was also responsible for the sales and marketing activities of the Group.

Ms Heng has more than 40 years of experience serving in various senior management and operational positions within the Group. In 1990, she assumed the position of General Manager of New Toyo Aluminium Paper Product Co. (Pte) Ltd and led the unit to achieve its ISO 9002 certification in 1996, paving the way for other New Toyo units’ certifications. She started New Toyo International Co (Pte) Ltd in 1992 and served as its Director until 1995, and was re-appointed as its Director in 2002. She was one of the key personnel involved in the listing of the Group on the MainBoard of the Singapore Exchange Securities Trading Limited (“SGX-ST”) in 1997. She was the Deputy Chairman of the Group from 1997 to 1999 and was President for Asia-Pacific from 2002 to 2006. She served as the Group Executive Chairman from 2014 before assuming her current appointment as Group Chief Executive Officer in 2016.

Ms Heng has more than 35 years of experience in the lamination industry and more than 20 years of experience in the printing business.

Ms Heng holds a Master of Social Science from Swinburne University of Technology in Australia.

# BOARD OF DIRECTORS



## WAN TAI FOONG

*Non-Executive and Lead Independent Director*

Mr Wan was appointed to the Board as a Non-Executive and Independent Director on 1 August 2019 and is the Chairman of the Audit Committee and the Lead Independent Director.

He is currently the Chief Executive Officer of Qi Capital Pte Ltd, a boutique advisory firm that advises private corporates on M&A and fund raising transactions. Mr Wan has a career spanning over 20 years in investment banking, with varied, in-depth exposure and experience in all aspects of mergers and acquisitions, restructuring and fund-raising transactions in different sectors.

Mr Wan holds a Bachelor of Commerce from Murdoch University, Western Australia and is a member of CPA Australia.



## TAY JOO SOON

*Non-Executive and Independent Director*

Mr Tay was appointed to the Board as a Non-Executive and Independent Director on 16 July 2021 and is the Chairman of the Nominating Committee.

Mr Tay has been a practicing Public Accountant and Chartered Accountant with his own firm, Tay Joo Soon & Co., since he founded the firm in 1971. He has over 50 years of experience in the fields of corporate finance, accounting, auditing, taxation, management consultancy, mergers and acquisitions. Mr Tay had worked with a range of industry sectors, including electrical and cable, cement and construction materials, healthcare & nursing home, carton and packaging and food manufacturing. He had also served on the boards of several other companies listed on the MainBoard of SGX-ST.

Mr Tay is a Life Member of the Institute of Singapore Chartered Accountants, CPA Australia and the Malaysian Institute of Certified Public Accountants.



## TENGGU TAN SRI DR MAHALEEL BIN TENGGU ARIFF

*Non-Executive and Non-Independent Director*

Tengku Mahaleel has a diverse career, having started his career in Nestle Malaysia Berhad, then joining Shell Malaysia for 20 years and then Proton Holdings Berhad as the Group Chief Executive Officer. He left Proton Board and retired from Nestle Board. Tengku Mahaleel was the Executive Chairman of Tien Wah Press Holdings Berhad from 20 November 2006 to 31 August 2010. He was re-designated as Non-Executive Chairman on 1 September 2010, a position he assumed until he retired on 16 February 2015. He has over 40 years' experience in the food, paper, cigarette, oil, marine, aviation, car and motorcycle industries and has represented Malaysia in the Asia Pacific Economic Council and the Asean Business Advisory Council.

Tengku Mahaleel graduated from the University of Malaya in 1970 with a Bachelor of Arts (Honours) and has attended courses at Harvard, London School of Economics and the Manchester Business School on Strategy, Strategic Management and Marketing. He is Honorary President of Badminton Association Malaysia and has been appointed as Pro Chancellor of University Utara Malaysia. He had retired from the Board of Governors of University Sains Malaysia.

# BOARD OF DIRECTORS



## **PHUA TIN HOW**

*Non-Executive and Independent Director*

Mr Phua was appointed to the Board as a Non-Executive and Independent Director on 27 February 2020 and is the Chairman of the Remuneration Committee.

Mr Phua held several senior appointments in the public service prior to 1994, the last being the Principal Private Secretary to the Deputy Prime Minister and later, the Principal Private Secretary to the President of Singapore. From 1994 to 2003, Mr Phua was concurrently the Group President of DelGro Corporation Ltd and President and CEO of SBS Transit Ltd, and led the Group's diversification effort to grow its business globally. Mr Phua had also served on the boards of Public Transport Council, National Environment Agency, Network China and China-Singapore Suzhou Industrial Park Development (CSSD), and several other companies listed on the MainBoard of SGX-ST. He retired as Chairman of ValueMax Group in 2022.

Mr Phua holds a Master in Business Administration degree from INSEAD, France, and a Bachelor of Science (Hons) degree from the University of Singapore.



## **DAVID ONG KIM HUAT**

*Non-Executive and Independent Director*

Mr Ong was appointed to the Board as a Non-Executive and Independent Director on 1 January 2022.

Mr Ong began his professional career in 1989 and held senior marketing and management positions in various international companies, including American Express, Visa International, Reed Elsevier and Publicis. Mr Ong is the Managing Director of Reddot Media Inc Pte Ltd, a tourism media company he founded in 1998. He also serves as Chairman and Independent Director of Ellipsiz Ltd and Independent Director of Hiap Seng Industries Limited. Mr Ong was formerly a Member of Parliament of Singapore. He was awarded the Public Service Medal and Public Service Star in 2005 and 2009 respectively.

Mr Ong graduated from the University of Oregon, USA, with Bachelor of Science in Business Administration with double major in Marketing and Management.

# KEY MANAGEMENT



**GEORGE LEE CHEE WHYE**  
*Chief Executive Officer*  
*(Tien Wah Press Holdings Berhad)*

Mr Lee was appointed Chief Executive Officer of our listed subsidiary in Malaysia, Tien Wah Press Holdings Berhad (“TWPH”) in November 2014. He also sits on the Board of TWPH as an Executive Director effective 1 September 2016. Mr Lee first joined New Toyo Aluminium Paper Product Co. (Pte) Ltd, a subsidiary of New Toyo International Holdings Ltd, as the Operations Manager in March 2005 and was subsequently promoted to Business Head of Specialty Papers Division in October 2006. He was appointed as Acting CEO of the Group in October 2011 and assumed the position of Chief Executive Officer of the Company in July 2012.

He holds a Bachelor in Computer Science with Business degree and has more than 20 years of senior management, operations and marketing experience.



**LIONEL YAP**  
*Chief Executive Officer*  
*(Specialty Papers)*

Mr Yap assumed the position of Chief Executive Officer (Specialty Papers) in September 2016 and is responsible for the revenue growth, profitability and long term sustainability of the Specialty Papers business. Mr Yap first joined the Group as Finance and Operations Assistant Manager (Specialty Papers) in April 2007 and was promoted to General Manager of New Toyo Aluminium Paper Product Co. (Pte) Ltd, a subsidiary of New Toyo International Holdings Ltd. He was subsequently promoted to Business Head of Specialty Papers Division in July 2012.

Mr Yap is a non-practicing Chartered Accountant with the Institute of Singapore Chartered Accountants since 2001.



**PRISCILLA NG KAR CHOO**  
*Chief Financial Officer*

Ms Ng joined the Group as the Chief Financial Officer in August 2022. She is responsible for overseeing the Group’s financial and sustainability reporting, treasury, corporate governance, investor relations and other finance related matters.

Ms Ng has over 20 years in accounting, financial and corporate matters in various industries having worked in various SGX listed organizations including EnGro Corporation Limited and then listed Popular Holdings Ltd.

She is an ACCA graduate and a Chartered Accountant with the Institute of Singapore Chartered Accountants.

# KEY FIGURES

## REVENUE

**S\$306.4M**

S\$285.7 MILLION IN 2022

## TOTAL ASSETS

**S\$253.6M**

S\$246.1 MILLION IN 2022

## PROFIT BEFORE TAX

**S\$17.3M**

S\$10.8 MILLION IN 2022

## OPERATING CASHFLOW

**S\$33.2M**

S\$26.4 MILLION IN 2022

## PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

**S\$12.8M**

S\$10.0 MILLION IN 2022

## NET ASSET VALUE PER SHARE

**33.96CENTS**

33.35 CENTS IN 2022

## DIVIDEND PER SHARE

**1.9CENTS**

1.8 CENTS IN 2022

## EARNING PER SHARE

**2.91CENTS**

2.27 CENTS IN 2022

# FINANCIAL HIGHLIGHTS

	2023	2022	2021	2020	2019
<b>Condensed Consolidated Profit &amp; Loss Information (S\$'000)</b>					
Revenue	306,397	285,735	234,199	242,385	301,102
Earnings before interest, tax, depreciation and amortisation (EBITDA)	30,827	27,481	31,035	29,570	9,471
Profit before interest and tax	17,647	11,789	14,755	10,921	(11,905)
Profit before tax	17,330	10,843	13,432	8,131	(15,823)
Net Profit for the year	14,053	7,884	9,123	7,514	(18,077)
Attributable to :					
Owners of the Company	12,809	9,971	8,123	7,591	(15,231)
Non-controlling interests	1,244	(2,087)	1,000	(77)	(2,846)
<b>Condensed Consolidated Balance Sheet Information (S\$'000)</b>					
Total assets	253,601	246,086	263,839	264,966	304,666
Cash and bank balances	30,446	28,495	37,362	33,958	34,688
Total liabilities	69,304	63,405	76,167	80,169	117,394
Bank borrowings	331	2,426	17,483	26,516	57,208
Lease liabilities	10,357	9,190	11,030	12,003	14,097
Equity attributable to owners of the Company	149,228	146,535	146,963	143,470	144,228
<b>Cashflow Information (S\$'000)</b>					
Operating cashflow	33,155	26,425	21,098	47,133	29,685
<b>Per Share Data (S\$ cents)</b>					
Earnings per share - basic	2.91	2.27	1.85	1.73	(3.47)
- fully diluted	2.91	2.27	1.85	1.73	(3.47)
Net asset value per share	33.96	33.35	33.44	32.65	32.82
Revalued net asset value per share *	38.37	37.96	38.01	38.89	38.79
Dividend per share	1.90	1.80	1.50	1.50	0.90
<b>Share Information ('000)</b>					
Number of shares in issue	439,425	439,425	439,425	439,425	439,425
<b>Market capitalisation (S\$'000)</b>					
At close of business on 31 December	96,673	94,476	90,082	76,460	68,550

\* RNAV factors in the fair value on investment properties

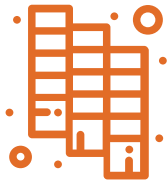
# NEW TOYO'S BUSINESS DIVISIONS



## SPECIALTY PAPERS

The Specialty Papers product range includes laminated aluminium foil paper, coated paper and metallised paper and metallised polyethylene terephthalate. These products are applied mainly in cigarette packaging, food and beverages packaging, tissue boxes, cosmetic packaging and gift-wrapping.

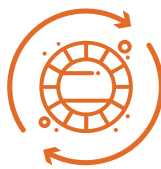
- New Toyo Aluminium Paper Product Co. (Pte) Ltd
- Paper Base Converting Sdn Bhd
- Vina Toyo Company Ltd
- New Toyo (Vietnam) Aluminium Paper Packaging Co., Ltd
- New Toyo Aluminium Gulf Paper Packaging FZE
- New Toyo Paper Products (Shanghai) Co., Ltd



## PRINTED CARTONS AND LABELS

The Printed Cartons and Labels Business has two main types of printing, gravure and lithography. Gravure printing is a specialised high speed printing process used for the printing of high quality paper prints mainly for cigarette related packaging. Lithography or offset printing is mainly used for the supply of folded cartons and labels for fast moving consumer goods.

- Alliance Print Technologies Co., Ltd
- Alliance Print Technologies FZE
- Max Ease International Limited
- PT Bintang Pesona Jagat



## TRADING

The Trading Business engages in the sale of raw materials, paper products and equipment.

- New Toyo International Co (Pte) Ltd
- Fast Win Enterprise Limited
- Toyoma Non-Carbon Paper Manufacturer Sdn Bhd



## OTHERS

Others include the Corrugated Containers and the investment holding companies.

- New Toyo International Holdings Ltd
- Vina Toyo Company Ltd
- Tien Wah Press Holdings Berhad



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### YEN WEN HWA

*Executive Chairman*

### ANGELA HENG CHOR KIANG

*Group Chief Executive Officer*

### WAN TAI FOONG

*Non-Executive and Lead Independent Director*

### TAY JOO SOON

*Non-Executive and Independent Director*

### TENGGU TAN SRI DR MAHALEEL BIN

### TENGGU ARIFF

*Non-Executive and Non-Independent Director*

### PHUA TIN HOW

*Non-Executive and Independent Director*

### DAVID ONG KIM HUAT

*Non-Executive and Independent Director*

## AUDIT COMMITTEE

### WAN TAI FOONG, *Chairman*

### TENGGU TAN SRI DR MAHALEEL BIN

### TENGGU ARIFF

### TAY JOO SOON

### PHUA TIN HOW

## NOMINATING COMMITTEE

### TAY JOO SOON, *Chairman*

### WAN TAI FOONG

### PHUA TIN HOW

### DAVID ONG KIM HUAT

## REMUNERATION COMMITTEE

### PHUA TIN HOW, *Chairman*

### TAY JOO SOON

### TENGGU TAN SRI DR MAHALEEL BIN

### TENGGU ARIFF

## COMPANY SECRETARY

### LEE WEI HSIUNG, ACIS

## SHARE REGISTRAR

Tricor Barbinder Share Registration Services  
9 Raffles Place, #26-01 Republic Plaza  
Singapore 048619  
Tel: (65) 6236 3333  
Fax: (65) 6236 4399

## COMPANY REGISTRATION NUMBER

199601387D

## REGISTERED ADDRESS

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Singapore 048619  
Tel: (65) 6236 3333  
Fax: (65) 6236 4399

## BUSINESS ADDRESS

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Tel: (65) 6238 2188  
Fax: (65) 6238 1082

## AUDITOR

Ernst & Young LLP  
One Raffles Quay  
North Tower, Level 18  
Singapore 048583  
Audit Partner in charge: Hah Yanying  
(Appointed since financial year ended 31 December 2020)

## PRINCIPAL BANKERS

Bangkok Bank Public Company Limited  
DBS Bank Ltd  
Oversea-Chinese Banking Corporation Limited  
The Hongkong and Shanghai Banking Corporation Limited  
United Overseas Bank Limited

## STOCK DATA

Counter name: New Toyo  
SGX Code: N08  
Listed on 4 April 1997  
ISIN code: SG1E32850828  
Bloomberg code: Toyo SP  
Reuters code: NTYO.SI

## INVESTOR RELATIONS

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Priscilla Ng  
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Tel: (65) 6238 2173  
Company website:  
www.newtoyo.com

At New Toyo, we are deeply cognizant of our responsibility to both our stakeholders and the planet. We strive to lead in pioneering innovation in sustainable packaging solutions. Our commitment to sustainability drives us to continuously explore new opportunities and technologies that minimize environmental impact while maximizing performance and quality. By integrating sustainability into our business practices, we aim to not only meet but exceed the expectations of our customers and stakeholders while making a positive impact on the planet.

The theme of our FY2023 Annual Report is “Taking Charge On Our Sustainability Course”. The cover features wavy elements, water droplets, and leaves to symbolize our commitment to sustainability and environmental consciousness. The wavy lines represent the path towards sustainability, while the water droplets and leaves signify the preservation of natural resources and the protection of the environment. Through this design, we aim to communicate our dedication to sustainability and our journey towards a more environmentally conscious future.

New Toyo continues to make progress in reducing our environmental footprint by minimizing operational waste, conserving water, and mitigating greenhouse gas emissions. Additionally, we have advanced our sustainability journey by setting group-level targets for environmental stewardship and social governance. Having tracked our carbon performance through energy and emissions monitoring for several years, we have verified our Scope 1 and 2 greenhouse gas emissions to prepare for setting science-based targets. Additionally, we have identified key Scope 3 emission categories and commenced tracking emissions from upstream and downstream of our value chain. Continuing our assessment of climate-related risks, we conducted a qualitative scenario analysis this year to inform our business strategy with impacts from climate-related risks.

## Group Sustainability Policy

New Toyo further enhanced our sustainability governance and efforts this year through the Group Sustainability Policy, Climate Change Policy, Water Policy and Biodiversity Policy.

### Climate Change Policy

Reduce GHG emissions, transition to renewable energy sources and implement sustainable practices throughout our operations

### Water Policy

Responsible water management including efficient water use, pollution prevention and sustainable practices



### Biodiversity Policy

Safeguard biodiversity by preserving and enhancing natural habitats, promoting sustainable practices, and minimizing any adverse effects on the ecosystems we interact with

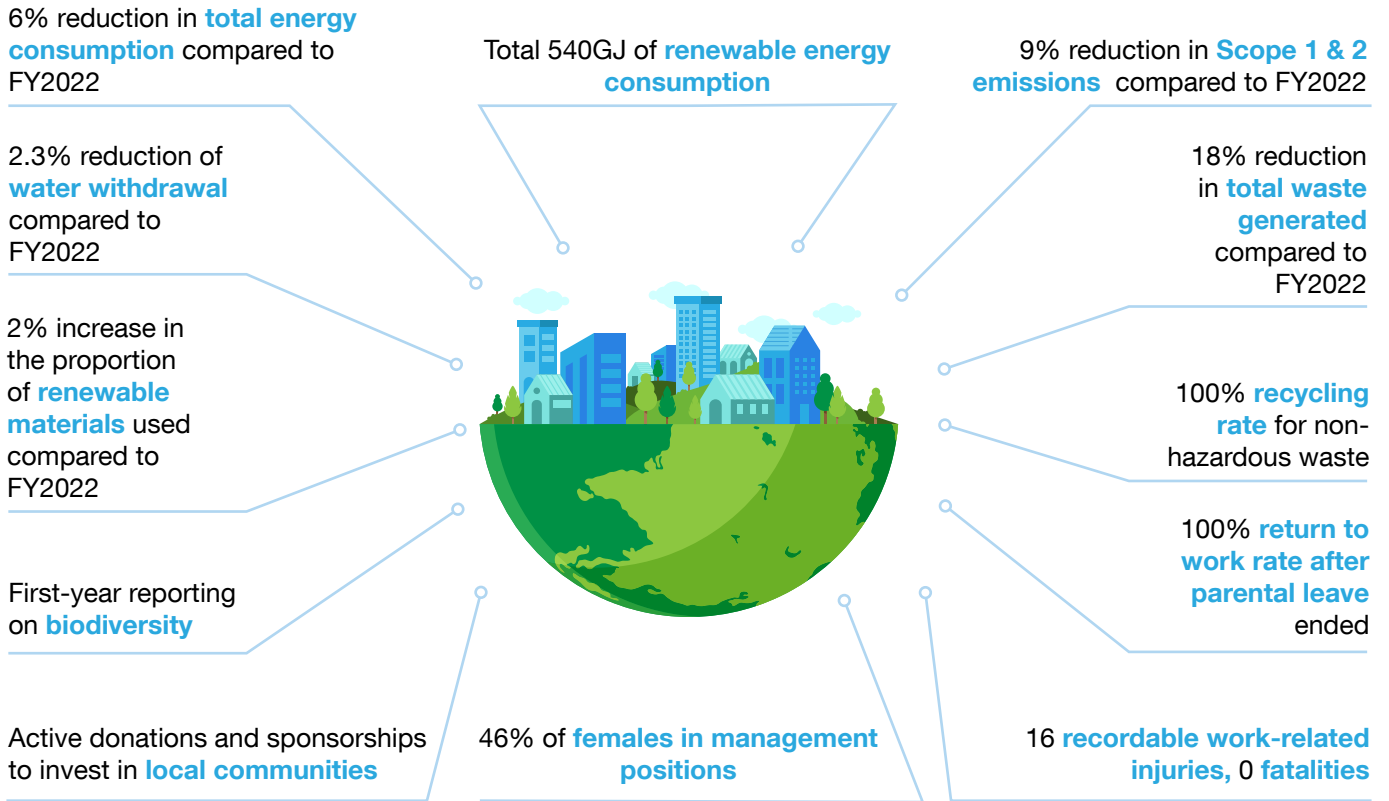
### Energy Conservation Policy

Reduce energy consumption to improve energy efficiency and energy conservation

# SUSTAINABILITY

We remain dedicated to addressing the environmental and social impact throughout our value chain, including mitigating climate change and preserving biodiversity.

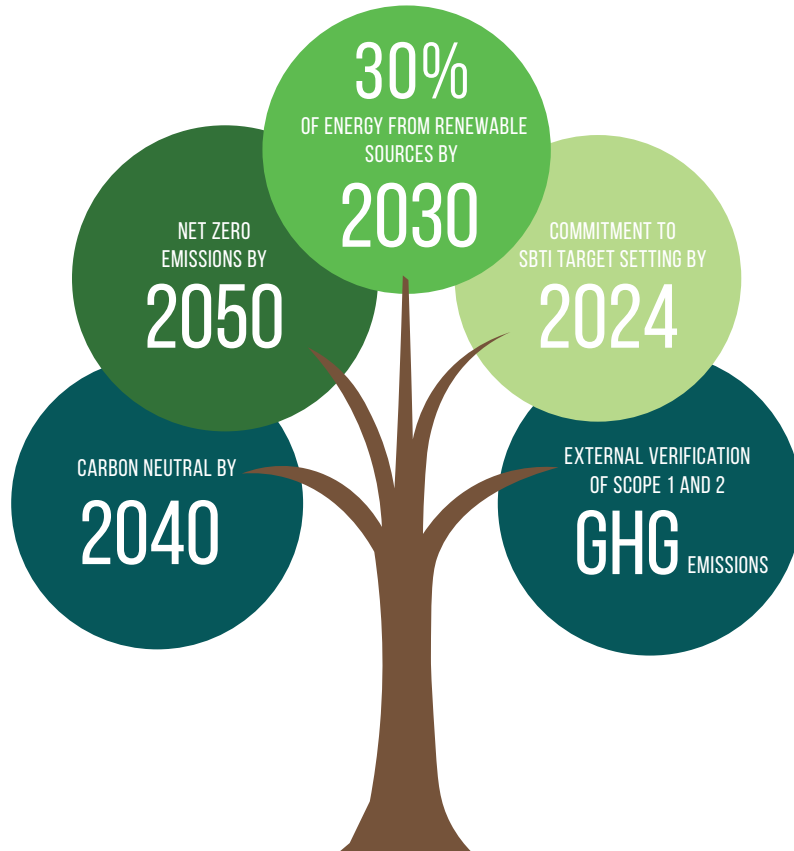
## Our Performance in FY2023<sup>1</sup>



<sup>1</sup> Covers the key business units under the Specialty Papers division, with our Printed Cartons and Labels division reported separately by our subsidiary, Tien Wah Press Holdings Berhad.

## Our Path Forward

The Group is committed to carbon neutrality by 2040 and net zero by 2050. Group-level targets for energy, waste, water, biodiversity, child labor, workplace health and safety, and diversity have also been defined.



*Details of our sustainability and climate-related risk management, performance and targets are available in our Sustainability Report for FY2023. The report will be published and available on our website, [www.newtoyo.com/investannualreport.htm](http://www.newtoyo.com/investannualreport.htm), by 30 April 2024.*

Scan the QR code for our Sustainability Report:





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# CORPORATE GOVERNANCE

New Toyo International Holdings Ltd (the “Company”, and together with its subsidiaries, the “Group”) is committed to maintaining a high standard of corporate governance.

The Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) requires all listed companies to describe in their Annual Reports their corporate governance practices with specific reference to the principles and the provisions of the Code of Corporate Governance 2018 (the “Code”).

For the financial year ended 31 December 2023 (“FY2023”), the Company has adhered to the principles and provisions as set out in the Code, save as otherwise highlighted (if any) in this report in relation to certain provisions of the Code.

## BOARD MATTERS

### The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

#### *Provision 1.1 (Conduct, ethics and culture)*

The directors of the Company (“Directors”) are fiduciaries who act objectively in the best interests of the Group and hold Management accountable for performance. The Board of Directors (“Board”) has put in place a code of conduct and ethics. It also sets the tone for the Group in respect of ethics, values and desired organisational culture, and ensures proper accountability within the Group. Any Director who faces a conflict of interest or a possible conflict of interest, in relation to a matter, must promptly declare his interest at a meeting of Directors or send a written notice to the Company containing details of his interest and the conflict and recuses himself from discussions and decisions on the matter.

#### *Provision 1.2 (Duties, induction, training and development)*

The Directors understand the Company’s business as well as their directorship duties (including their roles as executive, non-executive and independent directors). New and existing Directors are provided with induction, training and the opportunities to develop and maintain their skills and knowledge at the Company’s expense.

The Company conducts orientation programs for new Directors so that they are familiar with their duties and the Group’s structure, its business activities, strategic directions, policies and risks as well as governance practices. Such programs include briefings by Management and visits to principal subsidiaries to gain a better understanding of the Group’s operations.

Furthermore, the Directors receive training, briefing and/or updates on applicable laws, regulations and practices, accounting standards, risk management, sustainability issues as well as industry-specific knowledge, issues and risks from time to time. A new Director who has no prior experience as a director of a listed company attends specific modules of the Listed Entity Director Programme conducted by Singapore Institute of Directors (“SID”), to gain relevant knowledge of what is expected of a listed company director, which is a mandatory requirement under the Listing Rules of the SGX-ST, unless the Nominating Committee is of the view that such training is not required because the Director has other relevant experience. All the Directors completed the sustainability training course conducted by SID as required by the enhanced sustainability reporting rules announced by SGX in FY2022.

#### *Provision 1.3 (Board approval)*

The principal functions of the Board, in addition to carrying out its statutory responsibilities, are as follows:

- overseeing the formulation of and approving the Group’s overall long-term strategic objectives and directions, taking into consideration sustainability issues (eg. Environmental, social and governance factors, and sustainability-related risks and opportunities);

# CORPORATE GOVERNANCE

- overseeing and reviewing the management of the Group's business affairs, financial controls, performance and resource allocation;
- establishing a framework of prudent and effective controls to assess and manage risks and safeguard shareholders' interests and the Group's assets;
- identifying the key stakeholder groups and recognising that their perceptions affect the Company's reputation; and
- setting the Company's values and standards (including ethical standards) and ensuring that obligations to shareholders and other stakeholders are understood and met.

The Board has adopted internal guidelines governing matters that require the Board's approval and given clear directions to Management on matters that must be approved by the Board. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to Board Committees (as defined below) and Management via a structured delegation of authority matrix, which is reviewed on a regular basis and accordingly revised when necessary. Matters requiring Board approval include annual budgets, investments, divestments, major contracts, financial reporting, borrowings and the appointments of Directors and the Group Chief Executive Officer.

## *Provision 1.4 (Board committees)*

The Board has established an Audit Committee ("AC"), a Nominating Committee ("NC") and a Remuneration Committee ("RC") (collectively, the "Board Committees"). The Board Committees function within clearly defined written terms of reference setting out their compositions, authorities and duties. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions and a summary of each committee's activities, are disclosed in this Annual Report. The terms of reference are reviewed on a regular basis and accordingly revised when necessary.

## *Provision 1.5 (Board and committee meetings)*

The Board and the Board Committees meet on a regular basis and as and when necessary to address any specific significant matters that may arise. The dates for all Board and Board Committee meetings, as well as the Annual General Meeting, are scheduled well in advance each year, in consultation with the Board. The Constitution of the Company provides for telephonic and video-conferencing meetings. The Board and the Board Committees may also decide on matters by way of circular resolutions. The Directors attend and actively participate in Board and Board Committee meetings. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of the Company.

If a director is unable to attend a Board or Board Committee meeting, they will still receive all relevant papers and materials for discussion ahead of the meeting. Subsequently, the director will review these materials and provide their views and comments to the Chairman of the Board or the Board Committee. This ensures that their input is conveyed to other members during the meeting, enabling comprehensive discussion and decision-making.

Aligned with our dedication to sustainability, the Company has transitioned to distributing meeting papers and materials electronically to Directors since 2017, replacing hard-copy printouts. This initiative not only reduces paper consumption but also enhances information security through passcode-secured access.

# CORPORATE GOVERNANCE

The number of Board, Board Committee and general meetings held in FY2023 and each Director's attendances at such meetings are set out below:

	Board	AC	NC	RC	GM
Number of meetings held	4	4	2	1	1
	Number of meetings attended				
Yen Wen Hwa	4	N/A	N/A	N/A	1
Angela Heng Chor Kiang	4	N/A	N/A	N/A	1
Tengku Tan Sri Dr Mahaleel bin Tengku Ariff	4	4	N/A	1	1
Wan Tai Foong	4	4	2	1	1
Phua Tin How	4	4	2	1	1
Tay Joo Soon	4	4	2	1	1
David Ong Kim Huat	4	4	2	1	1

## Notes:

GM – general meetings of shareholders including the annual general meeting for the year

N/A – not a member

### *Provision 1.6 (Access to information)*

Management provides Directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

Directors are from time to time furnished with detailed information concerning the Group to support their decision-making process. The Board has separate and independent access to senior management and the company secretary and is informed of material events and transactions as and when they occur.

Prior to each Board meeting, members of the Board are each provided with the relevant documents and information necessary for them to comprehensively understand the issues to be deliberated upon and make informed decisions thereon. Such information includes budgets, forecasts, quarterly unaudited financial statements, related materials, facts, operational review, risk analysis, financial impact, expected outcomes, conclusions and recommendations.

As a general rule, notices are sent to the Directors at least one week in advance of Board meetings, followed by the Board papers, in order for the Directors to be adequately prepared for the meetings.

### *Provision 1.7 (Access to management, company secretary and advisers)*

The Board (whether individually or as a whole) has separate and independent access to the Management and the company secretary at all times, and may seek independent professional advice, if necessary, at the expense of the Company. The appointment and removal of the company secretary is subject to the approval of the Board. The company secretary attends all Board meetings and ensures that all Board procedures are followed. Where the company secretary is unable to attend any Board meeting, he ensures that a suitable replacement is in attendance and that proper minutes of the same are taken and kept.

## Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.



# CORPORATE GOVERNANCE

## *Provision 2.1 (“independent” director)*

The Board considers an “independent” Director to be one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director’s independent business judgement in the best interests of the Company.

## *Provision 2.2 (Independent directors make up a majority of the Board)*

As the Chairman of the Board is not independent, independent Directors make up a majority of the Board. The Board exercises independent judgment on corporate affairs and provide the Management with a diverse and objective perspective on issues.

## *Provision 2.3 (Non-executive directors make up a majority of the Board)*

Non-executive Directors make up a majority of the Board. They constructively challenge and assist in the development of business strategies and assist the Board in reviewing the performance of the Management in meeting goals and objectives and monitoring the reporting of performance.

## *Provision 2.4 (Board size and diversity)*

The Board comprises the following members, all of whom have the appropriate core competencies and diversity of experience needed to enable them to effectively contribute to the Group.

Yen Wen Hwa	Executive Chairman
Angela Heng Chor Kiang	Group Chief Executive Officer & Executive Director
Tengku Tan Sri Dr Mahaleel bin Tengku Ariff	Non-Independent Director
Wan Tai Foong	Lead Independent Director
Phua Tin How	Independent Director
Tay Joo Soon	Independent Director
David Ong Kim Huat	Independent Director

The profiles of the Directors are set out in the “Board of Directors” section of this Annual Report.

The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise, experience, balance, diversity and knowledge of the Company and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The Board as a group comprises members with core competencies in accounting and finance, human resource, business and management and strategic planning as well as industry and customer-based experience and knowledge.

The Board has examined its and its Board Committees’ size and is of the view that they are of an appropriate size, taking into account the scope and nature of the operations of the Company and the requirements of the business.

The Board and the Board Committees comprise Directors who as a group provide the appropriate balance and mix of skills, knowledge, experience and gender so as to avoid groupthink and foster constructive debate for effective decision-making. There is no individual or small group of individuals who dominates the Board’s decision-making.

The Board adopted a board diversity policy which recognises the importance of having an effective and diverse Board. The main objective of the policy is to have the appropriate balance of skills, experience, knowledge and other aspects of diversity (eg. gender, age and nationality) on the Board to support the long-term success of the Group. Under the policy, the NC is responsible for recommending to the Board the relevant practices to promote and achieve diversity on the Board. The Board is making progress on the implementation of the board diversity policy. For instance, the Board embraces gender diversity and currently has a female member.

# CORPORATE GOVERNANCE

## *Provision 2.5 (Non-executive directors meet regularly without the presence of Management)*

Where necessary or appropriate including before or after each quarterly meeting of the Board, the non-executive Directors meet without the presence of Management. The chairman of such meetings provides feedback to the Board and/or the Chairman as appropriate.

## **Chairman and Chief Executive Officer**

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

## *Provision 3.1 (The Chairman and the Chief Executive Officer are separate persons)*

The positions of Executive Chairman and Group Chief Executive Officer are held by separate individuals to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

## *Provision 3.2 (Division of responsibilities)*

There is a division of responsibilities between the Executive Chairman and the Group Chief Executive Officer.

Mr Yen Wen Hwa is the Executive Chairman and oversees the overall strategic directions and expansion plans for the growth and development of the Group. As Chairman of the Board, his responsibilities include leading the Board, promoting a culture of openness and debate at the Board, ensuring effective communication with shareholders, encouraging constructive relations between the Board and the Management, facilitating the effective contribution of the non-executive Directors and promoting high standards of corporate governance and sustainability practices. With the assistance of the company secretary, he also ensures that Board meetings are held as and when required, sets the agenda for the Board meetings and ensures the quality, quantity and timeliness of the flow of information between the Management, the Board and the shareholders.

Ms Angela Heng Chor Kiang is the Group Chief Executive Officer who executes the Company's long-term strategy and implements its long and short term plans as well as oversees the overall business and general management of the Group.

## *Provision 3.3 (Lead independent director)*

The Board has a lead independent Director to provide leadership in situations where the Executive Chairman is conflicted. The lead independent Director also provides feedback to the Executive Chairman after meetings of non-executive Directors. Mr Wan Tai Foong is the lead independent Director. He is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Executive Chairman, Group Chief Executive Officer or Chief Financial Officer is inappropriate or inadequate.

## **Board Membership**

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

## *Provision 4.1 (Terms of reference of the Nominating Committee)*

The written terms of reference of the NC include the following:

- (a) making recommendations to the Board on relevant matters relating to:
  - (i) the review of succession plans for Directors, in particular, the appointment and/or replacement of the Executive Chairman, the Group Chief Executive Officer and key management personnel;
  - (ii) the process and criteria for evaluation of the performance of the Board, the Board Committees and the Directors;

# CORPORATE GOVERNANCE

- (iii) the review of training and professional development programmes for the Board and the Directors; and
- (iv) the appointment and re-appointment of Directors (including alternate Directors, if any);
- (b) considering important issues as part of the process for the selection, appointment and re-appointment of Directors including the composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance (eg. attendance, preparedness, participation and candour) including, if applicable, as an independent Director. All Directors will be required to submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years;
- (c) determining annually, and as and when circumstances require, whether a Director (including an alternate Director) is independent, bearing in mind the circumstances set forth under the Code and any other salient factors;
- (d) assessing whether a Director is able to perform and has been adequately carrying out his duties as a director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments and where necessary recommending to the Board guidelines to address the competing time commitments that are faced when Directors serve on multiple boards;
- (e) assessing and determining the independence status of the independent Directors;
- (f) reviewing vigorously the independence status of any independent Director serving the Board beyond nine years from the date of his first appointment;
- (g) working with the Board to assess the effectiveness of the Board as a whole and the Board Committees and the contribution by each Director to the effectiveness of the Board; and
- (h) recommending to the Board how the Board's performance may be evaluated and proposing objective performance criteria.

## *Provision 4.2 (Composition of the NC)*

The NC comprises Mr Tay Joo Soon, Mr Wan Tai Foong, Mr Phua Tin How and Mr David Ong Kim Huat, all of whom are independent. The NC Chairman is Mr Tay Joo Soon. The lead independent Director, Mr Wan Tai Foong, is a member of the NC.

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

With respect to the selection and appointment of new Directors to the Board, the Company procures search services, contacts and recommendations for the purposes of identifying suitably qualified and experienced candidates. The NC reviews the resume of the candidates and considers their skills, knowledge and experience, interviews the short-listed candidates and recommends the most suitable candidate(s) to the Board for approval.

Board appointments are made by way of a board resolution after the NC has, upon reviewing the resume of the proposed Director(s), conducting appropriate interviews and having regard to the Board diversity policy, recommended the proposed appointment(s) to the Board. Pursuant to the Constitution of the Company, each Director is required to retire at least once every three years by rotation, and all newly appointed Directors who are appointed by the Board are required to retire at the next annual general meeting of the Company following their appointment. The retiring Directors are eligible to offer themselves for re-election.

# CORPORATE GOVERNANCE

The dates of initial appointment and last re-election of the Directors, together with their directorships in other listed companies and their principal commitments, are set out below:

Director	Position	Date of Initial Appointment	Date of Last Re-election	Directorships in other listed companies	Other Principal Commitments
Yen Wen Hwa	Executive Chairman	28 February 1996 <sup>(1)</sup>	28 April 2022	Tien Wah Press Holdings Berhad	Director of New Toyo Pulppy (Vietnam) Co. Ltd
Angela Heng Chor Kiang	Group Chief Executive Officer	27 March 2014	28 May 2021	Tien Wah Press Holdings Berhad	Nil
Tengku Tan Sri Dr Mahaleel bin Tengku Ariff	Non-Independent Director	1 March 2007	28 April 2022	Nil	Pro Chancellor of University Utara Malaysia
Wan Tai Foong	Lead Independent Director	1 August 2019	27 April 2023	Nil	Chief Executive Officer of Qi Capital Pte. Ltd.
Phua Tin How	Independent Director	27 February 2020	27 April 2023	Nil	Director of Beijing Yinjian Industry Co. Ltd  Director of Hao Hua Holdings Pte. Ltd.  Director of TranSil Corporation Pte. Ltd.
Tay Joo Soon	Independent Director	1 February 2002 <sup>(2)</sup>	28 April 2022	Nil	Director of Asiaco (Private) Limited  Director of Joyean Investments Private Limited  Sole proprietor of Tay Joo Soon & Co
David Ong Kim Huat	Independent Director	1 January 2022	28 April 2022	Ellipsiz Ltd Hiap Seng Industries Limited	Managing Director of Reddot Media Inc. Pte Ltd

## Notes:

- (1) Mr Yen Wen Hwa was first appointed a Director on 28 February 1996, retired on 30 September 2011 and rejoined the Board on 1 September 2016.
- (2) Mr Tay Joo Soon was first appointed a Director on 1 February 2002, retired on 26 April 2012 and rejoined the Board on 16 July 2021.

Key information regarding the Directors, including their shareholdings in the Company, is set out in the “Board of Directors” section and “Directors’ Statement” section of this Annual Report.

The NC, in determining whether to recommend a Director for re-appointment, would have regard to the Director’s performance and contribution to the Group and whether the Director has adequately carried out his or her duties as a director.

The NC has nominated Ms Angela Heng Chor Kiang, Mr David Ong Kim Huat and Mr Tay Joo Soon, who will retire by rotation at the forthcoming Annual General Meeting, for re-election by the Company’s shareholders.

# CORPORATE GOVERNANCE

## *Provision 4.4 (Determining the independence of a Director)*

The Board comprises seven Directors, of whom four are independent, namely, Mr Wan Tai Foong, Mr Phua Tin How, Mr Tay Joo Soon and Mr David Ong Kim Huat.

The Directors are required to disclose to the Board their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence. If the Board, having taken into account the views of the NC, determines that such Directors are independent notwithstanding the existence of such relationships, the Company will disclose the relationships and its reasons in the Annual Report.

The independence of each Director is reviewed annually by the NC. Each independent Director is required to complete a checklist annually to confirm his independence based on the guidelines as set out in the Code. Having carried out its review, the NC is of the view that Mr Wan Tai Foong, Mr Phua Tin How, Mr Tay Joo Soon and Mr David Ong Kim Huat have satisfied the criteria for independence.

Our independent Director, Mr Tay Joo Soon, first joined the Board on 1 February 2002, retired on 26 April 2012 and rejoined the Board on 16 July 2021. In aggregate, Mr Tay Joon Soon has served on the Board beyond nine years from the date of his first appointment. Rigorous review has been carried out by the Board to assess the independence status of Mr Tay Joo Soon. After due consideration and with the concurrence of the NC, the Board was of the view that Mr Tay Joo Soon has demonstrated strong independence in character and judgement through the many discussions the Board has over matters and issues concerning the Group in both formal and informal settings. He has expressed constructive viewpoints, objectively raised issues and demonstrated independent mindedness in conduct at Board and/or committee meetings. His length of service has not interfered with his exercise of independent judgement.

Taking to account the above, the Board has affirmed his independence status and resolved that Mr Tay Joo Soon continues to be considered an independent director, notwithstanding he has served on the Board beyond nine years from the date of his first appointment.

Nonetheless, in compliance with the amended Listing Rule 210(5)(d)(iv), which imposed a hard tenure limit for independent directors of nine years, beyond which such directors will no longer be considered independent. Mr Tay Joo Soon, who is due for re-election as a Director at the upcoming AGM, will, upon re-election as a Director of the Company, be re-designated as a Non-Executive Non-Independent Director as of and from 26 April 2024.

Following that, the Company will not meet the requirement for independent Directors make up a majority of the Board. The Company is actively in search for new independent Directors to work towards achieving a Board where independent directors make up majority of the Directors and will update Shareholders in due course.

## *Provision 4.5 (Duties and obligations of the Directors)*

The NC ensures that new Directors are aware of their duties and obligations. The NC also decides if a Director is able to and has been adequately carrying out his or her duties as a director of the Company taking into consideration the Director's number of listed company board representations and other principal commitments. Such other listed company directorships and principal commitments of each Director are disclosed in the table under Provision 4.3 above.

The NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company, notwithstanding other listed company directorships and/or principal commitments of some Directors.

## **Board Performance**

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

# CORPORATE GOVERNANCE

## *Provision 5.1 (Performance criteria)*

The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Board Chairman and each individual Director to the Board.

## *Provision 5.2 (Assessment process)*

A formal assessment process is in place to assess the effectiveness of the Board, the Board Committees and each Director annually. To-date, the Board does not require the assistance of an external facilitator in relation to the assessment process.

In carrying out the assessment, each Director completes assessment checklists which contain objective performance criteria and factors such as the compositions and effectiveness of the Board and the Board Committees, conduct of meetings, corporate strategy and planning, risk management and internal control, recruitment and evaluation, compensation, financial reporting, communication with shareholders and a Director's skills, knowledge, experience and contributions. Assessment results are analysed and key areas for improvement and follow-up actions are highlighted and discussed at the Board meeting.

## **REMUNERATION MATTERS**

### **Procedures for Developing Remuneration Policies**

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

## *Provision 6.1 (Terms of reference of the Remuneration Committee)*

The RC has specific terms of reference and its duties, roles and authority include:

- (a) reviewing and recommending to the Board a framework of remuneration for the Board and key management personnel;
- (b) reviewing and recommending to the Board the specific remuneration packages for each Director as well as for the key management personnel;
- (c) reviewing the obligations of the Company or its relevant subsidiary in the event of termination or cessation of the Executive Directors' or key management personnel's contracts of service including severance payments, retirement payments, gratuities and ex-gratia payments; and
- (d) considering, evaluating and, if appropriate, recommending to the Board long-term incentive schemes for Directors and key management personnel.

## *Provision 6.2 (Composition of the RC)*

The RC comprises Mr Phua Tin How, Mr Tay Joo Soon and Tengku Tan Sri Dr Mahaleel bin Tengku Ariff, all of whom are non-executive and the majority, including the RC Chairman, are independent. The RC Chairman is Mr Phua Tin How.

## *Provision 6.3 (Remuneration terms)*

The RC considers all aspects of remuneration including but not limited to director fees, salaries, allowances, bonuses, options, benefits-in-kind and termination terms to ensure they are fair.

# CORPORATE GOVERNANCE

## *Provision 6.4 (Remuneration consultants)*

The members of the RC are familiar with executive compensation matters as they manage their own businesses and/or are holding other directorships, and therefore do not currently need the assistance of an external expert. Nonetheless, the RC has access to appropriate external expert advice in the field of executive compensation, if required. The RC's recommendations are submitted to the Board for endorsement. No Director is involved in deciding his own remuneration.

## **Level and Mix of Remuneration**

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

## *Provision 7.1 (Performance-related remuneration)*

A significant and appropriate proportion of the Executive Directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term sustainability of the Company.

In setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors and key management personnel.

Remuneration for the Executive Directors and key management personnel includes a basic salary component, allowances together with other benefits in kind and a variable component based on the performance of the Group as a whole.

## *Provision 7.2 (Non-executive Directors)*

Non-executive Directors receive director fees for their effort and time spent, responsibilities and contributions to the Board, subject to shareholders' approval at annual general meetings. Given the size and operations of the Group, the RC considers the current fees adequately compensate the non-executive Directors, without over-compensating them as to compromise their independence. No director is involved in deciding his/her own remuneration.

## *Provision 7.3 (Attract, retain and motivate)*

The Company has remuneration plans to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term. In formulating the compensation structure, the Company endeavors to maintain transparency, competitiveness, relevance, and appropriateness, while finding a balance between short-term and long-term objectives, so as to attract, retain and motivate talents without being excessive, and maximizing value for our shareholders.

## **Disclosure on Remuneration**

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

## *Provision 8.1 (Policy, criteria and breakdown)*

Having regard to the nature of the business, structure and requirement of the Group, the Company has established a performance-based remuneration system for Executive Directors and key management personnel that is flexible and responsive to the market, comprising a base salary, other fixed allowances, together with benefits in kind, as well as a performance bonus which is based on the Group's performance and the individual's performance.

# CORPORATE GOVERNANCE

The level and mix of remuneration paid or payable to the Directors and key management personnel for FY2023 are set out below:

Directors	Salary <sup>(a)</sup> S\$	Bonus <sup>(b)</sup> S\$	Director Fee S\$	Other Benefits S\$	Total S\$
<b>Executive Chairman</b> Yen Wen Hwa	485,492	210,427	107,129 <sup>(c)</sup>	1,177	804,225
<b>Group Chief Executive Officer and Executive Director</b> Angela Heng Chor Kiang	310,356	89,655	Nil	115,953	515,964
<b>Non-Independent Director</b> Tengku Tan Sri Dr Mahaleel bin Tengku Ariff	Nil	Nil	70,000	Nil	70,000
<b>Lead Independent Director</b> Wan Tai Foong	Nil	Nil	80,000	Nil	80,000
<b>Independent Director</b> Phua Tin How	Nil	Nil	75,000	Nil	75,000
<b>Independent Director</b> Tay Joo Soon	Nil	Nil	75,000	Nil	75,000
<b>Independent Director</b> David Ong Kim Huat	Nil	Nil	50,000	Nil	50,000

**Notes:**

- (a) inclusive of Annual Wage Supplement (AWS) and contributions to the Central Provident Fund.
- (b) inclusive of variable bonus and contributions to the Central Provident Fund.
- (c) received from both Tien Wah Holdings Berhad and a subsidiary.

Key Management Personnel (in remuneration bands)	Salary <sup>(a)</sup> %	Bonus <sup>(b)</sup> %	Director Fee %	Other Benefits %	Total %
S\$500,001 to S\$750,000 George Lee Chee Whye	100%	Nil	Nil	Nil	100%
S\$250,001 to S\$500,000 Lionel Yap Chee Cheong	67%	24%	1% <sup>(c)</sup>	8%	100%
S\$250,001 to S\$500,000 Gavin Ong Yew Dee	94%	6%	Nil	Nil	100%
S\$0 to S\$250,000 Priscilla Ng Kar Choo	86%	11%	Nil	3%	100%
S\$0 to S\$250,000 Leong Wai Ming <sup>(d)</sup>	94%	6%	Nil	Nil	100%

**Notes:**

- (a) inclusive of Annual Wage Supplement (AWS) and contributions to applicable provident funds.
- (b) Inclusive of variable bonus and contributions to applicable provident funds.
- (c) received from a subsidiary.
- (d) left the Company on 2 February 2024.

The aggregate total remuneration (including CPF contributions and bonuses) paid to the top five key management personnel of the Group (who are not Directors or the Chief Executive Officer) for FY2023 amounted to approximately S\$1,676,000.



# CORPORATE GOVERNANCE

The Board is of the view that full disclosure of the specific remuneration of key management personnel (who are not Directors or the Group Chief Executive Officer) is not in the best interests of the Company, taking into account the sensitive nature of the subject, the competitive business environment the Group operates in and the potential negative impact such disclosure will have on the Group.

## *Provision 8.2 (Related employees)*

Save as disclosed above and below, there was no employee in the Group who was a substantial shareholder of the Company or an immediate family member of a Director, the Chief Executive Officer or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 during FY2023:

Remuneration Band	Employee	Relationship
S\$150,001 to S\$250,000	Mdm Lu Le Nhi (Executive Director of a subsidiary)	Mdm Lu Le Nhi is the wife of Mr Yen Wen Hwa (Executive Chairman)

## *Provision 8.3 (Forms of remuneration)*

During FY2023, the Group paid basic salaries, allowances, CPF contributions and performance/variable bonuses to the Executive Chairman, Group Chief Executive Officer and key management personnel. The remuneration packages of the Executive Chairman, Group Chief Executive Officer and the Heads of Business Divisions included performance bonuses tied to the achievement of their respective key performance indicators and personal management objectives. The foregoing performance conditions were chosen having regard to the nature of the business, structure and requirements of the Group.

Notwithstanding Provision 8.3 of the Code, the Company does not currently have any employee share scheme as the existing compensation structure with variable components paid out in cash continues to be effective in incentivising performances of key executives. The Company is of the view that the existing compensation structure is consistent with the intent of Principle 8 of the Code which includes linking key management personnel's remuneration to corporate and individual performance.

## **ACCOUNTABILITY AND AUDIT**

### **Risk Management and Internal Controls**

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

#### *Provision 9.1 (Risk Committee)*

The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Board has delegated such tasks to the AC.

The Board and the AC recognise that they have overall responsibility to ensure proper financial reporting for the Group and adequacy and effectiveness of the Group's system of internal controls, including financial, operational, compliance, information technology and sanctions-related controls, sustainability and risk management policies and systems. With regard to sanctions-related risks, the Board and the AC are responsible for (a) monitoring the Company's risk of becoming subject to, or violating, any sanctions-related law or regulation; and (b) ensuring timely and accurate disclosures to SGX-ST and other relevant authorities. The Board confirms that there has been no material change in its risk of being subject to any sanctions-related law or regulation as at the date of this Annual Report, and if there is any material change this would be immediately announced on SGXNET.

# CORPORATE GOVERNANCE

Climate-related risks have been an area of concern that has the potential impact to the Group's business. There are growing expectations from the customers for greener and climate-resilience services. The Group Sustainability Policy embodies our commitment to minimizing the environmental footprint of our business operations by integrating sustainability and ecological awareness into our business practices, processes, and operations. More proactive measures and environmental practices are under way to ensure compliance with specific requirements in line with the new mandate by the SGX-ST to disclose climate-related risks and opportunities. More details can be found in the Sustainability Report which will be released by 30 April 2024.

The board of directors of Tien Wah Press Holdings Berhad ("TWPH"), the Company's listed subsidiary in Malaysia, is responsible for the oversight of TWPH group's internal controls and risk management systems and the Board relies on the Company's nominees to the board of directors of TWPH to provide oversight together with the other board members of TWPH on the adoption and implementation of appropriate corporate governance practices, internal controls, sustainability and risk management systems.

In 2012, the Group developed the risk identification and management framework with the assistance of a reputable business advisory firm. From 2013, a Group Risk Committee ("GRC"), comprising key management personnel, reviews the consolidated risk registers quarterly. The GRC is responsible for directing and monitoring the development, implementation as well as the practice of Enterprise Risk Management across the Group. The GRC reports the material risks and the countermeasures in place to mitigate those risks, through the Group Chief Executive Officer and the Chief Financial Officer, to the AC for review every half-yearly.

The internal controls structure of the Group has been designed and put in place to ensure the Group's business units provide reasonable assurance against material financial misstatements or losses and for the safeguarding of assets, the maintenance of proper accounting records, the provision of financial and other information with integrity, reliability and relevance, and the compliance with applicable laws and regulations. However, no internal controls system can provide absolute assurance in view of inherent limitations of any internal controls system against the occurrence of human and system errors, poor judgment in decision making, losses, fraud or other irregularities.

The internal and external auditors conduct audits that involve assessing the adequacy and effectiveness of the material internal controls system in the Group. Any material non-compliance or lapses in internal controls together with corrective measures recommended by the internal and external auditors are reported to the AC. The effectiveness of the measures taken by management in response to the recommendations made by the internal and external auditors is also reviewed by the AC.

Based on the work performed by the internal auditors during the financial year, as well as the statutory audit by the external auditors, and the written assurance from management, the Board, with the concurrence of the AC, is of the opinion that the internal controls (including financial, operational, compliance, information technology and sanctions-related controls) and sustainability and risk management systems which the Company considers relevant and material within the current scope of the Group's business operations were adequate and effective as at 31 December 2023.

The Board notes that no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, fraud or other irregularities. The Board will continue its risk assessment process, which is an on-going process, with a view to improving the Group's internal controls and risk management systems.

## *Provision 9.2 (Assurance)*

The Board has received assurance from:

- (a) the Group Chief Executive Officer and the Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) the Group Chief Executive Officer and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

# CORPORATE GOVERNANCE

## Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

### *Provision 10.1 (Duties)*

The AC has specific terms of reference and its duties, roles and authority include:

- (a) reviewing the audit plans of the external auditors, their evaluation of the system of internal accounting controls and their audit report;
- (b) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance including the half-yearly and annual financial statements, before submission to the Board;
- (c) reviewing the assistance given by the Company's officers to the external auditors;
- (d) reviewing the scope and results of internal audit procedures and the effectiveness of the Company's internal audit function;
- (e) ensuring that a review of the effectiveness of the Company's internal controls is conducted annually by the internal and/or external auditors;
- (f) reviewing with the internal and external auditors their findings on their evaluation of the Company's system of internal controls;
- (g) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance, information technology and sanctions-related controls;
- (h) assessing whether there is a need to obtain independent legal advice or appoint a compliance adviser in relation to the sanctions-related risks applicable to the Company and continuous monitoring of the validity of the information provided to shareholders and SGX-ST;
- (i) reviewing the effectiveness of the Group's risk management framework and systems including its overall risk strategy and risk identification, assessment and management processes;
- (j) reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position;
- (k) reviewing the cost effectiveness, independence and objectivity of the external auditors, taking into consideration any non-audit services provided to the Company;
- (l) nominating the appointment or re-appointment of the external auditors and approving the remuneration and terms of engagement of the external auditors;
- (m) reviewing interested person transactions falling within the scope of the SGX-ST Listing Manual;
- (n) meeting with external auditors and internal auditors, in each case without the presence of management, at least annually; and
- (o) reviewing material sustainability topics, climate-related risks and opportunities together with business plans, strategy and directions, as well as monitoring implementation, target and performance.

# CORPORATE GOVERNANCE

## Whistleblowing Policy

The Company has put in place a whistleblowing policy which sets out the procedures for employees and external parties to raise concerns or make a report on misconduct or wrongdoing relating to any entity in the Group or any of its officers and provisions for keeping the identity of the whistleblower confidential and protection of the whistleblower from reprisal as well as arrangements for independent investigations of such concerns or reports and for appropriate follow up actions to be taken. The existence of such policy has been communicated to the employees.

The policy establishes a confidential line of communication to report concerns about possible improprieties to the AC Chairman and ensures the independent investigation and follow-up of reports made in good faith. The contact details of the AC Chairman have been made available to employees in the Group. The Company will treat all information received confidentially and protect the identity of whistleblowers. Moreover, the Company is committed to ensuring protection of whistleblowers who have acted in good faith against reprisal and detrimental or unfair treatment.

The AC is responsible for the overall oversight and monitoring of the whistleblowing policy and its implementation. In particular, the AC reviews the whistleblowing policy from time to time and also reviews and considers all whistleblowing complaints to ensure independent, thorough investigation and appropriate follow-up actions. The outcome of each investigation is reported to the AC.

In addition, the AC has authority to investigate any matter within its scope of duties and functions, full access to and co-operation by the management of the Company, full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its duties and functions properly.

The activities carried out by the AC during the financial year include reviewing quarterly and full year financial statements, reviewing interested and related party transactions, reviewing internal audit plan and reports, reviewing reports of the Group Risk Committee and reviewing the re-appointment of the external auditors and their fees. The AC also meets with the external and internal auditors without the presence of management on an annual basis.

During the financial year, the AC reviewed the financial statements of the Group before the announcement of the Group's half-year and full-year results. In the process, the AC reviewed the key areas of Management's estimates and judgement applied for key financial issues including revenue recognition, impairment testing, provisioning policies, critical accounting policies and any other significant matters that might affect the integrity of the financial statements. The AC also considered the report from the external auditors, including their findings on the significant risks and audit focus areas. Significant matters that were discussed with Management and the external auditors have been included as Key Audit Matters ("KAMs") in the audit report for the financial year ended 31 December 2023. Please refer to pages 41 to 44 of this Annual Report.

In assessing each of the KAMs, the AC took into consideration the approach and methodology applied in the valuation of assets, as well as the reasonableness of the estimates and key assumptions used. In addition to the views from the external auditors, subject matter experts, such as independent valuers, were consulted where necessary. The AC concluded that Management's accounting treatment and estimates in each of the KAMs were appropriate.

The AC keeps abreast of changes to accounting standards and issues which have a direct impact on financial statements by receiving updates from the external auditors and seeking advice and clarifications from them during quarterly meetings and when necessary.

The fees payable to the external auditors are set out on page 74 of this Annual Report. The AC has reviewed the nature and extent of non-audit services provided by external auditors to the Group during the financial year and is satisfied that the nature and extent of such services are not likely to prejudice the independence of the external auditors.

The Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual in relation to its external auditors.

# CORPORATE GOVERNANCE

## *Provision 10.2 (Composition of the AC)*

The AC comprises Mr Wan Tai Foong, as Chairman, and Mr Phua Tin How, Tengku Tan Sri Dr Mahaleel bin Tengku Ariff and Mr Tay Joo Soon, as members. All the members are non-executive and the majority, including the AC Chairman, are independent. The members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

## *Provision 10.3 (No interest in auditing firm)*

The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

## *Provision 10.4 (Internal audit)*

The role of the internal audit is to assist the AC in ensuring that the controls are effective and functioning as intended, to undertake investigations as directed by the AC and to conduct regular in-depth audits of high-risk areas.

The internal audit function is outsourced to an external professional firm, Baker Tilly Consultancy (Singapore) Pte Ltd, who is a member of the Institute of Internal Auditors Singapore and staffed with persons with the relevant qualifications and experience, to perform the review and testing of internal controls of the Group's processes per the International Professional Practices Framework issued by the Institute of Internal Auditors. The AC approves the appointment, removal, evaluation and compensation of the internal auditors. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including access to the AC. The internal audit function has appropriate standing within the Company.

The internal auditors report directly to the AC Chairman. The AC reviews and approves the annual internal audit plans, and reviews the scope and results of the internal audit performed by the internal auditors. The AC reviews the adequacy and effectiveness of the internal audit function annually. The AC is satisfied that the internal audit function is adequately resourced and that the internal auditors are independent and have the appropriate standing to perform their functions effectively. Based on its latest review, the AC is satisfied that the internal audit function then in place is adequate and effective bearing in mind that improvement to such function is an on-going process taking into account the prevailing scope of the Group's operations and business environment.

With regard to the Printed Cartons & Labels Business, the board of directors of TWPH (the Company's listed subsidiary in Malaysia) has established an internal audit function within the company, which is led by both the in-house internal audit department and a reputable business advisory firm (co-sourced internal audit), who report directly to the audit committee of TWPH.

## *Provision 10.5 (Meeting without presence of Management)*

On an annual basis, the AC meets with the external auditors and the internal auditors without the presence of Management, enabling the auditors to raise any issues in the course of their work directly to the AC.

## **SHAREHOLDER RIGHTS AND ENGAGEMENT**

### **Shareholder Rights and Conduct of General Meetings**

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

# CORPORATE GOVERNANCE

## *Provision 11.1 (Shareholder participation)*

Shareholders are informed of general meetings through notices published in the newspapers, through reports or circulars sent to all shareholders and via SGXNET.

The Company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

The Constitution of the Company allows shareholders to vote at general meetings in person or by proxy and equal effect is given to such votes. A shareholder may appoint up to two proxies to attend and vote at general meetings. A shareholder who is a relevant intermediary (as defined in the Companies Act) may appoint more than two proxies but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder.

The Company conducts electronic poll voting for all its resolutions. Through the service provider's poll voting system, the number of votes cast for and against each resolution and the respective percentages are tallied and displayed on the screen during the general meetings. An independent scrutineer firm would be present to validate the votes at the general meetings. The detailed results of the electronic poll voting on each resolution tabled at the general meetings, including the total number of votes cast for or against each resolution, would be announced after the general meetings via SGXNET.

## *Provision 11.2 (Separate resolutions)*

The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

## *Provision 11.3 (Director attendance)*

All Directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed on page 21 of this Annual Report.

## *Provision 11.4 (Absentia voting)*

The Company will propose amendment to its Constitution to provide for absentia voting at general meetings at the next round of amendment of its Constitution or when it is ready to implement such form of voting. Merely amending the Constitution to provide for absentia voting will not cause the Company to be ready to implement such form of voting. Prior to such implementation, the Company will need to address issues concerning authentication of shareholder identity and other related security as well as integrity of the information provided. The Company is of the view that such approach is consistent with the intent of Principle 11 of the Code which is to treat all shareholders fairly and equitably in order to enable them to inter alia exercise shareholders' rights.

## *Provision 11.5 (Minutes)*

The Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

## *Provision 11.6 (Dividend Policy)*

The Board has adopted a dividend policy that aims to provide shareholders with an aggregate annual dividend of up to 50% of the Group's net profit attributable to shareholders of the Company excluding non-controlling interests and non-recurring, one-off and exceptional items (or such higher amount as may be proposed by the Board), with effect from the financial year ended 31 December 2019. In recommending any amount of dividends, the Board may take into account the Group's cash flow position and financial condition, current and projected financial performance, capital expenditure and other investment plans, business prospects, projected working capital requirements for business growth and other relevant factors as the Board may deem appropriate.

# CORPORATE GOVERNANCE

The Board has proposed a final tax-exempt (1-tier) dividend of 1.0 Singapore cent per ordinary share for the financial year ended 31 December 2023. This is subject to shareholders' approval at the forthcoming AGM.

## **Engagement with Shareholders**

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

### *Provision 12.1 (Communication)*

The Company provides avenues for communication between the Board and all shareholders. To solicit and understand the views of shareholders, the Company seeks to maintain regular dialogue with its shareholders by allowing them to share with Directors or senior management from time to time their views and concerns.

### *Provision 12.2 (Investor relations policy)*

The Company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

The Company strives for timeliness and consistency in its disclosures to shareholders. It is the Company's policy to keep all shareholders informed of developments or changes that are likely to have a material impact on the price or value of the Company's securities, through announcements via SGXNET. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not practicable.

### *Provision 12.3 (Mechanism)*

The Company's investor relations policy sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions. As part of the policy, the Company regularly conveys pertinent information, gathers views or input, and addresses shareholders' concerns. In this regard, the Company provides timely information, including disclosure on corporate developments, to its shareholders via SGXNET announcements and its website and ensures that price-sensitive information is publicly released and is announced within the mandatory period. The Company does not practise selective disclosure. The views of shareholders are gathered at shareholder meetings where shareholders are permitted to ask questions and seek a better understanding of the Group.

## **MANAGING STAKEHOLDERS RELATIONSHIPS**

### **Engagement with Stakeholders**

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

### *Provision 13.1 (Engagement with stakeholders)*

The Company identifies its investors, customers, suppliers, employees and regulators as material stakeholders who may materially impact or be directly impacted by the Group's activities. Therefore, the Company has arrangements in place to engage with these material stakeholders and manage its relationships with them.

Stakeholder relations are managed by various departments at the corporate level. Engagement includes regular meetings with and feedback from customers and suppliers as well as regular management meetings and employee feedback.

# CORPORATE GOVERNANCE

## *Provision 13.2 (Strategy and key areas of focus)*

The Company's strategy and key areas of focus in relation to the management of stakeholder relationships during FY2023 were as follows:

- providing investors with relevant information about the Company and its activities and seeking their views on the Company's financial performance and activities;
- interacting with customers and suppliers regularly to better understand each other's concerns and needs and working with them to address these concerns and needs;
- communicating with the Group's employees in various ways to ensure that the Company knows their concerns and that they are aligned with the Company's strategies; and
- providing feedback to and complying with the regulations and policies of regulators.

## *Provision 13.3 (Website)*

The Company currently maintains a corporate website at [www.newtoyo.com](http://www.newtoyo.com) to communicate and engage with stakeholders.



# DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of New Toyo International Holdings Ltd (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position of the Company for the financial year ended 31 December 2023.

## Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## Directors

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

Yen Wen Hwa  
Angela Heng Chor Kiang  
Wan Tai Foong  
Tay Joo Soon  
Tengku Tan Sri Dr Mahaleel bin Tengku Ariff  
Phua Tin How  
Ong Kim Huat

## Arrangements to enable directors to acquire shares and debentures

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

# DIRECTORS' STATEMENT

## Directors' interests in shares or debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
<b>The Company</b>				
<b>Ordinary shares</b>				
Yen Wen Hwa	139,959,164	139,959,164	87,910,517	87,910,517
Angela Heng Chor Kiang	500,000	500,000	–	–
Tay Joo Soon	190,004	190,004	30,000	30,000

By virtue of Section 7 of the Act, Yen Wen Hwa is deemed to have an interest in shares of all the subsidiaries to the extent held by the Company.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2024.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

## Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries at the end of the financial year.

# DIRECTORS' STATEMENT

## **Audit Committee ("AC")**

The members of the AC at the date of this statement are as follows:

Wan Tai Foong (Chairman)  
Tay Joo Soon  
Tengku Tan Sri Dr Mahaleel bin Tengku Ariff  
Phua Tin How

Majority of the AC members are independent non-executive directors.

The AC carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act 1967, the SGX listing manual and the Singapore Code of Corporate Governance 2018.

The AC held four (4) meetings during the financial year. In performing its functions, the AC had met with the Company's internal and external auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The AC also reviewed the following:

- Assistance provided by the Company's officers to the internal and external auditors;
- Half-yearly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- Interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The AC has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The AC also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

Further details regarding the AC are disclosed in the Corporate Governance Report in the Company's Annual Report 2023.

## **Auditor**

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

Yen Wen Hwa  
Director

Angela Heng Chor Kiang  
Director

4 April 2024

# INDEPENDENT AUDITOR'S REPORT

For The Financial Year Ended 31 December 2023

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of New Toyo International Holdings Ltd (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

### Basis for opinion

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

### Key audit matters

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

We have fulfilled our responsibilities described in the *Auditor's responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

### ***Impairment assessment of goodwill, intangible assets, property, plant and equipment and right-of-use assets***

As at 31 December 2023, the Group has net carrying value of goodwill, intangible assets, property, plant and equipment ("PPE") and right-of-use assets ("ROUA") amounting to \$22.1 million, \$0.5 million, \$70.9 million and \$9.3 million respectively. The assets are allocated to the respective cash-generating unit ("CGU"). Goodwill is tested for impairment annually by estimating the recoverable amounts of the CGU using the value-in-use model. For intangible assets, PPE and ROUA, management has assessed that there were indicators of impairment and similarly, management applied the value-in-use (discounted cash flow method) to determine the recoverable amounts of the respective CGUs. For PPE and ROUA of two separate CGUs with indicator of impairment, management also engaged external valuers to perform valuations of the leasehold properties within the CGUs.

We considered the audit of management's impairment assessment to be a key audit matter because the assessment process involves management exercising significant judgement and making assumptions of future market and economic conditions.

We evaluated the appropriateness of CGU identified by management based on our knowledge of the business acquisition giving rise to the goodwill and our understanding of the current business of the Group.

# INDEPENDENT AUDITOR'S REPORT

For The Financial Year Ended 31 December 2023

## Key audit matters (cont'd)

### *Impairment assessment of goodwill, intangible assets, property, plant and equipment and right-of-use assets (cont'd)*

For impairment assessments using valuation performed by external valuers, we performed the following procedures:

- We considered the objectivity, independence and competency of the external valuers and the scope of their engagement;
- We assessed the appropriateness of methodology applied by the external valuers;
- We assessed the reasonableness of the key assumptions and information used in the valuation, such as discount rates, annual growth rates and terminal growth rates by comparing them to available external industry data, taking into consideration market conditions prevailing at the reporting date; and
- We have also obtained the value-in-use model and performed procedures detailed below to determine the recoverable amount, being the higher of its fair value less cost of disposal and its value in use.

For the impairment assessment using the value-in-use model, we performed the following procedures:

- We assessed management's process of setting budgets on which the cash flow forecasts are based;
- We assessed the reasonableness of key assumptions used in cash flow projections by comparing them against historical performance, future business plans and external market reports;
- We independently derived applicable discount rates from comparable companies and compared these with those used by management; and
- We also performed sensitivity analysis, focusing on plausible changes in the key assumptions or discount rates, and analysed the impact to the carrying amount.

We involved our internal valuation specialists in performing some of these procedures. We also reviewed the adequacy of the disclosures made on the goodwill, intangible assets, PPE and ROUA in Notes 11, 12 and 25 to the financial statements.

## Other Information

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

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

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

## Responsibilities of management and directors for the financial statements

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

# INDEPENDENT AUDITOR'S REPORT

For The Financial Year Ended 31 December 2023

## Responsibilities of management and directors for the financial statements (cont'd)

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

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

## Auditor's responsibilities for the audit of the financial statements

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

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

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

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

# INDEPENDENT AUDITOR'S REPORT

For The Financial Year Ended 31 December 2023

## **Auditor's responsibilities for the audit of the financial statements (cont'd)**

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

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

## **Report on other legal and regulatory requirements**

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

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

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore

4 April 2024

# CONSOLIDATED INCOME STATEMENT

For The Financial Year Ended 31 December 2023

		Group	
	Note	2023 \$'000	2022 \$'000
Revenue	4	306,397	285,735
Cost of sales		(271,507)	(249,130)
<b>Gross profit</b>		<u>34,890</u>	<u>36,605</u>
Other income	5	7,640	8,053
Distribution expenses		(5,057)	(9,969)
Administrative expenses		(18,284)	(17,691)
Other operating expenses	6	(1,171)	(5,021)
<b>Results from operating activities</b>		<u>18,018</u>	<u>11,977</u>
Finance income	7	514	229
Finance costs	7	(831)	(1,175)
<b>Net finance costs</b>		<u>(317)</u>	<u>(946)</u>
Share of loss of equity-accounted investees (net of tax)		(371)	(188)
<b>Profit before tax</b>	8	17,330	10,843
Income tax expense	9	(3,277)	(2,959)
Profit for the year		<u>14,053</u>	<u>7,884</u>
<b>Profit attributable to:</b>			
Owners of the Company		12,809	9,971
Non-controlling interest		1,244	(2,087)
<b>Profit for the year</b>		<u>14,053</u>	<u>7,884</u>
<b>Earnings per share</b>			
Basic earnings per share (cents)	10	2.91	2.27
Diluted earnings per share (cents)	10	2.91	2.27

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2023

	Note	Group	
		2023 \$'000	2022 \$'000
<b>Profit for the year</b>		14,053	7,884
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation – foreign operations		(3,328)	(3,847)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Actuarial gain on defined benefit plans		103	15
<b>Other comprehensive income for the year, net of tax</b>		(3,225)	(3,832)
<b>Total comprehensive income for the year</b>		10,828	4,052
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		10,666	7,532
Non-controlling interests		162	(3,480)
<b>Total comprehensive income for the year</b>		10,828	4,052

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

# STATEMENTS OF FINANCIAL POSITION

As At 31 December 2023

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	11	70,893	63,561	368	215
Right-of-use assets	25	9,324	8,066	166	52
Intangible assets and goodwill	12	22,652	23,060	–	–
Investment properties	13	2,638	2,891	–	–
Subsidiaries	14	–	–	116,616	116,800
Joint ventures	15	9,057	9,916	–	–
Investment securities	16	788	830	730	755
Other investments	16	1,265	1,290	693	693
Deferred tax assets	26	1,184	1,196	–	–
Trade and other receivables	18	525	312	8,360	6,661
		118,326	111,122	126,933	125,176
<b>Current assets</b>					
Inventories	17	37,128	41,291	–	–
Trade and other receivables	18	63,882	62,592	9,807	11,368
Cash and bank balances	19	30,446	28,495	7,665	6,095
Contract assets	4	3,819	2,586	–	–
		135,275	134,964	17,472	17,463
<b>Total assets</b>		<b>253,601</b>	<b>246,086</b>	<b>144,405</b>	<b>142,639</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	20	55,378	48,235	15,425	14,365
Loans and borrowings	24	331	2,426	–	–
Lease liabilities	25	1,530	1,572	139	39
Income tax payable		1,191	1,543	64	88
		58,430	53,776	15,628	14,492
<b>Non-current liabilities</b>					
Trade and other payables	20	797	803	–	–
Lease liabilities	25	8,827	7,618	45	47
Deferred tax liabilities	26	1,250	1,208	11	11
		10,874	9,629	56	58
<b>Total liabilities</b>		<b>69,304</b>	<b>63,405</b>	<b>15,684</b>	<b>14,550</b>
<b>Net assets</b>		<b>184,297</b>	<b>182,681</b>	<b>128,721</b>	<b>128,089</b>

# STATEMENTS OF FINANCIAL POSITION

As At 31 December 2023

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Equity attributable to owners of the Company</b>					
Share capital	21	132,102	132,102	132,102	132,102
Reserves	21	(11,619)	(9,521)	77	77
Retained earnings		28,745	23,954	(3,458)	(4,090)
		149,228	146,535	128,721	128,089
Non-controlling interests	14	35,069	36,146	–	–
<b>Total equity</b>		<b>184,297</b>	<b>182,681</b>	<b>128,721</b>	<b>128,089</b>
<b>Total equity and liabilities</b>		<b>253,601</b>	<b>246,086</b>	<b>144,405</b>	<b>142,639</b>

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2023

	Note	Share capital \$'000	Capital reserve \$'000	Other reserves \$'000	Translation reserve \$'000	Retained earnings \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>Group</b>									
<b>2023</b>									
Balance at 1 January 2023		132,102	874	382	(10,777)	23,954	146,535	36,146	182,681
Profit for the year		-	-	-	-	12,809	12,809	1,244	14,053
<u>Other comprehensive income</u>									
Actuarial gain on defined benefit plans		-	-	79	-	-	79	24	103
Foreign currency translation differences		-	-	-	(2,222)	-	(2,222)	(1,106)	(3,328)
Other comprehensive income for the year, net of tax		-	-	79	(2,222)	-	(2,143)	(1,082)	(3,225)
Total comprehensive income for the year		-	-	79	(2,222)	12,809	10,666	162	10,828
<u>Contributions by and distributions to owners</u>									
Dividends	22	-	-	-	-	(7,910)	(7,910)	-	(7,910)
Dividends paid to non-controlling interests	22	-	-	-	-	-	-	(1,284)	(1,284)
Total contributions by and distributions to owners		-	-	-	-	(7,910)	(7,910)	(1,284)	(9,194)
<u>Others</u>									
Change in development reserve fund		-	-	45	-	(108)	(63)	45	(18)
		-	-	45	-	(108)	(63)	45	(18)
<b>Balance at 31 December 2023</b>		<b>132,102</b>	<b>874</b>	<b>506</b>	<b>(12,999)</b>	<b>28,745</b>	<b>149,228</b>	<b>35,069</b>	<b>184,297</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2023

	Note	Share capital \$'000	Capital reserve \$'000	Other reserves \$'000	Translation reserve \$'000	Retained earnings \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>Group</b>									
<b>2022</b>									
Balance at 1 January 2022		132,102	874	327	(8,327)	21,987	146,963	40,709	187,672
Profit for the year		-	-	-	-	9,971	9,971	(2,087)	7,884
<u>Other comprehensive income</u>									
Actuarial gain on defined benefit plans		-	-	11	-	-	11	4	15
Foreign currency translation differences		-	-	-	(2,450)	-	(2,450)	(1,397)	(3,847)
Other comprehensive income for the year, net of tax		-	-	11	(2,450)	-	(2,439)	(1,393)	(3,832)
Total comprehensive income for the year		-	-	11	(2,450)	9,971	7,532	(3,480)	4,052
<u>Contributions by and distributions to owners</u>									
Dividends	22	-	-	-	-	(7,910)	(7,910)	-	(7,910)
Dividends paid to non-controlling interests	22	-	-	-	-	-	-	(1,127)	(1,127)
Total contributions by and distributions to owners		-	-	-	-	(7,910)	(7,910)	(1,127)	(9,037)
<u>Others</u>									
Change in development reserve fund		-	-	44	-	(94)	(50)	44	(6)
		-	-	44	-	(94)	(50)	44	(6)
Balance at 31 December 2022		132,102	874	382	(10,777)	23,954	146,535	36,146	182,681

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 December 2023

	Note	Group	
		2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
Profit before tax		17,330	10,843
Adjustments for:			
Amortisation of other investments	6	5	5
Depreciation and amortisation		13,176	15,686
Impairment loss on right-of-use assets	6	–	474
(Reversal)/impairment loss on property, plant and equipment	5,6	(2,538)	3,083
Dividend income from quoted investments	5	(4)	(6)
Gain on disposal of property, plant and equipment, net	5	(77)	(25)
Gain on disposal of right-of-use assets	5	–	(7)
Allowance for inventory obsolescence	8	264	341
Impairment loss on trade/non-trade receivables	6,8	502	44
Net change in fair value of equity securities		42	122
Net finance costs	7	317	946
Property, plant and equipment written off	6	297	2
Provision for termination benefits		97	–
Share of loss of equity-accounted investees (net of tax)		371	188
Exchange differences		26	(1,245)
Total adjustments		12,478	19,608
<b>Operating cash inflows before changes in working capital</b>		29,808	30,451
Changes in working capital:			
- Inventories		3,770	(1,129)
- Contract assets		(1,161)	1,125
- Trade and other receivables		(2,620)	(6,249)
- Trade and other payables		7,096	4,487
- Employee benefits		(288)	(10)
Total changes in working capital		6,797	(1,776)
<b>Cash flows generated from operations</b>		36,605	28,675
Income tax paid		(3,450)	(2,250)
Net cash flows generated from operating activities		33,155	26,425
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(17,320)	(6,993)
Dividends received from quoted investments	5	4	6
Interest received	7	514	229
Proceeds from disposal of property, plant and equipment		507	26
Placement of deposit with maturity period more than 3 months		301	62
<b>Cash flows used in investing activities</b>		(15,994)	(6,670)

# CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 December 2023

	Note	Group	
		2023 \$'000	2022 \$'000
<b>Cash flows from financing activities</b>			
Dividends paid to owners of the Company	22	(7,910)	(7,910)
Dividends paid to non-controlling interests	22	(1,284)	(1,127)
Interest paid on loans and borrowings	7	(204)	(612)
Interest paid on lease liabilities	7	(627)	(563)
Repayment of principal portion of lease liabilities		(2,054)	(2,410)
Proceeds from bank borrowings and trust receipts		3,907	9,772
Repayments of bank borrowings and trust receipts		(5,983)	(25,000)
<b>Net cash flows used in financing activities</b>		<b>(14,155)</b>	<b>(27,850)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,006</b>	<b>(8,095)</b>
<b>Cash and cash equivalents at 1 January</b>		<b>22,843</b>	<b>31,648</b>
Effects of currency translation on cash and cash equivalents		(754)	(710)
<b>Cash and cash equivalents at 31 December</b>	19	<b>25,095</b>	<b>22,843</b>

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 1. Corporate information

New Toyo International Holdings Ltd (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“SGX – ST”).

The registered office of the Company is located at 9 Raffles Place #26-01 Republic Plaza Singapore 048619 and its principal place of business of the Company is at 10 Anson Road, #18-25 International Plaza, Singapore 079903.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries and joint ventures are disclosed in Notes 14 and 15 respectively to the financial statements.

## 2. Material accounting policy information

### 2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”).

The consolidated financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

The consolidated financial statements are presented in Singapore Dollars (“SGD” or “\$”) and all values are rounded to the nearest thousand (\$’000) except when otherwise indicated.

### 2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

### 2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 21: Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale of Contribution of Assets between and Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.4 Basis of consolidation and business combinations

#### (a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or revenue reserves, as appropriate.

#### (b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.4 Basis of consolidation and business combinations (cont'd)

#### (b) Business combinations and goodwill (cont'd)

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

### 2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

### 2.6 Subsidiaries

A subsidiary is an investee that is controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less impairment losses.

### 2.7 Joint ventures

A joint venture is a contractual arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities relating to the arrangement.

The Group accounts for its investments in joint ventures using the equity method from the date on which it becomes a joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate and joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, investment in joint ventures is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint ventures. The profit or loss reflects the share of results of the operations of the joint ventures. Distributions received from joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and joint ventures are eliminated to the extent of the interest in the joint ventures.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.7 Joint ventures (cont'd)

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the joint ventures are prepared as at the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

### 2.8 Foreign currency

The financial statements are presented in SGD, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### (a) Transactions and balances

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

#### (b) Consolidated financial statements

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

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets include:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Freehold land has an unlimited useful life and therefore is not depreciated. Work-in-progress is not depreciated until it is ready for its intended use.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	<b>Years</b>
Leasehold properties	Over the remaining lease terms
Leasehold improvements	5 to 6 years
Plant and machinery	3 to 20 years
Furniture and fittings	3 to 10 years
Office equipment and computers	2 to 10 years
Motor vehicles	5 to 10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

### 2.10 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.10 *Intangible assets (cont'd)*

Intangible assets with finite useful lives are amortised on a straight-line basis over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

#### *Contract value*

Contract value is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to profit or loss so as to reduce the cost of contract value to zero on a systematic basis over the supply periods of six to eleven years from the date that the contract value is available for use.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

### 2.11 *Club membership*

Club memberships was acquired separately and is amortised on a straight line basis over its finite useful life of 30 years.

### 2.12 *Investment properties*

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held either to earn rental income or for capital appreciation or for both, but not for use in the production or supply of goods or services or for administrative purposes or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss in the year of retirement or disposal.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.12 *Investment properties (cont'd)*

Depreciation on investment properties is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over their estimated useful lives (or lease terms, if shorter). The estimated useful lives of the investment properties at the reporting date range from 23 to 65 years.

The residual value, useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

Rental income from investment properties is accounted for in the manner described in Note 2.23.

### 2.13 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

### 2.14 *Financial instruments*

#### (a) *Financial assets*

##### Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of a third party, if the trade receivables do not contain a significant financing component at initial recognition.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.14 Financial instruments (cont'd)

#### (a) Financial assets (cont'd)

##### Subsequent measurement

##### *Investments in debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

#### (i) Financial assets at amortised cost (debt instruments)

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

#### (ii) Financial assets designated at fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

#### (iii) Financial assets designated at FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

##### *Investments in equity instruments*

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

##### *Derecognition*

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.14 *Financial instruments (cont'd)*

#### (b) *Financial liabilities*

##### *Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

##### *Subsequent measurement*

After initial recognition, financial liabilities not at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

##### *De-recognition*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

### 2.15 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.16 *Cash and cash equivalents*

Cash and cash equivalents in the statements of financial position comprise cash at bank and on hand and short-term highly liquid bank deposits, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

### 2.17 *Inventories*

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average cost principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other cost incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

### 2.18 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 2.19 *Government grants*

Government grants are recognised when there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. The grant is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under heading such as "Other income". Alternatively, they are deducted in reporting the related expenses.

### 2.20 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.21 *Employee benefits*

#### (a) *Defined contribution plans*

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

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset).

#### (b) *Defined benefit plans*

The discount rate is the yield at the reporting date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in the future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all expenses related to defined benefit plans in employee benefits expense in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past services by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

#### (c) *Short-term employee benefits*

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.21 *Employee benefits (cont'd)*

#### (d) *Long-service leave*

The liability of long-service leave is recognised in the non-current provision for employee benefits and is measured as the present value of the expected future payments to be made in respect of services provided by an employee up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### (e) *Termination benefits*

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

### 2.22 *Leases*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (a) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Land and buildings	2 – 32 years
Plant and machinery	2 – 5 years
Office equipment and computers	2 – 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to section 2.13 Impairment of non-financial assets.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.22 Leases (cont'd)

*Group as a lessee (cont'd)*

#### (b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of remaining lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### (c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

*Group as a lessor*

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.23(b). Contingent rents are recognised as rental income in the period in which they are earned.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'other income'. Rental income from sub-leased property is also recognised as 'other income'.

### 2.23 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised goods or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.23 Revenue (cont'd)

#### (a) Sale of goods

Revenue from sale of goods in the ordinary course of business is recognised when the Group satisfies a performance obligation (“PO”) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods. The individual stand-alone selling price of a good that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

#### (b) Rental income

Rental income from investment properties is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

#### (c) Dividend income

Dividend income is recognised in profit or loss on the date that the Group’s right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

#### (d) Interest income

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

### 2.24 Taxes

#### (a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date, in the countries where the Group operates and generates taxable income.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.24 Taxes (cont'd)

#### (a) Current income tax (cont'd)

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### (b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.24 Taxes (cont'd)

#### (c) Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- When receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authorities are included as part of receivables or payables in the statement of financial position.

### 2.25 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

### 2.26 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

### 2.27 Segment reporting

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

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 2. Material accounting policy information (cont'd)

### 2.27 Segment reporting (cont'd)

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

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

## 3. Significant accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

### 3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management is of the opinion that there is no significant judgement made in applying accounting policies.

### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### *Impairment of goodwill, intangible assets, property, plant and equipment and right-of-use assets*

The Group determines whether goodwill, intangible assets, property, plant and equipment and right-of-use assets are impaired on an annual basis. This requires an estimation of the value in use of the cash-generating unit (or group of cash-generating units) to which goodwill is allocated. Management has used the value-in-use method to assess the recoverable amounts of separate cash-generating units ("CGUs"). In addition, management also engaged external valuers to perform a valuation of the leasehold properties held within CGUs. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the respective CGUs, including estimating the revenue growth and using a suitable discount rate to calculate the present value of the cash flows. When external valuers are engaged, the recoverable amounts are determined based on a number of significant assumptions such as discount rates, annual growth rates and terminal growth rates.

The carrying amounts of the Group's goodwill, intangible assets, property, plant and equipment and right-of-use assets were approximately \$22,120,000, \$532,000, \$70,893,000 and \$9,324,000 respectively (2022: \$22,120,000, \$940,000, \$63,561,000 and \$8,066,000 respectively). Further details are disclosed in Notes 11, 12 and 25.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 4. Revenue

	Group	
	2023	2022
	\$'000	\$'000
Sale of manufactured packaging products	183,310	210,034
Trading of packaging products	123,087	75,701
	306,397	285,735

The following tables provide information about the nature and timing of the satisfaction of performance obligations (“PO”) in contracts with customers, including significant payment terms, and the related revenue recognition policies:

### ***Sale of manufactured packaging products***

#### *Specialty paper segment*

Nature of goods sold	Manufacture and sale of laminated aluminium paper products and other packaging products
When revenue is recognised	Point of sale or based on production completed (over time)
Significant payment terms	Payment is due 30-60 days from invoice date
Obligations for returns and refunds, and warranties, if any	Certain customers are given “assurance-type” warranties which assure the customer that the product meets the agreed-upon specifications, and includes the right to return and replace defective products. This is not accounted for as a separate PO.

#### *Printed cartons and labels segment*

Nature of goods sold	Printing and sale of paper packaging materials
When revenue is recognised	Based on production completed (over time)
Significant payment terms	Payment is due 30-60 days from invoice date
Obligations for returns and refunds, and warranties, if any	Certain customers are given “assurance-type” warranties which assure the customer that the product meets the agreed-upon specifications, and includes the right to return and replace defective products. This is not accounted for as a separate PO.

### ***Trading of packaged products***

#### *Trading segment*

Nature of goods sold	Sale of raw materials, paper products and equipment
When revenue is recognised	Point of sale
Significant payment terms	Payment is due 30-60 days from invoice date
Obligations for returns and refunds, and warranties, if any	Not applicable

### ***Capitalised contract costs***

The Group capitalised contract costs in relation to the exclusive rights to supply British American Tobacco’s printed carton requirements in several locations in the Asia Pacific region. Further details are disclosed in Note 12.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 4. Revenue (cont'd)

### *Disaggregation of revenue from contracts with customers*

In the following table, revenue from contracts with customers is disaggregated by primary geographical location of business operations. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 33).

	Specialty papers		Printed cartons and labels		Trading		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Primary geographical location of business operations</u>								
Hong Kong	–	–	33,850	44,467	95,530	53,850	129,380	98,317
Vietnam	38,109	41,567	5,090	6,678	–	–	43,199	48,245
Malaysia	22,848	31,556	320	–	1,463	2,023	24,631	33,579
Indonesia	–	–	17,936	14,222	–	–	17,936	14,222
Singapore	30,384	40,845	–	–	26,094	19,828	56,478	60,673
Dubai	11,417	12,677	16,948	10,315	–	–	28,365	22,992
External revenue	102,758	126,645	74,144	75,682	123,087	75,701	299,989	278,028
<u>Timing of revenue recognition</u>								
At a point in time	101,970	125,015	–	–	123,087	75,701	225,057	200,716
Overtime	788	1,630	74,144	75,682	–	–	74,932	77,312
External revenue	102,758	126,645	74,144	75,682	123,087	75,701	299,989	278,028

### *Contract balances*

The following table provides information about trade receivables and contract assets from contracts with customers.

	Group	
	2023 \$'000	2022 \$'000
Trade receivables from contracts with customers	51,781	49,051
Contract assets	3,819	2,586

The Group has recognised impairment losses on receivables arising from contracts with customers amounting to \$664,000 (2022: \$406,000).

The contract assets primarily relate to the Group's rights to consideration for goods produced but not billed at the reporting date on manufacturing of printed packaging materials. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

The contract liabilities primarily relate to advance consideration received from customers for sale of tissue papers. The contract liabilities are recognised as revenue as the Group performs under the contract.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 4. Revenue (cont'd)

### Contract balances (cont'd)

Significant changes in the contract assets and the contract liabilities balances during the period are as follows:

	Contract assets		Contract liabilities	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>				
Revenue recognised that was included in the contract liabilities at the beginning of the year	–	–	–	(42)
Contract assets reclassified to trade receivables	(835)	(4,432)	–	–
Changes in measurement of progress	2,068	3,270	–	–

The entity has elected to use an output method based on units-of-delivery/units-produced method to measure progress. The entity does not hold material levels of work-in-progress, because the manufacturing process is short and/or the cost of the work-in-progress is not material.

## 5. Other income

	Note	Group	
		2023	2022
		\$'000	\$'000
Dividend income from quoted investments		4	6
Gain on disposal of property, plant and equipment, net		77	25
Gain on disposal of right-of-use assets, net		–	7
Insurance claim recovery		8	5
Government grants		49	71
Rental income		1,999	1,923
Scrap sales		1,564	2,196
Foreign exchange gain, net		138	–
Freight income		614	2,565
Reversal of impairment loss on property, plant and equipment	11	2,538	–
Reversal of impairment loss on trade receivables	18	2	8
VAT recovery		–	665
Others		647	582
		<u>7,640</u>	<u>8,053</u>

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 6. Other operating expenses

	Note	Group	
		2023 \$'000	2022 \$'000
Amortisation of intangible assets	12	406	912
Amortisation of other investments	16	5	5
Impairment loss on property, plant and equipment, net	11	–	3,083
Impairment loss on right-of-use assets	25	–	474
Property, plant and equipment written off		297	2
Impairment loss on non-trade receivables	8	229	52
Write-off of receivables from a joint venture		–	173
Others		234	320
		<u>1,171</u>	<u>5,021</u>

## 7. Finance income and costs

	Group	
	2023 \$'000	2022 \$'000
<b>Finance income</b>		
Interest income from bank deposits	514	229
	<u>514</u>	<u>229</u>
<b>Finance costs</b>		
Interest paid and payable to banks	(204)	(612)
Interest expense on lease liabilities	(627)	(563)
	<u>(831)</u>	<u>(1,175)</u>
Net finance costs recognised in profit or loss	<u>(317)</u>	<u>(946)</u>

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 8. Profit before tax

The following items have been included in arriving at profit before tax:

		Group	
	Note	2023 \$'000	2022 \$'000
Audit fees paid to			
- auditors of the Company		308	306
- other auditors		348	362
Non-audit fees paid to other auditors		32	37
Allowance for inventory obsolescence	17	264	341
Depreciation of property, plant and equipment	11	10,637	12,347
Depreciation of right-of-use assets	25	1,994	2,272
Depreciation of investment properties	13	139	155
Directors' fees		350	350
Impairment loss on trade receivables	18	275	-
Impairment loss on non-trade receivables	18	229	52
Reversal of impairment loss on trade receivables	18	(2)	(8)
(Reversal of impairment loss)/impairment loss on property, plant and equipment, net	11	(2,538)	3,083
Impairment loss on right-of-use assets	25	-	474
Inventories written off		9	18
Operating expenses arising from rental of investment properties		307	361
<b>Employee benefits expense</b>			
- salaries, bonuses and other costs		21,937	21,716
- contribution to defined contribution plans		1,501	1,452
- expenses related to defined benefit plan	23	273	139
- termination benefits	23	97	-

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 9. Income tax expense

### *Major components of income tax expense*

The major components of income tax expense for the years ended 31 December 2023 and 2022 are:

	Group	
	2023	2022
	\$'000	\$'000
<i>Statement of comprehensive income:</i>		
<u>Current income tax</u>		
- Current year	3,186	2,997
- Under provision in respect of previous years	16	123
	3,202	3,120
Deferred tax		
- Origination and reversal of temporary differences	94	(41)
- Over provision in respect of previous years	(19)	(120)
	75	(161)
Income tax expense recognised in statement of comprehensive income	3,277	2,959

### *Relationship between tax expense and accounting profit*

A reconciliation of the tax expense and the product of accounting profit multiplied by the applicable tax rate are as follows:

	Group	
	2023	2022
	\$'000	\$'000
Profit before tax	17,330	10,843
Tax at the applicable tax rate of 17% (2022: 17%)	2,946	1,843
Effect of tax rates in foreign jurisdictions	327	752
Adjustments:		
- Non-deductible expenses	1,387	1,845
- Income not subject to taxation	(654)	(922)
- Reinvestment allowances and other tax incentives	(146)	(247)
- Utilisation of previously unrecognised deferred tax assets	(580)	(315)
- (Over)/under provision in respective of previous years, net	(3)	3
Income tax expense recognised in statement of comprehensive income	3,277	2,959

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 10. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated by dividing the net profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group	
	2023	2022
Profit for the year attributable to owners of the Company used in the computation of basic and diluted earnings per share (\$'000)	12,809	9,971
Weighted average number of ordinary shares for basic and diluted earnings per share computation ('000)	439,425	439,425

There are no unexercised share options or warrants issued by the Company.

There were no instruments that would have an effect of diluting the earnings of the Group that existed during or as at the end of the financial year.

## 11. Property, plant and equipment

	Leasehold properties \$'000	Leasehold improvements \$'000	Plant and machinery \$'000	Furniture and fittings \$'000	Office equipment			Total \$'000
					and computers \$'000	Motor vehicles \$'000	Construction -in-progress \$'000	
<b>Group</b>								
<b>Cost</b>								
At 1 January 2022	27,868	6,626	183,947	2,158	4,848	2,600	5,566	233,613
Additions	2	–	5,392	13	76	56	1,454	6,993
Disposals/write-off	–	(1)	(790)	(24)	(135)	–	–	(950)
Exchange differences	(667)	(292)	(4,456)	(140)	(204)	(78)	(179)	(6,016)
Transfers/ reclassification	439	–	614	26	57	–	(1,136)	–
At 31 December 2022 and 1 January 2023	27,642	6,333	184,707	2,033	4,642	2,578	5,705	233,640
Additions	2,460	81	1,640	100	55	104	12,880	17,320
Disposals/write-off	–	(569)	(494)	(787)	(135)	(161)	(85)	(2,231)
Exchange differences	(826)	(67)	(2,527)	(31)	(73)	(53)	(529)	(4,106)
Transfers/ reclassification	241	147	4,459	64	78	–	(4,989)	–
At 31 December 2023	29,517	5,925	187,785	1,379	4,567	2,468	12,982	244,623

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 11. Property, plant and equipment (cont'd)

	Leasehold properties \$'000	Leasehold improvements \$'000	Plant and machinery \$'000	Furniture and fittings \$'000	Office equipment and computers \$'000	Motor vehicles \$'000	Construction -in-progress \$'000	Total \$'000
<b>Group</b>								
<b>Accumulated depreciation and impairment losses</b>								
At 1 January 2022	16,717	2,936	132,247	1,949	3,295	2,172	851	160,167
Depreciation	1,099	334	10,136	64	481	233	–	12,347
Impairment	–	–	3,082	–	–	1	–	3,083
Disposals/write-off	–	(1)	(792)	(23)	(131)	–	–	(947)
Exchange differences	(542)	(91)	(3,579)	(138)	(145)	(70)	(6)	(4,571)
Transfers/ reclassification	(4)	–	854	4	(9)	–	(845)	–
At 31 December 2022 and 1 January 2023	17,270	3,178	141,948	1,856	3,491	2,336	–	170,079
Depreciation	1,066	335	8,650	40	430	116	–	10,637
Reversal of impairment loss	(1,487)	(542)	(509)	–	–	–	–	(2,538)
Disposals/write-off	–	(317)	(261)	(645)	(120)	(161)	–	(1,504)
Exchange differences	(550)	(39)	(2,210)	(29)	(68)	(48)	–	(2,944)
Transfers/ reclassification	2	–	(4)	–	2	–	–	–
At 31 December 2023	16,301	2,615	147,614	1,222	3,735	2,243	–	173,730
<b>Net carrying amount</b>								
At 31 December 2023	13,216	3,310	40,171	157	832	225	12,982	70,893
At 31 December 2022	10,372	3,155	42,759	177	1,151	242	5,705	63,561



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 11. Property, plant and equipment (cont'd)

	Leasehold improvements \$'000	Furniture and fittings \$'000	Office equipment and computers \$'000	Motor vehicles \$'000	Construction -in-progress \$'000	Total \$'000
<b>Company</b>						
<b>Cost</b>						
At 1 January 2022	7	38	227	643	–	915
Additions	–	–	25	–	45	70
At 31 December 2022 and 1 January 2023	7	38	252	643	45	985
Additions	30	3	25	–	223	281
Transfer/reclassification	147	64	57	–	(268)	–
At 31 December 2023	184	105	334	643	–	1,266
<b>Accumulated depreciation</b>						
At 1 January 2022	1	25	93	553	–	672
Depreciation	2	3	56	37	–	98
At 31 December 2022 and 1 January 2023	3	28	149	590	–	770
Depreciation	21	8	62	37	–	128
At 31 December 2023	24	36	211	627	–	898
<b>Carrying amount</b>						
At 31 December 2023	160	69	123	16	–	368
At 31 December 2022	4	10	103	53	45	215

### Impairment test

Management allocated the assets to the respective cash-generating unit (“CGU”). Impairment assessment of the property, plant and equipment, right-of-use assets, intangible assets and goodwill for the respective CGU is performed by comparing the carrying values with the recoverable amounts. For the printed cartons and labels (“PCL”) CGU which includes Alliance Print Technologies Co., Ltd (“APT”), Max Ease International Limited (“MEIL”) and PT Bintang Pesona Jagat (“BPJ”), where goodwill is allocated to, a summary of the key assumptions used in the discounted cash flow projections is detailed in Note 12.

The Group’s Dubai operations are assessed to be separate individual CGUs. For these CGUs, due to the existence of impairment or reversal of impairment indicators, management engaged independent valuers to perform valuation on the properties, in addition to the value-in-use model applied.

The fair values of properties in the Dubai CGUs were derived using income capitalisation approach. The capitalisation approach capitalise the net rental income that reflects the present and potential income growth.

The recoverable amount of the two Dubai CGUs were based on their value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 11. Property, plant and equipment (cont'd)

### Impairment test (cont'd)

Key assumptions used in the estimation of the recoverable amount of the Dubai CGUs are as follows:

- Cash flow projections were over a period of 5 years (2022: 5 years), based on the 2024 financial budget approved by management.
- Anticipated revenue growth rates for the CGUs of 2.9% to 16% for 2024, and 2% from 2025 to 2028 (2022: -12.8% to 102.9% for 2023, 2% to 15% for 2024 and 2% to 4% from 2025 to 2027) respectively.
- The pre-tax discount rate of 10.8% to 13.3% (2022: 10.5% to 14.6%) were applied in determining the recoverable amounts of the CGUs. The discount rate was estimated based on the country's risk premium and an additional risk premium for cash flow projection risk.
- Terminal value with a growth rate of 2.0% (2022: 2.0%) based on the country's inflation rate.

Arising from the above exercises, a reversal of impairment loss of \$2,538,000 (2022: impairment loss of \$3,083,000 and \$474,000) has been recognised for the financial year ended 31 December 2023 on the property, plant and equipment (2022: property, plant and equipment and right-of-use assets respectively) to write back (2022: write down) the carrying amount of the property, plant and equipment (2022: property, plant and equipment and right-of-use assets) to its recoverable amount.

## 12. Intangible assets and goodwill

	Goodwill \$'000	Contract value \$'000	Total \$'000
<b>Group</b>			
<b>Cost:</b>			
At 1 January 2022	22,120	17,028	39,148
Additions	–	403	403
Exchange differences	–	(112)	(112)
At 31 December 2022	22,120	17,319	39,439
Exchange differences	–	(296)	(296)
At 31 December 2023	22,120	17,023	39,143
<b>Accumulated amortisation:</b>			
At 1 January 2022	–	15,595	15,595
Amortisation	–	912	912
Exchange differences	–	(128)	(128)
At 31 December 2022	–	16,379	16,379
Amortisation	–	406	406
Exchange differences	–	(294)	(294)
At 31 December 2023	–	16,491	16,491
<b>Net carrying amount:</b>			
At 31 December 2023	22,120	532	22,652
At 31 December 2022	22,120	940	23,060

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 12. Intangible assets and goodwill (cont'd)

### **Impairment tests for cash-generating units containing property, plant and equipment, goodwill and contract value**

For the purpose of impairment testing, goodwill has been principally allocated to the following cash-generating units (“CGUs”) as follows:

	Group	
	2023	2022
	\$'000	\$'000
Specialty papers	22	22
Printed cartons and labels	22,098	22,098
	<u>22,120</u>	<u>22,120</u>

The goodwill on consolidation and contract value are allocated to the printed cartons and labels (“PCL”) CGU, which includes APT, MEIL and BPJ.

Contract value is in relation to the exclusive rights to supply British American Tobacco’s printed carton requirements in several locations in the Asia Pacific region, with the details set out as below:

- (i) On 3 November 2016, MEIL and Max View Holdings Limited (“MVHL”) entered into a Conditional Sale and Purchase Agreement to acquire PT Bintang Pesona Jagat (“BPJ”). The proposed acquisition included a Manufacturing and Supply of Packaging Materials Agreement (“MSPMA”) to supply printed carton requirements for British American Tobacco group of companies in Indonesia for a period of six years, commencing 1 January 2017 until 31 December 2022. On 9 February 2023, the MSPMA has been extended for an additional 3 years commencing from 1 January 2023 to 31 December 2025.
- (ii) On 17 March 2020, Max Ease International Ltd and British American Tobacco Group agreed to extend its current Supply Agreement for printed carton requirements in Malaysia, Singapore and Vietnam for additional 5 years from 1 January 2020 to 31 December 2024 for the domestic and/or export markets.

The amortisation of intangible assets was recognised in other operating expenses.

The recoverable amount of the PCL CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU.

Key assumptions used in the estimation of the recoverable amount of the PCL CGU

- Cash flow projections were over a period of 5 years (2022: 5 years), based on the 2024 financial budget approved by management.
- Management has considered and determined the factors applied in the financial budget. The budgeted gross margin is based on past experience. Anticipated revenue growth rates for the CGU of -3% in 2024, 2% in 2025, and thereafter growth based on inflation rate of 2.4% from 2026 to 2028 (2022: -25% to 52.6% in 2023, and thereafter growth based on inflation rate of 3% from 2024 to 2027) were used in the cash flow projections.
- The pre-tax discount rates for the operating companies within CGU ranging from 14.6% to 17.8% (2022: 10.5% to 14.5%) were applied in determining the recoverable amounts of the CGU. The discount rates were estimated based on the respective country risks, and the weighted average cost of capital of comparable companies.
- Terminal value with a growth rate of 3% (2022: 3%) based on the respective country inflation rate.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 12. Intangible assets and goodwill (cont'd)

- The Group is expected to successfully renew its rights to supply major customers' printed carton requirements upon expiry of the agreements and continue to supply over the projected period.

The values assigned to the key assumptions represent management's assessment of future trends of the industry in which the CGU operates, and are based on both external and internal sources (historical data). The computation of recoverable amount using discounted cash flow forecasts also requires management to make judgements over key inputs, for example, revenue growth, gross margins and discount rates as described above. In general, this assessment requires significant judgement, such that a change to key assumptions used could possibly lead to the recognition of impairment losses that would reduce the carrying amounts involved.

As the carrying amounts of the PCL CGU was determined to be lower than its recoverable amount, no impairment loss was recognised. Should the assumptions not be met, impairment loss may be required in the future.

## 13. Investment properties

	Group	
	2023	2022
	\$'000	\$'000
<b>Cost</b>		
At 1 January	11,246	12,162
Exchange differences	(439)	(916)
At 31 December	10,807	11,246
<b>Accumulated depreciation and impairment losses</b>		
At 1 January	8,355	8,868
Depreciation	139	155
Exchange differences	(325)	(668)
At 31 December	8,169	8,355
<b>Carrying amount</b>	2,638	2,891

Investment properties comprise a number of commercial properties, residential apartments, factories, industrial and warehouse buildings that are mostly leased to third parties. Each of the leases contains an average non-cancellable period of 2 years. Subsequent renewal is negotiated with the lessee and on average, renewal period is of 2 years. No contingent rent is charged.

The investment properties have an estimated market value of \$22,065,000 at 31 December 2023 (2022: \$23,205,000) based on independent valuations obtained from 2023 to 2024 by property valuers on an open market value basis.

The valuation was performed by external, independent valuers who are certified real estate appraisers. The valuers used direct comparison and capitalisation methods. The market value has been categorised as a Level 3 valuation method:

- The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties.
- The capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates.

Gross rental income of \$1,945,000 (2022: \$1,871,000) was derived from the investment properties during the year.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 14. Subsidiaries

	Company	
	2023 \$'000	2022 \$'000
Shares, at cost	59,537	59,537
Impairment losses	(2,970)	(2,970)
	56,567	56,567
Discount implicit in interest-free loans to subsidiaries	1,041	1,041
	57,608	57,608
Loans to subsidiaries	64,247	64,620
Impairment losses	(5,239)	(5,428)
	59,008	59,192
	116,616	116,800

Included in the loans to subsidiaries is an amount of \$10,763,000 (2022: \$10,940,000) which is unsecured and bears fixed interest rate of 2.75% (2022: 2.75%) per annum. The remaining amounts of \$53,484,000 (2022: \$53,680,000) are unsecured and interest-free.

The settlement of these loans is neither planned nor likely to occur in the foreseeable future. These loans are, in substance, part of the Company's net investment in the subsidiaries.

The Company had the following subsidiaries as at 31 December:

Name of company	Principal place of business	Principal activities	Proportion (%) of ownership interest	
			2023 %	2022 %
<b><i>Held by the Company</i></b>				
New Toyo Aluminium Paper Product Co (Pte) Ltd <sup>(1)</sup>	Singapore	Manufacturing of specialty papers	100	100
New Toyo Corrugated Products Pte Ltd <sup>(1)</sup>	Singapore	Investment holding	100	100
New Toyo International Co (Pte) Ltd <sup>(1)</sup>	Singapore	Trading of paper products and equipment	100	100
Singapore Pacific Investments Pte Ltd <sup>(1)</sup>	Singapore	Investment holding	100	100
New Toyo Lamination (M) Pte Ltd <sup>(1)</sup>	Singapore	Investment holding	100	100
Sealink International Limited <sup>(3)</sup>	Hong Kong	Inactive	100	100
Pacific Eagle Investment Limited <sup>(3)</sup>	Hong Kong	Investment holding	100	100
Toyoma Non-Carbon Paper Manufacturer Sdn Bhd <sup>(3)</sup>	Malaysia	Investment holding and trading of paper products	100	100
New Toyo (Vietnam) Aluminium Paper Packaging Co., Ltd <sup>(2)</sup>	Vietnam	Manufacturing of specialty papers	100	100
Fast Win Enterprise Limited <sup>(3)</sup>	Hong Kong	Trading of raw materials and equipment	100	100

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 14. Subsidiaries (cont'd)

Name of company	Principal place of business	Principal activities	Proportion (%) of ownership interest	
			2023 %	2022 %
<b><i>Held by subsidiaries</i></b>				
New Toyo Investments Pte Ltd <sup>(1)</sup>	Singapore	Investment holding	55	55
Tien Wah Holdings (1990) Sdn Bhd <sup>(3)</sup>	Malaysia	Investment holding	100	100
Tien Wah Press Holdings Berhad <sup>(2)</sup>	Malaysia	Investment holding and provision of management services to its subsidiaries and associates	55	55
Tien Wah Press (Malaya) Sdn Bhd <sup>(2)</sup>	Malaysia	Dormant	55	55
Tien Wah Properties Sdn Bhd <sup>(2)</sup>	Malaysia	Investment holding	55	55
Paper Base Converting Sdn Bhd <sup>(2)</sup>	Malaysia	Manufacturing of specialty papers	100	100
New Toyo Aluminium Gulf Paper Packaging FZE <sup>(3)</sup>	Dubai	Manufacturing of specialty papers	100	100
New Toyo Paper Products (Shanghai) Co., Ltd <sup>(3)</sup>	People's Republic of China	Investment holding and manufacturing of specialty papers	100	100
Wuhu New Asia Paper Products Co., Ltd <sup>(3)</sup>	People's Republic of China	Investment holding	100	100
New Ocean Beijing Duck Restaurant Sdn. Bhd. <sup>(3)</sup>	Malaysia	To operate restaurants	100	–
New Toyo Food Packaging Company Limited <sup>^</sup>	Vietnam	Inactive	–	100
Sen Yang Enterprise Co., Ltd <sup>(3)</sup>	People's Republic of China	Inactive	100	100
Vina Toyo Company Ltd <sup>(2)</sup>	Vietnam	Manufacturing of specialty papers and corrugated containers	50*	50*
Alliance Print Technologies Co., Ltd <sup>(2)</sup>	Vietnam	Manufacturing of printed cartons and labels	55	55
Alliance Print Technologies FZE <sup>(2)</sup>	Dubai	Manufacturing of printed cartons and labels	55	55

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 14. Subsidiaries (cont'd)

Name of company	Principal place of business	Principal activities	Proportion (%) of ownership interest	
			2023 %	2022 %
<b><i>Held by subsidiaries (cont'd)</i></b>				
Max Ease International Limited <sup>(2)</sup>	Hong Kong	Trading of printed cartons and labels	77	77
Max View Holdings Limited <sup>(3)</sup>	Hong Kong	Investment holding	77	77
Anzpac Services (Australia) Pty Ltd <sup>(3)</sup>	Australia	Dormant	77	77
PT Bintang Pesona Jagat <sup>(2)</sup>	Indonesia	Manufacturing of printed cartons and labels	77	77
Max Ease International (SG) Pte Ltd <sup>(4)</sup>	Singapore	Dormant	77	77

\* Deemed to be a subsidiary as the Company has the current ability to direct these entities' activities that most significantly affect their returns.

® Acquired during the year

^ Struck off during the year

<sup>(1)</sup> Audited by Ernst & Young LLP, Singapore

<sup>(2)</sup> Audited by member firms of EY Global in Malaysia, Vietnam, Hong Kong, Dubai and Indonesia

<sup>(3)</sup> Audited by other accounting firms

<sup>(4)</sup> Exempted from audit as the entity was dormant

Ernst & Young LLP is the auditor of all significant Singapore-incorporated subsidiaries. Other member firms of Ernst & Young Global are auditors of significant foreign-incorporated subsidiaries. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profit account for 20% or more of the Group's consolidated pre-tax profit.

### ***Strike off of subsidiary – New Toyo Food Packaging Company Limited***

New Toyo Food Packaging Company Limited, an inactive company, was struck off from the Register of Companies on 17 April 2023.

### ***Acquisition of subsidiary – New Ocean Beijing Duck Restaurant Sdn. Bhd.***

New Ocean Beijing Duck Restaurant Sdn. Bhd. was acquired on 27 December 2023 for a total consideration of MYR2 (equivalent to \$0.57), settled in cash. With effect from 6 February 2024, New Ocean Beijing Duck Restaurant Sdn. Bhd. has changed its name to Jing Cheng Beijing Duck Restaurant Sdn. Bhd.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 14. Subsidiaries (cont'd)

### *Impairment of investment in subsidiaries*

The Company recognises impairment losses at a level considered adequate to provide for the potential non-recoverability of investments in subsidiaries. The level of allowance is evaluated by the Company on the basis of factors that affect the recoverability of the investments. These factors include, but are not limited to, the activities and financial position of the entities and market factors. The Company reviews and identifies balances that are to be impaired on a continuous basis. The amount and timing of recorded expenses for any period would differ if the Company made different judgement or utilised different estimates, and an increase in impairment losses would decrease the carrying value of investments in subsidiaries.

When there are indicators of impairment, management carried out an impairment assessment on the recoverable amounts of the cost of investments. The recoverable amounts were based on the value-in-use or fair value less cost of disposal. The value-in-use is determined by discounting the future cash flows to be generated from the continuing operation of these entities and based on the financial budget approved by management.

Management estimates the discount rate using pre-tax rates that reflect current market assessment of the time value of money and risk specific to each subsidiary. The gross margin and terminal growth rates are based on planned strategies and cost initiatives as well as industry indices.

### *Non-controlling interests ("NCI")*

	Group	
	2023	2022
	\$'000	\$'000
Non-controlling interests	35,069	36,146

The following subsidiaries have non-controlling interests ("NCI") that are material to the Group.

Name of company	Principal place of business/ Country of incorporation	Operating segment	Proportion (%) of ownership interest	
			2023	2022
			%	%
Max Ease International Limited ("MEIL")	Hong Kong	Printed cartons and labels	23	23
Tien Wah Press Holdings Berhad ("TWPH")	Malaysia	Printed cartons and labels	45	45



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 14. Subsidiaries (cont'd)

### Non-controlling interests ("NCI") (cont'd)

The following summarised financial information for the above subsidiaries are prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	MEIL \$'000	TWPH* \$'000	Other individually immaterial subsidiary \$'000	Intra- group elimination \$'000	Total \$'000
<b>31 December 2023</b>					
Revenue	51,669	56,315	7,626		
Profit after tax	597	3,129	205		
Other comprehensive income	(230)	(2,086)	(78)		
Total comprehensive income	367	1,043	127		
Attributable to NCI:					
- Profit/(loss) after tax	138	1,419	103	(416)	1,244
- Other comprehensive income	(53)	(946)	(39)	(44)	(1,082)
- Total comprehensive income	85	473	64	(460)	162
Non-current assets	39,060	66,779	187		
Current assets	16,161	25,872	4,875		
Non-current liabilities	(1,419)	(4,697)	(16)		
Current liabilities	(26,233)	(10,997)	(1,229)		
Net assets	27,569	76,957	3,817		
Net assets attributable to NCI	6,377	34,908	1,909	(8,125)	35,069
Cash flows from/(used in) operating activities	10,748	8,355	(279)		
Cash flows (used in)/from investing activities	(9,673)	(3,817)	1,109		
Cash flows used in financing activities	(1,506)	(4,601)	(341)		
Net (decrease)/increase in cash and cash equivalents	(431)	(63)	489		
Dividends paid to NCI	-	(1,068)	(216)		

\* Excludes interest in MEIL

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 14. Subsidiaries (cont'd)

### Non-controlling interests ("NCI") (cont'd)

	MEIL \$'000	TWPH* \$'000	Other individually immaterial subsidiary \$'000	Intra- group elimination \$'000	Total \$'000
<b>31 December 2022</b>					
Revenue	58,783	56,517	9,052		
(Loss)/profit after tax	(622)	(3,620)	175		
Other comprehensive income	(1,318)	(2,219)	(76)		
Total comprehensive income	(1,940)	(5,839)	99		
Attributable to NCI:					
- (Loss)/profit after tax	(144)	(1,642)	88	(389)	(2,087)
- Other comprehensive income	(305)	(1,007)	(38)	(43)	(1,393)
- Total comprehensive income	(449)	(2,649)	50	(432)	(3,480)
Non-current assets	32,002	68,401	184		
Current assets	12,480	28,129	5,828		
Non-current liabilities	(1,849)	(2,714)	(18)		
Current liabilities	(15,430)	(15,547)	(2,140)		
Net assets	27,203	78,269	3,854		
Net assets attributable to NCI	6,292	35,503	1,927	(7,576)	36,146
Cash flows from/(used in) operating activities	8,279	12,401	(282)		
Cash flows (used in)/from investing activities	(523)	(5,244)	83		
Cash flows (used in)/from financing activities	(6,473)	(5,486)	224		
Net increase in cash and cash equivalents	1,283	1,671	25		
Dividends paid to NCI	-	(1,127)	-		

\* Excludes interest in MEIL

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 15. Joint ventures

	Group	
	2023 \$'000	2022 \$'000
Investment in joint ventures	9,057	9,916

Details of the joint ventures are as follows:

Name of company	Principal place of business/ Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2023 %	2022 %
Lum Chang Tien Wah Property Sdn Bhd ("LCTW") <sup>(1)</sup>	Malaysia	Investment holding	27*	27*
Toyo (Viet)-Dofico Print Packaging Company Ltd ("TVDP") <sup>(2)</sup>	Vietnam	Manufacturing of printed cartons and labels	27*	27*

<sup>(1)</sup> Audited by member firm of EY Global, in Malaysia

<sup>(2)</sup> Audited by other accounting firm

\* The Group is considered to have joint control over the entities as it is able to exercise joint control over the financial and operating policies of the entities via shareholders' agreement.

### **Disposal of property and capital contribution to LCTW**

On 16 May 2016, Tien Wah Properties Sdn Bhd ("TWP"), a wholly-owned subsidiary of a 55% owned subsidiary of the Group, had entered into a Shareholders' Agreement with Kemensah Holdings Pte Ltd ("KHPL"), a wholly owned subsidiary of Lum Chang Holdings Limited, to form and operate a joint venture company known as LCTW, in Malaysia, with a total issued and paid-up share capital of \$3,346,000 (\$1,673,000 each held by TWP and KHPL in equal proportion).

In 2016, TWP sold its leasehold land with a carrying amount of \$6,708,000 to LCTW for a sale consideration of \$21,264,000. The unrealised profit recognised by the Group of \$7,278,000 was only eliminated up to the extent of the Group's cost of investment of \$1,673,000 in LCTW.

In 2019, TWP and KHPL subscribed for additional ordinary shares for a total consideration of \$654,000 at \$327,000 each, held by TWP and KHPL in equal proportion.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 15. Joint ventures (cont'd)

### ***On-going termination of Joint Venture Agreement (“JVA”) in relation to TVDP***

On 24 May 2015, TWPH entered into a strategic Joint Venture Agreement (“JVA”) with Toyo (Viet) Paper Product Co., Ltd (“TVP”) and Dong Nai Food Industrial Corporation Vietnam (“DOFICO”) for sale of 50% of TVP to DOFICO. TVP was reclassified from a subsidiary to a joint venture as at 31 December 2015. TVP also changed its name to “Toyo (Viet)–Dofico Print Packaging Company Ltd” (“TVDP”).

On 21 March 2018, the Company announced that the Parties (TWPH, DOFICO and TVDP are collectively referred to as “the Parties”) entered into a termination agreement (“Termination Agreement”) to mutually agree to terminate the JVA dated 24 May 2015 with effect from the date of the execution of the Termination Agreement and Transfer Contract. As part of the Termination Agreement, DOFICO shall transfer its 50% of the total charter capital of TVDP (“Capital Contribution”) and all rights and interests thereof to TWPH; TWPH also agreed to acquire the 50% of the total charter capital of TVDP from DOFICO at a cash consideration of \$2,179,000 (equivalent to MYR6,372,000) (“Termination and Acquisition of Capital Contribution”). The completion of the termination of JVA with DOFICO and acquisition of the remaining 50% shares held by DOFICO in TVDP was pending the issuance of an investment certificate by the State of Authority of Vietnam.

On 14 July 2021, the investment registration certificate of TVDP expired. As at 31 December 2023, TVDP is in the process of liquidation.

The following summarises the financial information of TVDP and LCTW, based on their financial statements prepared in accordance with SFRS(I).

	TVDP \$'000	LCTW \$'000	Intra-group elimination \$'000	Total \$'000
<b>31 December 2023</b>				
Revenue	–	297		
Operating expenses	(5,297)	(109)		
Depreciation and amortisation	–	(398)		
Other income	4,843	2		
Loss before tax	(454)	(208)		
Income tax expense	–	(79)		
Loss after tax	(454)	(287)		
Other comprehensive income	(41)	(934)		
<b>Total comprehensive income</b>	<b>(495)</b>	<b>(1,221)</b>		
Non-current assets	–	18,252		
Current assets	2,129	194		
Current liabilities	(4)	(63)		
Non-current liabilities	–	(4)		
Cash and cash equivalents	332	320		
<b>Net assets</b>	<b>2,457</b>	<b>18,699</b>		

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 15. Joint ventures (cont'd)

	TVDP \$'000	LCTW \$'000	Intra-group elimination \$'000	Total \$'000
<b>31 December 2023</b>				
<b>Carrying amount of interest in investee at beginning of the year</b>	1,486	8,525	(95)	9,916
Group's share of:				
- Loss after tax	(124)	(79)		
- Other comprehensive income	(11)	(255)		
NCI's share of:				
- Loss after tax	(103)	(65)		
- Other comprehensive income	(10)	(212)		
- Total comprehensive income	(248)	(611)	-	(859)
<b>Carrying amount of interest in investee at end of the year</b>	<b>1,238</b>	<b>7,914</b>	<b>(95)</b>	<b>9,057</b>
<b>31 December 2022</b>				
Revenue	-	316		
Operating expenses	(280)	(113)		
Depreciation and amortisation	-	(427)		
Interest income	177	1		
Loss before tax	(103)	(223)		
Income tax expense	-	(101)		
Loss after tax	(103)	(324)		
Other comprehensive income	(17)	(1,110)		
<b>Total comprehensive income</b>	<b>(120)</b>	<b>(1,434)</b>		
Non-current assets	4,831	19,729		
Current assets	4	308		
Current liabilities	(2,787)	(72)		
Non-current liabilities	-	(4)		
Cash and cash equivalents	903	127		
<b>Net assets</b>	<b>2,951</b>	<b>20,088</b>		
<b>31 December 2022</b>				
<b>Carrying amount of interest in investee at beginning of the year</b>	1,546	9,241	(122)	10,665
Group's share of:				
- Loss after tax	(28)	(88)		
- Other comprehensive income	(5)	(303)		
NCI's share of:				
- Loss after tax	(23)	(73)		
- Other comprehensive income	(4)	(252)		
- Total comprehensive income	(60)	(716)	27	(749)
<b>Carrying amount of interest in investee at end of the year</b>	<b>1,486</b>	<b>8,525</b>	<b>(95)</b>	<b>9,916</b>

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 16. Investment securities/other investments

The Group classifies the investments shown below as equity investments as at FVTPL because these equity investments represent investments that the Group intends to hold for the long-term for strategic purposes.

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Investment securities</b>				
Quoted equity securities, at fair value	58	75	–	–
Unquoted equity securities, at fair value	730	755	730	755
Financial assets carried at fair value	788	830	730	755
<b>Other investments</b>				
Club membership, at cost	1,349	1,371	693	693
<b>Accumulated amortisation</b>				
At 1 January	81	80	–	–
Amortisation	5	5	–	–
Exchange differences	(2)	(4)	–	–
At 31 December	84	81	–	–
<b>Total other investments, at carrying amount</b>	<b>1,265</b>	<b>1,290</b>	<b>693</b>	<b>693</b>

The fair value information related to FVTPL – equity instrument is disclosed in Note 31.

## 17. Inventories

	Group	
	2023	2022
	\$'000	\$'000
Raw materials	27,836	30,686
Consumables	2,293	2,033
Work-in-progress	2,486	2,243
Finished goods	6,450	8,274
	39,065	43,236
Less:		
Allowance for inventory obsolescence:		
At 1 January	1,945	2,697
Allowance made during the year	264	341
Utilisation of allowance	(251)	(1,078)
Exchange differences	(21)	(15)
At 31 December	1,937	1,945
Carrying amount of inventories	37,128	41,291

During the year, raw materials, consumables and changes in finished goods and work-in-progress recognised as cost of sales amounted to \$243,167,000 (2022: \$221,769,000).

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 18. Trade and other receivables

		Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Non-current</b>					
Amounts due from subsidiaries					
- trade	(a)	-	-	276	54
- non-trade	(b)	-	-	8,084	6,607
Other receivables	(c)	525	119	-	-
Tax recoverable	(d)	-	193	-	-
		525	312	8,360	6,661
<b>Current</b>					
Trade receivables	(a)	52,445	49,457	-	-
Impairment losses		(664)	(406)	-	-
		51,781	49,051	-	-
Deposits	(e)	1,156	2,863	33	-
Tax recoverable		20	95	-	-
Consideration receivable	(f)	1,229	1,525	-	-
GST/VAT input tax		560	875	10	9
Other receivables	(c)	1,598	993	-	23
Amounts due from subsidiaries, net					
- trade	(a)	-	-	921	757
- non-trade	(g)	-	-	550	168
Amounts due from other related corporations*					
- trade	(a)	3,955	5,383	-	-
- non-trade	(g)	335	344	-	-
Loans to subsidiaries	(h)	-	-	8,245	10,347
		60,634	61,129	9,759	11,304
Deferred cost		18	13	-	-
Prepayments		3,230	1,450	48	64
		63,882	62,592	9,807	11,368
		64,407	62,904	18,167	18,029

\* The amounts due from other related corporations also include amounts receivable from entities which are partially-owned by a substantial shareholder.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 18. Trade and other receivables (cont'd)

- (a) Trade receivables are non-interest bearing and are generally on 30 to 60 day's terms.

The trade amounts due from subsidiaries and other related corporations are unsecured, interest-free and not expected to be repaid within the 12 months.

- (b) Amounts due from subsidiaries are unsecured and bear fixed interest rates ranging from 3.28% to 5.06% (2022: 1.78% to 5.06%) per annum.

- (c) Other receivables comprise import duty and sundry receivables. The non-current portion pertains to advances paid for equipment purchases at the Group level.

- (d) This amount was related to a tax recoverable amount pertaining to a subsidiary in Indonesia and was recovered during the year.

- (e) In year 2021, these amounts include a deposit of \$2,948,000 paid to Asia Regal Enterprises Limited ("the Seller") for the purchase of all the shares in Benline Investment Holdings Pte. Ltd ("Benline") for an aggregate consideration of US\$6,700,000 in accordance with a share purchase agreement ("SPA") entered on 17 December 2021. On 29 July 2022, the Group terminated the SPA as the conditions precedent has not been fulfilled by the Seller under the terms and conditions of the SPA. As at 31 December 2022, the remaining amount of US\$750,000 (equivalent to \$1,006,000) of this deposit is still outstanding. As at 31 December 2023, this deposit has been fully refunded to the Group.

Included in deposits of the Group as at 31 December 2022 is a rental deposit of a warehouse in Vietnam amounting to US\$606,000 (equivalent to \$813,000) paid to a third party. The Group has terminated the agreement. As at 31 December 2023, the remaining amount of US\$553,000 (equivalent to \$730,000) of this deposit is still outstanding.

- (f) Current consideration receivable is deferred payment of \$2,175,000 (2022: \$2,243,000) due from the Group's joint venture partner, DOFICO. This is as a result of the disposal of 50% of TVDP to DOFICO by TWPH in 2015, which is payable within the next 12 months. An impairment loss of \$229,000 (2022: \$52,000) was recognised in year 2023.

- (g) The non-trade amounts due from subsidiaries and other related corporations are unsecured, interest-free and repayable on demand.

- (h) Loans to subsidiaries of \$4,068,000 (2022: \$6,261,000) are unsecured, repayable on demand, and bear fixed interest rates ranging from 1.88% to 6.36% (2022: 1.84% to 6.09%) per annum. The remaining amount of \$4,177,000 (2022: \$4,086,000) is unsecured, interest-free and repayable on demand.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 18. Trade and other receivables (cont'd)

The Group's customers are internationally dispersed and mainly engage in similar manufacturing and distribution activities. The maximum exposure to credit risk for trade and other receivables and contract assets (excluding prepayments and deferred cost) at the reporting date by geographical region was as follows:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Trade and other receivables:</b>				
Vietnam	9,482	12,507	86	82
Singapore	28,461	18,250	2,518	4,541
Indonesia	6,903	3,990	280	277
United Arab Emirates	3,628	5,265	9,966	9,735
Malaysia	4,702	6,294	3,186	2,776
Korea	2,269	2,580	–	–
Latin America	1,599	3,236	–	–
Europe	–	2,348	–	–
Philippines	659	738	–	–
Papua New Guinea	760	581	–	–
India	146	719	–	–
China	55	30	37	50
Hong Kong	128	329	2,046	504
Pakistan	172	1,678	–	–
Others	2,195	2,896	–	–
	61,159	61,441	18,119	17,965
<b>Contract assets:</b>				
Singapore	561	845	–	–
Indonesia	1,415	626	–	–
Malaysia	–	1	–	–
United Arab Emirates	1,772	835	–	–
Korea	71	74	–	–
Vietnam	–	174	–	–
Others	–	31	–	–
	3,819	2,586	–	–
	64,978	64,027	18,119	17,965

The top five customers of the Group account for 70% (2022: 60%) of the trade and other receivables (excluding prepayments and deferred cost) carrying amount at 31 December 2023.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 18. Trade and other receivables (cont'd)

The movement in the allowance for impairment loss for trade and other receivables and contract assets is as follows:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
At 1 January	1,124	1,082	54	588
Additions	504	52	-	-
Reversal of impairment loss	(2)	(8)	(54)	(534)
Exchange differences	(16)	(2)	-	-
At 31 December	1,610	1,124	-	54

Impairment loss recognised at Company level pertains to impairment loss from amount due from subsidiaries, trade.

A summary of the Group's exposures to credit risk for trade and other receivables and contract assets (excluding prepayments and deferred cost) is as follows:

	Group			
	2023		2022	
	Not credit impaired	Credit impaired	Not credit impaired	Credit impaired
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>				
External credit ratings at least Baa3 from Moody's or BBB from Standard & Poor's	17,534	-	23,421	-
<b>Other customers:</b>				
- Four or more years' trading history with the Group*	30,615	-	20,091	-
- Less than four years' trading history with the Group*	4,216	-	5,860	-
- Higher risk	-	82	-	86
<b>Other receivables – Low risk</b>	10,322	-	13,107	-
<b>Contract assets:</b>				
- External credit ratings at least Baa3 from Moody's or BBB from Standard & Poor's	1,540	-	1,668	-
- Four or more years' trading history with the Group*	1,760	-	718	-
- Less than four years' trading history with the Group*	519	-	200	-
<b>Total gross carrying amount</b>	66,506	82	65,065	86
Less: loss allowance	(1,528)	(82)	(1,038)	(86)
	64,978	-	64,027	-

\* Exclude higher risk

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 18. Trade and other receivables (cont'd)

	Company			
	2023		2022	
	Not credit impaired	Credit impaired	Not credit impaired	Credit impaired
	\$'000	\$'000	\$'000	\$'000
<b>Company</b>				
Trade and other receivables	18,119	–	17,911	54
<b>Total gross carrying amount</b>	18,119	–	17,911	54
Less: loss allowance	–	–	–	(54)
	18,119	–	17,911	–

*Expected credit loss assessment for corporate customers*

The Group uses an allowance matrix to measure the ECLs of trade receivables and contract assets from corporate customers. The allowance matrix is based on actual credit loss experience over the past three years. The ECL computed is derived from historical data which management is of the view that the historical conditions are representative of the conditions prevailing at the reporting date as well as consideration of forward looking factors.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets:

	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
	%	\$'000	\$'000	
<b>Group</b>				
<b>2023</b>				
Current (not past due)	<1	44,849	–	No
Past due 0 – 30 days	<1	5,777	–	No
Past due 31 – 180 days	<1	3,827	–	No
More than 180 days	37	1,811	(664)	Yes
		56,264	(664)	
<b>2022</b>				
Current (not past due)	<1	43,446	–	No
Past due 0 – 30 days	<1	4,294	–	No
Past due 31 – 180 days	<1	3,580	–	No
More than 180 days	56	723	(406)	Yes
		52,043	(406)	

*Other receivables (excluding prepayments and deferred cost)*

The Group's and Company's other receivables (excluding prepayments and deferred cost) as at 31 December 2023 and 2022 includes amounts due from related parties, consideration receivable from related parties, tax recoverable and deposits. The Group and Company uses general approach for assessment of ECLs for other receivables. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposure. The amount of the allowance on these balances is insignificant to the Group and Company.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 18. Trade and other receivables (cont'd)

### *Amounts due from subsidiaries (trade)*

The Company use an allowance matrix to measure the ECLs of amounts due from subsidiaries (trade). The allowance matrix is based on actual credit loss experience over the past three years. The ECL computed is derived from historical data which management is of the view that the historical conditions are representative of the conditions prevailing at the reporting date as well as consideration of forward looking factors. The amount of the allowance on these balances is insignificant to the Company.

### *Amounts due from subsidiaries (non-trade)/Loans to subsidiaries*

The Company uses general approach for assessment of ECLs for amounts due from subsidiaries (non-trade) and loans to subsidiaries. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposure. The amount of the allowance on these balances is insignificant to the Company.

## 19. Cash and bank balances

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash and bank balances	21,497	20,389	7,665	6,095
Short-term deposits	8,949	8,106	–	–
Cash and bank balances	30,446	28,495	7,665	6,095
Less: Placement of deposit with maturity periods more than 3 months	(5,351)	(5,652)	–	–
Cash and cash equivalents in the statement of cash flows	25,095	22,843	7,665	6,095

Cash at banks earn interest at floating rate. Short-term deposits are made for varying periods of between one to twelve months (2022: one to twelve months), depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The details of interest rates are set out in Note 30.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 20. Trade and other payables

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Non-current</b>					
Employee benefits	23	642	637	-	-
Other payables		155	166	-	-
		797	803	-	-
<b>Current</b>					
Trade payables	(a)	43,585	40,166	-	-
Loans from subsidiaries	(b)	-	-	7,016	7,086
Amounts due to subsidiaries					
- non-trade	(b)	-	-	7,616	6,632
Amounts due to joint venture					
- non-trade	(b)	2,094	190	-	-
Amounts due to other related corporations					
- trade	(a)	28	73	-	-
- non-trade	(b)	-	34	-	-
Accrued operating expenses		3,816	4,091	720	567
Employee benefits	23	136	187	39	67
GST/VAT output tax		114	166	-	-
Other payables		5,605	3,328	34	13
		55,378	48,235	15,425	14,365
		56,175	49,038	15,425	14,365

(a) Trade payables are unsecured, non-interest bearing and normally settled between 30 to 60 days' (2022: 30 to 60 days) terms.

(b) The loans from subsidiaries and non-trade amounts due to subsidiaries, joint venture and other related corporations are unsecured, interest-free and repayable on demand.

The Group and the Company's exposures to liquidity and currency risk related to trade and other payables are disclosed in Note 30.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 21. Share capital and reserves

### Share capital

	Group and Company	
	2023	2022
	\$'000	\$'000
<b>Issued and fully paid ordinary shares</b>		
At 1 January and 31 December		
439,425,000 shares	132,102	132,102

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and have no par value.

### Reserves

The reserves of the Group and the Company comprise the following balances:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Capital reserve	874	874	–	–
Translation reserve	(12,999)	(10,777)	–	–
Other reserves	506	382	77	77
	(11,619)	(9,521)	77	77

### Capital reserve

The capital reserve of the Group comprises statutory reserves transferred from retained earnings by certain foreign subsidiaries as required by statutory legislations in their countries of incorporation. The percentage of transfer of retained earnings is determined by the Board of Directors of these foreign subsidiaries based on the statutory requirements and these reserves can only be distributed upon approval by the relevant authorities.

### Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations and from the translation of financial liability designated as a hedge of net investment in the foreign operations, as well as foreign exchange differences on monetary items which form part of the Group's net investments in the foreign operations.

### Other reserves

Other reserves comprise the value of unexercised warrants of the Company which has been transferred from capital reserve to other reserve, the gain or loss on remeasurement of defined benefits plans of its subsidiaries and development reserve funds from one of its subsidiaries in Vietnam.

Remeasurements comprising actuarial gains or losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liabilities) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained earnings and are not reclassified to profit or loss in subsequent period.

Development reserve funds comprises the investment and development fund and bonus and welfare fund which are appropriated from a subsidiary's net profit. This appropriation is approved by the subsidiary's board of directors and the Company and is in accordance with the subsidiary's Charter and Vietnam's regulatory requirements.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 22. Dividends

The following tax-exempt (one-tier) dividends were declared and paid by the Group and Company:

	Group and Company	
	2023	2022
	\$'000	\$'000
<b>Declared and paid during the year:</b>		
<i>Dividends paid on ordinary shares</i>		
Tax-exempt (one-tier) final dividend of 0.90 cents per ordinary share for the year 2022 (2021: 0.90 cents)	3,955	3,955
Tax-exempt (one-tier) interim dividend of 0.90 cents per ordinary share for the year 2023 (2022: 0.90 cents)	3,955	3,955
	<u>7,910</u>	<u>7,910</u>
Paid by a subsidiary to NCI	<u>1,284</u>	<u>1,127</u>
<b>Proposed but not recognised as a liability as at 31 December:</b>		
Tax-exempt (one-tier) final dividend of 1.00 cents (2022: 0.90 cents) per ordinary share in respect of the year	4,394	3,955

## 23. Employee benefits

	Note	Group		Company	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Defined benefit obligations	(a)	642	637	–	–
Provision for termination benefits	(b)	–	–	–	–
Accrual for annual leave		136	187	39	67
		<u>778</u>	<u>824</u>	<u>39</u>	<u>67</u>
Analysed as:					
- Non-current		642	637	–	–
- Current		136	187	39	67
		<u>778</u>	<u>824</u>	<u>39</u>	<u>67</u>

One of the Group's subsidiaries, BPJ makes contributions to non-contributory defined benefit plans that provides pension for eligible employees upon retirement. The plans entitle employees to receive payment for their years of services the employee provided up to the date of their retirement.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 23. Employee benefits (cont'd)

The estimated liabilities for defined benefit obligations have been determined using the following assumptions:

	Group	
	2023	2022
Discount rate	6.75%	7.25%
Salary increase rate	6.0%	8.0%
Mortality table	TMI4	TMI4
Retirement age	58 years old	58 years old

In addition, in accordance with the United Arab Emirates Labour Law, two of the Group's subsidiaries, APTF and NTG, make contribution to defined benefit plans for employees who complete one or more year of continuous services.

### (a) Movement in the present value of the defined benefit obligations

	Group	
	2023	2022
	\$'000	\$'000
At 1 January	637	603
Benefits paid	(143)	(34)
Expense recognised in profit or loss	273	139
Actuarial gain on defined benefit plans	(103)	(15)
Exchange differences	(22)	(56)
At 31 December	642	637

### (b) Movement in provision for termination benefits

	Group	
	2023	2022
	\$'000	\$'000
At 1 January	-	-
Provision	97	-
Utilisation of provision	(97)	-
At 31 December	-	-

### (c) Employee benefits expenses recognised in profit or loss

	Group	
	2023	2022
	\$'000	\$'000
Defined benefit obligations	273	139
Reversal of accrual for annual leave	(51)	(13)
	222	126



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 23. Employee benefits (cont'd)

(d) *Employee benefits expenses recognised in the following line items in profit or loss*

	Group	
	2023	2022
	\$'000	\$'000
Cost of sales	217	97
Administrative expenses	5	29
	<u>222</u>	<u>126</u>

## 24. Loans and borrowings

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Bank loans				
- unsecured	331	1,787	-	-
Current portion of long-term bank loans				
- secured	-	639	-	-
	<u>331</u>	<u>2,426</u>	<u>-</u>	<u>-</u>

The Group's secured bank loans are secured on the following assets, stated at their carrying amounts:

	Group	
	2023	2022
	\$'000	\$'000
Plant and equipment	-	1,107
Inventories	6,598	6,706
	<u>6,598</u>	<u>7,813</u>

The details of interest rates are set out in Note 30.

The bank loans are repayable in 2024 (2022: 2023).

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 24. Loans and borrowings (cont'd)

A reconciliation of movements of liabilities to cash flows arising from financing activities:

	<b>Bank loans \$'000</b>	<b>Trust receipts \$'000</b>	<b>Total \$'000</b>
<b>Balance at 1 January 2023</b>	2,426	–	2,426
<b>Changes from financing cash flows</b>			
Interest paid	(93)	(111)	(204)
Proceeds from bank borrowings and trust receipts	702	3,205	3,907
Repayments of bank borrowings and trust receipts	(2,778)	(3,205)	(5,983)
<b>Total changes from financing cash flows</b>	<b>(2,169)</b>	<b>(111)</b>	<b>(2,280)</b>
<b>The effect of changes in foreign exchange rates</b>			
Interest expense	93	111	204
<b>At 31 December 2023</b>	<b>331</b>	<b>–</b>	<b>331</b>
<b>Balance at 1 January 2022</b>	11,894	5,589	17,483
<b>Changes from financing cash flows</b>			
Interest paid	(454)	(158)	(612)
Proceeds from bank borrowings and trust receipts	4,122	5,650	9,772
Repayments of bank borrowings and trust receipts	(13,859)	(11,141)	(25,000)
<b>Total changes from financing cash flows</b>	<b>(10,191)</b>	<b>(5,649)</b>	<b>(15,840)</b>
<b>The effect of changes in foreign exchange rates</b>			
Interest expense	454	158	612
<b>At 31 December 2022</b>	<b>2,426</b>	<b>–</b>	<b>2,426</b>

## 25. Right-of-use assets/Lease liabilities

### *Group as lessee*

The Group leases land, offices, warehouses, factories, office equipment and motor vehicles. The leases typically run for a period of 2 to 32 years, with an option to renew the lease after that date. Lease payments are renegotiated upon renewal to reflect market rentals. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

The Group leases premises, motor vehicles, factory equipment and office with contract terms of one year or less. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 25. Right-of-use assets/Lease liabilities (cont'd)

### (a) Right-of-use assets

Set out below the carrying amounts of right-of-use assets recognised and the movements during the year:

	Land and buildings \$'000	Plant and machinery \$'000	Office equipment and computers \$'000	Total \$'000
<b>Group</b>				
At 1 January 2022	10,309	46	66	10,421
Depreciation	(2,223)	(25)	(24)	(2,272)
Additions	654	12	11	677
Disposal/write-off	(39)	–	–	(39)
Impairment loss (Note 11)	(474)	–	–	(474)
Exchange differences	(245)	(1)	(1)	(247)
At 31 December 2022	7,982	32	52	8,066
Depreciation	(1,944)	(26)	(24)	(1,994)
Additions	3,012	105	15	3,132
Disposal/write-off	(75)	(5)	–	(80)
Exchange differences	206	(5)	(1)	200
At 31 December 2023	9,181	101	42	9,324
	Land and buildings \$'000	Plant and machinery \$'000	Total \$'000	
<b>Company</b>				
At 1 January 2022	–	61	61	
Additions to right-of-use assets	–	10	10	
Depreciation	–	(19)	(19)	
At 31 December 2022	–	52	52	
Additions to right-of-use assets	215	–	215	
Depreciation charge for the year	(81)	(20)	(101)	
At 31 December 2023	134	32	166	

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 25. Right-of-use assets/Lease liabilities (cont'd)

### (b) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
At 1 January	9,190	11,030	86	112
Additions	3,132	678	215	11
Accretion of interest	627	563	9	4
Lease payments	(2,681)	(2,973)	(126)	(41)
De-recognition	–	(45)	–	–
Exchange differences	89	(63)	–	–
At 31 December	10,357	9,190	184	86
Non-current	8,827	7,618	45	47
Current	1,530	1,572	139	39
	10,357	9,190	184	86

The maturity analysis of lease liabilities is disclosed in Note 30.

### (c) Amounts recognised in profit or loss

	Group	
	2023 \$'000	2022 \$'000
Depreciation of right-of-use assets	1,994	2,272
Interest on lease liabilities	627	563
Expenses relating to short-term leases	770	513
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	3	2
	3,394	3,350

### (d) Total cash outflow

	Group	
	2023 \$'000	2022 \$'000
Total cash outflow for leases	(3,454)	(3,488)

The Group had total cash outflow for leases of \$3,454,000 (2022: \$3,488,000) in 2023, of which \$2,681,000 (2022: \$2,973,000) pertains to cash flow in relation to the lease liabilities recognised.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 25. Right-of-use assets/Lease liabilities (cont'd)

### (e) Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

### Group as lessor

The Group leases out its investment property. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Information about the operating leases of investment property is disclosed in Note 13 to the financial statements.

Rental income from investment property recognised by the Group during 2023 was \$1,945,000 (2022: \$1,871,000).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2023	2022
	\$'000	\$'000
<hr/>		
Operating leases under SFRS(I) 16		
Less than one year	1,777	1,717
Between one year to five years	1,866	1,947
	<hr/>	<hr/>
	3,643	3,664

## 26. Deferred tax assets and liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same tax authority. The amounts determined after the appropriate offsetting are included in the statement of financial position as follows:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets	1,184	1,196	–	–
Deferred tax liabilities	1,250	1,208	11	11

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 26. Deferred tax assets and liabilities (cont'd)

### *Unrecognised deferred tax liabilities*

At 31 December 2023, deferred tax liabilities of \$1,283,000 (2022: \$1,107,000) for temporary differences of \$7,548,000 (2022: \$6,511,000) related to investments in subsidiaries were not recognised because the Group is able to control the timing of reversal of the related taxable temporary differences and is satisfied that they will not be incurred in the foreseeable future.

### *Unrecognised deferred tax assets*

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

	Group	
	2023	2022
	\$'000	\$'000
Deductible temporary differences	1,107	1,085
Tax losses	22,311	25,845
	<u>23,418</u>	<u>26,930</u>

### *Unrecognised tax losses*

As at 31 December 2023, the Group has tax losses of approximately \$22,311,000 (2022: \$25,845,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement by the relevant tax authority and provisions of the tax legislations of the respective countries in which the Group operates. The tax losses have no expiry date except for an amount of \$9,093,000 (2022: \$10,563,000) which will expire in 5 years period.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 26. Deferred tax assets and liabilities (cont'd)

### Recognised deferred tax assets and liabilities

Movements in deferred tax assets and liabilities (prior to offsetting of balances) during the year are as follows:

Group	At 1 January 2022	Recognised in profit or loss (Note 9)	Recognised in other comprehensive income	Exchange differences	At 31 December 2022	Recognised in profit or loss (Note 9)	Recognised in other comprehensive income	Exchange differences	At 31 December 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Deferred tax assets</b>									
Property, plant and equipment	573	(255)	-	(2)	316	(24)	-	(2)	290
Inventories	73	64	-	-	137	(41)	-	(2)	94
Trade and other payables	139	28	(4)	(12)	151	(12)	(26)	(1)	112
Others	462	8	-	(5)	465	(14)	-	(7)	444
	1,247	(155)	(4)	(19)	1,069	(91)	(26)	(12)	940
<b>Deferred tax liabilities</b>									
Property, plant and equipment	(1,403)	350	-	33	(1,020)	59	-	55	(906)
Others	(29)	(34)	-	2	(61)	(43)	-	4	(100)
	(1,432)	316	-	35	(1,081)	16	-	59	(1,006)

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 27. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following significant transactions took place between the Group and related parties at terms agreed between the parties:

### (a) *Related party transactions*

	Group	
	2023	2022
	\$'000	\$'000
<i>With companies in which certain directors and substantial shareholders have significant influence</i>		
Sale of raw materials/finished goods	10,436	14,814
Purchase of raw materials/finished goods	(30)	(51)
Sale of scrap	546	653
Rental paid/payable	(85)	–
Rental received/receivable	70	95
Purchase of tissue papers	(4)	(4)
Recharge of demurrage fee paid/payable	(9)	(17)
Sale of plant and equipment	6	–
<i>With companies in which certain directors have significant influence</i>		
Professional fees paid/payable	(6)	(6)
<i>With companies in which certain directors of subsidiaries have significant influence</i>		
Sale of raw materials/finished goods	161	278
Purchase of finished goods	(74)	(878)
Processing fee received/receivable	19	20
Rental received/receivable	49	50
Sale of plant and equipment	1	–
<i>With joint ventures</i>		
Sale of raw materials/finished goods	–	1
Purchase of raw materials	–	(171)
Purchase of plant and equipment	(3,225)	(3,135)
Payables written off	–	82
Receivables written off	–	(173)
Rental received/receivable	335	–



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 27. Related party transactions (cont'd)

### (b) *Compensation of key management personnel*

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors and certain key executives of the management team are considered as key management personnel of the Group.

In addition to their salaries, the Group also contributes to post-employment defined benefits plans on their behalf.

Key management personnel compensation comprise remuneration of directors and other key executives as follows:

	Group	
	2023	2022
	\$'000	\$'000
Short-term employment benefits		
- Directors	1,549	1,531
- Key executives	3,157	3,165
Post-employment benefits (including contribution to Central Provident Fund)	164	162
	<u>4,870</u>	<u>4,858</u>

### *Key management personnel and director transactions*

A number of key management personnel, or their related parties, hold positions in other entities that result in them having a significant influence over the financial or operating policies of these entities. A number of these entities transacted with the Group during the year.

## 28. Commitments

At the end of the reporting period, the Group has the following commitment:

### *Capital commitment*

	Group	
	2023	2022
	\$'000	\$'000
Contracted but not provided for		
- Property, plant and equipment	<u>1,567</u>	<u>3,622</u>

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 29. Contingent liabilities

The Company has given an undertaking to provide continuing financial support to a subsidiary (2022: certain subsidiaries), to enable these subsidiaries to continue its operations for at least the next twelve months. At reporting date, the subsidiary was in a net current liabilities and net assets position of \$9,443 and \$28,101,159 (2022: net current liabilities and net assets position of \$40,683 and \$31,936,259) respectively.

## 30. Financial risk management policies and objectives

The key financial risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk and foreign currency risk.

### *Risk management framework*

Risk management is integral to the whole business of the Group. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks during the years ended 31 December 2023 and 2022.

### (a) **Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Concentrations of credit risk exist when economic or industry factors similarly affect groups of counterparties and when the aggregate amount of this exposure is significant in relation to the Group's total credit exposure. Details of credit risk by different factors, including geographical region, can be found in Note 18.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit facilities. Each new customer is analysed individually for creditworthiness before the Group's standard payment, delivery terms and conditions are offered. Purchase limits are established for each customer. These limits are reviewed regularly. Customers failing to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, geographical location, industry, aging profile, maturity and existence of previous financial difficulties.

The Group does not require collateral in respect of trade and other receivables. The Group does not have trade receivables and contract assets for which no loss allowance is recognised because of collateral.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 30. Financial risk management policies and objectives (cont'd)

### (a) Credit risk (cont'd)

To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition.

The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the expected performance and behaviour of the borrower including changes in the payment status of borrowers in the group and changes in the operating results of the borrower

The Group determined that its financial assets are credit-impaired when:

- There is a significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. When loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

### *Exposure to credit risk*

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:

#### (i) Cash and bank balances

The Group and the Company held cash and bank balances of \$30,446,000 (2022: \$28,495,000) and \$7,665,000 (2022: \$6,095,000) as at 31 December 2023. The cash and bank balances are held with bank and financial institution counterparties, which are rated B2 to Aa1, based on Moody's ratings.

Impairment on cash and bank balances has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and bank balances is negligible.

#### (ii) Financial guarantees

Intra-group financial guarantees comprise guarantees granted by the Company to banks of \$17,813,000 (2022: \$29,883,000) in respect of banking facilities extended to subsidiaries. In the event of a default of those banking facilities by the subsidiaries, the Company would be responsible for the repayment of the amount owing to the bank.

An unsecured guarantee of \$4,487,000 (2022: \$4,560,000) was issued to suppliers by the Company for credit terms granted to its subsidiaries.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 30. Financial risk management policies and objectives (cont'd)

### (a) **Credit risk (cont'd)**

#### (ii) *Financial guarantees (cont'd)*

At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the above guarantees.

#### *Excessive risk concentration*

Concentrations of credit risk exist when economic or industry factors similarly affect groups of counterparties and when the aggregate amount of this exposure is significant in relation to the Group's total credit exposure.

Details of credit risk by different factors, including geographical region, can be found in Note 18.

### (b) **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. Short-term funding is obtained from bank borrowings. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of credit facilities.

#### *Working capital management*

The Group manages its working capital requirements with the view to ensure smooth operations and minimise interest costs. There are credit facilities available to the Group to support part of the working capital requirements. The credit facilities are regularly reviewed by the directors to ensure that they meet the objectives of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 30. Financial risk management policies and objectives (cont'd)

### (b) Liquidity risk (cont'd)

*Analysis of financial instruments by remaining contractual maturities*

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the statement of financial position date based on contractual undiscounted repayment obligations.

	Note	Carrying amount \$'000	Cash flows		
			Contractual cash flows \$'000	Within one year \$'000	One to five years \$'000
<b>Group</b>					
<b>31 December 2023</b>					
<b>Financial assets</b>					
Equity instruments at FVTPL	16	788	788	–	788
Trade and other receivables*	18	60,054	60,054	60,054	–
Cash and bank balances	19	30,446	30,805	30,805	–
Contract assets	4	3,819	3,819	3,819	–
<b>Total undiscounted financial assets</b>		<b>95,107</b>	<b>95,466</b>	<b>94,678</b>	<b>788</b>
<b>Non-derivative financial liabilities</b>					
Unsecured bank loans	24	(331)	(341)	(341)	–
Lease liabilities	25	(10,357)	(13,876)	(2,048)	(11,828)
Trade and other payables**	20	(55,283)	(55,283)	(55,128)	(155)
<b>Total undiscounted financial liabilities</b>		<b>(65,971)</b>	<b>(69,500)</b>	<b>(57,517)</b>	<b>(11,983)</b>
<b>Total net undiscounted financial assets/(liabilities)</b>		<b>29,136</b>	<b>25,966</b>	<b>37,161</b>	<b>(11,195)</b>

\* Excludes prepayments, tax recoverable, deferred cost, GST/VAT input tax and non-current other receivables

\*\* Excludes employee benefits and GST/VAT output tax

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 30. Financial risk management policies and objectives (cont'd)

### (b) Liquidity risk (cont'd)

	Note	Carrying amount \$'000	Cash flows		
			Contractual cash flows \$'000	Within one year \$'000	One to five years \$'000
<b>Group</b>					
<b>31 December 2022</b>					
<b>Financial assets</b>					
Equity instruments at FVTPL	16	830	830	–	830
Trade and other receivables*	18	60,159	60,159	60,159	–
Cash and bank balances	19	28,495	28,928	28,928	–
Contract assets	4	2,586	2,586	2,586	–
<b>Total undiscounted financial assets</b>		<b>92,070</b>	<b>92,503</b>	<b>91,673</b>	<b>830</b>
<b>Non-derivative financial liabilities</b>					
Secured bank loans	24	(639)	(666)	(666)	–
Unsecured bank loans	24	(1,787)	(1,834)	(1,834)	–
Lease liabilities	25	(9,190)	(11,616)	(2,052)	(9,564)
Trade and other payables**	20	(48,048)	(48,048)	(47,882)	(166)
<b>Total undiscounted financial liabilities</b>		<b>(59,664)</b>	<b>(62,164)</b>	<b>(52,434)</b>	<b>(9,730)</b>
<b>Total net undiscounted financial assets/(liabilities)</b>		<b>32,406</b>	<b>30,339</b>	<b>39,239</b>	<b>(8,900)</b>

\* Excludes prepayments, tax recoverable, deferred cost, GST/VAT input tax and non-current other receivables

\*\* Excludes employee benefits and GST/VAT output tax

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 30. Financial risk management policies and objectives (cont'd)

### (b) Liquidity risk (cont'd)

Cash flows due within one year include secured and unsecured revolving credit facilities amounting to \$341,000 (2022: \$1,834,000).

	Note	Carrying amount \$'000	Cash flows		
			Contractual cash flows \$'000	Within one year \$'000	One to five years \$'000
<b>Company</b>					
<b>31 December 2023</b>					
<b>Financial assets</b>					
Equity instruments at FVTPL	16	730	730	–	730
Trade and other receivables*	18	18,109	19,577	10,298	9,279
Cash and bank balances	19	7,665	7,665	7,665	–
<b>Total undiscounted financial assets</b>		<b>26,504</b>	<b>27,972</b>	<b>17,963</b>	<b>10,009</b>
<b>Non-derivative financial liabilities</b>					
Lease liabilities	25	(184)	(189)	(144)	(45)
Trade and other payables**	20	(15,386)	(15,386)	(15,386)	–
Financial guarantees		–	(22,300)	(22,300)	–
<b>Total undiscounted financial liabilities</b>		<b>(15,570)</b>	<b>(37,875)</b>	<b>(37,830)</b>	<b>(45)</b>
<b>Total net undiscounted financial assets/(liabilities)</b>		<b>10,934</b>	<b>(9,903)</b>	<b>(19,867)</b>	<b>9,964</b>

\* Excludes prepayments and GST/VAT input tax

\*\* Excludes employee benefits and GST/VAT output tax

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 30. Financial risk management policies and objectives (cont'd)

### (b) Liquidity risk (cont'd)

	Note	Carrying amount \$'000	Cash flows		
			Contractual cash flows \$'000	Within one year \$'000	One to five years \$'000
<b>Company</b>					
<b>31 December 2022</b>					
<b>Financial assets</b>					
Equity instruments at FVTPL	16	755	755	–	755
Trade and other receivables*	18	17,956	19,091	11,845	7,246
Cash and bank balances	19	6,095	6,095	6,095	–
<b>Total undiscounted financial assets</b>		<b>24,806</b>	<b>25,941</b>	<b>17,940</b>	<b>8,001</b>
<b>Non-derivative financial liabilities</b>					
Lease liabilities	25	(86)	(89)	(41)	(48)
Trade and other payables**	20	(14,298)	(14,298)	(14,298)	–
Financial guarantees		–	(34,443)	(34,443)	–
<b>Total undiscounted financial liabilities</b>		<b>(14,384)</b>	<b>(48,830)</b>	<b>(48,782)</b>	<b>(48)</b>
<b>Total net undiscounted financial assets/(liabilities)</b>		<b>10,422</b>	<b>(22,889)</b>	<b>(30,842)</b>	<b>7,953</b>

\* Excludes prepayments and GST/VAT input tax

\*\* Excludes employee benefits and GST/VAT output tax

The maturity analyses show the contractual undiscounted cash flows of the Group and the Company's financial liabilities and guarantees on the basis of their earliest possible contractual maturity.

Except for the cash flow arising from the intra-group financial guarantees, it is not expected that the cash flows included in the maturity analyses of the Group and the Company could occur significantly earlier, or at significantly different amounts.

### (c) Interest rate risk

The Group's exposure to changes in interest rates relates primarily to its interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 30. Financial risk management policies and objectives (cont'd)

### (c) Interest rate risk (cont'd)

*Effective interest rates and repricing/maturity analysis*

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:

	Average interest rate %	Floating interest \$'000	Fixed interest rate maturing		Total \$'000
			Within 1 year \$'000	1 to 5 years \$'000	
<b>Group</b>					
<b>2023</b>					
<b>Assets</b>					
Short-term deposits	2.4 – 7.5	–	8,949	–	8,949
		–	8,949	–	8,949
<b>Liabilities</b>					
Bank loans	6.0	(331)	–	–	(331)
Lease liabilities	1.9 – 11.8	–	(1,530)	(8,827)	(10,357)
		(331)	(1,530)	(8,827)	(10,688)
<b>2022</b>					
<b>Assets</b>					
Short-term deposits	2.8 – 8.8	–	8,106	–	8,106
		–	8,106	–	8,106
<b>Liabilities</b>					
Bank loans	6.9 – 11.8	(2,368)	(58)	–	(2,426)
Lease liabilities	1.9 – 11.8	–	(1,572)	(7,618)	(9,190)
		(2,368)	(1,630)	(7,618)	(11,616)

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 30. Financial risk management policies and objectives (cont'd)

### (c) Interest rate risk (cont'd)

	Average interest rate %	Floating interest \$'000	Fixed interest rate maturing		Total \$'000
			Within 1 year \$'000	1 to 5 years \$'000	
<b>Company</b>					
<b>2023</b>					
<b>Asset</b>					
Loans to subsidiaries	1.8 – 6.4	–	14,831	8,084	22,915
<b>Liability</b>					
Lease liabilities	1.9 – 5.4	–	(139)	(45)	(184)
<b>2022</b>					
<b>Asset</b>					
Loans to subsidiaries	1.8 – 6.1	–	17,200	6,607	23,807
<b>Liability</b>					
Lease liabilities	1.9 – 3.9	–	(39)	(47)	(86)

#### Fair value sensitivity analysis for fixed rate instruments

The Group and Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect profit or loss.

#### Cash flow sensitivity analysis for variable rate instruments

For variable rate financial assets and liabilities, a change of 50 basis points in interest rates at the reporting date would have increased/(decreased) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit before tax			
	Group		Company	
	50 bp increase \$'000	50 bp decrease \$'000	50 bp increase \$'000	50 bp decrease \$'000
<b>2023</b>				
Variable rate instruments	(2)	2	–	–
<b>2022</b>				
Variable rate instruments	(12)	12	–	–

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 30. Financial risk management policies and objectives (cont'd)

### (d) Foreign currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies in which these transactions primarily are denominated are the Singapore dollar ("SGD"), United Arab Emirates dirham ("AED"), United States dollar ("USD"), Vietnamese dong ("VND"), Australian dollar ("AUD") and Malaysia ringgit ("MYR").

The Group has a policy that governs the hedging of foreign currency risk exposure. The Group's policy is to enter into "Plain Vanilla" foreign exchange forwards to hedge its foreign currency risks. The policy prescribes guidelines as to the duration and the risks limits to foreign currency exposures. Exposures to currency risk are monitored on an ongoing basis and the Group endeavours to keep the net exposures at an acceptable level.

At the reporting date, the Group and Company do not have any outstanding forward exchange contracts (2022: \$Nil).

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

	AED \$'000	USD \$'000	VND \$'000	AUD \$'000	MYR \$'000
<b>Group</b>					
<b>2023</b>					
Trade and other receivables	2,477	1,664	2,102	121	127
Cash and bank balances	758	6,945	87	12	189
Lease liabilities	(5,768)	–	(13)	–	(779)
Trade and other payables	(1,983)	(317)	(2,887)	(7)	(1,031)
Net exposure	(4,516)	8,292	(711)	126	(1,494)
<b>2022</b>					
Trade and other receivables	2,493	1,236	2,262	123	327
Cash and bank balances	1,296	7,347	171	31	484
Loans and borrowings	–	–	(416)	–	(1,078)
Lease liabilities	(3,850)	(190)	(390)	–	–
Trade and other payables	(661)	(2,046)	(2,558)	(7)	(1,792)
Net exposure	(722)	6,347	(931)	147	(2,059)

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 30. Financial risk management policies and objectives (cont'd)

### (d) Foreign currency risk (cont'd)

	Company	
	USD 2023 \$'000	USD 2022 \$'000
Loans to subsidiaries	27,532	27,832
Trade and other receivables	507	125
Cash and bank balances	5,164	5,388
Trade and other payables	(13,999)	(13,661)
	<u>19,204</u>	<u>19,684</u>

#### Sensitivity analysis

A 2% strengthening of SGD against the AED, USD, VND, AUD and MYR at the reporting date would have increased/(decreased) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis for 2022.

	Group		Company	
	2023 \$'000	2022 \$'000	Profit before tax 2023 \$'000	2022 \$'000
AED	90	14	-	-
USD	(166)	(127)	(384)	(394)
VND	14	19	-	-
AUD	(3)	(3)	-	-
MYR	30	41	-	-

A 2% weakening of SGD against the AED, USD, VND, AUD and MYR at the reporting date would have the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

## 31. Fair value of financial assets and liabilities

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

### (a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3: Unobservable inputs for the asset and liability.

Fair value measurement that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 31. Fair value of financial assets and liabilities (cont'd)

### (b) *Financial assets and liabilities measured at fair value*

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Fair value			Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
<b>Group</b>				
<b>2023</b>				
<b>Assets</b>				
Equity investments – at FVTPL				
Quoted equity securities	58	–	–	58
Unquoted equity securities	–	–	730	730
	<u>58</u>	<u>–</u>	<u>730</u>	<u>788</u>
<b>2022</b>				
<b>Assets</b>				
Equity investments – at FVTPL				
Quoted equity securities	75	–	–	75
Unquoted equity securities	–	–	755	755
	<u>75</u>	<u>–</u>	<u>755</u>	<u>830</u>

### **Estimation of fair values**

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and Company.

#### *Equity investments – at FVTPL (2022: Equity investments – at FVTPL)*

The fair value of quoted securities is determined by reference to their quoted prices (unadjusted) in active markets for identical assets.

#### *Unquoted equity securities (2022: Unquoted equity securities)*

#### Information about significant unobservable inputs used in Level 3 fair value measurements

The fair value of unquoted equity securities is determined based on the net tangible assets, which approximate fair value, of the investees. The net intangible assets are then adjusted for the fair value of the property held which is based on independent valuations obtained by property valuers on an open market value basis.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 31. Fair value of financial assets and liabilities (cont'd)

### (b) *Financial assets and liabilities measured at fair value (cont'd)*

#### *Estimation of fair values (cont'd)*

*Unquoted equity securities (2022: Unquoted equity securities) (cont'd)*

Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

The following table presents the valuation technique and key inputs that were used to determine the fair value of the property held categorized under Level 3 of the fair value hierarchy which involves significant unobservable inputs:

Financial year	Fair value of unquoted equity securities \$'000	Valuation technique	Unobservable input	Range
2023	730	Market comparable approach	Yield adjustments based on management's assumptions*	Land: Land value + RM10psf Building: depreciation expenses + 3%
2022	755	Market comparable approach	Yield adjustments based on management's assumptions*	Land: Land value + RM10psf Building: depreciation expenses + 3%

\* The yield adjustments are made for any differences in the nature, location or condition of the specified property.

A significant increase/(decrease) in yield adjustments based on management's assumptions would result in a significantly lower/(higher) fair value measurement.

#### Movement in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for assets measured at fair value based on significant unobservable inputs (Level 3):

	Financial assets at FVTPL Unquoted equity securities	
	2023 \$'000	2022 \$'000
<b>Group</b>		
At 1 January	755	855
Total losses for the year included in profit or loss	(25)	(100)
Balance at 31 December	730	755

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 31. Fair value of financial assets and liabilities (cont'd)

### (b) *Financial assets and liabilities measured at fair value (cont'd)*

#### *Estimation of fair values (cont'd)*

*Unquoted equity securities (2022: Unquoted equity securities) (cont'd)*

#### Valuation policies and procedures

The directors of the Company decide which external valuer to be responsible for the external valuations of the Group's property. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management has discussion with the valuer on the valuation assumptions and valuation results when the valuation is performed at each annual reporting date, on an alternate year basis. For financial years which no valuation is performed, management corroborates the previous fair value obtained with recent transaction prices of properties in the same vicinity.

### (c) *Assets and liabilities not carried at fair value but for which fair value is disclosed*

The following table shows an analysis of the Group's assets not measured at fair value but for which fair value is disclosed:

	<b>Significant unobservable inputs (Level 3) \$'000</b>	<b>Carrying amount \$'000</b>
<b>Group</b>		
<b>2023</b>		
Investment properties	22,065	2,638
<b>2022</b>		
Investment properties	23,205	2,891

Determination of fair value is disclosed in Note 13.

### (d) *Assets and liabilities not measured at fair value*

The carrying amounts of financial assets and liabilities with a maturity of or reprice within one year (including trade and other receivables, cash and bank balances, financial liabilities and trade and other payables) are assumed to approximate their fair values because of the short period to maturity or repricing.

The fair value of loan to subsidiaries is not materially different from its carrying values.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 32. Financial instruments by category

	FVTPL \$'000	Amortised cost \$'000	Total carrying amount \$'000
<b>Group</b>			
<b>2023</b>			
<b>Financial assets</b>			
Equity investments at FVTPL	788	–	788
Trade and other receivables*	–	60,054	60,054
Cash and bank balances	–	30,446	30,446
Contract assets	–	3,819	3,819
	<u>788</u>	<u>94,319</u>	<u>95,107</u>
<b>Financial liabilities</b>			
Trade and other payables**	–	(55,283)	(55,283)
Loans and borrowings	–	(331)	(331)
	<u>–</u>	<u>(55,614)</u>	<u>(55,614)</u>
<b>2022</b>			
<b>Financial assets</b>			
Equity investments at FVTPL	830	–	830
Trade and other receivables*	–	60,159	60,159
Cash and bank balances	–	28,495	28,495
Contract assets	–	2,586	2,586
	<u>830</u>	<u>91,240</u>	<u>92,070</u>
<b>Financial liabilities</b>			
Trade and other payables**	–	(48,048)	(48,048)
Loans and borrowings	–	(2,426)	(2,426)
	<u>–</u>	<u>(50,474)</u>	<u>(50,474)</u>

\* Excludes prepayments, tax recoverable, deferred cost, GST/VAT input tax and non-current other receivables

\*\* Excludes employee benefits and GST/VAT output tax



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 32. Financial instruments by category (cont'd)

	FVTPL \$'000	Amortised cost \$'000	Total carrying amount \$'000
<b>Company</b>			
<b>2023</b>			
<b>Financial assets</b>			
Equity investments at FVTPL	730	–	730
Trade and other receivables*	–	18,109	18,109
Cash and bank balances	–	7,665	7,665
	<u>730</u>	<u>25,774</u>	<u>26,504</u>
<b>Financial liabilities</b>			
Trade and other payables**	–	(15,386)	(15,386)
<b>2022</b>			
<b>Financial assets</b>			
Equity investments at FVTPL	755	–	755
Trade and other receivables*	–	17,956	17,956
Cash and bank balances	–	6,095	6,095
	<u>755</u>	<u>24,051</u>	<u>24,806</u>
<b>Financial liabilities</b>			
Trade and other payables**	–	(14,298)	(14,298)

\* Excludes prepayments and GST/VAT input tax

\*\* Excludes employee benefits and GST/VAT output tax

## 33. Segment information

The Group's reportable segments as described below are the Group's strategic business units. The management has determined the reportable segments based on the reports reviewed by the Group's CEO and senior management that are used to make strategic decisions. Performance is measured based on segment results as included in the internal management reports reviewed by the Group's CEO and senior management.

For management purposes, the Group is organised into business segments based on their products and services, and has four reportable segments as follows:

- Specialty papers: The manufacture and sale of laminated aluminium paper products and other packaging products.
- Printed cartons and labels: The printing and sale of paper packaging materials.
- Trading: The sale of raw materials, paper products equipment and tissue paper related products. Tissue paper segment is included in Trading segment.
- Investment holding: Investing activities, including investment in investment properties.

Other segment includes the corrugated containers business. This is not included within the reportable operating segments. The results of the operation is included in "other segment".

Inter-segment pricing is determined on a commercial basis. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 33. Segment information (cont'd)

### Information about reportable segments

Group	Specialty papers		Printed cartons and labels		Trading		Investment holding		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	102,758	126,645	74,144	75,682	123,087	75,701	-	-	299,989	278,028
Inter-segment revenue	20,248	23,984	33,840	39,619	561	7,472	-	-	54,649	71,075
Interest income	152	37	254	21	97	-	1,083	708	1,586	766
Interest expense	(571)	(392)	(1,257)	(913)	(128)	(281)	(9)	(156)	(1,965)	(1,742)
Reportable segment profit before tax	13,185	13,695	4,084	(4,198)	997	2,061	1,535	666	19,801	12,224
Segment results	13,185	13,695	4,084	(4,198)	997	2,061	1,535	666	19,801	12,224
Share of loss of equity-accounted investees	-	-	-	-	-	-	(371)	(188)	(371)	(188)
Other material non-cash items:										
- Amortisation	5	5	406	913	-	-	-	-	411	918
- Depreciation	2,038	2,481	10,090	11,763	16	20	487	399	12,631	14,663
- (Reversal of)/impairment loss on property, plant and equipment	(2,052)	-	(486)	3,083	-	-	-	-	(2,538)	3,083
- Impairment loss on right-of-use assets	-	-	-	474	-	-	-	-	-	474
- Change in fair value of equity shares	17	22	-	-	-	-	25	100	42	122
Capital expenditure	2,276	474	14,741	6,449	-	-	23	-	17,040	6,923
Investments in equity-accounted investees	-	-	-	-	-	-	9,057	9,916	9,057	9,916
Reportable segment assets	67,669	75,046	125,578	119,581	31,726	22,781	3,521	4,382	228,494	221,790
Reportable segment liabilities	22,546	30,452	23,566	17,463	18,622	10,403	94	109	64,828	58,427

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 33. Segment information (cont'd)

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2023 \$'000	2022 \$'000
<b>Revenue</b>		
Total revenue for reportable segments	354,638	349,103
Revenue for other segment	6,408	7,707
Elimination of inter-segment revenue	(54,649)	(71,075)
Consolidated revenue	<u>306,397</u>	<u>285,735</u>
<b>Profit or loss</b>		
Total profit before tax for reportable segments	19,801	12,224
Profit/(loss) before tax for other segment	93	(79)
	<u>19,894</u>	<u>12,145</u>
Elimination of inter-segment profits	2,872	3,404
Share of loss of equity-accounted investees	(371)	(188)
Unallocated amounts:		
- other corporate expenses	(5,065)	(4,518)
Consolidated profit before tax	<u>17,330</u>	<u>10,843</u>
<b>Assets</b>		
Total assets for reportable segments	228,494	221,790
Assets for other segment	3,942	4,242
Investments in equity-accounted investees	9,057	9,916
Unallocated amounts:		
- other corporate assets	10,904	8,654
- income tax assets	1,204	1,484
Consolidated total assets	<u>253,601</u>	<u>246,086</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	64,828	58,427
Liabilities for other segment	1,065	1,493
Unallocated amounts:		
- other corporate liabilities	970	734
- income tax payable	2,441	2,751
Consolidated total liabilities	<u>69,304</u>	<u>63,405</u>
<b>Depreciation</b>		
Total depreciation for reportable segments	12,631	14,663
Others	139	110
Consolidated depreciation	<u>12,770</u>	<u>14,773</u>
<b>Capital expenditure</b>		
Total capital expenditure for reportable segments	17,040	6,923
Others	280	70
Consolidated capital expenditure	<u>17,320</u>	<u>6,993</u>

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 33. Segment information (cont'd)

	2023			2022		
	Reportable Segments		Consolidated	Reportable Segments		Consolidated
	Total	Adjustments	Total	Total	Adjustments	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>						
<b>Interest income and expense</b>						
Interest income	1,586	(1,072)	514	766	(537)	229
Interest expense	(1,965)	1,134	(831)	(1,742)	567	(1,175)
Consolidated net interest expense	(379)	62	(317)	(976)	30	(946)

### Geographical information

The specialty papers, printed cartons and labels, trading and investment holding segments operate in a number of principal countries. For specialty papers, the Group has plants in Singapore, Vietnam, Malaysia and Dubai, while for printed cartons and labels, the Group has plants in Vietnam, Indonesia and Dubai. For trading, the Group has sales offices in Singapore and Hong Kong.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of business operations and segment non-current assets are based on the geographical location of the assets.

	2023	2023	2022	2022
	External revenues	Non-current assets*	External revenues	Non-current assets*
	\$'000	\$'000	\$'000	\$'000
Hong Kong	129,380	17,663	98,317	17,923
Vietnam	49,607	20,544	55,952	26,216
Malaysia	24,630	17,131	33,579	19,003
Indonesia	17,936	22,323	14,222	14,928
Singapore	56,479	9,764	60,673	10,051
Dubai	28,365	27,244	22,992	18,971
China	–	1,632	–	1,897
Australia	–	53	–	107
	306,397	116,354	285,735	109,096

\* Excludes deferred tax assets and non-current financial assets

### Major customer

Revenue of \$98,759,000 (2022: \$109,200,000) is derived from two external customers (2022: two external customers), attributable to the specialty papers and printed cartons and labels segments.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

## 34. Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total equity. The Board also monitors the level of dividends to ordinary shareholders. Capital consists of ordinary shares and retained earnings of the Group.

The Board monitors the capital position of the Group to ensure a sufficiently strong capital base so as to maintain investor, creditor and market confidence. This is also a platform to sustain the existing business and for future growth. Concurrently, the Board of Directors reviews the capital to debt ratio to achieve the dual objective of a strong capital base and an acceptable level on the return on capital.

	Group	
	2023	2022
	\$'000	\$'000
Loans and borrowings (Note 24)	331	2,426
Lease liabilities (Note 25)	10,357	9,190
Total finance liabilities	10,688	11,616
Total equity	184,297	182,681
Total capital and financial liabilities	194,985	194,297
<b>Gearing ratio</b>	5.5%	6.0%

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

## 35. Subsequent event

On 15 January 2024, the Group announced that Alliance Print Technologies Co., Ltd. ("APT"), a wholly-owned subsidiary of New Toyo Investments Pte. Ltd., had entered into a Joint Venture Agreement ("JVA") with Cat Loi Joint Stock Company ("CLC") for the establishment of a joint venture company in Vietnam under the proposed name of C&A Packaging Company Limited (the "JV Company") to undertake the business of production of paper packaging, printing packaging and other business activities as agreed upon by CLC and APTV and in accordance with the provisions of Vietnam Law as detailed in the JVA.

The Joint Venture shall operate through the JV Company, which APTV will subscribe for 50% of the charter capital of the JV Company for a total cash consideration of VND6,000,000,000 (equivalent to approximately \$327,000). The remaining 50% of the charter capital of the JV Company will be held by CLC.

On 21 March 2024, all the terms and conditions as stipulated in the JVA have been fulfilled and the Proposed Joint Venture has been completed.

## 36. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 4 April 2024.

# GROUP PROPERTIES

List of Major Properties

Location	Description	Tenure
<b>Lot 15,17,19 &amp; 21 – Road 3 Industrial Zone Linh Trung II EPZ Thu Duc District Ho Chi Minh City, Vietnam</b>	One office, two factories and two warehouses used by a subsidiary for its operations	Leasehold 48.5 years from 3 December 2001 to 22 May 2050
<b>Lot 24 – Road 3 Industrial Zone Linh Trung II EPZ Thu Duc District Ho Chi Minh City, Vietnam</b>	Office and factory used by a subsidiary for its operations	Leasehold 40 years from 7 June 2010 to 22 May 2050
<b>No. 16 Soon Lee Road Singapore 628079</b>	Office, factory with ancillary structures used by a subsidiary for its operations	Leasehold 60 years commencing from 16 November 1969
<b>38 Huu Nghi Street Vietnam – Singapore Industrial Park Thuan An, Binh Duong Ho Chi Minh City, Vietnam</b>	Two-storey office, two factories and two warehouses used by a subsidiary for its operations	Leasehold 49 years expiring on 8 August 2054
<b>No. 79 Section 14/20 46100 Petaling Jaya Selangor Darul Ehsan, Malaysia</b>	Residential quarters for staff of a subsidiary	Leasehold 99 years expiring on 22 July 2074
<b>No. 8, Lorong 19/1 A 46300 Petaling Jaya Selangor Darul Ehsan, Malaysia</b>	Office, factory and warehouse used by a subsidiary for its operations	Leasehold 99 years from 24 July 1963
<b>Forest Hills, Block B-210 Mission Hill Golf Club Tangxia Town, Dongguan City Guangdong Province, PRC</b>	Studio apartment	Leasehold 40 years expiring on 6 July 2049
<b>Plot No. S30605, PO Box 263919 Jebel Ali, Dubai United Arab Emirates</b>	Office and factory used by a subsidiary for its operations	Leasehold 20 years expiring 5 August 2036
<b>Plot No. S40404, PO Box 263505 Jebel Ali, Dubai United Arab Emirates</b>	Office and factory used by a subsidiary for its operations	Leasehold 20 years expiring on 9 October 2036
<b>Plot No. S40313, PO Box 263919 Jebel Ali, Dubai United Arab Emirates</b>	Office and factory used by a subsidiary for its operations	Leasehold 20 years expiring on 4 April 2043

# GROUP PROPERTIES

## List of Investment Properties

Location	Description	Tenure
<b>No. 190, 191, 210 and 211 Shanghai Ma Lu Industrial Park No. 58 Chan Bo Road, Ma Lu District Jia Ding County, Shanghai, PRC</b>	Four similar semi-detached single-storey industrial/warehouse buildings	Leasehold 48 years expiring on 12 November 2043
<b>No. 2461, Bao An Road Jia Ding District, Shanghai, PRC</b>	Office, factory and warehouse	Leasehold 50 years from 7 July 1997
<b>No. 5 &amp; 6 Yue Hai Industrial Area Nan Yu Road West, Nan Shan District Shenzhen, PRC</b>	Two adjoining ground floor units of twin six-storey factory buildings	Leasehold 50 years from 1 March 1996
<b>No. 78 Xin Hua Dong Road Inner Mongolia, PRC</b>	2 units of residential apartments	Leasehold 70 years from 25 January 2006
<b>No. 35 Gang Wan Road Wuhu Economic Technology Development Park Wuhu City, Anhui Province, PRC</b>	Office, factory and warehouse	Leasehold period from 13 December 2000 to 1 December 2047
<b>Workshop B, 1/F., Block 1 Koon Wah Mirror Factory (6th) Industrial Building Nos. 7 – 9 Ho Tin Street, Tuen Mun New Territories, Hong Kong</b>	Industrial premises	Leasehold 99 years from 1 July 1898, extended by the New Territories Leases (Extension) Ordinance until the expiry of 30 June 2047
<b>No. 8, Section 14/28 46100 Petaling Jaya Selangor Darul Ehsan, Malaysia</b>	Residential premises	Leasehold 99 years expiring on 10 January 2063

# OTHER INFORMATION REQUIRED UNDER THE SGX-ST LISTING MANUAL

## Code of Conduct

The Group has a code of conduct that sets the principles of the code of conduct and business ethics which applies to all employees of the Group. The Group's employees are expected to observe and uphold high standards of integrity and comply with applicable laws and regulations as well as the Group's policies.

## Dealings in Securities

In line with Rule 1207(19) of the SGX-ST Listing Manual on dealings in securities, the Company provides guidance to its officers with regard to dealings by the Company and its officers in its securities including reminding its officers to observe the laws on insider dealing at all times. In addition, the Company advises its officers not to deal in its securities on short-term considerations and during the period commencing one month before the announcement of the Company's financial statements for the half financial year and full financial year, and ending on the date of the announcement of the relevant results.

## Material Contracts Involving the Interests of the Chief Executive Officer, Director or Controlling Shareholder

The Company and its subsidiaries do not have any material contract involving the interest of the Chief Executive Officer, Director or controlling shareholder that was still subsisting as at 31 December 2023 or entered into since 31 December 2022.

## Employee Share Option Scheme

The Group currently does not have any employee share option scheme.

## Interested Person Transactions

The aggregate value of transactions entered into by the Group with interested persons, as defined in the SGX-ST Listing Manual, is as follow:

Interested person	Aggregate value of all transactions (excluding transactions less than S\$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than S\$100,000) S\$'000
<b>New Toyo Pulppy (Vietnam) Co., Ltd</b>		
- Sale of jumbo reels	-	5,308
- Sale of chipboard, duplex board and core	301	-
- Sale of virgin pulp	-	5,683
<b>Yen &amp; Son Holdings Pte Ltd</b>		
- Rental of office space	255	-
<b>New Ocean Beijing Duck Restaurant Sdn. Bhd.</b>		
- Acquisition of all the shares (inclusive of liabilities and debts waiver)	286	-
- Trading of furniture, equipment and renovation materials	1,924	-

**Note:** New Ocean Beijing Duck Restaurant Sdn. Bhd. was previously an associate of Mr Yen Wen Hwa until it was acquired by Toyoma Non-Carbon Paper Manufacturer Sdn Bhd, a wholly owned subsidiary of the Company, on 27 December 2023.

## Risk Management

The Group's risk management controls are outlined on pages 30 to 31 and pages 111 to 121 of this Annual Report.



# OTHER INFORMATION REQUIRED UNDER THE SGX-ST LISTING MANUAL

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Ms Angela Heng Chor Kiang, Mr David Ong Kim Huat and Mr Tay Joo Soon are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 26 April 2024 (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the following is the information relating to the Director seeking re-election as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

Name of Director	MS ANGELA HENG CHOR KIANG	MR DAVID ONG KIM HUAT	MR TAY JOO SOON
Date of Appointment	27 March 2014	1 January 2022	16 July 2021
Date of last re-appointment	28 May 2021	28 April 2022	28 April 2022
Age	66	63	82
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the past contribution and suitability of Ms Angela Heng Chor Kiang (“Ms Heng”) for re-appointment as Executive Director of the Company. The Board has reviewed and concluded that Ms Heng possess the experience, expertise, knowledge and skills to continue contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the past contribution and suitability of Mr David Ong Kim Huat (“Mr Ong”) for re-appointment as Non-Executive and Independent Director of the Company. The Board has reviewed and concluded that Mr Ong possess the experience, expertise, knowledge and skills to continue contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the past contribution and suitability of Mr Tay Joo Soon (“Mr Tay”) for re-appointment as Non-Executive and Non-Independent Director of the Company. The Board has reviewed and concluded that Mr Tay possess the experience, expertise, knowledge and skills to continue contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive, responsible for the long and short term plans and management of the Company	Non-Executive and Independent Director	Non-Executive and Non-Independent Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Group Chief Executive Officer	Non-Executive and Independent Director, a member of the Nominating Committees	Non-Executive and Non-Independent Director

# OTHER INFORMATION REQUIRED UNDER THE SGX-ST LISTING MANUAL

Name of Director	MS ANGELA HENG CHOR KIANG	MR DAVID ONG KIM HUAT	MR TAY JOO SOON
Professional qualifications	Master of Social Science (Professional Counselling), Swinburne University of Technology, Australia	Bachelor of Science Degree in Business Administration with double major in Marketing and Management from University of Oregon, USA	Member of the Institute of Singapore Chartered Accountants  Fellow of the Institute of Chartered Accountants, Australia  Member of the Certified Public Accountant, Australia  Member of the Singapore Institute of Accredited Tax Professionals  Member of the Malaysian Institute of Certified Public Accountants
Working experience and occupation(s) during the past 10 years	<p><b>2014 to present</b> NEW TOYO INTERNATIONAL HOLDINGS LTD Executive Director Executive Chairman (stepped down effective 1 September 2016) Group Chief Executive Officer</p> <p><b>2007 to 2014</b> NEW TOYO INTERNATIONAL CO (PTE) LTD Head of Business Development – Special Projects</p>	<p><b>1998 to present</b> REDDOT MEDIA INC. PTE LTD Managing Director</p>	<p><b>1971 to present</b> TAY JOO SOON &amp; CO</p>
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest - 500,000 ordinary shares	None	Direct Interest – 190,004 ordinary shares Deemed Interest – 30,000 ordinary shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None	None
Conflict of interest (including any competing business)	None	None	None

# OTHER INFORMATION REQUIRED UNDER THE SGX-ST LISTING MANUAL

Name of Director	MS ANGELA HENG CHOR KIANG	MR DAVID ONG KIM HUAT	MR TAY JOO SOON
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
<b>Other Principal Commitments including Directorships</b>			
Past (for the last 5 years)	<ol style="list-style-type: none"> <li>1. New Toyo Ventures Pte Ltd</li> <li>2. New Toyo Adelaide Pty Ltd</li> </ol>	<ol style="list-style-type: none"> <li>1. National Trade Union Congress Board of Trustees</li> <li>2. OxPay Limited (MC Payment)</li> <li>3. Hon Corporation Limited</li> </ol>	None
Present	<ol style="list-style-type: none"> <li>1. Fast Win Enterprise Limited</li> <li>2. Max Ease International Limited</li> <li>3. New Toyo International Co (Pte) Ltd</li> <li>4. New Toyo Lamination (M) Pte Ltd</li> <li>5. Tien Wah Press Holdings Berhad</li> <li>6. Tien Wah Holdings (1990) Sdn Bhd</li> <li>7. Sealink International Limited</li> <li>8. New Toyo Paper Products (Shanghai) Co., Ltd</li> <li>9. New Toyo Corrugated Products Pte Ltd</li> <li>10. Singapore Pacific Investments Pte Ltd</li> <li>11. Pacific Eagle Investment Limited</li> <li>12. Wuhu New Asia Paper Products Co Ltd</li> <li>13. Anzpac Services (Australia) Pty Limited</li> <li>14. Paper Base Converting Sdn Bhd</li> <li>15. Toyoma Non-Carbon Paper Manufacturer Sdn Bhd</li> <li>16. Max View Holdings Limited</li> <li>17. New Toyo Aluminium Gulf Paper Packaging FZE</li> <li>18. PT. Bintang Pesona Jagat</li> <li>19. Sen Yang Enterprise Co., Ltd</li> </ol>	<ol style="list-style-type: none"> <li>1. Ellipsiz Limited</li> <li>2. Hlap Seng Industries Limited</li> <li>3. RedDot Media Inc. Pte Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Asiaco (Private) Limited</li> <li>2. Joyean Investments Private Limited</li> </ol>

# OTHER INFORMATION REQUIRED UNDER THE SGX-ST LISTING MANUAL

Name of Director	MS ANGELA HENG CHOR KIANG	MR DAVID ONG KIM HUAT	MR TAY JOO SOON
<p><b>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.</b></p>			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No

# OTHER INFORMATION REQUIRED UNDER THE SGX-ST LISTING MANUAL

Name of Director	MS ANGELA HENG CHOR KIANG	MR DAVID ONG KIM HUAT	MR TAY JOO SOON
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No

# OTHER INFORMATION REQUIRED UNDER THE SGX-ST LISTING MANUAL

Name of Director	MS ANGELA HENG CHOR KIANG	MR DAVID ONG KIM HUAT	MR TAY JOO SOON
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(i) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-  (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or  (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No

# OTHER INFORMATION REQUIRED UNDER THE SGX-ST LISTING MANUAL

Name of Director	MS ANGELA HENG CHOR KIANG	MR DAVID ONG KIM HUAT	MR TAY JOO SOON
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or  (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,  in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

# STATISTICS OF SHAREHOLDINGS

As at 21 March 2024

Class of share : Ordinary share  
 Votings rights : One vote per ordinary share

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 21 MARCH 2024

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	10	0.22	99	0.00
100 - 1,000	1,146	25.70	1,130,750	0.26
1,001 - 10,000	2,007	45.00	9,279,113	2.11
10,001 - 1,000,000	1,262	28.30	95,866,813	21.82
1,000,001 AND ABOVE	35	0.78	333,147,828	75.81
<b>TOTAL</b>	<b>4,460</b>	<b>100.00</b>	<b>439,424,603</b>	<b>100.00</b>

As at 21 March 2024, approximately 47.49% of the shareholdings is held by the public and thus Rule 723 of the SGX-ST Listing Manual is complied with.

## TWENTY LARGEST SHAREHOLDERS

	Shareholder's Name	No. of Shares	%
1	YEN WEN HWA	139,959,164	31.85
2	YEN & SON HOLDINGS PTE LTD	58,817,940	13.39
3	LU LE NHI MRS YEN WEN HWA	29,092,577	6.62
4	CHIA KEE KOON	21,098,300	4.80
5	DBS NOMINEES PTE LTD	12,868,729	2.93
6	WUTHELAM HOLDINGS LTD	7,000,000	1.59
7	CHUA KUAN LIM CHARLES	6,153,500	1.40
8	CITIBANK NOMINEES SINGAPORE PTE LTD	5,440,902	1.24
9	MAYBANK SECURITIES PTE. LTD.	4,873,700	1.11
10	NG KEE SENG	3,158,000	0.72
11	YEO KHEE CHYE	3,110,000	0.71
12	GOH LEH HONG	3,109,400	0.71
13	LEE WOON KIAT	3,038,036	0.69
14	KUAN BON HENG	2,774,900	0.63
15	WEE HIAN KOK	2,614,100	0.59
16	FUNG KOON YAU	2,321,280	0.53
17	GOH KIAN SOON (WU JIANSHUN)	2,176,400	0.50
18	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,072,300	0.47
19	RAFFLES NOMINEES (PTE) LIMITED	2,071,100	0.47
20	OCBC SECURITIES PRIVATE LTD	1,942,000	0.44
	<b>TOTAL</b>	<b>313,692,328</b>	<b>71.39</b>



# STATISTICS OF SHAREHOLDINGS

As at 21 March 2024

## SUBSTANTIAL SHAREHOLDERS AS AT 21 March 2024

(as shown in the Register of Substantial Shareholders)

	Name	Direct Interest	Deemed Interest
1	Yen Wen Hwa	139,959,164	87,910,517 <sup>(a)</sup>
2	Lu Le Nhi Mrs Yen Wen Hwa	29,092,577	198,777,104 <sup>(b)</sup>
3	Gary Yen	41,939	58,817,940 <sup>(c)</sup>
4	Yen & Son Holdings Pte Ltd	58,817,940	-

### Note

(a)	Inclusive of interests of :		
	Lu Le Nhi Mrs Yen Wen Hwa		29,092,577
	Yen & Son Holdings Pte Ltd		58,817,940
		Total:	<u>87,910,517</u>
(b)	Inclusive of interests of :		
	Yen Wen Hwa		139,959,164
	Yen & Son Holdings Pte Ltd		58,817,940
		Total:	<u>198,777,104</u>
(c)	Inclusive of interests of :		
	Yen & Son Holdings Pte Ltd		<u>58,817,940</u>

# NOTICE OF 28<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 28<sup>th</sup> Annual General Meeting (“**AGM**”) of the Company will be held at 39 Scotts Road, Topaz & Opal Room Level 2, Sheraton Towers, Singapore 228230 on 26 April 2024 at 10.00 a.m. to transact the following business:

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2023 and the Reports of the Auditors thereon. **(Resolution 1)**
2. To declare a final tax exempt (1-tier) dividend of 1.0 Singapore cents per ordinary share for the financial year ended 31 December 2023. **(Resolution 2)**
3. To approve the Directors’ fees of S\$480,000 for the financial year ending 31 December 2024, to be paid quarterly in arrears. **(Resolution 3)**
4. To re-elect Ms Angela Heng Chor Kiang who is retiring by rotation pursuant to Regulation 109 of the Company’s Constitution. **(Resolution 4)**
5. To re-elect Mr David Ong Kim Huat who is retiring by rotation pursuant to Regulation 109 of the Company’s Constitution. (See *Explanatory Note 1*) **(Resolution 5)**
6. To re-elect Mr Tay Joo Soon who is retiring by rotation pursuant to Regulation 109 of the Company’s Constitution. (See *Explanatory Note 2*) **(Resolution 6)**
7. To re-appoint Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

## AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:

8. **Authority to issue shares and convertible securities** **(Resolution 8)**
  - (A) “That, pursuant to Section 161 of the Companies Act 1967 and the listing rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), approval be and is hereby given to the directors of the Company (“**Directors**”) to:
    - (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or
    - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, or other instruments convertible into shares,

at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit; and

# NOTICE OF 28<sup>TH</sup> ANNUAL GENERAL MEETING

- (B) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

provided always that:

- (a) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company (as calculated in accordance with sub-paragraph (b) below);
- (b) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the percentage of issued shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company at the time this resolution is passed, after adjusting for:
- (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this resolution is passed; and
- (ii) any subsequent bonus issue, consolidation or subdivision of shares,

in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." (See *Explanatory Note 3*)

## 9. Proposed Renewal of Share Buy-Back Mandate

(Resolution 9)

"That:

- (1) for the purposes of and in accordance with Sections 76C and 76E of the Companies Act 1967 ("**Companies Act**"), the listing rules of the SGX-ST and such other laws and regulations as may for the time being be applicable, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire from time to time issued ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- a) market purchases transacted on the SGX-ST through the SGX-ST's trading system through one or more duly licensed stockbrokers appointed by the Company for the purpose (each a "**Market Purchase**"); and/or
- b) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the listing rules of the SGX-ST (each an "**Off-Market Purchase**"),

on the terms set out in the Appendix to the Notice of Annual General Meeting dated 11 April 2024 be and is hereby authorised and approved generally and unconditionally ("**Share Buy-Back Mandate**");

# NOTICE OF 28<sup>TH</sup> ANNUAL GENERAL MEETING

- (2) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back 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 earlier of:
- the date on which the next Annual General Meeting of the Company is held or required by law to be held;
  - the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buy-Back Mandate are carried out to the full extent authorised; and
  - the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied;
- (3) in this resolution:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five Market Days, on which transactions in the Shares were recorded, immediately preceding the date of the Market Purchase by the Company or the date of the making of the offer (as defined below) pursuant to the Off-Market Purchase, as the case may be, 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 announces its intention to make an offer for the purchase or acquisition of Shares from shareholders of the Company, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and 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 securities trading;

“**Maximum Limit**” means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this resolution (excluding any treasury shares and subsidiary holdings as at that date); and

“**Maximum Price**”, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed, in the case of a Market Purchase, 105% of the Average Closing Price and, in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price; and

- (4) the Directors and each of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they or each of them may consider expedient or necessary to give effect to the transactions contemplated or authorised by this resolution.”  
(See *Explanatory Note 4*)

## 10. Proposed Renewal of Shareholders' Mandate for Interested Person Transactions (Resolution 10)

“That:

- Pursuant to Chapter 9 of the Listing Manual, approval be and is hereby given for each of the Company and its subsidiaries and associated companies that is an “entity at risk” (as defined in Chapter 9 of the Listing Manual) to enter into any of the Interested Person Transactions as defined in the Appendix to the Notice of Annual General Meeting dated 11 April 2024 (“**Appendix**”) with any of the Interested Persons (as defined in the Appendix), provided that such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders and are conducted in accordance with the guidelines and procedures for the Interested Person Transactions as set out in the Appendix;
- the directors of the Company and each of them be and are hereby authorised to do all such acts and things (including but not limited to negotiating, amending, signing, executing and delivering all documents) as they or he may consider necessary, desirable or expedient to give effect to this resolution; and

# NOTICE OF 28<sup>TH</sup> ANNUAL GENERAL MEETING

- (iii) the authority conferred by this resolution shall, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.”  
(See *Explanatory Note 5*)

11. To transact any business which may be properly transacted at an AGM.

## RECORD DATE AND PAYMENT DATE

**NOTICE IS HEREBY GIVEN** that the Share Transfer Books and the Register of Members of the Company will be closed at 5.00 p.m. on 7 May 2024 for the purpose of determining shareholders' entitlements to the proposed final dividend at the Annual General Meeting of the Company to be held on 26 April 2024.

Duly completed registrable transfers in respect of the shares in the Company received up to the close of business at 5.00 p.m. on 7 May 2024 by the Company's Share Registrar, Tricor Barbinder Share Registration Services, 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619 will be registered to determine Members' entitlements to such dividend. Members whose Securities Accounts with The Central Depository (Pte) Ltd are credited with shares in the Company as at 5.00 p.m. on 7 May 2024 will be entitled to such proposed dividend.

The proposed final dividend, if so approved by shareholders at the 28th Annual General Meeting, will be paid on 16 May 2024.

By Order of the Board

Lee Wei Hsiung  
Company Secretary  
11 April 2024

## Explanatory Notes:

1. Mr David Ong Kim Huat will, upon re-election as a Director of the Company, remain as a member of the Nominating Committee. He will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

Mr David Ong Kim Huat has confirmed that, he does not have any relationships (including immediate family relationships) with the other Directors, the Company or its substantial shareholders. Please refer to the "Information on Directors seeking Re-election" section of the Annual Report of the Company for detailed information required pursuant to Rule 720(6) of the Listing Manual.

2. Mr Tay Joo Soon will, upon re-election as a Director of the Company, be re-designated as a Non-Executive Non-Independent Director of the Company. Mr Tay Joo Soon shall remain as a member of the Audit Committee and a member of the Remuneration Committee. He shall cease to be the Chairman of the Nominating Committee but remain as a member. He will be considered non-independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

Mr Tay Joo Soon has confirmed that, he does not have any relationships (including immediate family relationships) with the other Directors, the Company or its substantial shareholders. Please refer to the "Information on Directors seeking Re-election" section of the Annual Report of the Company for detailed information required pursuant to Rule 720(6) of the Listing Manual.

3. Ordinary Resolution 8, if passed, will authorise and empower the Directors from the date of this Meeting until the next Annual General Meeting, or the date by which the next Annual General Meeting of the Company is required by law to be held, or when revoked or varied by the Company in general meeting, whichever is earlier, to allot and issue shares in the Company. The maximum number of shares which the Directors may issue under this resolution shall not exceed the quantum as set out in the resolution.

4. Ordinary Resolution 9, if passed, will empower the Directors of the Company to purchase or otherwise acquire ordinary shares of the Company by way of Market Purchases or Off-market Purchases of up to 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the Annual General Meeting of the Company at which this Ordinary Resolution is passed. The rationale for, the authority and limitation on, the sources of the funds to be used for the purchase or acquisition and the financial effects of the purchase or acquisition of the ordinary shares by the Company pursuant to the Share Buy-Back Mandate are set out in greater detail in the Appendix to the Notice of Annual General Meeting dated 11 April 2024.

# NOTICE OF 28<sup>TH</sup> ANNUAL GENERAL MEETING

5. Ordinary Resolution 10, if passed, will renew the existing Shareholders' Mandate to allow each of the Company and its subsidiaries and associated companies or any of them to enter into any of the Interested Persons Transactions with any of the Interested Persons in accordance with the terms set out in the Appendix to the Notice of Annual General Meeting dated 11 April 2024.

## NOTES:

1. The AGM will be held, in a wholly physical format, at the venue, date and time stated above. There will be no option for the members to participate virtually. The member must bring along his/her NRIC/Passport so as to enable the Company to verify his/her identity.
2. Members may participate in the AGM by:
  - a. attending the AGM in person;
  - b. voting at the AGM (i) themselves; or (ii) through their duly appointed proxy(ies); and/or
  - c. submitting questions in advance of, or at, the AGM,

details as set out in the paragraphs below

3. Printed copies of this Notice and the accompanying proxy form will be sent by post to the members. These documents will also be published on the SGXNET at <https://www.sgx.com/securities/company-announcements> and on the Company's website at <http://www.newtoyo.com/stockrelease.htm>
4. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.  
(b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each 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 (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

5. A proxy need not to be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.
6. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instructions as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor 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, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.
8. The instrument appointing a proxy(ies), together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be submitted in the following manner:
  - (a) if sent personally or by post, the proxy form must be lodged at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or
  - (b) if by email, the proxy form must be received at [sg.is.NEWTOYOproxy@sg.tricorglobal.com](mailto:sg.is.NEWTOYOproxy@sg.tricorglobal.com)

in either case, by no later than **10.00 a.m.** on **23 April 2024** (being 72 hours before the time fixed for the AGM), and in default the instrument of proxy shall not be treated as valid.

The proxy must bring along his/her NRIC/passport so as to enable the Company to verify his/her identity.

9. For shareholders who hold shares through relevant intermediaries, including Central Provident Fund Investment Schemes ("**CPF**") and/or Supplementary Retirement Scheme ("**SRS**") should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM. CPF/SRS Investors should contact their respective CPF Agent Banks or SRS Operators for any queries they may have with regard to the appointment of proxy for the AGM.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument.

# NOTICE OF 28<sup>TH</sup> ANNUAL GENERAL MEETING

11. Shareholders may submit questions related to the resolutions to be tabled for approval for the AGM in advance of the AGM no later than **5.00 p.m. on 19 April 2024**:

- (a) by email to [sg.is.NEWTOYOproxy@sg.tricorglobal.com](mailto:sg.is.NEWTOYOproxy@sg.tricorglobal.com); or
- (b) by post to the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619.

Shareholders submitting questions are required to state: (a) their full name; and (b) their identification/registration number, and (c) the manner in which his/her/its shares in the Company are held (e.g. via CDP, CPF, SRS and/or scrip), failing which the Company shall be entitled to regard the submission as invalid and not respond to the questions submitted.

All questions submitted in advance of the AGM must be received by the Company by the time and date stated above to be treated as valid.

12. The Company will endeavour to address all substantial and relevant questions received from Shareholders either before the AGM on SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <http://www.newtoyo.com/stockrelease.htm> before 10.00 a.m. on 20 April 2024 or during the AGM. Where there are substantially similar questions, the Company will consolidate such questions; consequently, not all questions may be individually addressed.

13. The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <http://www.newtoyo.com/stockrelease.htm> and the minutes will include the responses to the substantial and relevant questions raised during the AGM.

14. The Annual Report 2023, Request Form, Notice of AGM, Proxy Form and Appendix to the Notice of AGM dated 11 April 2024 (in relation to the proposed renewal of Share Buy-back Mandate and the proposed renewal of shareholders' mandate for Interested Person Transactions) have been published on the Company's website at <http://www.newtoyo.com/stockrelease.htm>, and are also available on the SGXNET at <https://www.sgx.com/securities/company-announcements>.

## PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof and/or submitting any question to the Company in advance of the AGM in accordance with this Notice, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines and (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 or service providers), 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 or service providers) 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.

# NEW TOYO INTERNATIONAL HOLDINGS LTD

Registration No.: 199601387D  
(Incorporated in the Republic of Singapore)

## ANNUAL GENERAL MEETING PROXY FORM

### IMPORTANT:

1. Relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) may appoint more than (2) proxies to attend, speak and vote at the AGM.
2. This Proxy Form is not valid and shall be ineffective for all intents and purposes if used or purported to be used by Central Provident Fund ("CPF") Investment Scheme ("CPFIS")/Supplementary Retirement Scheme ("SRS") investors who hold the Company's Shares through CPF Agent Banks/SRS Operators.

### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 April 2024.

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport No./Company Registration No.)  
of \_\_\_\_\_ (Address)

being a \*member/members of NEW TOYO INTERNATIONAL HOLDINGS LTD (the "**Company**"), hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings	
			No. of Shares	%

\*and/or

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings	
			No. of Shares	%

or failing the person, or either or both the persons referred to above, the Chairman of the Annual General Meeting of the Company (the "**AGM**"), as \*my/our \*proxy/proxies to vote for \*me/us on \*my/our behalf at the AGM to be held at 39 Scotts Road, Topaz & Opal Room, Level 2, Sheraton Towers, Singapore 228230 on 26 April 2024 at 10.00 a.m. and at any adjournment thereof.

\*I/we direct \*my/our \*proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given, the \*proxy/proxies will vote or abstain from voting at \*his/her/their discretion, as \*he/she/they will on any other matter arising at the AGM.

Voting would be conducted by poll. Please indicate your vote "For" or "Against" with an "X" or a tick [✓] within the box provided.

No.	Ordinary Resolutions	For	Against	Abstain
<b>ORDINARY BUSINESS</b>				
1	To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023 and the Reports of the Auditors thereon.			
2	To approve a final tax-exempt (1-tier) dividend of 1.0 Singapore cents per share for the financial year ended 31 December 2023.			
3	To approve the Directors' fees of S\$480,000 for the financial year ending 31 December 2024, to be paid quarterly in arrears.			
4	To re-elect Ms Angela Heng Chor Kiang who is retiring by rotation pursuant to Regulation 109 of the Company's Constitution.			
5	To re-elect Mr David Ong Kim Huat who is retiring by rotation pursuant to Regulation 109 of the Company's Constitution.			
6	To re-elect Mr Tay Joo Soon who is retiring by rotation pursuant to Regulation 109 of the Company's Constitution.			
7	To re-appoint Ernst & Young LLP as auditors and authorise the Directors to fix their remuneration.			
<b>SPECIAL BUSINESS</b>				
8	To authorise Directors to issue shares and convertible securities.			
9	To approve the proposed renewal of Share Buy-Back Mandate.			
10	To approve the proposed renewal of shareholders' mandate for Interested Person Transactions.			

*In the absence of specific directions in respect of a resolution, the appointment of Chairman of the AGM as your proxy for that resolution will be treated as invalid.*

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Total Number of Shares held in:	
CDP Register	
Register of Members	

Signature(s) of Member(s) / Common Seal of Corporate Member

**IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM**





Fold This Flap For Sealing

**Notes:**

1. A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.
2. A proxy need not to be a member of the Company.
3. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
4. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instructions as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor 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, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.
6. The instrument appointing the proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be submitted either:
  - (a) if sent personally or by post, the proxy form must be lodged at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Singapore 048619; or
  - (b) if by email, the proxy form must be received at [sg.is.NEWTOYOproxy@sg.tricorglobal.com](mailto:sg.is.NEWTOYOproxy@sg.tricorglobal.com)in either case, by no later than 10.00 a.m. on 23 April 2024 (being 72 hours before the time fixed for the AGM), and in default the instrument of proxy shall not be treated as valid.

A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

The proxy must bring along his/her NRIC/passport so as to enable the Company to verify his/her identity.

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AFFIX  
POSTAGE  
STAMP

**The Share Registrar  
New Toyo International Holdings Ltd  
9 Raffles Place  
#26-01  
Singapore 048619**

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7. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.  
(b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.  
"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.
8. For shareholders who hold shares through relevant intermediaries, including Central Provident Fund Investment Schemes ("CPF Investors") and/or Supplementary Retirement Schemes ("SRS Investors") should approach their respective CPF Agents Banks or SRS Operators to submit their votes at least 7 working days before the AGM. CPF/SRS Investors should contact their respective CPF Agent Banks or SRS Operators for any queries they may have with regard to the appointment of proxy for the AGM.

**GENERAL:**

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 April 2024.

# NEW TOYO

International Holdings Ltd

10 Anson Road  
#18-25 International Plaza  
Singapore 079903

**APPENDIX DATED 11 APRIL 2024**

**THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

This Appendix is circulated to shareholders (“Shareholders”) of New Toyo International Holdings Ltd (“Company”) together with the Company’s Annual Report for the financial year ended 31 December 2023. Its purpose is to provide Shareholders with information relating to and seek Shareholders’ approval for the proposed renewal of the Share Buy-Back Mandate (as defined herein) and the proposed renewal of the IPT Mandate (as defined herein) to be tabled at the forthcoming Annual General Meeting of the Company to be held on 26 April 2024 at 10.00 a.m..

The Singapore Exchange Securities Trading Limited takes no responsibility for the contents or accuracy of this Appendix including any statement made, opinion expressed or report contained in this Appendix.



**NEW TOYO INTERNATIONAL HOLDINGS LTD**

(Incorporated in Singapore)  
(Company Registration No. 199601387D)

**APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING**

**in relation to**

**THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE**

**and**

**THE PROPOSED RENEWAL OF THE IPT MANDATE**

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## DEFINITIONS

The following definitions shall apply throughout unless otherwise stated in this Appendix:

- “ACRA” : Accounting and Corporate Regulatory Authority
- “Act” or “Companies Act” : The Companies Act 1967 of Singapore as may be amended from time to time
- “AGM” : Annual general meeting
- “AGM2023” : The annual general meeting of the Company held on 27 April 2023
- “AGM2024” : The forthcoming annual general meeting of the Company, notice of which is set out in the Annual Report 2023
- “Associate” : (a) in relation to any person including a Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family (ie. his spouse, child, adopted child, step-child, sibling and parent);
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Audit Committee” : The audit committee of the Company as at the date of this Appendix, comprising Mr Wan Tai Foong, Tengku Tan Sri Dr Mahaleel bin Tengku Ariff, Mr Phua Tin How and Mr Tay Joo Soon
- “Board” : Board of Directors for the time being
- “CDP” : The Central Depository (Pte) Limited
- “Company” : New Toyo International Holdings Ltd
- “Constitution” : Constitution of the Company as may be amended from time to time
- “controlling interest” : The interest of the Controlling Shareholder

“Controlling Shareholder”	: A person who
	(a) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares and subsidiary holdings in the Company (unless otherwise determined by SGX-ST); or
	(b) in fact exercises control over the Company
"Directors"	: Directors of the Company for the time being
“EPS”	: Earnings per Share
“Finished Goods”	: Tissue paper end products including but not limited to jumbo toilet reels, toilet rolls, boxed tissue paper, softpacks, napkins and handkerchief tissues
“FY”	: Financial year ended or ending 31 December
"Group"	: The Company and its subsidiaries and associated companies (if any)
“Guidelines and Review Procedures”	: Has the meaning given to it in Section 3.7 of this Appendix
“Independent Shareholders”	Shareholders who are deemed to be independent for the purposes of voting on the IPT Mandate
“Interested Person Transactions”	: Has the meaning given to it in Section 3.4 of this Appendix
“Interested Person” or “Pulppy Group”	: Has the meaning given to it in Section 3.3 of this Appendix
“IPT Mandate”	: The general mandate from Shareholders (proposed to be renewed by the Company at the AGM2024) pursuant to Chapter 9 of the Listing Manual, permitting the Group to continue entering into the Interested Person Transactions
“IPT Register”	: Has the meaning given to it in Section 3.8.1 of this Appendix
“jumbo reels”	: Rolls of paper with large diameter made for sale to purchasers who convert them into smaller rolls and/or finished goods
"Latest Practicable Date"	: 21 March 2024, being the latest practicable date prior to the issue of this Appendix
“Listing Manual” or “Listing Rules”	: The listing rules set out in the Listing Manual of the SGX-ST
"Market Day"	: A day on which the SGX-ST is open for securities trading
“Mr Yen Wen Hwa”	: Mr Yen Wen Hwa, the Executive Chairman of the Company
“Market Purchase”	: Market purchase of Shares by the Company transacted on the SGX-ST through the SGX-ST’s trading system through one or more duly licensed stockbrokers appointed by the Company for the purpose

“Non-Interested Directors”	: The Directors who are deemed to be independent for the purposes of making a recommendation on the proposed renewal of the IPT Mandate, namely, Ms Angela Heng Chor Kiang, Tengku Tan Sri Dr Mahaleel bin Tengku Ariff, Mr Wan Tai Foong, Mr Phua Tin How, Mr Tay Joo Soon and Mr David Ong Kim Huat
“Notice of AGM”	: The notice of the AGM2024 as set out in the Annual Report 2023
“NTA”	: Net tangible assets
“NTPHK”	: New Toyo Pulppy (Hong Kong) Ltd
“NTPVN”	: New Toyo Pulppy (Vietnam) Co., Ltd.
“Off-Market Purchase”	: Off-market purchase of Shares by the Company effected pursuant to an 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 and the Listing Rules
“PRC”	: The People’s Republic of China
“Proposed Transactions”	: The proposed renewals of the Share Buy-Back Mandate and the IPT Mandate
“Relevant Shareholders”	: Shall have the meaning given to it in Section 2.12.4 of this Appendix
"Securities Account"	: The securities account maintained by a Depositor with CDP but does not include a securities sub-account
"SGX-ST"	: The Singapore Exchange Securities Trading Limited
“Share Buy-Back Mandate”	: The share buy-back mandate referred to in Section 2.1 of this Appendix and which is set out in the Notice of AGM
"Shareholders"	: Registered holders of Shares except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context admits, mean Depositors whose Securities Accounts are credited with such Shares
"Shares"	: Ordinary shares in the capital of the Company
“SIC”	: Securities Industry Council
"Substantial Shareholder"	: A substantial shareholder of the Company as defined under the Companies Act
“Take-over Code”	: The Singapore Code on Take-overs and Mergers
“treasury share”	: Has the meaning given to it in the Act
“virgin pulp”	: New (non-recycled) pulp, the main material for making tissue paper products
“\$” or “S\$”	: Singapore Dollar
"%"	: Percentage or per centum

The terms "Depositor" and "Depository Register" shall have the meanings ascribed to them respectively in the Securities and Futures Act 2001.

The term "subsidiary" shall have the meaning ascribed to it in the Act.

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. Words importing persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act and used in this Appendix shall have the meaning assigned to it under the Act.

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

This Appendix has been prepared by the Company with assistance and legal advice by Aptus Law Corporation.



**NEW TOYO INTERNATIONAL HOLDINGS LTD**  
(Incorporated in Singapore)  
(Company Registration No. 199601387D)

**Registered Office**

9 Raffles Place  
#26-01 Republic Plaza  
Singapore 048619

**Directors**

Mr Yen Wen Hwa (Executive Chairman)  
Ms Angela Heng Chor Kiang (Executive Director and Group Chief Executive Officer)  
Tengku Tan Sri Dr Mahaleel bin Tengku Ariff (Non-Independent Non-Executive Director)  
Mr Wan Tai Foong (Lead Independent Non-Executive Director)  
Mr Phua Tin How (Independent Non-Executive Director)  
Mr Tay Joo Soon (Independent Non-Executive Director)  
Mr David Ong Kim Huat (Independent Non-Executive Director)

11 April 2024

To : The Shareholders of New Toyo International Holdings Ltd

Dear Shareholders

**1. INTRODUCTION**

- 1.1 The Directors refer to the Notice of AGM convening the AGM2024 to be held on 26 April 2024 and Ordinary Resolution 9 and Ordinary Resolution 10 set out in the Notice of AGM.
- 1.2 Ordinary Resolution 9 proposed in the Notice of AGM is to approve the proposed renewal of the Share Buy-Back Mandate.
- 1.3 Ordinary Resolution 10 proposed in the Notice of AGM is to approve the proposed renewal of the IPT Mandate.
- 1.4 The purpose of this Appendix is to provide Shareholders with information relating to the proposed renewal of the Share Buy-Back Mandate and the proposed renewal of the IPT Mandate and to seek Shareholders' approval for the same at the AGM2024.

**2. PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE**

**2.1 The Existing Share Buy-Back Mandate**

At the AGM2023, Shareholders approved the renewal of a general mandate authorising the Directors to purchase Shares in accordance with the terms set out in the Appendix to the Notice of Annual General Meeting of the Company dated 12 April 2023 as well as the provisions of the Companies Act and the Listing Manual.

The Share Buy-Back Mandate renewed at the AGM2023 was expressed to take effect until the conclusion of the next AGM of the Company, being the AGM2024. Accordingly, the Directors propose that the Share Buy-Back Mandate be renewed at the upcoming AGM2024, to take effect until the next AGM of the Company. The terms of the Share Buy-back Mandate which are sought to be renewed remain substantially the same.

If renewed by Shareholders at the AGM2024, the authority conferred by the Share Buy-Back Mandate will continue to be in force until the next AGM of the Company (whereupon it will lapse, unless renewed at such meeting) or until it is varied or revoked by the Company in a general meeting (if so varied or revoked prior to the next AGM).

## **2.2 Rationale**

The renewal of the Share Buy-Back Mandate will give the Company the flexibility to undertake purchases or acquisitions of its issued Shares during the period when the Share Buy-Back Mandate is in force, if and when circumstances permit. The purchases or acquisitions of Shares may, depending on market conditions and funding arrangements at the time, allow the Directors to better manage the Company's capital structure with a view to enhancing the earnings per Share and/or net asset value per Share of the Company.

The Directors will decide whether to effect the purchases or acquisitions of the Shares after taking into account the prevailing market conditions, the financial position of the Group and other relevant factors.

While the Share Buy-Back Mandate would authorise a purchase or an acquisition of Shares by the Company up to the 10% limit described in Section 2.3.1 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate may not be carried out to the full 10% limit as authorised and no purchases or acquisitions of Shares would be made in circumstances which would have or may have a material adverse effect on the financial position of the Group as a whole.

## **2.3 Terms of the Mandate**

The authority for and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buy-Back Mandate, if renewed at the AGM2024, are substantially the same as previously renewed by Shareholders at the AGM2023. These are summarised below:

### **2.3.1 Maximum Number of Shares**

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares as at the date of the resolution passed by Shareholders at the AGM2024 for the renewal of the Share Buy-Back Mandate. Any treasury shares and subsidiary holdings will be disregarded for purposes of computing the 10% limit. Purely for illustrative purposes, on the basis of 439,424,603 Shares in issue as at the Latest Practicable Date (excluding any treasury shares and subsidiary holdings) and assuming no further Shares are issued on or prior to the AGM2024, the purchase or acquisition by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 43,942,460 Shares.

### **2.3.2 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 AGM2024 at which the renewal of the Share Buy-Back Mandate is approved, up to:

- (a) the date on which the next AGM of the Company is held or required by law to be held;
- (b) the date on which purchases or acquisitions of Shares have been carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied,

whichever is the earliest.

### 2.3.3 Manner of Purchases or Acquisitions of Shares

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

- (a) market purchases transacted on the SGX-ST through the SGX-ST's trading system through one or more duly licensed stockbrokers appointed by the Company for the purpose ("**Market Purchases**"); and/or
- (b) off-market purchases effected pursuant to an 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 and the Listing Rules ("**Off-Market Purchases**").

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

- (a) 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;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (c) the terms of all the offers shall be the same, except that there shall be disregarded (i) differences in consideration attributable to the fact that the offers may relate to Shares with different accrued dividend entitlements, (ii) differences in consideration attributable to the fact that the offers may relate to Shares with different amounts remaining unpaid and (iii) 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, it will issue an offer document containing at least the following information:

- (a) terms and conditions of the offer;
- (b) period and procedures for acceptances;
- (c) the reasons for the proposed Share buy-back;
- (d) the consequences, if any, of Share buy-backs by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the Share buy-back, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any Share buy-back made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance

with an equal access scheme), 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

- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

#### **2.3.4 Purchase Price**

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors provided that such purchase price must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares,

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

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five Market Days, on which transactions in the Shares were recorded, immediately preceding the date of the Market Purchase by the Company or the date of the making of the offer (as defined below) pursuant to the Off-Market Purchase, as the case may be, 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; and

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

#### **2.4 Status of 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. 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.

At the time of each purchase or acquisition of Shares by the Company, the Directors may decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, as the Directors deem fit in the interest of the Company at that time.

#### **2.5 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:

##### **2.5.1 Maximum Holdings**

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

### **2.5.2 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. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

### **2.5.3 Disposal and Cancellation**

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

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) 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, the Company must immediately announce any sale, transfer, cancellation and/or use of treasury shares held by it, stating the following:

- (a) date of the sale, transfer, cancellation and/or use;
- (b) purpose of such sale, transfer, cancellation and/or use;
- (c) number of treasury shares sold, transferred, cancelled and/or used;
- (d) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (e) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

## **2.6 Source of funds**

The Companies Act permits any purchase or acquisition of shares to be made out of a company's capital or profits so long as the company is solvent. For this purpose, a company is solvent if:

- (a) the company is able to pay its debts in full at the time of the payment for any purchase or acquisition of its own shares and will be able to pay its debts as they fall due in the normal course of business during the period of twelve (12) months immediately following the date of the payment; and
- (b) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the proposed purchase or acquisition of its own shares become less than the value of its liabilities (including contingent liabilities).

In purchasing or acquiring Shares pursuant to the Share Buy-Back Mandate, the Board will consider principally the availability of internal resources. The Board may also consider the availability of external financing, taking into account the prevailing gearing level of the Group. The Board will only make purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate in circumstances which it believes will not result in any material adverse effect to the financial position of the Company or the Group and after considering factors such as working capital requirement, availability of financial resources and the expansion and investment plans of the Group as well as prevailing market conditions.

## **2.7 Financial Effects**

The financial effects on the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buy-Back Mandate 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 and the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

### **2.7.1 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.

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 and other related expenses) will correspondingly reduce the amount available for the distribution of 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 dividends by the Company will not be reduced.

### **2.7.2 Number of Shares Acquired or Purchased**

Based on 439,424,603 issued Shares as at the Latest Practicable Date (excluding any treasury shares and subsidiary holdings), the purchase or acquisition by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 43,942,460 Shares.

### **2.7.3 Maximum Price Paid for Shares Acquired or Purchased**

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 43,942,460 Shares at the maximum price of S\$0.232 per Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) 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 43,942,460 Shares is approximately

S\$10,194,651 (excluding brokerage, commission, applicable goods and services tax and other related expenses).

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 43,942,460 Shares at the maximum price of S\$0.265 per Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) 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 43,942,460 Shares is approximately S\$11,644,752 (excluding brokerage, commission, applicable goods and services tax and other related expenses).

## 2.7.4 Illustrative Financial Effects

For illustrative purposes only and on the basis that the purchase or acquisition of Shares is made on 1 January 2023, solely out of capital and funded wholly by internal resources (transaction costs disregarded), the financial effects of the purchase or acquisition of 43,942,460 Shares by the Company at S\$0.232 per Share for Market Purchases and S\$0.265 per Share for Off-Market Purchases pursuant to the Share Buy-Back Mandate on the audited financial statements of the Group and the Company for the year ended 31 December 2023 are set out below:

### Scenario 1

#### Market Purchases

As at 31 December 2023	Group			Company		
	Before Buy-back	After Buy-back		Before Buy-back	After Buy-back	
		Purchased Shares cancelled	Purchased Shares held as treasury shares		Purchased Shares cancelled	Purchased Shares held as treasury shares
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Share capital	132,102	121,907	132,102	132,102	121,907	132,102
Retained earnings	28,745	28,745	28,745	(3,458)	(3,458)	(3,458)
Other reserves	(11,619)	(11,619)	(11,619)	77	77	77
Treasury shares	0	0	(10,195)	0	0	(10,195)
	149,228	139,033	139,033	128,721	118,526	118,526
Non-controlling interests	35,069	35,069	35,069	0	0	0
Total equity	184,297	174,102	174,102	128,721	118,526	118,526
NTA <sup>(1)</sup>	130,592	120,397	120,397	128,721	118,526	118,526
Current assets	135,275	125,080	125,080	17,472	7,277	7,277
Current liabilities	58,430	58,430	58,430	15,628	15,628	15,628
Total borrowings	10,688	10,688	10,688	184	184	184
Cash and bank balances	30,446	20,251	20,251	7,665	(2,530)	(2,530)
Net profit attributable to Shareholders	12,809	12,809	12,809	8,542	8,542	8,542
Number of Shares ('000)	439,425	395,482	395,482	439,425	395,482	395,482
Weighted average number of Shares ('000)	439,425	395,482	395,482	439,425	395,482	395,482
<b>Financial Ratios</b>						
NTA per Share <sup>(2)</sup> (cents)	29.72	30.44	30.44	29.29	29.97	29.97
Gearing ratio <sup>(3)</sup>						

(%)	5.80	6.14	6.14	0.14	0.16	0.16
Current ratio <sup>(4)</sup> (times)	2.32	2.14	2.14	1.12	0.47	0.47
EPS <sup>(5)</sup> (cents)	2.91	3.24	3.24	1.94	2.16	2.16

Notes:

- (1) NTA refers to net assets less intangible assets and non-controlling interests.
- (2) NTA per Share is calculated based on NTA divided by the number of Shares (excluding treasury shares) as at 31 December 2023.
- (3) Gearing ratio refers to total borrowings divided by total equity.
- (4) Current ratio refers to current assets divided by current liabilities.
- (5) EPS refers to profit attributable to Shareholders divided by the weighted average number of Shares.

## Scenario 2

### Off-Market Purchases

As at 31 December 2023	Group			Company		
	Before Buy-back	After Buy-back		Before Buy-back	After Buy-back	
		Purchased Shares cancelled	Purchased Shares held as treasury shares		Purchased Shares cancelled	Purchased Shares held as treasury shares
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Share capital	132,102	120,457	132,102	132,102	120,457	132,102
Retained earnings	28,745	28,745	28,745	(3,458)	(3,458)	(3,458)
Other reserves	(11,619)	(11,619)	(11,619)	77	77	77
Treasury shares	0	0	(11,645)	0	0	(11,645)
	149,228	137,583	137,583	128,721	117,076	117,076
Non-controlling interests	35,069	35,069	35,069	0	0	0
Total equity	184,297	172,652	172,652	128,721	117,076	117,076
NTA <sup>(1)</sup>	130,592	118,947	118,947	128,721	117,076	117,076
Current assets	135,275	123,630	124,630	17,472	5,827	5,827
Current liabilities	58,430	58,430	58,430	15,628	15,628	15,628
Total borrowings	10,688	10,688	10,688	184	184	184
Cash and bank equivalents	30,446	18,801	18,801	7,665	(3,980)	(3,980)
Net profit attributable to Shareholders	12,809	12,809	12,809	8,542	8,542	8,542
Number of Shares ('000)	439,425	395,482	395,482	439,425	395,482	395,482
Weighted average number of Shares ('000)	439,425	395,482	395,482	439,425	395,482	395,482
<b>Financial Ratios</b>						
NTA per Share <sup>(2)</sup> (cents)	29.72	30.08	30.08	29.29	29.60	29.60
Gearing ratio <sup>(3)</sup> (%)	5.80	6.19	6.19	0.14	0.16	0.16
Current ratio <sup>(4)</sup> (times)	2.32	2.12	2.12	1.12	0.37	0.37
EPS <sup>(5)</sup> (cents)	2.91	3.24	3.24	1.94	2.16	2.16

Notes:

- (1) NTA refers to net assets less intangible assets and non-controlling interests.



- (2) NTA per Share is calculated based on NTA divided by the number of Shares (excluding treasury shares) as at 31 December 2023.
- (3) Gearing ratio refers to total borrowings divided by total equity.
- (4) Current ratio refers to current assets divided by current liabilities.
- (5) EPS refers to profit attributable to Shareholders divided by the weighted average number of Shares.

The financial effects set out above are for illustrative purposes only. Although the proposed Share Buy-Back Mandate would authorise the Company to 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 above analysis is based on historical numbers as at 31 December 2023 and is not necessarily representative of future financial performance. The actual impact will depend on, *inter alia*, the number and price of the Shares purchased or acquired (if any).

## **2.8 Listing Status of the Shares**

The Listing Rules require 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) are at all times held by the public. As at the Latest Practicable Date, approximately 47.49% of the issued Shares are held by the public.

Assuming that the Company undertakes purchases or acquisitions of its Shares up to the full 10% limit permitted under the proposed Share Buy-Back Mandate, approximately 41.66% of the issued Shares will be held by the public.

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 its Shares up to the full 10% limit pursuant to the proposed Share Buy-Back 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 affect orderly trading.

## **2.9 Reporting Requirements**

The Listing Rules specify that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (i) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (ii) 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. The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company will make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

Within 30 days of the passing of a Shareholders' resolution authorising the purchase of Shares by the Company, the Company must lodge a copy of such resolution with ACRA.

In addition, within 30 days of a purchase of Shares on the SGX-ST or otherwise, the Company must lodge with ACRA a notice of the purchase in the prescribed form. Such notification must include the date of the purchase, the total number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before the purchase and after the purchase of Shares, the amount of consideration paid by the Company for the purchase, whether the Shares were purchased out of the profits or the capital of the Company and such other particulars as may be required in the prescribed form.

## **2.10 No Purchases during Price Sensitive Developments**

The Listing Rules do not expressly prohibit any purchase or acquisition of shares by a listed company 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 its Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate at any time after a price-sensitive development has occurred or has been the subject of a decision of the Directors, until the price-sensitive information has been publicly announced.

In particular, the Company will not purchase or acquire any Shares pursuant to the Share Buy-Back Mandate during the period commencing one month before the announcement of the Company’s half-year and full-year financial statements.

## **2.11 Tax Implications**

Shareholders who are in doubt as to their respective tax positions or the tax implications arising from a purchase or an acquisition of Shares by the Company or who may be subject to tax whether in or outside Singapore should consult their own professional advisors.

## **2.12 Take-over implications**

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

### **2.12.1 Obligation to make a Take-over Offer**

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 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.

### **2.12.2 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), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Without prejudice to the above, the Take-over Code presumes the following individuals and companies to be persons acting in concert with each other unless the contrary is established:

- (a) the following companies:
  - (i) a company;
  - (ii) the parent company of (i);
  - (iii) the subsidiaries of (i);
  - (iv) the fellow subsidiaries of (i);
  - (v) the associated companies of any of (i), (ii), (iii) or (iv);

- (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v);
- (vii) 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;
- (b) 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); and
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) the following persons and entities:
  - (i) an individual;
  - (ii) the close relatives of (i);
  - (iii) the related trusts of (i);
  - (iv) any person who is accustomed to act in accordance with the instructions of (i);
  - (v) companies controlled by any of (i), (ii), (iii) or (iv); and
  - (vi) 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.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which the Shareholders (including the 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 as a result of a purchase or an acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

### **2.12.3 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, the 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 persons acting in concert with them would increase to 30% or more, or if such Directors and persons acting in concert with them hold between 30% and 50% of the Company's voting rights, the voting rights of such Directors and 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 persons acting in concert with them, treasury shares, if any, will be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder 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 its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the proposed Share Buy-Back Mandate.

#### 2.12.4 Application of the Take-over Code

Details of the shareholdings of the Directors and the Substantial Shareholders as at the Latest Practicable Date are set out in Section 5 below.

As at the Latest Practicable Date, the Substantial Shareholders are Mr Yen Wen Hwa, Mdm Lu Le Nhi, Mr Gary Yen and Yen & Son Holdings Pte Ltd (collectively, the **"Relevant Shareholders"**). They hold an aggregate 227,911,620 Shares representing about 51.87% of the total issued 439,424,603 Shares.

Mr Yen Wen Hwa is a Director and the Executive Chairman of the Company. Mdm Lu Le Nhi is the wife of Mr Yen Wen Hwa. Mr Gary Yen is the son of Mr Yen Wen Hwa and Mdm Lu Le Nhi. Mr Yen Wen Hwa and his wife and son collectively owns 100% of the issued shares in Yen & Son Holdings Pte Ltd. The Relevant Shareholders are presumed to be acting in concert with each other with respect to the Company.

As the Relevant Shareholders and any other persons acting in concert with them collectively hold more than 50% of the issued Shares, they are under no obligation to make a take-over offer under the Take-over Code if the voting rights of the Relevant Shareholders and any other persons acting in concert with them were to increase as a result of the Company purchasing or acquiring Shares pursuant to the Share Buyback Mandate.

In addition, based on the interest of each of the Relevant Shareholders in the Company as at the Latest Practicable Date and assuming that:

- (a) the Company purchases up to the maximum of 10% of its Shares pursuant to the Share Buy-Back Mandate;
- (b) there is no change in the holding of Shares by the Relevant Shareholders between the Latest Practicable Date and the date of the AGM2024; and
- (c) no new Shares are issued following Shareholders' approval at the AGM2024 for the renewal of the Share Buy-Back Mandate,

the voting rights of each of the Relevant Shareholders as at the AGM2024 and after the purchase by the Company of 10% of the Shares pursuant to the Share Buy-Back Mandate are as follows:

Relevant Shareholders	As at the AGM2024	Voting rights after the
-----------------------	-------------------	-------------------------

	Number of Shares held by a Relevant Shareholder			Voting rights (% is based on 439,424,603 Shares)	purchase of 10% of total Shares by the Company (% is based on 395,482,143 Shares)
	Direct Interest	Deemed Interest	Total Interest		
Mr Yen Wen Hwa <sup>(1)</sup>	139,959,164	87,910,517	227,869,681	51.86%	57.62%
Mdm Lu Le Nhi <sup>(2)</sup>	29,092,577	198,777,104	227,869,681	51.86%	57.62%
Mr Gary Yen <sup>(3)</sup>	41,939	58,817,940	58,859,879	13.40%	14.88%
Yen & Son Holdings Pte Ltd	58,817,940	-	58,817,940	13.39%	14.87%

Notes:

- (1) The deemed interest comprises Shares held directly by Mdm Lu Le Nhi and Yen & Son Holdings Pte Ltd.
- (2) The deemed interest comprises Shares held directly by Mr Yen Wen Hwa and Yen & Son Holdings Pte Ltd.
- (3) The deemed interest comprises Shares held by Yen & Son Holdings Pte Ltd.

As shown above, the voting rights of each of the Relevant Shareholders after the purchase by the Company of 10% of the Shares pursuant to the Share Buy-Back Mandate remain below 30% or above 50% and accordingly, none of the Relevant Shareholders and any other persons acting in concert with them, are under any obligation to make a take-over offer under the Take-over Code.

As at the Latest Practicable Date, the Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in the Shares should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Buy-Back Mandate.

**The statements in this Section 2.12 do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate should consult their professional advisers and/or the SIC at the earliest opportunity.**

### 2.13 Shares purchased by the Company in the past 12 months

The Company has not purchased any Shares within the 12 months preceding the Latest Practicable Date.

## 3. PROPOSED RENEWAL OF IPT MANDATE

### 3.1 Chapter 9 of the Listing Manual

Chapter 9 of the Listing Manual governs transactions in which a listed company or any of its subsidiaries or associated companies (known as an “entity at risk”) enters into or proposes to enter into a transaction with a party who is an interested person. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or

associated companies to enter into transactions with them that may adversely affect the interests of the listed company or its shareholders.

An immediate announcement and/or shareholders' approval would be required in respect of transactions with interested persons if the value of the transaction is equal to or exceeds certain financial thresholds.

In particular, an immediate announcement is required where:

- (a) the value of the proposed transaction is equal to or more than 3% of the latest audited NTA of the listed group; or
- (b) the aggregate value of all transactions (including the subject transaction) entered into with the same interested person during the same financial year is equal to or more than 3% of the latest audited NTA of the listed group.

In addition to an immediate announcement, shareholders' approval is required where:

- (a) the value of the proposed transaction is equal to or more than 5% of the latest audited NTA of the listed group; or
- (b) the aggregate value of all transactions (including the subject transaction) entered into with the same interested person during the same financial year, is equal to or more than 5% of the latest audited NTA of the listed group.

The above requirements for immediate announcement and/or for shareholders' approval do not apply to any transaction below S\$100,000 (unless otherwise required by the SGX-ST) and certain transactions listed under Rules 915 and 916 of the Listing Manual.

For illustrative purposes only and based on the latest audited consolidated financial statements of the Group for FY2023, the NTA of the Group was S\$130,592,000 and accordingly, in relation to the Group, for the purposes of Chapter 9 of the Listing Manual, in the current financial year, being FY2024, and until such time as the audited consolidated financial statements of the Group for the current financial year are published, Shareholders' approval is required where:

- (a) the transaction is of a value equal to, or more than, approximately S\$6,530,000, being 5% of the Group's latest audited NTA as at 31 December 2023; or
- (b) the transaction, when aggregated with other transactions entered into with the same Interested Person during the same financial year, is of a value equal to, or more than, S\$6,530,000, being 5% of the Group's latest audited NTA as at 31 December 2023. The aggregation will exclude any transaction that has been approved by Shareholders previously or is the subject of aggregation with another transaction that has been approved by Shareholders.

Chapter 9 of the Listing Manual, however, allows a listed company to seek a general mandate from its shareholders for recurrent interested person 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 in respect of the purchase or sale of assets, undertakings or businesses. Due to the time-sensitive nature of commercial transactions, such a mandate will enable a listed company, in its ordinary course of business, to enter into certain categories of transactions with certain classes of interested persons, 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. A general mandate granted by shareholders is subject to annual renewal.

### **3.2 Background**

The principal activities of the Group are (i) the production and supply of specialty packaging materials including coated and laminated papers and boards for packaging industries; (ii) the production and supply of gravure and offset printed materials for fast moving consumer goods and (iii) the trading business including the sale and purchase of tissue paper materials and products such as virgin pulp, jumbo reels and Finished Goods.

The principal activities of the Pulppy Group are the manufacture and sale of tissue paper products including jumbo reels and Finished Goods.

As both the Group and the Pulppy Group sell jumbo reels and Finished Goods, there is an overlap in the products sold by them. As at the Latest Practicable Date, the Group sells jumbo reels and Finished Goods mainly in the PRC (mainland only), the USA, Singapore and Australia, and the Pulppy Group sells jumbo reels and Finished Goods mainly in Vietnam, Hong Kong, Macau, Laos, Cambodia, Thailand, Indonesia, the Philippines, Singapore and Australia (collectively, the “**Permitted Territories**”). As the Pulppy Group has been in the tissue paper business much longer than the Group and given its market presence in the Permitted Territories, the Group had decided to focus its resources to develop its tissue paper business in jurisdictions outside the Permitted Territories, which is a bigger market than the Permitted Territories. The Group has no plans to divide its resources to develop its tissue paper business in the Permitted Territories, notwithstanding some existing customers in Singapore and Australia. With regard to Singapore and Australia where both the Group and the Pulppy Group sell jumbo reels and Finished Goods, the Group has not been actively marketing these products in these two countries. The Group currently has one customer in Singapore through enquiry from the customer and one customer in Australia through referral. The Group will continue supplying jumbo reels and Finished Goods to these two customers but will not be actively marketing these products in these two countries.

To mitigate any perceived, actual or potential conflict of interest, Mr Yen Wen Hwa has executed a deed of undertaking dated 6 July 2021 in favour of the Company which contains, *inter alia*, the following salient terms:

(a) Non-Competition and Non-Solicitation

Mr Yen Wen Hwa irrevocably and unconditionally agrees with and undertakes to the Company that for so long as he is a director and/or an executive officer of the Company or holds, directly or indirectly, a controlling interest in the Company, he shall not, and shall procure his Associates do not, on his/their own or jointly with or on behalf of any person, firm or company, directly or indirectly, (i) within any territory in the world other than the Permitted Territories, carry on, be engaged, concerned or interested in, manage, assist in or advise on any business or activity that is similar to or competes with any part of the business or activities of the Company or any of its subsidiaries, including but not limited to the business of selling, purchasing or trading tissue paper materials and products, or (ii) solicit or entice away or attempt to solicit or entice away from the Company or any of its subsidiaries any person who is a director, employee or customer of the Company or any of its subsidiaries.

(b) Right of first refusal over business opportunities

Mr Yen Wen Hwa irrevocably and unconditionally agrees with and undertakes to the Company that for so long as he or any of his Associates holds, directly or indirectly, an interest in New Toyo Pulppy (Vietnam) Co., Ltd. (“**NTPVN**”) or New Toyo Pulppy (Hong Kong) Ltd (“**NTPHK**”), and if at any time he receives or knows that any of his Associates receives (“**Notice Date**”), directly or indirectly, any bona fide offer, proposal, expression of interest or opportunity to carry on or be engaged or interested in any business, trade or activity relating or similar to any part of the business, trade or activity of the Company or any of its subsidiaries (“**Business Opportunity**”), he shall promptly (but no later than 14 days after the Notice Date) give the Company a notice in writing offering the Business Opportunity to the Company in place of and to the exclusion of himself, his Associates, NTPVN and NTPHK (“**Offer Notice**”). The Company has 45 days from the

receipt of the Offer Notice to decide whether to explore the Business Opportunity set out in the Offer Notice.

(c) Pre-emption right over any disposal of the shares, assets or business of NTPVN or NTPHK

Mr Yen Wen Hwa unconditionally and irrevocably agrees with and undertakes to the Company that if he and/or his Associate(s) is/are desirous of selling, transferring or disposing of all or any part of the shares or interest in NTPVN or NTPHK (“**Pulppy Sale Shares**”) or if NTPVN or NTPHK is desirous of selling, transferring or disposing of all or any part of its assets or business (“**Pulppy Sale Assets**”), he shall give a notice in writing or procure NTPVN or NTPHK (as the case may be) to give a notice in writing, as applicable, to the Company offering to sell to it the Pulppy Sale Shares or Pulppy Sale Assets, as the case may be, and specifying the price therefor and other terms of such sale (“**Pulppy Transfer Notice**”). The Company has 45 days from the receipt of the Pulppy Transfer Notice to accept or decline the aforesaid offer.

As part of the Group’s trading business for tissue paper materials and products, it is anticipated that the Group would from time to time in its ordinary course of business continue to enter into the transactions set out in Section 3.4 of this Appendix with the Pulppy Group.

At the AGM2023, the Independent Shareholders of the Company renewed the IPT Mandate to enable the Group to enter into the Interested Person Transactions. Pursuant to Chapter 9 of the Listing Manual, the IPT Mandate renewed at the AGM2023 was expressed to take effect until the conclusion of the next AGM of the Company, being the AGM2024. Accordingly, the Directors propose that the IPT Mandate be renewed at the upcoming AGM2024, to take effect until the next AGM of the Company. The renewal of the IPT Mandate will enable the Group to continue transacting with the Pulppy Group in a more efficient manner.

The scope and terms of the IPT Mandate which is sought to be renewed at the AGM2024 remain substantially the same.

If renewed by Independent Shareholders at the AGM2024, the IPT Mandate will continue to be in force until the next AGM of the Company (whereupon it will lapse, unless renewed at such meeting).

### 3.3 Classes of Interested Persons

The IPT Mandate, if renewed, will continue to apply to Interested Person Transactions (as described in Section 2.4 below) between any entity in the Group and the Pulppy Group (each an “**Interested Person**”).

NTPVN is a company incorporated in Vietnam, which owns and operates a tissue paper mill located in Vietnam. NTPVN presently carries on the business of producing and selling jumbo reels and finished goods.

NTPHK is a company incorporated in Hong Kong. NTPHK presently carries on the business of marketing and selling jumbo reels and finished goods produced by NTPVN.

As at the Latest Practicable Date, NTPVN is a wholly-owned subsidiary of NTPHK. NTPHK’s share capital comprises 5,000,000 issued shares of which 4,999,999 shares are held by Greeting Tomt Limited (“**GTL**”) and the remaining 1 share by Mr Yen Wen Hwa. GTL is an investment holding company incorporated in Hong Kong. As at the Latest Practicable Date, GTL is held equally by Mr Yen Wen Hwa and his son, Mr Gary Yen, and his son-in-law, Mr Vincent Lee Kwok Cheung, i.e. each holds one-third of GTL. Mr Yen Wen Hwa and Mr Gary Yen are also directors of GTL and NTPHK. Mr Yen Wen Hwa is the Executive Chairman and Controlling Shareholder of the Company. As Mr Yen Wen Hwa and his children together has an interest of more than 30% in NTPVN and NTPHK (together, the “**Pulppy Group**”), the entities in the Pulppy Group are Associates of Mr Yen Wen Hwa and are deemed to be



interested persons for the purpose of Chapter 9 of the Listing Manual. Accordingly, transactions entered into between an entity in the Group and NTPVN or NTPHK would be regarded as interested person transactions and would be subject to Chapter 9 of the Listing Manual.

### 3.4 Categories of Interested Person Transactions under the IPT Mandate

The following are the types of transactions which would continue to be carried out by the Group in its ordinary course of business with the Interested Persons pursuant to the IPT Mandate (“Interested Person Transactions”).

(a) Sale of virgin pulp by a Group Entity to an Interested Person

The Pulppy Group intends to continue purchasing virgin pulp from the Group to make jumbo reels. The Group would continue tapping into its supply network to source for virgin pulp and supplying it to the Pulppy Group.

(b) Sale of jumbo reels by a Group Entity to an Interested Person

As its production capacity for jumbo reels is limited, the Pulppy Group intends to continue purchasing jumbo reels from the Group. The Group would continue tapping into its supply network to source for jumbo reels and supplying them to the Pulppy Group.

(c) Purchase of Finished Goods by a Group Entity from an Interested Person

The Group intends to continue purchasing Finished Goods from the Pulppy Group and selling them to third parties.

Unless otherwise required by the SGX-ST, the IPT Mandate would not cover any transaction below S\$100,000 in value between a Group Entity and an Interested Person as the threshold and aggregation requirements of Chapter 9 of the Listing Manual do not normally apply to such transactions (unless otherwise required by the SGX-ST). In addition, all transactions between the Group and interested persons (including the Interested Persons) that do not fall within the ambit of the IPT Mandate would be subject to the provisions of Chapter 9 and/or other applicable provisions of the Listing Manual.

Transactions between the Group and the Pulppy Group in FY2023 under the IPT Mandate

The aggregate value of the transactions between the Group and the Pulppy Group in FY2023 pursuant to the IPT Mandate was approximately S\$10,991,000, representing approximately 8.42% of the Group’s audited NTA of approximately S\$130,592,000 as at 31 December 2023.

Details of the Interested Person Transactions carried out in FY2023 are as follows:

Item	Interested Person	Description	Value (S\$’000)
I	NTPVN	Sale of virgin pulp by a Group entity to NTPVN.	5,683
II	NTPVN	Sale of jumbo reels by a Group entity to NTPVN.	5,308
III	NTPVN	Purchase of Finished Goods by a Group entity from NTPVN.	-
<b>Total</b>			<b>10,991</b>

### 3.5 Rationale for the IPT Mandate and Benefits to the Group

The Interested Person Transactions are in line with the Company's plans to enhance value for Shareholders by broadening and stabilising revenue streams to include the sale of raw materials such as virgin pulp, and non-tobacco products, such as tissue paper.

The transactions with the Pulppy Group, as customer of the Group, would continue to provide additional revenue to the Group and expand its existing customer base. Furthermore, the Group continues to maintain its relations with suppliers and customers in the PRC with respect to the tissue paper business which continue to generate business opportunities for the Group. It is envisaged that in its ordinary course of business, transactions between the Group and the Pulppy Group are likely to continue to occur from time to time, to enable the Group to continue fulfilling its contracts of supplying tissue paper products to the end customers.

The transactions with the Interested Persons set out in Section 3.3 of this Appendix would continue to be entered into by the Group in the ordinary course of business. These are recurring transactions which are likely to continue to occur with some degree of frequency and may arise at any time, and from time to time.

In view of the time-sensitive nature of commercial transactions, the IPT Mandate would facilitate the Interested Person Transactions, provided the same are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The IPT Mandate would eliminate the need for the Company to convene specific general meetings seeking Shareholders' prior approval for the Group's entry into the Interested Person Transactions. This would enable the Group to pursue business opportunities with the Pulppy Group in an efficient manner and look to the Pulppy Group for prompt assistance when such need arises. The IPT Mandate would also eliminate expenses associated with the convening of specific general meetings and allow manpower resources and time (for preparing specific general meetings) to be channelled towards attaining other business goals.

### **3.6 Validity period of the IPT Mandate**

The renewal of the IPT Mandate will take effect from the passing of the Ordinary Resolution 10 at the AGM2024 and will (unless revoked or varied by the Company in general meeting) continue in force until the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier. Approval from Independent Shareholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM or the date by which the next or subsequent AGM is required by law to be held, subject to satisfactory review by the Audit Committee of its continued relevance and application and the sufficiency of the guidelines and review procedures under the IPT Mandate to ensure that the Interested Person Transactions would be carried out on normal commercial terms and would not be prejudicial to the interests of the Company and its minority Shareholders.

### **3.7 Guidelines and review procedures under the IPT Mandate**

The guiding principle is that all Interested Person Transactions 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 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, 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 would use its reasonable endeavours to make comparisons with at least two other comparable quotes from

unrelated third parties, wherever possible for the same or substantially similar type of transactions.

The following guidelines and review procedures in this Section 3.7 and Section 3.8 (“**Guidelines and Review Procedures**”) would continue to be implemented by the Group to ensure that all Interested Person Transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders:

### 3.7.1 Review Procedures

Before entering into any Interested Person Transaction, the Group would follow the review procedures set out below:

#### (a) Sale of virgin pulp or jumbo reels by a Group Entity to an Interested Person

- (i) with regard to the sale of virgin pulp or jumbo reels by a Group Entity to an Interested Person, the price and other terms in respect of completed transactions with at least two unrelated third parties in relation to the same or substantially the same type of virgin pulp or jumbo reels (as the case may be) would be used as comparison where possible. While other factors as set out in Section 3.7.1(a)(ii) would be taken into consideration, the price to be charged by the Group Entity to the Interested Person would be no lower than the price charged by the Group Entity to the unrelated third parties, and other terms to be extended by the Group Entity to the Interested Person would be no more favourable than other terms extended by the Group Entity to the unrelated third parties; or
- (ii) where it is not possible to obtain or compare against the price and other terms of transactions or quotations with unrelated third parties or where the purported comparable quotes may not be directly comparable (i.e. in terms of the geography of operations), the Interested Person Transaction would be assessed by the General Manager of the relevant Group Entity, who would submit a report to the Chief Financial Officer of the Company or in the absence of the Chief Financial Officer, the Group Chief Executive Officer (each of whom does not have any interests, whether direct or deemed, in relation to the Interested Person or to the Interested Person Transaction) for his/her review, such assessment and review would be in accordance with the Group’s business practices and policies and on terms which the General Manager, Chief Financial Officer, Group Chief Executive Officer and/or the Audit Committee (where relevant) considers to be on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. The Group entity’s pricing and other terms for such products to be sold to the Interested Persons shall be determined based on the Group’s business practices and experience in relation to the products previously sold, which are as comparable as possible to the product to be sold and may include, but not limited to, potential gross profit margin, quality, quantity, track record, country in which the customer or supplier is located, transportation cost, requirement and specification compliance, delivery time, experience and expertise, payments and credit terms and where applicable, preferential rates, discounts or rebates accorded for bulk purchases.

#### (b) Purchase of Finished Goods by a Group Entity from an Interested Person

- (i) with regard to the purchase of Finished Goods by a Group Entity from an Interested Person, the price and other terms from at least two unrelated third parties in relation to the same or substantially the same

type of Finished Goods would be used as comparison where possible. While other factors as set out in Section 3.7.1(b)(ii) would be taken into consideration, the price to be paid by the Group Entity to the Interested Person would be no higher than the price paid by the Group Entity to the unrelated third parties, and other terms to be extended to the Group Entity by the Interested Person would be no less favourable than other terms extended by the unrelated third parties to the Group Entity; or

- (ii) where it is not possible to obtain or compare against the price and other terms of transactions or quotations with unrelated third parties or where the purported comparable quotes may not be directly comparable (i.e. in terms of the geography of operations), the Interested Person Transaction would be assessed by the General Manager of the relevant Group Entity, who would submit a report to the Chief Financial Officer of the Company or in the absence of the Chief Financial Officer, the Group Chief Executive Officer (each of whom does not have any interests, whether direct or deemed, in relation to the Interested Person or to the Interested Person Transaction) for his/her review, such assessment and review would be in accordance with the Group's business practices and policies and on terms which the General Manager, Chief Financial Officer, Group Chief Executive Officer and/or the Audit Committee (where relevant) considers to be on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. In determining whether the price and other terms offered to or by the Interested Person in respect of a transaction are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, factors such as quantity, quality, track record, delivery time, experience and expertise, country in which the customer or supplier is located, transportation cost, requirement and specification compliance, payment and credit terms and preferential rates, discounts or rebates accorded for bulk purchases would be taken into consideration.

### 3.7.2 Approval Limits

In addition to the review procedures as set out in Section 3.7.1 of this Appendix, the Group would continue to apply the following approval limits to the Interested Person Transactions:

<b>Transaction</b>	<b>Approval Limits</b>
Sale of virgin pulp by a Group Entity to an Interested Person	<p>(a) where the value of an Interested Person Transaction is below S\$1,400,000, the Interested Person Transaction would, prior to entry, be reviewed and approved by the Chief Financial Officer or the Group Chief Executive Officer or such other person(s) designated by the Audit Committee or the Audit Committee from time to time; and</p> <p>(b) where the value of an Interested Person Transaction is equal to or more than S\$1,400,000, the Interested Person Transaction would, prior to entry, be reviewed and approved by the Audit Committee.</p>
Sale of jumbo reels by a Group Entity to an Interested Person	(a) where the value of an Interested Person Transaction is below S\$2,000,000, the Interested Person Transaction would, prior to entry, be

	<p>reviewed and approved by the Chief Financial Officer or the Group Chief Executive Officer or such other person(s) designated by the Audit Committee or the Audit Committee from time to time; and</p> <p>(b) where the value of an Interested Person Transaction is equal to or more than S\$2,000,000, the Interested Person Transaction would, prior to entry, be reviewed and approved by the Audit Committee.</p>
Purchase of Finished Goods by a Group Entity from an Interested Person	<p>(a) where the value of an Interested Person Transaction is below S\$1,200,000, the Interested Person Transaction would, prior to entry, be reviewed and approved by the Chief Financial Officer or the Group Chief Executive Officer or such other person(s) designated by the Audit Committee or the Audit Committee from time to time; and</p> <p>(b) where the value of an Interested Person Transaction is equal to or more than S\$1,200,000, the Interested Person Transaction would, prior to entry, be reviewed and approved by the Audit Committee.</p>

In addition to and without prejudice to the above, where the aggregate value of an Interested Person Transaction with the same Interested Persons in the current financial year of the Company is equal to or more than 30% of the Company's latest audited consolidated NTA, all subsequent Interested Person Transactions with the same Interested Persons in the current financial year of the Company would, prior to entry, be reviewed and approved by the Audit Committee. Please refer to Section 3.8.1 of this Appendix for details on how the Company monitors the foregoing 30% threshold.

Notwithstanding the above, no person would participate or be involved in any review or approval of any Interested Person Transaction if he or she or any of their Associates is interested, directly or indirectly, in the transaction.

In setting the above approval limits, the Company took into account, *inter alia*, the nature, volume, frequency and size of the transactions as well as the Group's day-to-day operations, administration and businesses. The approval limits are arrived at with the view to strike a balance between maximising the operational efficiency of the day-to-day operations of the Group and maintaining adequate internal controls and governance in relation to the Interested Person Transactions. The approval limits are intended to act as an additional safeguard to supplement the review procedures as set out above.

### 3.8 Other Review Procedures

In addition to the review procedures set out in Section 3.7 of this Appendix, the Group implements the following procedures:

#### 3.8.1 Register of Interested Person Transactions

The Company maintains a list of Interested Persons and a register of all Interested Person Transactions which are entered into by the Group, recording the transaction

prices and the bases for evaluating the transactions and determining their prices such as quotations obtained from unrelated third parties, including information and/or supporting documents on the value/size of the transactions (“**IPT Register**”). The relevant subsidiaries and associated companies of the Company are required to furnish information concerning the Interested Person Transactions entered into by them (“**IPT Data**”) to the Company by the 5th day of the following month. Upon receiving the IPT Data, the IPT Register would be prepared or updated, maintained and monitored by the Chief Financial Officer or any other officer of the finance department of the Company duly delegated to do so by the Audit Committee, and who must not be interested in any of the Interested Person Transactions. Any discrepancies or significant variances (as determined by the Audit Committee) from the Group’s usual business practices and pricing policies would be highlighted to the Audit Committee.

In addition, where the aggregate value of an Interested Person Transaction with the same Interested Persons in the current financial year of the Company amounts to 20% of the Company’s latest audited consolidated NTA in any month, the relevant subsidiaries and associated companies must submit their IPT Data to the Company on a weekly basis. Subsequently, where the aggregate value of an Interested Person Transaction with the same Interested Persons in the current financial year of the Company amounts to 25% of the Company’s latest audited consolidated NTA, the relevant subsidiaries and associated companies must obtain the approval of the Chief Financial Officer or the Group Chief Executive Officer or such other person(s) designated by the Audit Committee for each Interested Person Transaction before proceeding with it.

Where the aggregate value of an Interested Person Transaction with the same Interested Persons in the current financial year of the Company is equal to or more than 30% of the Company’s latest audited consolidated NTA, all subsequent Interested Person Transactions with the same Interested Persons in the current financial year of the Company would, prior to entry, be reviewed and approved by the Audit Committee.

### 3.8.2 Review by the Audit Committee

The Audit Committee reviews the Interested Person Transactions on a quarterly basis to ensure that all Interested Person Transactions are on normal commercial terms and carried out in accordance with the Guidelines and Review Procedures under the IPT Mandate. Such review includes the examination of the transaction(s) and its supporting documents or such other supporting documents deemed necessary by the Audit Committee. The Audit Committee shall, when it deems fit, have the right to require the appointment of independent advisers and/or valuers to provide additional information and/or review the controls and their implementation pertaining to the Interested Person Transactions under review. The Group’s internal and external auditors shall assist the Audit Committee in such review and carry out such tests as they deem necessary.

### 3.8.3 Review of the adequacy of Guidelines and Review Procedures by the Audit Committee

In addition, the Audit Committee shall also review the Guidelines and Review Procedures at least annually to determine if they are adequate and/or commercially practicable in ensuring that all Interested Person Transactions are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

If during such review the Audit Committee is of the view that the Guidelines and Review Procedures, including the approval limits for the Interested Person Transactions, are no longer sufficient or appropriate to ensure that the transactions with the Interested Persons would be carried out on normal commercial terms and/or

would not be prejudicial to the interests of the Company and its minority Shareholders, the Company would seek Shareholders' approval for a fresh mandate based on new guidelines and review procedures for transactions with the Interested Persons. During the period prior to obtaining such fresh mandate from the Shareholders, all transactions with the Interested Persons would be subject to prior review and approval by the Audit Committee.

#### 3.8.4 Review by internal auditors

The Company's internal auditors would review 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) the Interested Person Transactions to ensure that the Guidelines and Review Procedures have been adhered to. The internal auditors would report all findings directly to the Audit Committee.

#### 3.8.5 Interested members of the Audit Committee to abstain

In the event that any member of the Audit Committee (where applicable) or any of his or her Associates is interested (directly or indirectly) in an Interested Person Transaction, he or she would abstain from participating in the review and approval process in relation to that particular transaction to ensure that the transaction would be carried out on normal commercial terms and would not be prejudicial to the interests of the Company and its minority Shareholders. Approval of that transaction would accordingly be undertaken by the remaining members of the Audit Committee.

As at the Latest Practicable Date, the Company has implemented the review procedures and approval limits under Section 3.7 and is maintaining the IPT Register under Section 3.8.1 of this Appendix.

### 3.9 **Disclosure**

Pursuant to Rule 920(1)(a) of the Listing Manual, the Company would disclose the IPT Mandate in the annual reports of the Company, giving details of the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate during the financial year. In addition, the Company would disclose the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate in the half-year and full-year financial result announcements, pursuant to Rule 705 of the Listing Manual.

The disclosures of the Interested Person Transactions conducted pursuant to the IPT Mandate would be presented in the form set out in Rule 907 of the Listing Manual as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
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## 4. **STATEMENT OF THE AUDIT COMMITTEE**

The Audit Committee has reviewed the terms of the IPT Mandate, as proposed to be renewed, and confirms that (i) the Guidelines and Review Procedures for determining the transaction prices of the Interested Person Transactions as set out in this Appendix have not changed

since the last shareholder renewal of the IPT Mandate at the AGM2023 and (ii) such Guidelines and Review Procedures, if adhered to, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

## 5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders of the Company, the interests of the Directors and the Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Yen Wen Hwa	139,959,164 <sup>(3)</sup>	31.85	87,910,517 <sup>(4)</sup>	20.01	227,869,681	51.86
Angela Heng Chor Kiang	500,000	0.11	-	-	500,000	0.11
Tengku Tan Sri Dr Mahaleel bin Tengku Ariff	-	-	-	-	-	-
Wan Tai Foong	-	-	-	-	-	-
Phua Tin How	-	-	-	-	-	-
Tay Joo Soon	190,004	0.04	30,000	0.01	220,004	0.05
David Ong Kim Huat	-	-	-	-	-	-
<b>Substantial Shareholders</b>						
Yen Wen Hwa	139,959,164	31.85	87,910,517 <sup>(4)</sup>	20.01	227,869,681	51.86
Lu Le Nhi <sup>(2)</sup>	29,092,577	6.62	198,777,104 <sup>(5)</sup>	45.24	227,869,681	51.86
Gary Yen <sup>(3)</sup>	41,939	0.01	58,817,940 <sup>(6)</sup>	13.39	58,859,879	13.40
Yen & Son Holdings Pte Ltd <sup>(7)</sup>	58,817,940	13.39	-	-	58,817,940	13.39

Notes:

- (1) Based on 439,424,603 issued Shares as at the Latest Practicable Date.
- (2) Mdm Lu Le Nhi is the wife of Mr Yen Wen Hwa.
- (3) Mr Gary Yen is the son of Mr Yen Wen Hwa and Mdm Lu Le Nhi.
- (4) The deemed interest comprises Shares held directly by Mdm Lu Le Nhi and Yen & Son Holdings Pte Ltd.
- (5) The deemed interest comprises Shares held directly by Mr Yen Wen Hwa and Yen & Son Holdings Pte Ltd.
- (6) The deemed interest comprises Shares held by Yen & Son Holdings Pte Ltd.
- (7) The shareholders of Yen & Son Holdings Pte Ltd are Mr Yen Wen Hwa (40%), Mdm Lu Le Nhi (30%) and Mr Gary Yen (30%).

Save for their interests in the Company and as disclosed in this Appendix, none of the Directors or Substantial Shareholders have any interest, direct or indirect, in the Proposed Transactions.

## 6. ABSTENTION FROM VOTING

In accordance with Rule 920(1)(b)(viii) of the Listing Manual, Mr Yen Wen Hwa, Mdm Lu Le Nhi, Mr Gary Yen and Yen & Son Holdings Pte Ltd will abstain, and have undertaken to ensure



that their Associates will abstain, from voting on Ordinary Resolution 10 approving the proposed renewal of the IPT Mandate as set out in the Notice of AGM. Further, Mr Yen Wen Hwa, Mdm Lu Le Nhi and Mr Gary Yen will decline, and have undertaken to ensure that their Associates will decline, appointment to act as proxies for other Shareholders to vote at the AGM2024 in respect of Ordinary Resolution 10.

## **7. DIRECTORS' RECOMMENDATIONS**

### **7.1 In respect of the proposed renewal of the Share Buy-Back Mandate**

The Directors are of the opinion that the proposed renewal of the Share Buy-Back Mandate is in the interest of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 9 relating to the proposed renewal of the Share Buy-Back Mandate as set out in the Notice of AGM.

### **7.2 In respect of the proposed renewal of the IPT Mandate**

The Directors who are considered independent for the purposes of the proposed renewal of the IPT Mandate are Ms Angela Heng Chor Kiang, Tengku Tan Sri Dr Mahaleel bin Tengku Ariff, Mr Wan Tai Foong, Mr Phua Tin How, Mr Tay Joo Soon and Mr David Ong Kim Huat (collectively, the “**Non-Interested Directors**”).

The Non-Interested Directors, having considered, among other things, the terms, rationale and benefits of the IPT Mandate, the Guidelines and Review Procedures and the role of the Audit Committee in enforcing the IPT Mandate, are of the view that the Guidelines and Review Procedures as set out in Sections 3.7 and 3.8 of this Appendix, if adhered to, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. Accordingly, the Non-Interested Directors recommend that Shareholders vote in favour of Ordinary Resolution 10 relating to the proposed renewal of the IPT Mandate as set out in the Notice of AGM.

### **7.3 General**

The Directors (including the Non-Interested Directors), in rendering their recommendations above, have not had regard to the specific investment objectives, financial situation, tax position, unique needs and/or constraints of any Shareholder.

As different Shareholders would have different investment objectives, the Directors recommend that any individual Shareholder who may require specific advice in relation to the Share Buy-Back Mandate and/or IPT Mandate should consult his/her stockbroker, bank manager, solicitor, accountant or other professional advisers.

## **8. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix 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 the Appendix in its proper form and context.

## 9. DOCUMENTS FOR INSPECTION

Copies of the following documents may be accessed via SGXNet at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.newtoyo.com> from the date of this Appendix up to and including the date of the AGM2024:

- (a) the Constitution of the Company; and
- (b) the Annual Report 2023 of the Company.

Yours faithfully  
for and on behalf of the Board of Directors of  
**NEW TOYO INTERNATIONAL HOLDINGS LTD**

Yen Wen Hwa  
Executive Chairman

No.of Company

199601387D

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The Companies Act, (Cap. 50)

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PUBLIC COMPANY LIMITED BY SHARES

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CONSTITUTION

OF

NEW TOYO INTERNATIONAL  
HOLDINGS LTD

*Incorporated on the 28th day of February 1996*

*Lodged in the Office of the Registrar  
of Companies, Singapore*

This is the attachment referred to in the Notice of Resolution and signed by me for the purpose of identification.



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Lee Wei Hsiung  
Company Secretary

NAME OF COMPANY : NEW TOYO INTERNATIONAL HOLDINGS LTD

COMPANY NO. : 199601387D

#### NOTICE OF RESOLUTION

**Special Resolution:**  
**Proposed amendments to the Constitution**

RESOLVED that:

- (a) the Constitution of the Company be and is hereby amended in the manner described in the Appendix to the Circular; and
- (b) the Directors of the Company or any of them be and are hereby authorized to complete and do all such acts and things and to execute such documents as they may consider necessary, desirable or expedient to give effect to this resolution.

## APPENDIX

### Proposed amendments to the Constitution

The proposed amendments to the Constitution are set out below. For ease of reference, the text of the relevant regulations of the Constitution which are proposed to be amended has been reproduced and the amendments marked where text in strikethrough indicates deletions from and underlined text indicates additions to the relevant regulations.

#### 1. Existing Regulation 68

68. In addition to any other meetings, a General Meeting shall be held once at least in every calendar year, at such time and place as may be determined by the Directors, but so that no more than fifteen months shall be allowed to elapse between any two such General Meetings but in any event before the expiry of four months from the close of the financial year of the Company, or such other period as may be prescribed under the Statutes or by the SGX-ST from time to time.

#### Proposed amendment to the existing Regulation 68

By deleting Regulation 68 in its entirety and substituting therefor the following:

68. In addition to any other meetings, a General Meeting shall be held once at least in every calendar year, at such time and place as may be determined by the Directors, but so that no more than fifteen months shall be allowed to elapse between any two such General Meetings but in any event before the expiry of four months from the close of the financial year of the Company, or such other period as may be prescribed under the Statutes or by the SGX-ST or permitted by the Registrar of Companies or the SGX-ST from time to time. If required by the Listing Manual, all General Meetings shall be held in Singapore unless prohibited by the Statutes or unless such requirement is waived by the SGX-ST.

#### 2. Existing Regulation 94

94. An instrument appointing a proxy shall be in writing in any usual or common form (including the form approved from time to time by the Depository) or in any other form which the Directors may approve and:-
- (a) in the case of an individual, shall be:-
- (i) executed under the hand of the appointor or his attorney if the instrument is delivered personally or sent by post; or
  - (ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and
- (b) in the case of a corporation, shall be:-
- (i) executed under seal or signed on its behalf by an attorney or a duly authorised officer of the corporation or, in the case of the Depository or its nominee, signed by its duly authorised officer by some method or system of mechanical signature as the Depository or its nominee may deem appropriate, if the instrument is delivered personally or sent by post; or
  - (ii) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

The Directors may designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

#### **Proposed amendment to the existing Regulation 94**

By deleting Regulation 94 in its entirety and substituting therefor the following:

94. An instrument appointing a proxy shall be in writing in any usual or common form (including the form approved from time to time by the Depository) or in any other form which the Directors may approve and:-
- (a) in the case of an individual, shall be:-
    - (i) executed under the hand of the appointor or his attorney if the instrument is delivered personally or sent by post; or
    - (ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and
  - (b) in the case of a corporation, shall be:-
    - (i) executed under seal or signed on its behalf by an attorney or a duly authorised officer of the corporation or, in the case of the Depository or its nominee, signed by its duly authorised officer by some method or system of mechanical signature as the Depository or its nominee may deem appropriate, if the instrument is delivered personally or sent by post; or
    - (ii) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy may be submitted through electronic communications, as contemplated in Regulations 94(a)(ii) and 94(b)(ii). Where the Directors do not so specify in relation to a Member or Members (whether of a class or otherwise), Regulations 94(a)(i) and 94(b)(i) shall apply.

The Directors may designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

### **3. Existing Regulation 141**

141. The Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies provided no such dividends shall be declared more than once in six months.

#### **Proposed amendment to the existing Regulation 141**

By deleting Regulation 141 in its entirety and substituting therefor the following:

141. The Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies ~~provided no such dividends shall be declared more than once in six months.~~

#### 4. Existing Regulation 155

155. The interval between the close of the financial year of the Company and the holding of the Annual General Meeting of the Company shall not exceed four months.

#### Proposed amendment to the existing Regulation 155

By deleting Regulation 155 in its entirety and substituting therefor the following:

155. The interval between the close of the financial year of the Company and the holding of the Annual General Meeting of the Company shall not exceed four months or such other period as may be prescribed under the Statutes or the Listing Manual or permitted by the Registrar of Companies or the SGX-ST from time to time.

#### 5. Existing Regulation 161(1)

- 161(1). A notice or other document may be served by the Company upon a Member, either personally, or by sending it through the post in a prepaid letter or by telex or facsimile transmission addressed to such Member at his address as appearing in the Register or in the Depository Register, as the case may be, or by using other electronic communications.

#### Proposed amendment to the existing Regulation 161(1)

By deleting Regulation 161(1) in its entirety and substituting therefor the following:

- 161(1). (1) A notice or other document (including, without limitation, any circular, financial statement or annual report) may be served by the Company upon a Member, either personally, or by sending it through the post in a prepaid letter or by telex or facsimile transmission addressed to such Member at his address as appearing in the Register or in the Depository Register, as the case may be, or by using other electronic communications.
- (2) Any notice or document (including, without limitation, any circular, financial statement or annual report) which is required or permitted to be given, sent or served under the Act, the Listing Manual or this Constitution by the Company, or by the Directors, to a Member or auditor or officer of the Company, may be given, sent or served using electronic communications in accordance with the provisions of this Constitution:-
- (a) to the current address (as provided for in the Act, which may be an email address) of that person; or
- (b) by making it available on a website prescribed by the Company from time to time.
- (3) For the purposes of Regulation 161(1)(2) above, a Member has given his implied consent and shall agree to receive such notice or document by way of such electronic communications and, subject to the provisions of the Act and the prevailing rules and requirements of the SGX-ST, shall not have a right to elect to receive a physical copy of such notice or document.
- (4) Notwithstanding Regulation 161(1)(3) above, the Directors may, at their discretion, at any time give a Member an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy, and a Member shall be deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document.

(5) For the avoidance of doubt, the giving, sending or service of notices or documents using electronic communications under Regulation 161(1) shall be subject at all times to the provisions of the Act and the prevailing rules and requirements of the Exchange.

## 6. Existing Regulation 167

167. Any notice or other document, if served or sent by post, shall be deemed to have been served at the time the same is left at the address of the Member in the Register or in the Depository Register, as the case may be, if served personally and at the time when the letter containing the same is put into the post if sent by post, (and in proving such service or sending it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post office) and at the same time the same would have reached the Member in the normal course if sent by telex or facsimile transmission.

### Proposed amendment to the existing Regulation 167

By deleting Regulation 167 in its entirety and substituting therefor the following:

167. (1) Any notice or ~~other~~ document, if served or sent by post, shall be deemed to have been served at the time the same is left at the address of the Member in the Register or in the Depository Register, as the case may be, if served personally and at the time when the letter containing the same is put into the post if sent by post; (and in proving such service or sending it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post office) ~~and at the same time the same would have reached the Member in the normal course if sent by telex or facsimile transmission.~~

(2) Where a notice or document is given, sent or served by electronic communications:-

(a) to the current address (as provided for in the Act, which may be an email address) pursuant to Regulation 161(1)(2)(a), it shall be deemed to have been duly given, sent or served at the time of transmission of the electronic communication by the email server or facility operated by the Company or its service provider to the current address of such person (notwithstanding any delayed receipt, non-delivery or "returned mail" reply message or any other error message indicating that the electronic communication was delayed or not successfully sent), unless otherwise provided under the Act and/or any other applicable regulations or procedures (including the rules and requirements of the Exchange); or

(b) by making it available on a website pursuant to Regulation 161(1)(2)(b), it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website, or unless otherwise provided under the Act and/or any other applicable regulations or procedures (including the rules and requirements of the Exchange).

(3) Where a notice or document is given, sent or served to a Member by making it available on a website pursuant to Regulation 161(1)(2)(b), the Company shall give separate notice to the Member of the publication of the notice or document on that website in accordance with the Act and the prevailing rules and requirements of the Exchange (including the address of the website, the place on the website where the notice or document may be accessed, how to access the notice or document and the date from which the notice or document is available on the website) by any one or more of the following means (subject to the provisions of the Act and the prevailing rules and requirements of the Exchange):

(a) by sending such separate notice to the Member personally or through the post pursuant to Regulation 161(1)(1);



(b) by sending such separate notice to the Member using electronic communications to his current address pursuant to Regulation 161(1)(2)(a);

(c) by way of advertisement in the daily press; and/or

(d) by way of announcement on the website of the Exchange.

## **7. Existing Regulation 174**

174. Every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (including any such liability as is mentioned in the Act), which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no such Directors or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Regulation shall only have effect in so far as its provisions are not avoided by the Act.

### **Proposed amendment to the existing Regulation 174**

By deleting Regulation 174 in its entirety and substituting therefor the following:

174. Every Director or other officer of the Company ~~may~~shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (including any such liability as is mentioned in the Act), which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and ~~no such Directors or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But~~provided that this Regulation shall only have effect in so far as its provisions are not avoided by or inconsistent with the Act.

## **8. Proposed addition of new Regulations 176 and 177**

By inserting the following new heading and Regulations 176 and 177 immediately after the existing Regulation 175:

### **PERSONAL DATA**

176. A Member who is a natural person is deemed to have consented to the collection, use and disclosure of his personal data (whether such personal data is provided by that Member or is collected through a third party) by the Company (or its agents or service providers) from time to time for any of the following purposes:

(a) implementation and administration of any corporate action by the Company (or its agents or service providers);

(b) internal analysis and/or market research by the Company (or its agents or service providers);

(c) investor relations communications by the Company (or its agents or service providers);

(d) administration by the Company (or its agents or service providers) of that Member's holding of shares in the Company;

(e) implementation and administration of any service provided by the Company (or its agents or service providers) to its Members to receive notices of meetings, annual reports and other shareholder communications and/or for proxy appointment, whether by electronic means or otherwise;

- (f) processing, administration and analysis by the Company (or its agents or service providers) of Members, and proxies and representatives appointed for any meeting of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to any meeting of the Company (including any adjournment thereof);
- (g) publication of photographs/videos taken at General Meetings of the Company or other shareholder events in the Company's annual report and other corporate, promotional or publicity materials;
- (h) implementation and administration of, and compliance with, any provision of these Regulations;
- (i) compliance with any applicable laws, listing rules, take-over rules, regulations and/or guidelines; and
- (j) purposes which are reasonably related to any of the foregoing purposes.

177. Any Member who appoints a proxy and/or representative for any meeting of the Company and/or any adjournment thereof is deemed to have warranted that where such Member discloses the personal data of such proxy and/or representative to the Company (or its agents or service providers), that Member has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy and/or representative for the purposes specified in Regulations 176(e), (f), (g) and (i) and for any purposes reasonably related to Regulations 176(e), (f), (g) or (i) and is deemed to have agreed to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such Member's breach of warranty.

**9. Proposed renumbering of existing Regulation 176**

By renumbering the existing Regulation 176 as Regulation 178.

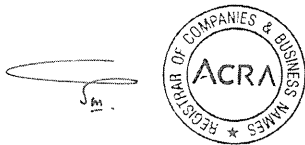


**CERTIFICATE CONFIRMING INCORPORATION OF COMPANY**

**Company Name : NEW TOYO INTERNATIONAL HOLDINGS LTD**

**UEN : 199601387D**

This is to confirm that the company was incorporated under the Companies Act, on and from **28/02/1996** and that the company is a **PUBLIC COMPANY LIMITED BY SHARES**.



**TAN YONG TAT**  
**ASST REGISTRAR OF COMPANIES & BUSINESS NAMES**  
**ACCOUNTING AND CORPORATE REGULATORY AUTHORITY**  
**SINGAPORE**

**Dated : 13/11/2019**  
**Receipt Number: ACRA191113172834**



**Authentication No. : R19823833O**

THE COMPANIES ACT  
(CHAPTER 50)  
SECTION 31(3)  
CERTIFICATE OF INCORPORATION ON  
CONVERSION TO A PUBLIC COMPANY

FORM

20

Name of Company: NEW TOYO INTERNATIONAL HOLDINGS PTE LTD

Company No : 199601387D

This is to certify that the abovenamed company, which was on 28 February 1996 incorporated under the Companies Act as a company limited by shares, did on 13 March 1997 convert to a public company and that the name of the company now is **NEW TOYO INTERNATIONAL HOLDINGS LTD.**

Given under my hand and seal on 13 March 1997.



MISS TAN SHOOK YNG  
SR. ASST REGISTRAR OF COMPANIES AND BUSINESSES  
SINGAPORE

FORM 9  
THE COMPANIES ACT, CAP. 50  
SECTION 19(4)

COMPANY NO.  
199801387D

CERTIFICATE OF INCORPORATION OF PRIVATE COMPANY

THIS IS TO CERTIFY THAT NEW TOYO INTERNATIONAL HOLDINGS  
PTE LTD IS INCORPORATED UNDER THE COMPANIES ACT, CAP. 50, ON  
AND FROM 28/02/1996 AND THAT THE COMPANY IS A PRIVATE COMPANY  
LIMITED BY SHARES.

GIVEN UNDER MY HAND AND SEAL ON 28/02/1996

*THWEE SAN*

MS TOH WEE SAN  
ASSISTANT REGISTRAR OF COMPANIES AND BUSINESSES  
SINGAPORE

**THE COMPANIES ACT (CAP 50)**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**CONSTITUTION**

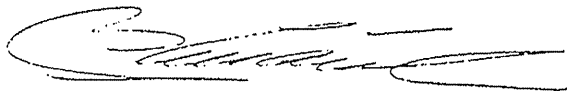
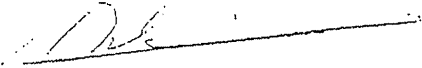
**OF**

**NEW TOYO INTERNATIONAL HOLDINGS LTD**

(Adopted by Special Resolution passed on 28 April 2016)

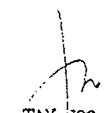
1. The name of the Company is **NEW TOYO INTERNATIONAL HOLDINGS LTD.**
2. The registered office of the Company is situated in the Republic of Singapore.
3. The liability of the members is limited.
4. The share capital of the Company is denominated in Singapore Dollars.

We, the several persons whose names, addresses and descriptions are hereunto subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the Capital of the Company set opposite to our respective names.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER
 YEN WEN HWA @ NGAN TZE MANH 25 TREVOSE CRESCENT DUNEARN PARK SINGAPORE 296040 NRIC NO: 2185157/D SINGAPORE CITIZEN DIRECTOR	ONE  ONE
 LU LE NHI 25. TREVOSE CRESCENT DUNEARN PARK SINGAPORE 296040 NRIC NO: 2185158/B SINGAPORE CITIZEN DIRECTOR	ONE  ONE
TOTAL NUMBER OF SHARES TAKEN	TWO

Dated this 16th day of February, 1996

Witness to the above signatures:

  
TAY JOO SOON  
Approved Company Auditor  
Tay Joo Soon & Co  
1 North Bridge Road  
#13-02/03 High Street Centre  
SINGAPORE 179094

### MODEL CONSTITUTION EXCLUDED

5. All model constitutions as may be prescribed under the Act from time to time shall not apply to the Company, except so far as such parts thereof are repeated or contained in this Constitution. Model constitution excluded.

### INTERPRETATION

- 6(1). In this Constitution, unless the subject or context otherwise requires, the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof: Interpretation.

WORDS	MEANINGS
Act	The Companies Act (Cap. 50) or any statutory modification or re-enactment thereof for the time being in force.
Company	New Toyo International Holdings Ltd by whatever name from time to time called.
Constitution	This constitution as originally framed or as altered from time to time.
Cut-Off Time	Seventy-two hours before the time of the relevant General Meeting.
Directors	The directors for the time being of the Company.
Dividend	Includes bonus.
Exchange or SGX-ST	The Singapore Exchange Securities Trading Limited and any other share, stock or securities exchange upon which the shares of the Company may be listed.
Listing Manual or Listing Rules	The listing rules under the Listing Manual of the SGX-ST.
Market Day	A day on which the Exchange is open for trading in securities.
Member	A registered shareholder for the time being of the Company or if the registered shareholder is the Depository, a Depositor named in a Depository Register (for such period as shares are entered in the Depositor's Securities Account), save that references in this Constitution to a 'Member' shall, where the Act requires, exclude the Company where it is a member by reason of its holding shares as treasury shares.
Office	The registered office for the time being of the Company.



- |                     |   |
|---------------------|---|
| Ordinary Resolution | A resolution passed by a simple majority of the Members present and voting.                                 |
| Register            | The Register of Members to be kept pursuant to Section 190 of the Act.                                      |
| Regulation          | Regulation of this Constitution.  |
| Seal                | The common seal of the Company.   |
| Secretary           | Any person or persons appointed to perform the duties of secretary of the Company.                          |
| Securities Account  | The securities account maintained by a Depositor with a Depository.   |
| Singapore Dollar    | The lawful currency of the Republic of Singapore.   |
| Special Resolution  | A resolution having the meaning assigned thereto by Section 184 of the Act.                                 |
| Statutes            | The Act and every other statute for the time being in force concerning companies and affecting the Company. |
| treasury share      | Shall have the meaning ascribed to it under the Act.  |
- 6(2). The words "Depositor", "Depository" and "Depository Register" shall have the meanings respectively as used in this Constitution ascribed to them in the Securities and Futures Act (Cap. 289).
- 6(3). References in this Constitution to "holders" of shares or any class of shares shall:-
- (a) exclude the Depository except where otherwise expressly provided for in this Constitution or where the terms "registered holder" or "registered holders" are used in this Constitution; and
  - (b) where the subject and context so require, be deemed to include references to Depositors whose names are entered in the Depository Register in respect of such shares;
- and the words "holding" and "held" shall be construed accordingly.
- 6(4). Writing shall include printing and lithography and any other mode or modes of representing or reproducing words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.
- 6(5). Words importing the singular number only shall include the plural number, and vice versa.
- 6(6). Words importing the masculine gender only shall include the feminine gender.

- 6(7). Words importing persons shall include corporations.
- 6(8). Subject as aforesaid, any words or expressions used in the Act shall, except where inconsistent with the subject or context, bear the same meaning in this Constitution.
- 6(9). A Special Resolution shall be effective for any purposes for which an Ordinary Resolution is expressed to be required under any provision of this Constitution.
- 6(10). Any reference in this Constitution to any enactment is a reference to that enactment as for the time being amended or re-enacted.

### SHARES

- 7. Subject to the Statutes and the Listing Manual, no shares may be issued without the prior approval of the Company in General Meeting but subject thereto and to this Constitution relating to new shares and to any special right attached to any share for the time being issued, the Directors may allot (with or without conferring any right of renunciation), grant options over or otherwise dispose of the same to such persons on such terms and conditions (including such consideration) and at such time as the Directors determine Provided Always that the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same. Shares under control of Company in General Meeting.
- 8(1). The Company in General Meeting may by Ordinary Resolution authorise the Directors to exercise any power of the Company to issue shares, such authority being confined to a particular exercise of that power or generally. Any such authority may be unconditional or subject to conditions and shall continue in force until the conclusion of the Annual General Meeting commencing next after the date on which the approval was given or the expiration of the period within which the next Annual General Meeting after that date is required by law to be held whichever is the earlier but may be previously revoked or varied by the Company in General Meeting Provided Always that no shares may be issued to transfer a controlling interest without prior approval of the Company in General Meeting. Authority of Directors to issue shares.
- 8(2). Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten Market Days of the closing date (or such other period as may be approved by the SGX-ST) of any such application. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register as the holder thereof or before such share is entered against the name of a Depositor in the Depository Register, as the case may be, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of such share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit.
- 9. Any share in the Company may be issued with such preferred, qualified, deferred or other special rights, privileges and conditions or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine, and subject to the Statutes, the Company may issue preference shares which are or, at the option of the Company, are liable to be redeemed on such terms and in such manner as the Company before the issue thereof may by Ordinary Resolution determine PROVIDED ALWAYS that the total number of Company may issue shares with preferred, qualified, deferred and other special rights.

issued preference shares shall not exceed the total number of issued ordinary shares at any one time.

10. The Company shall have the power to issue further preference capital ranking equally with or in priority to the preference capital then already issued. Issue of further preference shares.
11. Subject to the provisions of the Statutes, all or any of the special rights or privileges for the time being attached to any preference share for the time being issued may from time to time (whether or not the Company is being wound up) be modified, affected, altered or abrogated and preference capital other than redeemable preference shares may be repaid if authorised by a Special Resolution passed by holders of such preference shares at a special meeting called for the purpose. To any such special meeting, all provisions of this Constitution as to General Meetings of the Company shall mutatis mutandis apply but so that the necessary quorum shall be two persons at least holding or representing by proxy not less than one third of the issued preference shares concerned and that every holder of the preference shares concerned shall be entitled on a poll to one vote for every such share held by him Provided Always that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing if obtained from holders of three-fourths of the preference shares concerned within two months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting. Alteration of rights of preference shareholders.
12. Preference shareholders shall have the same rights as ordinary Members as regards the receiving of notices, reports and balance sheets and the attending of General Meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital of the Company or winding up or sanctioning the sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrears. Rights of preference shareholders.
13. If by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the holder for the time being of the share or his legal personal representative. Instalments of shares.
14. The Company may pay, at such rate or amount and in such manner as the Directors deem fit, a commission to any person in consideration of his subscribing, or agreeing to subscribe, or of his procuring or agreeing to procure subscription, whether absolutely or conditionally, for any share in the capital of the Company. Any such commission may be paid in whole or in part in cash or fully or partly paid shares of the Company as may be arranged, and the Company may, in addition to, or in lieu of, such commission, in consideration of any person so subscribing or agreeing to subscribe, or of his procuring or agreeing to procure subscription, whether absolute or conditional, for any share in the Company, confer on any such person an option call within a specified time for a specified number or amount of shares in the Company at a specified price. The payment or agreement to pay a commission or the conferring of an option shall be in the discretion of the Directors on behalf of the Company. The requirements of the Statutes shall be observed, so far as applicable. Commission for subscribing.
- 15(1). The Company shall not be bound to register more than three persons as the joint holders of any share except in the case of executors, administrators or trustees of the estate of a deceased Member. Joint holders.

- 15(2). Subject to Regulation 15(1), any two or more persons may be registered as joint holders of any share and the joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls and interest (if any) due in respect of such share.
- 15(3). The joint holder first named in the Register or the Depository Register, as the case may be, shall as regards voting, proxy, service of notices and delivery of certificates and dividend warrants, be deemed to be the sole owner of such share.
16. No person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any other rights in respect of any share other than an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register as the registered holder or in the person whose name is entered in the Depository Register in respect of that share, as the case may be, except only where this Constitution otherwise provides or as required by the Statutes or pursuant to any order of Court. No trusts recognised.
17. No person shall exercise any rights of a Member in respect of a share until his name shall have been entered in the Register as the registered holder thereof or in the Depository Register in respect of such share, as the case may be, and, unless the Directors otherwise determine, such person shall have paid all calls and other moneys for the time being due and payable on any share held by him. Exercise of rights of Members.
18. No part of the funds of the Company shall be employed by the Directors or the Company in the acquisition of shares in the Company or in lending on the security of shares in the Company unless permitted by the Statutes. Company not to deal with its own shares.

#### SHARE CERTIFICATE

19. Every certificate for shares shall be under the Seal. Authentication of certificates.
20. Every certificate of shares shall specify the number of the shares in respect of which it is issued, and the amount paid up thereon. No share certificate shall be issued representing shares of more than one class. Certificates shall specify number of shares.
21. Every person whose name is entered as a registered holder in the Register shall be entitled without payment to receive within ten Market Days (or such other period as may be approved by the Exchange) after the closing date for applications to subscribe for a new issue of shares and within ten Market Days (or such other period as may be approved by the Exchange) after lodgement of a registrable transfer one certificate under the Seal in respect of each class of shares held by him for all his shares in that class or several certificates in reasonable denominations each for one or more of his shares in any one class subject to such person's prior payment of two Singapore Dollars (or such other sum as the Directors shall from time to time determine having regard to any limitation thereof as the Exchange may prescribe) for every certificate after the first and such stamp duty as is payable on such certificate unless otherwise directed by the Directors Provided Always that in the case of joint registered holders, the Company shall not be bound to issue more than one certificate and delivery of such certificate to any one of them shall be sufficient delivery to all such holders. Member's right to certificate & cancellation of certificates.

- 22(1). Where only some of the shares comprised in any share certificate are transferred, the old certificate shall be cancelled and a new certificate for the balance of such shares shall be issued in lieu thereof without charge. Issue of replacement certificates.
- 22(2). Any two or more certificates representing shares of any one class held by any person whose name is entered in the Register may be cancelled at his request and a single new certificate for such shares issued in lieu thereof without charge.
- 22(3). Any share certificate representing shares of any class held by any person whose name is entered in the Register may be surrendered by such person for cancellation and at his request the Company may issue in lieu thereof two or more share certificates representing such shares in such proportions as such person may specify, and the Directors may comply with such request if they think fit. Such person shall pay a maximum of two Singapore Dollars for each share certificate issued in lieu of a share certificate surrendered for cancellation or such other fee as the Directors may from time to time determine, taking into consideration any limitation thereof as may be prescribed by the Exchange.
- 22(4). Subject to the Statutes, if any share certificate shall be defaced, worn out, destroyed, stolen or lost, it may be renewed on such evidence being produced and a letter of indemnity or undertaking (if required) being given by the purchaser, registered holder, transferee, person entitled or Member company of the Exchange or on its behalf or their client or clients as the Directors shall require and in the case of defacement or wearing out on delivery up of the old certificate and in any case on payment of such sum not exceeding two Singapore Dollars as the Directors may from time to time require (or such other amount not exceeding two Singapore Dollars as may be permitted under the Statutes). In the case of theft, destruction or loss the registered holder or the person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such theft, destruction or loss.
- 22(5). Where shares are registered jointly in the names of several persons, any such request may be made by any one of the registered joint holders.
23. The certificates of shares registered in the names of two or more persons may be delivered to the joint holder first named in the Register. Delivery of share certificates.
24. The Company shall have a first and paramount lien on every share (not being a fully-paid share) and all dividends or interests from time to time declared in respect thereof for all moneys (whether presently payable or not) called or payable at a fixed time, in respect of that share and for all moneys which the Company may be called upon by law to pay in respect of the shares of the Member or the deceased Member. The Directors may however waive any lien which has arisen and may resolve that any share shall for any limited period be exempt wholly or partially from the provisions of this Regulation 24. Company's lien on shares.
25. For the purpose of enforcing such lien the Directors may sell all or any of the shares subject thereto in such manner as they think fit, and no sale shall be made until such time as the moneys are presently payable, and until a notice in writing stating the amount due and demanding payment, and giving notice of intention to sell in default, shall have been served in such a manner as the Directors shall think fit on the holder for the time being of the share or the person (if any) entitled by transmission to the shares, and default in payment Right to enforce lien by sale.

shall have been made by him or them for seven days after such notice.

26. The net proceeds of any such sale shall be applied in or towards the satisfaction of the amount due, and the residue (if any) shall be paid to the person whose share has been sold, his executors, administrators, trustees or assignees or as he shall direct. Application of proceeds of sale.
27. To give effect to any such sale the Directors may authorise some person to transfer or to effect the transfer, as the case may be of the shares sold to the purchaser.

#### CALLS ON SHARES

28. The Directors may from time to time make calls upon the Members in respect of any money unpaid on their shares or on any class of shares and not by the conditions of allotment thereof made payable at fixed times, and each Member shall (subject to his having been given at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be made payable by instalments. A call may be revoked or postponed as the Directors may determine. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. How sale to be effected.
29. The joint holders of a share shall be jointly and severally liable to pay all calls and interest (if any) in respect thereof. Joint and several liability.
30. If before or on the day appointed for payment thereof a call payable in respect of a share is not paid, the person from whom the amount of the call is due shall pay interest on such amount at the rate of eight per cent per annum from the day appointed for payment thereof to the time of actual payment, but the Directors shall have power to waive payment of such interest or any part thereof. Interest on unpaid calls.
31. Any sum which by the terms of allotment of a share is made payable upon issue or at any fixed date and any instalment of a call shall for all purposes of this Constitution be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment the provisions of this Constitution as to payment of interest and expenses, forfeiture and the like, and all the other relevant provisions of this Constitution or the Statutes shall apply as if such sum were a call duly made and notified as hereby provided. Sums payable under terms of allotment to be deemed calls.
32. The Directors may from time to time make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and in the time of payment of such calls. Difference in calls between various holders.
33. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon any share held by him, and upon all or any part of the moneys so advanced may (until the same would, but for the advance, become payable) pay interest at such rate not exceeding (unless the Company in General Meeting shall otherwise direct) eight per cent per annum as may be agreed upon between the Directors and the Member paying the sum in advance. Capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits. Payment of call in advance.

#### FORFEITURE OF SHARES

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| 34.    | If any Member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for the payment of the same or any interest thereon, the Directors may at any time thereafter during such time as the call or instalment or interest remains unpaid serve a notice on such Member requiring him to pay the same, together with any interest (including interest upon interest) and expenses that may have been incurred by the Company by reason of such non-payment.   | Notice to be given of intended forfeiture.                             |
| 35.    | The notice shall name a further day (not being less than fourteen days from the date of service of the notice) and a place on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment or interest is payable shall be liable to be forfeited.  | Form of notice.  |
| 36.    | If the requirements of any notice as aforesaid are not complied with, any share in respect of which the notice has been given, may at any time thereafter, before payment of all such calls or instalments, interests and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.   | If notice not complied with shares may be forfeited.                   |
| 37.    | Any share so forfeited or surrendered shall be deemed to be the property of the Company, and the Directors may sell, re-allot, or otherwise dispose of the same in such manner as they think fit. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed.  | Sale etc of forfeited and surrendered shares.                          |
| 38.    | The Directors may at any time before any share so forfeited or surrendered shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture or surrender thereof upon such conditions as they think fit.  | Power to annul forfeiture.   |
| 39.    | For the purpose of giving effect to any sale of forfeited or surrendered shares, the Directors may authorise some person to transfer or to effect the transfer of, as the case may be, the shares sold to the purchaser.  | Transfer of forfeited or surrendered shares.                           |
| 40.    | Any Member whose shares shall have been forfeited or surrendered shall cease to be a Member in respect of the forfeited or surrendered shares but shall, notwithstanding such forfeiture or surrender, be liable to pay, and shall forthwith pay to the Company all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of forfeiture or surrender, together with interest thereon from the time of forfeiture or surrender until payment, at the rate of eight per cent per annum and the Directors may enforce the payment of such moneys or any part thereof if they think fit, but shall not be under any obligation so to do. Any residue after the satisfaction of the unpaid calls, accrued interest and expenses shall be paid to the person whose shares have been forfeited or surrendered, his executors, administrators, trustees or assignees or as he shall direct. | Liability on forfeited share.  |
| 41(1). | A statutory declaration in writing that the declarant is a Director or the Secretary, and that a share has been duly forfeited, surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt by the Company of the consideration (if any) given for the share on the sale, re-allotment or   | Declaration by Director or Secretary conclusive of fact of forfeiture. |

disposal thereof together with the share certificate, where the same be required, delivered to a purchaser or (where the purchaser is a Depositor) to the Depository or the allottee thereof, as the case may be, shall (subject to the execution of a transfer if the same be required) constitute a good title to the share.

- 41(2). (a) In the event of such sale, re-allotment or disposal, where the person (the "Relevant Person") to whom the share is sold, re-allotted or disposed of is not a Depositor, the share shall be registered in the Register in the name of the Relevant Person and, where the Relevant Person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, reallocated or disposed of.
- (b) The Relevant Person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

#### TRANSFER OF SHARES

42. Save as provided by this Constitution, there shall be no restriction on the transfer of fully paid shares (except where required by law or by the rules, bye-laws or listing rules of the Exchange). All transfers of shares may be effected by way of book-entry in the Depository Register Provided Always that the legal title in the shares may be transferred by the registered holders thereof by an instrument of transfer in the form approved by the Exchange. The instrument of transfer shall be left at the Office accompanied by the certificate of the shares to be transferred and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain the registered holder of the shares until the name of the transferee is entered in the Register in respect thereof. Shares to be transferable.
43. The instrument of transfer shall be signed both by the transferor and by the transferee, and it shall be witnessed Provided Always that an instrument of transfer in respect of which the transferee is the Depository shall be effective although not signed or witnessed by or on behalf of the Depository. Instrument of transfer.
44. Shares of different classes shall not be comprised in the same instrument of transfer. Only shares of same class to be in same instrument.
45. No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind. Restriction on transfer.
- 46(1). All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same. Retention of Instrument of transfer and disposal of documents.
- 46(2). The Company shall be entitled to destroy:-
- (a) all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof;
- (b) all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof;



and

- (c) all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof.

46(3). It shall be conclusively presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and that:-

- (a) every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;
- (b) every share certificate so destroyed was a valid and effective certificate duly and properly cancelled; and
- (c) every other document hereinbefore mentioned so destroyed was a valid and effective document,

in accordance with the recorded particulars thereof in the books or records of the Company.

46(4). Regulations 46(2) and 46(3) shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant.

46(5). Nothing contained in this Regulation 44 shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstance which would not attach to the Company in the absence of this Regulation 44, and references in this Regulation 44 to the destruction of any document include references to the disposal thereof in any manner.

47. The Directors may decline to accept any instrument of transfer unless:-

- (a) all or any part of the stamp duty (if any) payable on each share transfer and such fee not exceeding two Singapore Dollars for each transfer or such other sum as may from time to time be prescribed by the Exchange is paid to the Company; and
- (b) such fee not exceeding two Singapore Dollars as the Directors may from time to time determine is paid to the Company in respect of the registration of any instrument of transfer, probate, letters of administration, certificate of marriage or death, power of attorney or any document relating to or affecting the title to the shares.

48. The Directors may refuse to register the transfer of shares or allow the entry of or against a person's name in the Depository Register in respect of shares transferred or to be transferred to such person:-

Power of Directors to refuse to register.

- (a) which are not fully paid up; or
- (b) on which the Company has a lien.

49. If the Directors refuse to register any transfer of any share they shall, where required by the Statutes, serve on the transferor and transferee, within one month beginning with the day on which the transfer was lodged with the Company, a notice in writing informing each of them of such refusal and of the

Notice of refusal to be sent by Company.

facts which are considered to justify the refusal.

50. The Register may be closed at such times and for such periods as the Directors may from time to time determine Provided Always that the Register shall not be closed for more than thirty days in any year Provided Always that the Company shall give prior notice of such closure as may be required to the Exchange stating the period and purpose or purposes for which such closure is to be made.
- Closure of the Register.

#### TRANSMISSION OF SHARES

- 51(1). In the case of the death of a Member the survivor where the deceased was a joint holder, and the legal personal representative of the deceased who was a sole or only surviving holder, or where such legal representative is entered in the Depository Register in respect of the shares of the deceased Member who was a Depositor, shall be the only person recognised by the Company as having any title to his shares.
- Transmission of registered shares.
- 51(2). Nothing herein contained shall release the estate of a deceased Member from any liability in respect of any share solely or jointly held by him.
52. Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a person whose name is entered in the Register may upon producing such evidence of his title as the Directors may require, have the right either to be registered himself as the holder of the share, upon giving to the Company notice in writing of such intent, or to make such transfer thereof as such deceased or bankrupt person could have made, but the Directors shall in either case have the same right to refuse or suspend registration as they would have had in the case of such transfer by such deceased or bankrupt person before the death or bankruptcy, as the case may be.
- Rights of registration and transfer upon demise or bankruptcy of Member.
53. Save as otherwise provided in this Constitution, a person becoming entitled to a share pursuant to Regulations 51(1) and 52, shall have the right to receive and give a discharge for any dividends or other moneys payable in respect of the share, but he shall have no right to receive notice or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a Member until he shall have been registered as a Member in the Register or his name shall have been entered in the Depository Register, as the case may be Provided Always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or transfer the share, and if the notice is not complied with within ninety days of the date of such notice, the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.
- Person registered under transmission clause entitled to dividends.

#### PURCHASE OF OWN SHARES

- 54(1). Subject to and in accordance with the provisions of the Act, the Company may purchase or otherwise acquire ordinary shares issued by it on such terms as the Company may think fit and in the manner prescribed by the Act.
- Company may purchase its own shares.
- 54(2). All shares purchased by the Company shall (unless held as treasury shares in accordance with the provisions of the Act) be deemed to be cancelled. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.
- Treasury Shares.

## STOCK

55. The Company in General Meeting may by Ordinary Resolution convert any paid-up shares into stock and may from time to time reconvert such stock into paid-up shares. Conversion of shares to stock.
56. When any shares have been converted into stock the several holders of such stock may transfer their respective interests therein or any part of such interests in such manner as the Company in General Meeting shall direct, but in default of any direction then in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances will admit. But the Directors may if they think fit from time to time fix the minimum amount of stock transferable. Stockholders entitled to transfer interest.
57. The several holders of stock shall be entitled to participate in the dividends and profits of the Company according to the amount of their respective interests in such stock and such interests shall, in proportion to the amount thereof, confer on the holders thereof respectively the same rights, privileges and advantages for the purposes of voting at meetings of the Company and for other purposes as if they held the shares from which the stock arose, but so that none of such rights, privileges or advantages, except the participation in the dividends, profits and assets of the Company, shall be conferred by any such aliquot part of consolidated stock as would not, if existing in shares, have conferred such rights, privileges or advantages. Stockholders entitled to profits.
58. All such provisions of this Constitution as are applicable to paid-up shares shall apply to stock and in all such provisions the words "shares" shall include "stock", and "Depositor", "Member" and "shareholder" shall include "stockholder". Definitions.
59. The Company in General Meeting may from time to time by Ordinary Resolution, whether all the shares for the time being issued have been fully paid up or not, increase its capital by the creation and issue of new shares, such aggregate increase to be of such amount and to be divided into shares of such respective amounts as the Company by the resolution authorizing such increase shall direct. Power to increase capital.
- 60(1). Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the Listing Manual, all new shares shall before issue be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances permit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think fit most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Regulation 60(1). Issue of new shares to Members and Notice of issue.
- 60(2). Notwithstanding Regulation 60(1), the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the

Ordinary Resolution, to:-

- (i) (a) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or
- (b) make or grant offers, agreements or options, (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and
- (ii) notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force, issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,

provided that:-

- (A) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by SGX-ST;
- (B) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the Listing Manual (unless such compliance is waived by the SGX-ST) and this Constitution; and
- (C) unless revoked or varied by the Company in General Meeting, the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act whichever is the earliest.

61. Subject to any directions that may be given in accordance with the powers contained in this Constitution, any capital raised by creation of new shares shall be considered as part of the original capital and all new shares shall be subject to the same provisions with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise as if it had been part of the original capital.
- New capital considered part of original capital.

#### ALTERATION OF CAPITAL

- 62(1). Subject to the Statutes and the Listing Rules, the Company may by Ordinary Resolution:-
- (a) consolidate and divide all or any of its share capital; or
  - (b) cancel the number of shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of the shares so cancelled; or
  - (c) sub-divide its existing shares or any of them. The resolution by which the subdivision is effected may determine that, as between the holders of the resulting shares, one or more of such shares may have any such preferred, deferred or other special rights or be subject to any restriction as the Company has power to attach to unissued or new
- Alteration of capital.

shares; or

(d) convert any class of shares into any other class of shares.

62(2). The Company may reduce its share capital in any manner subject to the Statutes and any other applicable laws and regulations.

#### **MODIFICATION OF CLASS RIGHTS**

63. Subject to the Statutes and save as provided by this Constitution, all or any of the special rights or privileges attached to any class of shares in the capital of the Company for the time being issued may, at any time, as well before as during liquidation, be modified, affected, altered or abrogated, either with the consent in writing of the holders of not less than three-fourths of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting, but so that the quorum thereof shall be not less than two persons personally present and holding or representing by proxy one-third of issued shares of the class, and that any holder of shares of the class, present in person or by proxy, shall on a poll be entitled to one vote for each share of the class held or represented by him, and if at any adjourned meeting of such holders such quorum as aforesaid is not present, any two holders of shares of the class who are personally present shall be a quorum. The Directors shall comply with the provisions of Section 186 of the Act as to forwarding a copy of any such consent or Resolution to the Registrar of Companies.

Modification of class rights.

#### **BORROWING POWERS**

64. The Directors may, from time to time, exercise all the powers of the Company to raise or borrow or secure the payment of any sum or sums of moneys for the purposes of the Company.

Powers to borrow.

65. The Directors may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and, in particular, by the issue of debentures or debenture stock of the Company, perpetual or otherwise, charged upon or by mortgage charge or lien of and on the undertaking of the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being, or by making, accepting, endorsing or executing any cheque, promissory note or bill of exchange.

Conditions of borrowing.

66. Every debenture or other instrument for securing the payment of money may be made assignable and free from any equity between the Company and the person to whom the same may be issued. Any debenture or debenture-stock, bond or other instrument may be issued at a discount, premium or otherwise and with any special privilege as to redemption, surrender, drawing, allotment of shares, attending and voting at General Meetings of the Company, appointment of Directors and otherwise.

Securities assignable and free from equities.

67. The Directors shall cause a proper register to be kept, in accordance with Section 138 of the Act, of all mortgages and charges specifically affecting the property of the Company and shall comply with the provisions of Section 131 of the Act.

Register of mortgages.

#### **GENERAL MEETINGS**

68. In addition to any other meetings, a General Meeting shall be held once at least in every calendar year, at such time and place as may be determined by the Directors, but so that no more than fifteen months shall be allowed to

General Meetings.

elapse between any two such General Meetings but in any event before the expiry of four months from the close of the financial year of the Company, or such other period as may be prescribed under the Statutes or by the SGX-ST from time to time.

69. The abovementioned General Meetings shall be called Annual General Meetings. All other General Meetings shall be called Extraordinary General Meetings. Annual General Meetings.
70. The First Annual General Meeting of the Company shall be held at such time within a period of not more than eighteen months from the date of incorporation of the Company and at such time and place as the Directors may determine. First Annual General Meeting.
71. The Directors may call an Extraordinary General Meeting of the Company whenever they think fit in accordance with the Statutes. Directors may call Extraordinary General Meetings.
72. The Directors shall, on the request of the holders of not less than one-tenth of the issued capital of the Company upon which all calls or other sums then due have been paid, forthwith proceed to convene an Extraordinary General Meeting of the Company, and in the case of such request the following provisions shall have effect:- Extraordinary General Meetings called on requisition of shareholders.
- (a) The request must state the objects of the meeting and must be signed by the requestor and deposited at the Office, and may consist of several documents in like form each signed by one or more requestor.
  - (b) If the Directors of the Company do not proceed to cause a meeting to be held within twenty-one days from the date of the request being so deposited, the requestor or any of them representing more than one half of the voting rights of all of them may themselves convene the meeting, but any meeting so convened shall not be held after three months from the date of the deposit.
  - (c) In the case of a meeting at which a resolution is to be proposed as a Special Resolution the Directors shall be deemed not to have duly convened the meeting if they do not give such notice as is required by the Statutes.
  - (d) Any meeting convened under this Regulation by the requestor shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by Directors.
73. Subject to the Statutes relating to the convening of meetings to pass Special Resolutions and agreements for shorter notice, at least fourteen days' notice in writing (excluding the date of notice and the date of meeting) specifying the place, day and hour of the meeting, and in case of special business, a notice in writing setting out the general nature of such special business, accompanied by a statement regarding the effect of any proposed resolution in respect of such special business, shall be given to all Members and the Exchange other than such as are not entitled under this Constitution to receive such notices from the Company. At least fourteen days' notice in writing of any General Meeting (excluding the date of notice and the date of meeting) shall be given and at least twenty-one days' notice in writing (excluding the date of notice and the date of meeting) in the case of a Meeting Notice of meeting.

to pass Special Resolution shall be given to all Members and the Exchange. Every such notice shall be published in at least one English Language daily newspaper circulating in Singapore at least fourteen days before the meeting (excluding the date of notice and the date of meeting). Whenever any meeting is adjourned for fourteen days or more, at least seven days' notice in writing of the place and hour of such adjourned meeting shall be given in like manner Provided Always that when a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

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| 74. | Any Member entitled to be present and vote at a meeting or his proxy may submit any resolution to any General Meeting, provided that at least for the prescribed time before the day appointed for the meeting he shall have served upon the Company a notice in writing by him containing the proposed resolution, and stating his intention to submit the same. The prescribed time abovementioned shall be such that, between the date that the notice is served and the day appointed for the meeting, there shall be not less than three nor more than fourteen intervening days. | Members may submit resolution to meeting on giving notice to Company. |
| 75. | Upon receipt of any such notice as in the last preceding Regulation mentioned, the Secretary shall include in the notice of the meeting in any case where the notice of intention is received before the notice of the meeting is issued, and shall in any other case issue as quickly as possible to the Members notice that such resolution will be proposed.  | Secretary to give notice to Members.                                  |
| 76. | The accidental omission to give any notice to or non-receipt of any notice by any Member shall not invalidate the meeting or any resolution passed or proceedings at any such meeting.   | Accidental omission to give notice.                                   |

#### PROCEEDINGS AT GENERAL MEETINGS

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| 77. | All business shall be deemed special that is transacted at an Extraordinary General Meeting and also all business that is transacted at an Annual General Meeting with the exception of the consideration of the accounts, balance sheets and reports (if any) of the Directors and Auditors, the fixing of the remuneration of Directors, the election of Directors in the place of those retiring, the declaration of dividends and the appointment of and the fixing of the remuneration of the Auditors. | Special business.      |
| 78. | Save as is herein otherwise provided, two Members present in person or by proxy shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting unless the quorum is present at the commencement of the business. A corporation being a Member shall be deemed to be personally present if represented in accordance with the provisions of Regulation 93.  | Quorum.                |
| 79. | If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place. At the adjourned meeting, any two or more Members present in person or by proxy shall be a quorum.  | If quorum not present. |
| 80. | The Chairman (if any) of the Board of Directors shall preside as Chairman at every General Meeting, but if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same, or shall be unwilling to act as Chairman, the Members present shall choose some Director or, if no Director be present or if all the Directors present decline to take the chair, one of themselves to be Chairman                                  | Chairman.              |

of the meeting.

81. The Chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Adjournment.
82. At every General Meeting a resolution put to the vote of the meeting shall be decided by poll. How matters are to be decided.
- 83(1). A poll shall be taken in such manner as the Chairman directs, and the results of the poll shall be deemed to be the resolution of the meeting. A poll may be taken by electronic means or any other manner as the Chairman may direct. Chairman's direction as to poll.
- 83(2). No poll shall be demanded on the election of a Chairman of a meeting or on a question of adjournment. A poll shall be taken at such time as the Chairman of the meeting directs.
84. A declaration by the Chairman of the meeting that a resolution has been carried, or has been carried by a particular majority, or lost, or not carried by a particular majority shall be conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution. Declaration of Chairman conclusive.
- 85(1). No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting, as the case may be, at which the vote objected to is or may be given, tendered or cast, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman of the meeting whose decision shall be final and conclusive. Objection to admissibility.
- 85(2). If any votes shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting, or at any adjournment thereof, and unless in the opinion of the Chairman at the meeting or at any adjournment thereof as the case may be, it shall be of sufficient importance to vitiate the result of the voting.
86. In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote. In the event of equality of votes.

#### VOTES OF MEMBERS

- 87(1). Subject to and without prejudice to any special privileges or restriction as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company, every Member who is present in person or by proxy shall have one vote for every share which he holds or represents and upon which all calls or other sums due thereon to the Company have been paid. Voting rights.
- 87(2). For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the number of shares held or represented shall, in relation to the shares of that Depositor, be the number of shares entered against his name in the



Depository Register as at the Cut-Off Time as certified by the Depository to the Company.

88. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register or the Depository Register, as the case may be. Right of joint holders.
89. Unless the Directors otherwise determine, no person other than a Member who shall have paid everything for the time being due from him and payable to the Company in respect of his shares, shall be entitled to be present or to vote on any question either personally or by proxy at any General Meeting. Members only entitled to vote upon full payment.
90. A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, on a poll by the committee, curator bonis, or other person in the nature of committee or curator bonis appointed by that Court, and any such committee, curator bonis, or other person may, on a poll, vote by proxy. Votes of Members of unsound mind.
91. On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. Vote personal or by proxy.
- 92(1). A proxy need not be a Member. Proxies.
- 92(2). Except for a Member who is a relevant intermediary as defined in Section 181(6) of the Act, a Member shall not be entitled to appoint more than two proxies to attend and vote at the same General Meeting Provided Always that where the Member is a Depositor, the Company shall be entitled and bound:-
- (a) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at the Cut-Off Time as certified by the Depository to the Company;
  - (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at the Cut-Off Time as certified by the Depository to the Company, whether that number be greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor; and
  - (c) in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.

Subject to the Act, a Member who is a relevant intermediary (as defined in Section 181(6) of the Act) is entitled to appoint more than two proxies to attend and vote at the same General Meeting, but each 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 number and class of shares in relation to each proxy appointed shall be specified in the instrument of proxy.

- 92(3). In any case where a form of proxy appoints more than one proxy, the

proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named or at the Company's option to treat the instrument of proxy as invalid.

93. Any corporation which is a Member may, by resolution of its directors or other governing body, authorise any person to act as its representative at any meetings of the Company or any class of Members of the Company, and such representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as if he had been an individual shareholder. Corporation may appoint representative.
94. An instrument appointing a proxy shall be in writing in any usual or common form (including the form approved from time to time by the Depository) or in any other form which the Directors may approve and:- Execution of instrument of proxy on behalf of shareholder.
- (a) in the case of an individual, shall be:-
- (i) executed under the hand of the appointor or his attorney if the instrument is delivered personally or sent by post; or
- (ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and
- (b) in the case of a corporation, shall be:-
- (i) executed under seal or signed on its behalf by an attorney or a duly authorised officer of the corporation or, in the case of the Depository or its nominee, signed by its duly authorised officer by some method or system of mechanical signature as the Depository or its nominee may deem appropriate, if the instrument is delivered personally or sent by post; or
- (ii) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

The Directors may designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

95. Where an instrument appointing a proxy is signed on behalf of the shareholder by an attorney, the letter or the power of attorney or other authority, if any, or a duly certified copy thereof shall (failing previous registration with the Company) if required by law, be duly stamped and be deposited at the Office, or if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the General Meeting, and in either case not less than seventy-two hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. Lodgement of instrument appointing proxy.
96. The signature on an instrument of proxy need not be witnessed. No witness needed for instrument of proxy.

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| 97. | A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the share in respect of which the vote is given Provided Always that no notice in writing of the death or revocation or transfer shall have been received at the Office one hour at least before the time fixed for holding the meeting. | When vote by proxy valid though authority revoked.               |
| 98. | An instrument appointing a proxy shall be deemed to confer authority to move any resolution or amendment thereto and to speak at the meeting.   | Instrument deemed to confer authority.                           |
| 99. | Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.   | Voting in respect of shares of different monetary denominations. |

**DIRECTORS**

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| 100.    | Until otherwise determined by an Ordinary Resolution at a General Meeting, the number of Directors shall not be less than two or more than twenty.   | Number of Directors.    |
| 101.    | All the Directors of the Company shall be natural persons.   | Natural persons.        |
| 102.    | A Director shall not be required to hold any share in the Company.   | No share qualification. |
| 103(1). | Any Director may at any time and from time to time appoint any other person approved by a majority of the Directors for the time being to be his alternate. An alternate Director shall be entitled (subject to his giving to the Company an address within the Republic of Singapore at which notices may be served on him) to receive notice of meetings of the Directors and to attend and vote as a Director at any such meeting at which the Director appointing him is not present, and generally at such meeting to exercise all the powers, rights, duties and authorities of the Director appointing him. Every person acting as an alternate Director shall be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults and he shall not be deemed to be the agent of or for the Director appointing him. All the appointments and removals of alternate Directors made by any Director in pursuance of this Regulation, shall be in writing under the hand of the Director making the same and shall be sent to or left at the Office. A Director may not act as an alternate for another Director. A person may not act as an alternate Director for more than one Director of the Company. | Alternate Director.     |
| 103(2). | An alternate Director may be removed by the Director appointing him, who (subject to the approval of the Directors) may appoint another in his place. An alternate Director may be removed from office by a resolution of the Directors, but he shall be entitled to vote on such resolution and he shall, ipso facto, cease to be an alternate Director if his appointor ceases for any reason to be a Director. The appointment of an alternate Director shall also determine on the happening of any event which, if he were a Director, would cause him to vacate such office.   |                         |
| 103(3). | An alternate Director shall be entitled to contract and be interested in and benefit from contracts, arrangements or transactions to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to   |                         |

receive from the Company any remuneration in respect of his appointment as alternate Director except only such part (if any) of the remuneration otherwise payable to the Director who appointed him in which event any fee paid by the Company to an alternate Director shall be deducted from the fees of the Director appointing the alternate.

- 104(1). The Directors shall be entitled to receive by way of fees for their services as Directors in each year such sum as shall from time to time, subject to the Act, be determined by the Company by resolution passed at a General Meeting, the notice of which shall specify the proposals concerning the same. Such remuneration shall be divided amongst the Directors as they shall determine or failing agreement equally. Remuneration.
- 104(2). The fees payable to the Directors shall not be increased except pursuant to a resolution passed at a General Meeting, where notice of the proposed increase has been given in the notice convening the Meeting.
- 104(3). The remuneration of a non-executive Director shall be by a fixed sum and not by a commission on or percentage of profits or turnover. The remuneration of an executive Director may not include a commission on or a percentage of turnover.
- 104(4). The provisions of this Regulation are without prejudice to the power of the Directors to appoint any of their number to be employee or agent of the Company at such remuneration and upon such terms as they think fit without the approval of the Members in General Meeting provided that such remuneration may include a commission on or percentage of profits but not a commission on or percentage of turnover.
- 104(5). Subject to the provisions of the Statutes, the Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits to contribute to any scheme of fund to pay premiums.
105. If any Director, being willing and having been called upon to do so, shall hold an executive office in the Company, shall render or perform extra or special services of any kind, including services on any committee established by the Directors, or shall travel or reside abroad for any business or purposes of the Company, he shall be entitled to receive such sum as the Directors may think fit for expenses, and also such remuneration as the Directors may think fit, either as a fixed sum or as provided in Regulation 104(3) (but not by way of commission on or percentage of turnover) and such remuneration may, as the Directors shall determine, be either in addition to or in substitution for any other remuneration he may be entitled to receive, and the same shall be charged as part of the ordinary working expenses of the Company. Directors to be reimbursed and remunerated for special services rendered.
- 106(1). The office of a Director shall be vacant if the Director:- When office of Director to be vacated.
- (a) ceases to be a Director by virtue of the Statutes; or
  - (b) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - (c) is or becomes prohibited from being a Director by reason of any order made under the Statutes; or

- (d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under any law relating to mental disorder; or
  - (e) resigns his office by notice in writing to the Company; or
  - (f) for more than six months is absent without permission of the Directors from meetings of the Directors held during that period and his alternate Director (if any) shall not during such period have attended in his stead; or
  - (g) is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare the nature of his interest in the manner required by the Statutes; or
  - (h) is removed from office pursuant to the Statutes; or
  - (i) is disqualified from acting as a Director in any jurisdiction for reasons other than on technical grounds (in which case he must immediately resign from the Board of Directors).
- 106(2). The appointment of any Director to the office of Chairman or Deputy Chairman or Managing or Joint Managing or Deputy or Assistant Director shall automatically terminate if he ceases to be a Director but without prejudice to any claim for any damage or breach of any contract of service between him and the Company.
- 106(3). The appointment of any Director to any other executive office shall automatically terminate if he ceases from any cause to be a Director only if the contract or resolution under which he holds office expressly so provides, in which case such termination shall be without prejudice to any claim for damages or breach of any contract of service between him and the Company.
- 107(1). A Director who is in any way whether directly or indirectly interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with Section 156 of the Act. Director to declare interest if any.
- 107(2). A Director shall not vote in respect of any contract or proposed contract or arrangement with the Company in which he has directly or indirectly a personal material interest and if he shall do so his vote shall not be counted nor save as provided by Regulation 108 shall he be counted in the quorum present at the meeting.
- 107(3). A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as a vendor, purchaser or otherwise. Subject to this Regulation 107, no such contract and no contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested shall be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

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| 108. | Subject to Regulation 107(2) above, a Director notwithstanding his interest may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged.  | Director included in quorum.          |
| 109. | At the Annual General Meeting in every year one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office Provided Always that all Directors shall retire from office at least once every three years.  | Retirement.                           |
| 110. | The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.   | Determination of Directors to retire. |
| 111. | Subject to the Statutes, a retiring Director shall be eligible for re-election at the meeting at which he retires.   | Re-election.                          |
| 112. | A person who is not a retiring Director shall be eligible for election to office of Director at any General Meeting if some Member intending to propose him has, at least eleven clear days before the meeting, left at the Office of the Company a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such Member to propose him, Provided That in the case of a person recommended by the Directors for election, nine clear days' notice only shall be necessary, and notice of each and every candidature for election to the Board of Directors shall be served on the registered holders of shares at least seven days prior to the meeting at which the election is to take place. | Nomination of Directors.              |
| 113. | The Company by Special Resolution in General Meeting may, from time to time, increase or reduce the number of Directors, and may alter their qualification, if any.  | Increasing or reducing number.        |

#### MANAGING DIRECTOR

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| 114. | The Directors may from time to time appoint one or more of their body to the office of Managing Director (or a person holding an equivalent position) for such period (not exceeding five years) and on such terms as they think fit, and subject to the terms of any agreement entered into in any particular case, may revoke such appointment. A Managing Director (or a person holding an equivalent position) shall be subject to the control of the Directors. A Director so appointed shall not, while holding that office be subject to retirement and his appointment shall be automatically determined if he ceases from any cause to be a Director. | Appointment of Managing Director.  |
| 115. | The Directors may vest in such Managing Director (or a person holding an equivalent position) such of the powers exercisable under this Constitution by them as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they may think expedient and they may confer such powers either collaterally with, or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.                               | Powers of Managing Director.       |
| 116. | The Directors shall (subject to the provisions of any contract between the Managing Director or a person holding an equivalent position and the Company) from time to time fix the remuneration of the Managing Director (or   | Remuneration of Managing Director. |

a person holding an equivalent position) which may be by way of fixed salary, commission or participation in profits (but not turnover) of the Company or by any or all of these modes.

**POWERS AND DUTIES OF DIRECTORS**

- 117. The business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all such powers of the Company, as are not by the Statutes or by this Constitution, required to be exercised by the Company in General Meeting, subject, nevertheless, to any regulations of this Constitution or to such Statutes, and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made. A Director who is not a Member of the Company may nonetheless be entitled to attend and speak at General Meetings.

Powers of Directors.
- 118. The Directors shall not carry into effect any proposals for disposing of the whole or substantially the whole of the Company's undertaking or property unless those proposals have been approved or ratified by the Company in General Meeting.

Disposal of undertaking or property.
- 119. The Directors shall have power at any time and from time to time to appoint any other qualified person as a Director either to fill a casual vacancy or as an addition to the Board. But any Director so appointed shall hold office only until the next Annual General Meeting of the Company, and shall be eligible for re-election.

Directors may appoint qualified person to fill vacancy.
- 120. The Company may from time to time by Ordinary Resolution remove any Director before the expiration of his period of office, and may by an Ordinary Resolution appoint another person in his stead. The person so appointed shall continue to hold office until the next Annual General Meeting.

Removal of Directors.
- 121. The Directors may from time to time, by power of attorney under the Seal appoint any person, company, firm or any fluctuating body of persons, whether nominated directly or indirectly by the Directors to be the attorney or attorneys of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution), and for such period and subject to such conditions as the Directors think fit, and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Directors may think fit.

Directors may appoint attorney.

**PROCEEDINGS OF DIRECTORS**

- 122(1). The Directors may meet together at any place for the dispatch of business, adjourn, and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes.

Meeting of Directors and how questions decided.
- 122(2). The contemporaneous linking together by telephone, conference television or similar communication equipment or any other form of audio or audio-visual instantaneous communication of a number of the Directors not less than the quorum and the Secretary, wherever in the world they are, shall be deemed to constitute a meeting of the Directors so long as the following conditions are met:-

Meeting of Directors by telephone conference, television or similar communication equipment or

- (a) the Directors for the time being entitled to receive notice of any meeting of the Directors (including any alternate for any Director) shall be entitled to notice of any meeting by telephone, e-mail, telefax, telex, cable or telegram or any form of electronic communication approved by the Directors for such purposes from time to time incorporating if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Director, and to be linked by telephone, conference television or similar communication equipment or any other form of audio or audio-visual instantaneous communication for the purpose of such meeting. Notice of any such meeting may be given by the means described above to all the Directors whether such Directors are within Singapore or otherwise;
- (b) each of the Directors taking part and the Secretary must be able to hear each of the other Directors taking part subject as hereinafter mentioned throughout the meeting;
- (c) at the commencement of the meeting each Director must acknowledge his presence to all the other Directors taking part;
- (d) unless he has previously obtained the consent of the Chairman of the meeting, a Director may not leave the meeting by disconnecting his telephone, conference television or similar communication equipment or any other form or audio or audio-visual instantaneous communication and shall be conclusively presumed to have been present and to have formed part of the quorum throughout the meeting. The meeting shall be deemed to have been validly conducted notwithstanding that a Director's telephone, conference television or similar communication equipment or any other form or audio or audio-visual instantaneous communication is accidentally disconnected during the meeting, and the proceedings thereof shall be deemed to be as valid as if the telephone, conference television or similar communication equipment or any other form or audio or audio-visual instantaneous communication had not been disconnected; and
- (e) a minute of the proceedings shall be sufficient evidence thereof, conclusive evidence of any resolution of any meeting conducted in the manner as aforesaid and of the observance of all necessary formalities if certified by the Chairman and the Secretary.
123. No business shall be transacted at any meeting of the Directors unless a quorum is present when the meeting proceeds to business. The quorum necessary for the transaction of the business of the Directors may be fixed from time to time by the Directors and unless so fixed at any other number shall be two Directors present personally or by his alternate.
124. A Director may, and on the request of a Director the Secretary shall, at any time summon a meeting of the Directors by notice served upon the Directors, whether such Directors are within Singapore or otherwise.
125. The Directors shall from time to time elect a Chairman who shall preside at meetings, but if no such Chairman be elected, or if at any meeting the Chairman be not present within fifteen minutes after the time appointed for holding the same, a substitute for that meeting shall be appointed by such meeting.
126. At a meeting at which only two Directors are competent to vote in the question at issue, the Chairman shall not have a casting vote. Save as aforesaid, in the

any other form of audio or audiovisual instantaneous communication.

Quorum.

Meetings.

Chairman.

Chairman's casting vote.



case of an equality of votes the Chairman shall have a second or casting vote.

127. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum number fixed by or pursuant to this Constitution, the continuing Directors may, except in an emergency, act for the purpose of increasing the number of Directors to such minimum number, or of summoning a General Meeting of the Company, notwithstanding that there shall not be a quorum, but for no other purpose. Continuing Directors may act.
128. The Directors may delegate any of their powers to committees, consisting of such Member or Members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors. Powers to delegate to committees.
129. A committee may elect a Chairman of its meetings; if no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the Members present may choose one of their number to be Chairman of the meeting. Meeting of committees.
130. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the Members present, and in case of an equality of votes the Chairman shall have a second or casting vote. Determination of questions.
131. All acts done by any meeting of the Directors or of a committee of Directors, or by any person acting as Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director. Validity of acts notwithstanding defective appointment.
132. A resolution in writing signed by a majority of the Directors for the time being shall be valid and effectual as a resolution duly passed at a meeting of Directors duly convened and held, notwithstanding that such signing may take place at different times or places. Any such resolution may consist of several documents in like form, each signed by one or more Directors. The expressions "in writing" and "signed" include approval by e-mail, telefax, telex, cable or telegram or any form of electronic communication approved by the Directors for such purposes from time to time incorporating if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors. Resolutions of Directors.

#### MINUTES

- 133(1). The Directors shall cause minutes to be duly entered in books provided for that purpose:- Minutes.
- (a) of all appointments of officers;
  - (b) of the names of the Directors present at each meeting of the Directors and of any committee of Directors;
  - (c) of all orders made by the Directors and committees of Directors; and
  - (d) of all resolutions and proceedings of General Meetings and of meetings of the Directors or committee of Directors.

- 133(2). Any such minutes of any meeting of the Directors or committee of Directors or of the Company, if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting shall be receivable as prima facie evidence of the matters stated in such minutes.

#### THE SEAL

- 134(1). The Directors shall provide for the safe custody of the Seal, and the Seal shall only be used by the authority of the Directors. Every instrument to which the Seal is affixed shall bear the signatures or autographic or facsimile signatures of a Director and the Secretary or a second Director or some other person appointed by the Directors for the purpose. Any facsimile signature may be reproduced by mechanical electronic or other method approved by the Directors. The Seal.
- 134(2). The Company may have a duplicate common seal which shall be a facsimile of the common seal of the Company with the addition on its face of the words "Share Seal" and a certificate for shares under such duplicate seal shall be deemed to be sealed with the common seal of the Company.
- 134(3). The Company may exercise all the powers conferred by Section 41(7) of the Act.

#### THE SECRETARY

135. The Secretary shall be appointed by the Directors for such term and at such remuneration and upon such conditions as they may think fit and any Secretary so appointed may be removed by them. The Directors may from time to time appoint an assistant or deputy Secretary or two or more persons as joint Secretaries upon such conditions as they may think fit. Secretary.
136. Anything required or authorised by this Constitution or the Statutes to be done by or to the Secretary may, if the office is vacant or there is for any other reason no Secretary capable of acting, be done by or to any assistant or deputy Secretary or, if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Directors Provided Always that any provision of this Constitution or the Statutes requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary. Assistant or  
Deputy  
Secretary.

#### DIVIDENDS

137. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by this Constitution and subject to the provisions of this Constitution as to the reserve fund shall be divisible among the Members in proportion to the amount of capital paid up on the shares held by them respectively. Appropriation  
of profits.
138. The Company in General Meeting may by Ordinary Resolution declare a dividend on or in respect of any share to the Members according to their rights and interest in the profits and may fix the time for payment. No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend. Declaration of  
Dividend.
139. No dividend shall be payable except out of the profits of the Company. No dividend shall carry interest. Dividend  
payable out of  
profits.

- |      |  |                         |
|------|--|-------------------------|
| 140. | The declaration of the Directors as to the net profits of the Company shall be conclusive.   | Declaration conclusive. |
| 141. | The Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies provided no such dividends shall be declared more than once in six months.  | Interim dividend.       |
| 142. | The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.  | Debts may be deducted.  |
| 143. | A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer or the entry of the shares against the Depositor's name in the Depository Register, as the case may be.   | Effect of transfer.     |
| 144. | Any General Meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of wholly or partly paid-up shares, debentures, or debenture stock of the Company, or wholly or partly paid-up shares, debentures, or debenture stock of any other company, or in any one or more of such ways. | Dividend in specie.     |
- (1) The Directors may further resolve in the case of ordinary shares in the Company, that members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend, as the Directors may think fit. In such case, the following provisions shall apply:-
- (a) the basis of any such allotment shall be determined by the Directors;
  - (b) the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Regulation;
  - (c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and
  - (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the "elected ordinary shares") and in lieu

and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid for such purpose (notwithstanding any provision of this Constitution to the contrary), the Directors shall be empowered to do all things necessary and convenient for the purpose of implementing the aforesaid including, without limitation, the making of each necessary allotment of shares and of each necessary appropriation, capitalisation, application, payment and distribution of funds which may be lawfully appropriated, capitalized, applied, paid or distributed for the purpose of the allotment and without prejudice to the generality of the foregoing the Directors may (a) capitalize and apply the amount standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and amongst the holders of the elected ordinary shares on such basis, or (b) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.

- (2) (a) The ordinary shares allotted pursuant to the provisions of paragraph (1) of this Regulation shall rank *pari passu* in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.
- (b) The Directors may do all acts and things considered necessary or expedient to give effect to any appropriation, capitalization application, payment and distribution of funds pursuant to this Regulation, with full power to make such provisions as they think fit in the case of fractional entitlements to shares (including, notwithstanding any provision to the contrary in this Constitution, provisions whereby in whole or in part, fractional entitlements are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than the members) and to authorize any person to enter on behalf of all the members interested into an agreement with the Company providing for any such appropriation, capitalization, application, payment and distribution of funds and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

145. The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmissions of shares hereinbefore contained entitled to become a Member, or which any person under those provisions is entitled to transfer until such person shall become a Member in respect of such shares or shall duly transfer the same.

Power to retain dividends.

146. In case several persons are registered in the Register or entered in the Depository Register, as the case may be, as the holders of any share, any resolution of the Directors or the Company in General Meeting declaring a dividend on shares of any class may specify that the dividend shall be payable to such persons at the close of business on a particular date and thereupon the dividend shall be payable in accordance with their respective holdings so registered. Any person registered in the Register or in the Depository Register, as the case may be, as the holder or joint holder of any share or is entitled jointly to a share in consequence of the death or bankruptcy of the holder may give effectual receipts for dividends, bonuses, other moneys payable or properties distributable and payment on account of dividends on or in respect of such shares.
147. Notice of declaration of any dividend, whether interim or otherwise, may be given by advertisement.
148. Unless otherwise directed, any dividend may be paid by cheque, dividend warrant or Cashiers' Order, sent through the post to the registered address appearing in the Register or the Depository Register, as the case may be, of the Member or person entitled, or where two or more persons are registered in the Register or entered in the Depository Register, as the case may be, as joint holders or are entitled to the dividend as a result of the death or bankruptcy of the holder, to that one whose name shall stand first on the Register or the Depository Register, as the case may be, in respect thereof and every cheque, dividend warrant or Cashiers' Order so sent shall be made payable to the order of the person to whom it is sent or to any person and address as such Member(s) or person(s) may direct in writing. The Company shall not be responsible for the loss of any cheque, dividend warrant or Cashiers' Order, which shall be sent by post duly addressed to and at the sole risk of the Member or person for whom it is intended. Payment of the cheque, dividend warrant or Cashiers' Order by the bank upon which they are respectively drawn shall be a full and valid discharge to the Company. Notwithstanding the provisions of this Constitution, payment by the Company to the Depository of any dividend payable to a Depositor shall also be a full and valid discharge of the Company from liability to the Depositor in respect of that payment to the extent of the payment made to the Depository.
149. The Depository will hold all dividends unclaimed for six years after having been declared and paid before release to the Directors, and the Directors may invest or otherwise make use of the unclaimed dividends for the benefit of the Company until claimed.

Payment to and receipt by joint holders.

Notice of dividend.

Payment by post.

Unclaimed dividends.

#### **CAPITALISATION OF PROFITS AND RESERVES**

- 150(1). The Company in General Meeting may, upon the recommendation of the Directors, resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve funds or to the credit of the profit and loss account or otherwise available for distribution; and accordingly that such sum be set free for distribution amongst the holders of shares in the Register or in the Depository Register, as the case may be, who would have been entitled thereto if distributed by way of dividends and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up on full unissued shares or debentures of the Company to be allotted and distributed, credited as fully paid up, to and amongst such holders or in their nominees in the proportion aforesaid or partly in the one way and partly in the other and the Directors shall give effect to such resolution.

Capitalisation of profits and reserves.

- 150(2). Whenever such resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the amounts resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto with full power to the Directors to make such provision for the satisfaction of the right of the holders of such shares in the Register or in the Depository Register, as the case may be, under such resolution to a fractional part of a share by the issue of fractional certificates or by payment in cash or otherwise as they think fit and also to authorise any persons to enter on behalf of such holders entitled thereto or their nominees into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of any further shares to which they may be entitled upon such capitalisation; and any agreement made under such authority shall be effective and binding on all such holders and their nominees.

#### RESERVE FUND

151. The Directors may, before declaring any dividend or bonus in respect of any class of shares out of or in respect of the earnings or profits of the Company for any yearly or other period, cause to be reserved or retained and set aside out of such sums as they may determine to form a Reserve Fund to meet contingencies or depreciation in the value of the property of the Company, or for equalising dividends or for special dividends or for distribution of bonuses or for repairing, improving and maintaining any of the property of the Company, or for such other purposes the Directors shall, in their absolute discretion, think conducive to the interest of the Company.
- Formation and object of Reserve Fund.

#### ACCOUNTS

152. The Directors shall cause true accounts to be kept in books provided for such purpose:-
- Accounts to be kept.
- (a) of all sales and purchases by the Company;
  - (b) of the sums of money received and expended by the Company, and the matter in respect of which such receipt and expenditure takes place; and
  - (c) of the assets and liabilities of the Company.
153. The books of accounts shall be kept at the Office of the Company, or at such other place or places as the Directors shall think fit. The Directors shall from time to time determine whether and to what extent and at what times and places and what conditions or regulations the accounts and books of the Company shall be open to the inspection of Members and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Statutes or authorised by the Directors or by a resolution of the Company in General Meeting.
- Books to be kept at Office.
154. The Directors shall at some date not later than eighteen months after the date of the incorporation of the Company and subsequently once at least in every calendar year at intervals of not more than fifteen months lay before the Company at its Annual General Meeting a profit and loss account and a balance sheet for the period since the preceding Annual General Meeting (or in the case of the first profit and loss account and balance sheet, since the date of incorporation of the Company) made up to a date not more than four months before the date of the Meeting.
- Profit and loss account.
155. The interval between the close of the financial year of the Company and the
- Interval from the end of the

holding of the Annual General Meeting of the Company shall not exceed four months. financial year.

156. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in General Meeting together with a copy of the Auditors' report shall not less than fourteen clear days before the date of the Meeting, be sent to all persons entitled to receive notices of General Meetings of the Company. Copy of balance sheet to be sent to persons entitled.

#### AUDITS

157. Once at least in every year the accounts of the Company shall be examined and the correctness of the profit and loss account and balance sheet ascertained by one or more Auditors. Annual audits.
158. The appointment and duties of such Auditor or Auditors shall be in accordance with the Statutes which may be in force in relation to such matters. Appointment of Auditors.
159. If any casual vacancy occurs in the office of Auditor, the Directors may fill the same, but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. Casual vacancy.
160. Every account of the Company when audited and approved by a General Meeting shall be conclusive, except as regards any error discovered within that period, the account shall forthwith be corrected, and thenceforth shall be conclusive. Audited account to be conclusive.

#### NOTICES

- 161(1). A notice or other document may be served by the Company upon a Member, either personally, or by sending it through the post in a prepaid letter or by telex or facsimile transmission addressed to such Member at his address as appearing in the Register or in the Depository Register, as the case may be, or by using other electronic communications. How notices and documents to be served.
- 161(2). Notwithstanding the aforesaid provisions, where the Directors have determined that any notice or other document shall not be served to a Member in any country or jurisdiction outside the Republic of Singapore, any Member who is described in the Register or in the Depository Register, as the case may be, by an address not within the Republic of Singapore shall be deemed to be duly served with such notice or document when such notice or document is duly posted up in the Office.
162. All notices directed to be given to the Members shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the Register or in the Depository Register, as the case may be, and notice so given shall be sufficient notice to all the holders of such share. Notice to joint holders.
163. Any Member described in the Register or the Depository Register, as the case may be, by an address not within the Republic of Singapore who shall from time to time give the Company an address within the Republic of Singapore at which notices may be served upon him shall be entitled to have served upon him at such address any notice to which he would be entitled under this Constitution. Address for service.

164. As regards Members who have no address appearing in the Register or the Depository Register, as the case may be, a notice posted up in the Office shall be deemed to be duly served on them at the expiration of twenty-four hours after it is so posted up. Where no address.
165. Any document other than a notice required to be served on a Member, may be served in like manner as a notice may be given to him under this Constitution. The signature to any such notice or document may be written or printed. Service of documents.
166. Any notice or other document required to be sent or served upon the Company or upon any officer of the Company may be sent or served by leaving the same or sending it through the post in a prepaid letter, envelope or wrapper or by telex or facsimile transmission addressed to the Company or to such officer at the Office. Service on Company.
167. Any notice or other document, if served or sent by post, shall be deemed to have been served at the time the same is left at the address of the Member in the Register or in the Depository Register, as the case may be, if served personally and at the time when the letter containing the same is put into the post if sent by post, (and in proving such service or sending it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post office) and at the same time the same would have reached the Member in the normal course if sent by telex or facsimile transmission. When service effected.
168. Every person who, by operation of law, transfer or any other means whatsoever, shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being registered in the Register or in the Depository Register, as the case may be, shall be duly given to the person from whom he derives his title to such share. Transferees bound by prior notice.
169. Any notice or document served upon or sent to, or left at the address of any Member in the Register or in the Depository Register, as the case may be, pursuant to this Constitution, shall, notwithstanding that such Member be then deceased or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any share held by such Member, whether held solely or jointly with other persons, until some other person be registered in his stead as the holder or joint holder of such share, and such service shall, for all purposes of this Constitution, be deemed a sufficient service of such notice or document on his executors, administrators or assigns, and all persons (if any) jointly interested with him in such share. Notice valid though Member deceased.

#### WINDING UP

170. The Directors shall have the power to present a petition to the court in the name and on behalf of the Company for the Company to be wound up. Directors have power to present petition.
171. If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively. And if in a winding up the assets available for distribution among the Members shall be more than sufficient to Distribution of assets in winding up.



repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up paid up or which ought to have been paid up on the shares held by them respectively. But this Regulation is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

172. If the Company shall be wound up, the liquidators may, with the sanction of a Special Resolution, divide among the Members in specie any part of the assets of the Company and any such division may be otherwise than in accordance with the existing rights of the Members, but so that if any division is resolved or otherwise than in accordance with such rights, the Members shall have the same right of dissent and consequential rights as if such resolution were a Special Resolution passed pursuant to Section 306 of the Act. A Special Resolution sanctioning a transfer or sale to another company duly passed pursuant to the said Section may in like manner authorise the distribution of any share or other consideration receivable by the Liquidators amongst the Members otherwise than in accordance with their existing rights; and any such determination, shall be binding upon all the Members subject to the right of dissent and consequential rights conferred by the said Section. Distribution of assets in specie.
173. On the voluntary liquidation of the Company, no commission or fee shall be paid to a liquidator unless it shall have been ratified by the Members. The amount of such payment shall be notified to all Members at least seven days prior to the meeting at which it is to be considered. Commission or fee to liquidators.

#### INDEMNITY

174. Every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (including any such liability as is mentioned in the Act), which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no such Directors or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Regulation shall only have effect in so far as its provisions are not avoided by the Act. Indemnity of officers.

#### SECRECY

175. No Member shall be entitled to require the Company to disclose any information relating to any trade, business, product or process which is secret in nature which may relate to the conduct of the business of the Company and which the Directors determine to be inexpedient and inadvisable to communicate in the best interest of the Members save as may be authorised by law and as required by the Exchange pursuant to the Listing Manual. Secrecy.

#### MARGINAL NOTES

176. The marginal notes shall not affect the construction thereof. Marginal notes.