NIPPECRAFT LIMITED
(Incorporated in the Republic of Singapore)
Company registration number: 197702861N

The announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Mr. Bernard Lim (Tel: +65 6232 3210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.

Nippecraft Limited

Condensed Interim Financial Statements

for the six months ended

30 June 2026

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A. Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	30-Jun-26 US$'000	30-Jun-25 US$'000 (Restated)	Change
Revenue from contracts with customers	5	**54,227**	**42,817**	**27%**
Cost of sales		(51,200)	(40,274)	-27%
Gross profit		**3,027**	**2,543**	**19%**
Distribution and marketing expenses		(2,653)	(2,323)	-14%
Administrative expenses		(1,815)	(1,789)	-1%
Allowance for expected credit losses		(6)	(5)	-20%
Other income, net	6	510	385	32%
Operating loss		(937)	(1,189)	21%
Interest income		43	69	-38%
Loss before financing and income tax		(894)	(1,120)	20%
Interest expense on lease liabilities		(31)	(28)	-11%
Loss before tax	8	**(925)**	**(1,148)**	19%
Tax credit	9	17	1	N.M.
Net loss for the period		**(908)**	**(1,147)**	21%
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
- Foreign currency translation differences for foreign operations		(212)	681	N.M.
Other comprehensive loss for the period, net of tax		**(212)**	**681**	N.M.
Total comprehensive loss for the period		**(1,120)**	**(466)**	N.M.
Loss per share (US cents)				
- Basic & Diluted		**(0.258)**	**(0.326)**	

Note: N.M. - Not meaningful

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B. Condensed Statements of Financial Position

		Group		Company	
		As at 30-Jun-26	As at 31-Dec-25	As at 30-Jun-26	As at 31-Dec-25
	Note	US$'000	US$'000	US$'000	US$'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	2,816	3,015	2,558	2,705
Investment in subsidiaries		-	-	16,512	16,512
Deferred tax assets		29	27	24	23
		2,845	**3,042**	**19,094**	**19,240**
Current assets					
Inventories		3,797	2,903	94	150
Trade and other receivables		29,094	30,733	6,821	4,689
Prepayments		265	214	121	72
Cash and bank balances		21,316	19,058	1,885	2,185
		54,472	**52,908**	**8,921**	**7,096**
TOTAL ASSETS		**57,317**	**55,950**	**28,015**	**26,336**
LIABILITIES					
Current liabilities					
Trade and other payables		23,711	21,064	3,823	1,618
Lease liabilities		212	214	151	150
Income tax payable		-	32	-	-
		23,923	**21,310**	**3,974**	**1,768**
Non-current liabilities					
Lease liabilities		1,097	1,223	959	1,048
Provision for Long Service Leave		6	6	-	-
		1,103	**1,229**	**959**	**1,048**
TOTAL LIABILITIES		**25,026**	**22,539**	**4,933**	**2,816**
NET ASSETS		**32,291**	**33,411**	**23,082**	**23,520**
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	16	36,817	36,817	36,817	36,817
Asset revaluation reserve		496	496	496	496
Foreign currency translation reserve		265	477	-	-
Accumulated losses		(5,287)	(4,379)	(14,231)	(13,793)
TOTAL EQUITY		**32,291**	**33,411**	**23,082**	**23,520**

The accompanying notes form an integral part of these condensed interim financial statements.

C. Condensed Statements of Changes in Equity

Group	Share capital US$'000	Asset revaluation reserve US$'000	Foreign currency translation reserve US$'000	Accumulated losses US$'000	Total equity US$'000
Balance as at 01.01.2026	**36,817**	**496**	**477**	**(4,379)**	**33,411**
Loss for the period	-	-	-	(908)	**(908)**
Other comprehensive loss for the period, net of tax					
- Currency translation differences	-	-	(212)	-	**(212)**
Total comprehensive loss for the period	**-**	**-**	**(212)**	**(908)**	**(1,120)**
Balance as at 30.6.2026	**36,817**	**496**	**265**	**(5,287)**	**32,291**
Balance as at 01.01.2025	**36,817**	**496**	**(33)**	**(5,163)**	**32,117**
Loss for the period	-	-	-	(1,147)	**(1,147)**
Other comprehensive loss for the period, net of tax					
- Currency translation differences	-	-	681	-	**681**
Total comprehensive loss for the period	**-**	**-**	**681**	**(1,147)**	**(466)**
Balance as at 30.6.2025	**36,817**	**496**	**648**	**(6,310)**	**31,651**

C. Condensed Statements of Changes in Equity (Continued)

Company	Share capital US$'000	Asset revaluation reserve US$'000	Accumulated losses US$'000	Total equity US$'000
Balance as at 01.01.2026	**36,817**	**496**	**(13,793)**	**23,520**
Loss for the period	-	-	(438)	**(438)**
Total comprehensive loss for the period	**-**	**-**	**(438)**	**(438)**
Balance as at 30.6.2026	**36,817**	**496**	**(14,231)**	**23,082**
Balance as at 01.01.2025	**36,817**	**496**	**(13,324)**	**23,989**
Loss for the period	**-**	**-**	(85)	**(85)**
Total comprehensive loss for the period	**-**	**-**	**(85)**	**(85)**
Balance as at 30.6.2025	**36,817**	**496**	**(13,409)**	**23,904**

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D. Condensed Consolidated Statement of Cash Flows

	Note	Group Half year ended 30-Jun-26 US$'000	30-Jun-25 US$'000
Cash flows from operating activities			
Loss before tax		**(925)**	**(1,148)**
Adjustments:			
Depreciation of property, plant and equipment	8	206	270
Allowance for expected credit losses		6	5
Interest income	8	(43)	(69)
Interest expense	8	31	28
Write-down of inventories		283	224
Operating loss before working capital changes		**(442)**	**(690)**
Inventories		(1,186)	(1,350)
Trade and other receivables		1,615	6,773
Trade and other payables		2,558	(5,508)
Cash generated from / (used in) operations		**2,545**	**(775)**
Income tax paid		(16)	(3)
Net cash generated from / (used in) operating activities		**2,529**	**(778)**
Cash flows from investing activities			
Acquisition of property, plant and equipment	A, 14	(4)	(60)
Interest received		43	69
Net cash from investing activities		**39**	**9**
Cash flows from financing activities			
Payment of principal portion of lease liabilities		(125)	(185)
Interest paid on lease liabilities		(31)	(28)
Net cash used in financing activities		**(156)**	**(213)**
Net increase / (decrease) in cash and cash equivalents		**2,412**	**(982)**
Cash and cash equivalents as at beginning of the period		15,158	13,726
Effects of exchange rate changes on cash and cash equivalents		(154)	480
Cash and cash equivalents, representing cash at bank balances at end of the period	**B**	**17,416**	**13,224**

D. Consolidated Statement of Cash Flows (Continued)

	Group	
	Half year ended	
	30-Jun-26	30-Jun-25
Note to Condensed Consolidated Statement of Cash Flows:		
Note A:		
Addition of property, plant and equipment	5	358
Less: Addition of right-of-use assets	(1)	(298)
Acquisition of property, plant and equipment	**4**	**60**

Note B:
Cash and cash equivalents included in the Condensed Consolidated Statement of Cash Flows comprise the following amounts:

	30-Jun-26	30-Jun-25
Bank balances and cash in hand	15,014	11,871
Fixed deposits	6,302	5,253
Cash and bank balances as per statements of financial position	**21,316**	**17,124**
Bank deposits pledged	(3,900)	(3,900)
Cash and cash equivalents per consolidated statement of cash flows	**17,416**	**13,224**

The accompanying notes form an integral part of these condensed interim financial statements.

E. Notes to the condensed interim consolidated financial statements

1. General Information

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

APP Printing (Holding) Pte Ltd ("**APP Printing**"), a company incorporated in Singapore, holds 49% (2024: 49%) of the share capital of the Company and is deemed to be the controlling shareholder of the Company. APP Printing is a wholly-owned subsidiary of PT Andalan Prapanca Pertiwi ("**PT APP**"), and Asia Pulp & Paper Company Ltd ("**APP**") owns 92.45% (2024: 92.45%) of the shares in PT APP. APP Golden Limited, a company incorporated with limited liability in the British Virgin Islands, controls approximately 66.33% (2024: 66.33%) of the voting power of APP and is the ultimate holding company of the Company.

The condensed interim consolidated financial statements as at and for the six months ended 30 June 2026 comprise the Company and its subsidiaries (collectively, the "**Group**").

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

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting ("**SFRS(I)s**")* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2025.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2a.

The condensed interim financial statements are presented in United States dollars ("**US$**") which is the Company's functional currency.

a. New and amended standards adopted by the Group.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statement for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. The Group has early adopted SFRS(I) 18 *Presentation and Disclosure in Financial Statements*, which is effective for annual periods beginning on or after 1 January 2027. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Instruments*

These amendments:
a. clarify the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
b. clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion for financial assets with certain contingent features;
c. add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
d. update the disclosures for equity instrument designated at fair value through other comprehensive income (FVOCI).

The amendments had no impact on the Group's interim condensed financial statements.

Early adoption of SFRS(I) 18 *Presentation and Disclosure in Financial Statements*

SFRS(1) 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories which include operating, investing, financing, income taxes and discontinued operations.

It also requires disclosure of newly defined management-defined performance measures, disclosure about the nature of operating expense when entities present at least one line item by function , and includes new requirements for aggregation and disaggregation of financial information based on the identified "roles" of the primary financial statements and the notes.

In addition, narrow scope of amendments been made to SFRS(I) 1-7 *Statements of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from "profit or loss" to "operating profit or loss" and removing the optionality around classification of cash flows from dividend and interest.

The statement of profit or loss for the six months ended 30 June 2025 reconciles to the statement of profit or loss under SFRS(I) 18, as follows:

Reconciliation on statement of profit or loss for the 6 months ended 30 June 2025

		Half year ended		
		30-Jun-25	Adjustments	30-Jun-25
		US$'000	US$'000	US$'000
	Note			(Restated)
Revenue from contracts with customers	5	**42,817**	**-**	**42,817**
Cost of sales		(40,274)	-	(40,274)
Gross profit		**2,543**	**-**	**2,543**
Distribution and marketing expenses		(2,323)	-	(2,323)
Administrative expenses		(1,789)	-	(1,789)
Allowance for expected credit losses		(5)	-	(5)
Other income, net	6	385	-	385
Finance income, net		41	(41)	-
Operating loss		(1,148)	(41)	(1,189)
Interest income		-	69	69
Loss before financing and income tax		(1,148)	28	(1,120)
Interest expenses on lease liabilities		-	(28)	(28)
Loss before tax	8	**(1,148)**	**-**	**(1,148)**
Tax credit	9	1	-	1
Net loss for the period		**(1,147)**	**-**	**(1,147)**

b. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2025.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there are no critical judgements made in applying the Group's accounting policies. There are assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment within the next financial year as follows:

(i) Allowance for inventory obsolescence

The Group reviews the ageing analysis of inventories in stationery segment at the end of each reporting period, and provides allowances for inventories identified as obsolete or slow-moving. The management estimates the net realisable value for undated products based on expected future demand, taking into consideration the ageing profile and condition of the inventories by categories. For dated products, allowances are determined based on actual sales order and sales transactions subsequent to financial year end.

(ii) Impairment of financial assets

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

c. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

3. Segment and revenue information.

The Group operates in two business segments:

- **Stationery business**
  The main activities are design, development, sales and marketing of planners/ diaries, business accessories and related stationery products.
- **Trading business**
  The main activities are trading and strategic sourcing of recycled waste, chemicals, papers, paper bags, pulp, and other related materials.

These operating segments are reported in a manner consistent with internal reporting provided to the Chief Executive Officer ("**CEO**") who is responsible for allocating resources and assessing performance of the operating segments.

4. Reportable segments

Group	Stationery	Trading	Unallocated	Total
1-Jan-26 to 30-Jun-26	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Segment revenue	8,419	49,187	-	57,606
Intra-Segment revenue	(3,379)	-	-	(3,379)
External revenue	**5,040**	**49,187**	**-**	**54,227**
Segment loss	**(904)**	**74**	**(107)**	**(937)**
Finance income				43
Finance expense				(31)
Loss before tax				**(925)**
Tax credit				17
Consolidated loss for the financial period				**(908)**
Segment assets	20,611	36,125	581	57,317
Segment liabilities	6,471	18,335	220	25,026
Other segment information:				
Capital expenditure	4	-	-	4
Depreciation of property, plant and equipment	177	10	19	206
Write-down of inventories	283	-	-	283
Allowance for expected credit losses	6	-	-	6

Group	Stationery	Trading	Unallocated	Total
1-Jan-25 to 30-Jun-25	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Segment revenue	8,734	38,045	-	46,779
Intra-Segment revenue	(3,962)	-	-	(3,962)
External revenue	**4,772**	**38,045**	**-**	**42,817**
Segment loss	**(1,083)**	**20**	**(126)**	**(1,189)**
Finance income				69
Finance expense				(28)
Loss before tax				**(1,148)**
Tax credit				1
Consolidated loss for the financial period				**(1,147)**
Segment assets	21,549	29,163	728	51,440
Segment liabilities	6,397	13,049	343	19,789
Other segment information:				
Capital expenditure	60	-	-	60
Depreciation of property, plant and equipment	239	12	19	270
Write-down of inventories	224	-	-	224
Allowance for expected credit losses	5	-	-	5

5. Disaggregation of Revenue

The Group derives revenue from the transfer of goods at a point in time and disaggregation by type of products and geographical location based on location of customers. Revenue is recognised when the control of goods has been transferred based on shipping terms.

	Group Half year ended	
	30-Jun-26	**30-Jun-25**
	US$'000	**US$'000**
Sale of goods		
- Stationery products	5,040	4,772
- Pulp and related trading products	49,187	38,045
	54,227	**42,817**
Geographical markets		
- Continental Europe	38,291	28,110
- Hong Kong	10,315	10,035
- Australia	3,476	3,160
- United Kingdom	1,365	1,384
- Singapore	685	20
- United States of America	91	51
- Others	4	57
	54,227	**42,817**

	Group As at	
	30-Jun-26	**31-Dec-25**
	US$'000	**US$'000**
Non-current assets		
Singapore	2,595	2,749
United Kingdom	140	166
Australia	110	127
	2,845	**3,042**

6. Other Income, net

	Group	
	Half year ended	
	30-Jun-26 US$'000	30-Jun-25 US$'000
Other income		
Rental income from sublet of premise	371	354
Government grant income	6	41
Foreign exchange gain	119	-
Others	14	23
	510	418
Other expenses		
Foreign exchange loss	-	(33)
	-	(33)
Other income, net	**510**	**385**

7. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as of 30 June 2026 and 31 December 2025:

	30-Jun-26 US$'000	31-Dec-25 US$'000	30-Jun-26 US$'000	31-Dec-25 US$'000
Financial assets				
Cash and bank balances and trade and other receivables (Amortised cost)	46,791	47,666	8,688	6,874
Financial liabilities				
Trade and other payables and borrowings (Amortised cost)	**24,956**	**22,324**	**4,915**	**2,798**

8. Loss before tax

a) Significant items

	Group	
	Half year ended	
	30-Jun-26	30-Jun-25
	US$'000	US$'000
Depreciation of property, plant and equipment	(206)	(270)
Write-down of inventories	(283)	(224)
Foreign exchange gain/ (loss), net	119	(33)
Interest income	43	69
Interest expense	(31)	(28)
Finance income, net	**12**	**41**

b) Related party transactions

There were no material related party transactions apart from those disclosed under the section titled "Interested person transactions" in the financial statements or in the information required by SGX Catalist Listing Rules Appendix 7C.

9. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax credit / (expense) in the condensed interim consolidated statement of profit or loss are:

	Group	
	Half year ended	
	30-Jun-26	30-Jun-25
	US$'000	US$'000
Current income tax credit/ (expense)	16	(1)
Deferred income tax credit relating to origination and reversal of temporary differences	1	2

10. Loss per share

Loss per share for the period attributed to the owners of the Company during the period:

	Group	
	Half year ended	
	30-Jun-26	30-Jun-25
Loss per share based on average number of shares (US cents)	**(0.258)**	**(0.326)**

	Group	
	As at	
	30-Jun-26	30-Jun-25
	('000)	('000)
Total number of shares	351,398	351,398
Weighted average number of shares	351,398	351,398

The were no potentially dilutive shares issued during the period reported on.

11. Dividends

The directors did not propose an interim dividend for 1H2026 (1H2025: nil) as the Group is loss making in 1H2026 and to conserve financial resources to meet the various challenges in the foreseeable future including challenges posed by the global economic environment.

12. Net asset value

	Group		Company	
	As at		As at	
	30-Jun-26	31-Dec-25	30-Jun-26	31-Dec-25
Net asset value per share (US cents)	**9.19**	**9.51**	**6.57**	**6.69**
Number of issued shares less treasury shares ('000)	351,398	351,398	351,398	351,398

13. Financial assets at fair value through other comprehensive income

Not applicable.

14. Property, plant, and equipment

As of 30 June 2026, the Group's net carrying value of property, plant and equipment is US$2,816,000 (FY25: US$3,015,000). The Company's net carrying value of property, plant and equipment is US$2,558,000 (FY25: US$2,705,000).

Included within the property, plant and equipment, the Group's Right-of-use assets are US$1,101,000 (FY25: US$1,216,000) and the Company's Right-of-use assets are US$909,000 (FY25: US$990,000).

During the six months ended 30 June 2026, the Group acquired assets amounting to US$4,000 (31 December 2025: US$73,000).

15. Investment properties

Not applicable.

16. Share capital

	Group and Company			
	30-Jun-26 Number of ordinary shares ('000)	US$'000	31-Dec-25 Number of ordinary shares ('000)	US$'000
Issued and fully paid ordinary shares				
At beginning and end of financial period	351,398	36,817	351,398	36,817

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

There was no change in the Company's issued and paid-up share capital from 1 January 2026 to 30 June 2026. There were no outstanding convertibles, treasury shares and subsidiary holdings as of 30 June 2026 and 30 June 2025.

There were no sales, transfers, cancellation and/or use of treasury shares during the current financial period reported on.

17. Acquisition of subsidiary

Not applicable.

18. Management-defined performance measure (MPM)

The Group uses earnings before interest, taxes, depreciation and amortisation ("EBITDA") as a management-defined performance measure in its public communications to communicate management's view of an aspect of the financial performance of the Group as a whole. This measure is not defined by SFRS(I) accounting standards, which means it may not be directly comparable to similar measures used by other entities.

The Group's management believes that this EDITDA measure offers a relevant alternative perspective on the Group's underlying operating performance by excluding the effects of items that are not indicative of ongoing business activities. The Group's management considers this useful for understanding profitability trends and for evaluating the Group's ability to generate sustainable earnings from its core operations.

Loss before tax has been adjusted to exclude depreciation and interest expense to derive EBITDA:

MPM

	Group	
	Half year ended	
	30-Jun-26	30-Jun-25
	US$'000	US$'000
Loss before tax	(925)	(1,148)
Depreciation	206	270
Interest expense	31	28
EBITDA	**(688)**	**(850)**

19. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. Other information required by SGX Catalist Listing Rules Appendix 7C.

1. Review

The condensed consolidated statements of financial position of Nippecraft Limited and its subsidiaries as at 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six months then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

A) Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

Revenue

	Group			
	Half year ended			
	30-Jun-26	30-Jun-25	Change	
	US$'000	US$'000	US$'000	
Stationery business	5,040	4,772	268	6%
Trading business	49,187	38,045	11,142	29%
	54,227	**42,817**	**11,410**	27%

The Group recorded revenue of US$54.2 million for the half year ended 30 June 2026 ("**1H2026**") as compared to US$42.8 million in the previous corresponding half year ended 30 June 2025 ("**1H2025**"). The increase in revenue of US$11.4 million or 27% was attributed to the increase in revenue of both the stationery business and trading business.

Stationery business revenue increased by US$0.3 million or 6% mainly due to changes in sales mix.

Trading business revenue increased by US$11.1 million or 29% due to the increase in demand from customers in Continental Europe, Hong Kong and Singapore.

Gross profit

	Half year ended 30-Jun-26		Half year ended 30-Jun-25		Change
	US$'000	Margin	US$'000	Margin	US$'000
Stationery business	2,540	50.4%	2,166	45.4%	374
Trading business	487	1.0%	377	1.0%	110
	3,027	**5.6%**	**2,543**	**5.9%**	**484**

Gross profit for 1H2026 increased by US$0.5 million to US$3.0 million as compared to 1H2025.

Group gross profit margin for 1H2026 decreased slightly from 5.9% to 5.6% due to an increase in revenue contributions by the trading business. The gross profit margin for the stationery business increased from 45.4% to 50.4% mainly driven by sales mix partially offset by the increase in write-down of inventories. The gross profit margin for trading business was flat at 1.0%.

In 1H2026, the trading business contributed approximately 16% (1H2025: 15%) of the gross profit.

Distribution and marketing and Administrative expenses

	Group			
	Half year ended			
	30-Jun-26	30-Jun-25	Change	
	US$'000	US$'000	US$'000	
Distribution and marketing expenses	2,653	2,323	330	14%
Administrative expenses	1,815	1,789	26	1%
Total operating expenses	**4,468**	**4,112**	**356**	**9%**

Distribution and marketing expenses increased US$0.4 million or 14% to US$2.7 million in 1H2026 as compared to 1H2025. This was mainly due to increase in personnel, storage and advertising expenses partially offset by decrease in freight costs. The decrease in freight costs was attributable to the deferral of shipments to our key markets until the second half of 2026.

Administrative expenses incurred in 1H2026 remained flat at US$1.8 million.

Other income, net

Other income increased by US$0.1 million or 32% in 1H2026 as compared to 1H2025. The increase was mainly attributable to the increase in foreign exchange gains.

Taxation

A tax credit of US$16,000 was recorded in 1H2026, mainly due to overprovision of prior year tax.

Net loss for the period

As a result of the above, the Group's net loss after tax decreased by US$0.2 million to US$0.9 million in 1H2026 as compared with the same period last year.

B) <u>Condensed Statements of Financial Position</u>

<u>Group</u>

Non-current assets

Property, plant, and equipment decreased by US$0.2 million mainly due to the depreciation expenses incurred in 1H2026.

Current assets

Inventories increased by US$0.9 million mainly due to inventories build-up in both UK and Australia in anticipation of sales in the coming months.

Trade and other receivables decreased by US$1.6 million mainly due to the receipt of payment from the customers from the Trading Business segments partially offset by the increase in deposits placed with the Trading Business's suppliers as of 30 June 2026.

Cash and bank balances increased by US$2.2 million to US$21.3 million as of 30 June 2026.

Non-current liabilities

Long-term lease liabilities decreased by US$0.1 million due to reclassification of lease liabilities to current liabilities.

Current liabilities

Trade and other payables increased by US$2.6 million mainly due to increase in payables to the suppliers of both the Stationery and Trading Business.

Equity

Total equity decreased by US$1.1 million from US$33.4 million as at 31 December 2025 to US$32.3 million as at 30 June 2026 mainly due to the 1H2026 losses of US$0.9 million and decrease in currency translation reserves of US$0.2 million.

C) <u>Condensed Consolidated Statement of Cash Flows</u>

Net cash from operating activities in 1H2026 was US$2.5 million. The net cash inflows from operating activities during 1H2026 were due to decrease in trade and other receivables of US$1.6 million and trade and other payables of US$2.5 million partially offset by increase in inventories of US$1.2 million and operating loss before changes in working capital of US$0.4 million.

Net cash from investing activities was mainly due to interest income received from deposits placed with banks that were partially offset against capital expenditure in 1H2026.

Net cash used in financing activities of US$0.2 million was due to cash used to settle lease liabilities including interest in 1H2026.

As a result of the above and together with the negative effects of foreign exchange rate changes, cash and cash equivalents increased by US$2.3 million in 1H2026 to US$17.4 million as of 30 June 2026.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement had been previously disclosed to the shareholders for 1H2026.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months.

The Middle East war presents significant challenges to global supply chains through its impact on maritime transportation, energy prices, logistics costs, supplier reliability and financial markets. We will remain vigilant and continue to strengthen our supply chain resilience through proactive risk management, supplier diversification, prudent inventory planning and close monitoring of geopolitical developments. These measures are intended to mitigate operational disruptions and support business continuity in an increasingly uncertain global trading environment. Consequently, the outlook for both of our business segments remains uncertain.

At the same time, we will continue to exercise caution and prudence in managing the Group's financial position. Our focus will remain on maintaining strong capital management discipline through cash preservation, optimisation of cash flows and maintaining a healthy liquidity position. These initiatives will further strengthen the Group's financial resilience and position us to respond effectively to evolving market conditions.

5. Dividend information

(a) Current Financial Period Reported On
Any dividend declared for the current financial period report on?

No. Refer to Section E. Note 11.

(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately. preceding financial year?

No.

(c) Date payable.

Not applicable.

(d) Books closure date.

Not applicable.

6. Interested person transactions.

The Group has renewed its general mandate for Interested Person Transactions ("**IPT**") at the recently concluded annual general meeting held on 28 April 2026. The IPTs for 1H2026 and 1H2025 were as follows:

Name of Interested Person	Nature of relationship	Aggregate value of all IPTs during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules)		Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S$100,000)	
		Half year ended		Half year ended	
		30-Jun-26 US$'000	30-Jun-25 US$'000	30-Jun-26 US$'000	30-Jun-25 US$'000
Purchases					
Gold East Trading (Hong Kong) Company Limited	APP Printing (Holding) Pte Ltd, an entity under the APP Group, holds 49% of the Company's shares and is deemed to be the controlling shareholder of the Company. Gold East Trading (Hong Kong) Company Limited is an associated company of APP Group.	-	-	-	2,477
Total IPTs		**-**	**-**	**-**	**2,477**

7. Confirmation pursuant to Rule 705(5) of the Catalist Rules.

To the best of their knowledge, nothing has come to the attention of the Directors of the Company which may render the unaudited half year results for the period ended 30 June 2026 to be false or misleading in any material aspects.

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company has received undertakings from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Listing Manual of the SGX-ST.

BY ORDER OF THE BOARD

Raja Hayat
Executive Director and
Chief Executive Officer
12 August 2026