



**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 Ms. Charmian Lim (Tel: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

**Nippecraft Limited**  
**Condensed Interim Financial Statements**  
**for the six months ended**  
**30 June 2024**



**NIPPECRAFT LIMITED**

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

		<b>Group</b>		
		<b>Half year ended</b>		
	<b>Note</b>	<b>30-Jun-24</b>	<b>30-Jun-23</b>	<b>Change</b>
		<b>US\$'000</b>	<b>US\$'000</b>	
<b>Revenue from contracts with customers</b>	5	<b>45,929</b>	<b>48,061</b>	-4%
Cost of sales		(43,884)	(45,529)	-4%
<b>Gross profit</b>		<b>2,045</b>	<b>2,532</b>	<b>-19%</b>
Distribution and marketing expenses		(2,024)	(2,034)	N.M.
Administrative expenses		(1,723)	(1,838)	-6%
Allowance for expected credit losses		(4)	(4)	N.M.
Other income, net	6	68	1,290	-95%
Finance income/ (expense), net		35	(8)	N.M.
<b>Loss before tax</b>	8	<b>(1,603)</b>	<b>(62)</b>	<b>&gt;100%</b>
Tax credit	9	-	2	N.M.
<b>Net loss for the period</b>		<b>(1,603)</b>	<b>(60)</b>	<b>&gt;100%</b>
<b>Other comprehensive income:</b>				
<u>Items that may be reclassified subsequently to profit or loss</u>				
- Foreign currency translation differences for foreign operations		(147)	330	N.M.
<b>Other comprehensive (loss)/ income for the period, net of tax</b>		<b>(147)</b>	<b>330</b>	N.M.
<b>Total comprehensive (loss)/ income for the period</b>		<b>(1,750)</b>	<b>270</b>	<b>N.M.</b>
<b>Loss per share (US cents)</b>				
- Basic & Diluted		<b>(0.456)</b>	<b>(0.017)</b>	

Note: N.M. - Not meaningful



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**B. Condensed Statements of Financial Position**

	Note	Group		Company	
		As at 30-Jun-24 US\$'000	As at 31-Dec-23 US\$'000	As at 30-Jun-24 US\$'000	As at 31-Dec-23 US\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	14	3,188	3,385	2,832	2,951
Intangible assets	15	-	-	-	-
Subsidiaries		-	-	16,512	16,512
Deferred tax assets		21	21	20	19
		<b>3,209</b>	<b>3,406</b>	<b>19,364</b>	<b>19,482</b>
<b>Current assets</b>					
Inventories		4,791	2,894	120	149
Trade and other receivables		26,602	30,649	7,652	4,870
Prepayments		288	146	97	32
Cash and bank balances		19,511	19,326	1,895	1,955
		<b>51,192</b>	<b>53,015</b>	<b>9,764</b>	<b>7,006</b>
<b>TOTAL ASSETS</b>		<b>54,401</b>	<b>56,421</b>	<b>29,128</b>	<b>26,488</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		22,650	22,726	3,741	886
Lease liabilities		476	479	383	347
Income tax payable		20	31	-	-
		<b>23,146</b>	<b>23,236</b>	<b>4,124</b>	<b>1,233</b>
<b>Non-current liabilities</b>					
Lease liabilities		1,047	1,224	967	1,097
Provision for Long Service Leave		6	9	-	-
		<b>1,053</b>	<b>1,233</b>	<b>967</b>	<b>1,097</b>
<b>TOTAL LIABILITIES</b>		<b>24,199</b>	<b>24,469</b>	<b>5,091</b>	<b>2,330</b>
<b>NET ASSETS</b>		<b>30,202</b>	<b>31,952</b>	<b>24,037</b>	<b>24,158</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	17	36,817	36,817	36,817	36,817
Asset revaluation reserve		496	496	496	496
Foreign currency translation reserve		140	287	-	-
Accumulated losses		(7,251)	(5,648)	(13,276)	(13,155)
<b>TOTAL EQUITY</b>		<b>30,202</b>	<b>31,952</b>	<b>24,037</b>	<b>24,158</b>



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**C. Condensed Statements of Changes in Equity**

Group	Share capital	Asset revaluation reserve	Foreign currency translation reserve	Accumulated losses	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance as at 01.01.2024</b>	<b>36,817</b>	<b>496</b>	<b>287</b>	<b>(5,648)</b>	<b>31,952</b>
Loss for the period	-	-	-	(1,603)	(1,603)
<b>Other comprehensive loss for the period, net of tax</b>					
- Currency translation differences	-	-	(147)	-	(147)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(147)</b>	<b>(1,603)</b>	<b>(1,750)</b>
<b>Balance as at 30.6.2024</b>	<b>36,817</b>	<b>496</b>	<b>140</b>	<b>(7,251)</b>	<b>30,202</b>
<b>Balance as at 01.01.2023</b>	<b>36,817</b>	<b>748</b>	<b>(178)</b>	<b>(7,244)</b>	<b>30,143</b>
Transfer upon disposal of Asset held-for-sale	-	(252)		252	-
Loss for the period	-	-	-	(60)	(60)
<b>Other comprehensive income for the period, net of tax</b>					
- Currency translation differences	-	-	330	-	330
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>330</b>	<b>(60)</b>	<b>270</b>
<b>Balance as at 30.6.2023</b>	<b>36,817</b>	<b>496</b>	<b>152</b>	<b>(7,052)</b>	<b>30,413</b>



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**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
<b>Balance as at 01.01.2024</b>	36,817	496	(13,155)	24,158
Loss for the period	-	-	(121)	(121)
<b>Total comprehensive loss for the period</b>	-	-	(121)	(121)
<b>Balance as at 30.6.2024</b>	<b>36,817</b>	<b>496</b>	<b>(13,276)</b>	<b>24,037</b>
<b>Balance as at 01.01.2023</b>	36,817	748	(14,930)	22,635
Transfer upon disposal of Asset held-for-sale	-	(252)	252	-
Profit for the period	-	-	1,828	1,828
<b>Total comprehensive income for the period</b>	-	-	1,828	1,828
<b>Balance as at 30.6.2023</b>	<b>36,817</b>	<b>496</b>	<b>(12,850)</b>	<b>24,463</b>



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**D. Condensed Consolidated Statement of Cash Flows**

		<b>Group</b>	
		<b>Half year ended</b>	
		<b>30-Jun-24</b>	<b>30-Jun-23</b>
		<b>US\$'000</b>	<b>US\$'000</b>
<b>Note</b>			
	<b>Cash flows from operating activities</b>		
	<b>Loss before tax</b>	<b>(1,603)</b>	<b>(62)</b>
	<b>Adjustments:</b>		
	Depreciation of property, plant and equipment	326	299
8	Loss on disposal of property, plant and equipment	-	9
8	Gain on disposal of asset held-for-sale	-	(1,129)
	Allowance for expected credit losses	4	4
8	Interest income	(71)	(28)
8	Interest expense	36	36
	Write-down of inventories	142	118
	<b>Operating loss before working capital changes</b>	<b>(1,166)</b>	<b>(753)</b>
	Inventories	(2,096)	(3,939)
	Trade and other receivables	3,729	18,484
	Trade and other payables	126	(13,223)
	<b>Cash generated from operations</b>	<b>593</b>	<b>569</b>
	Income tax paid, net	(12)	-
	<b>Net cash generated from operating activities</b>	<b>581</b>	<b>569</b>
	<b>Cash flows from investing activities</b>		
	Acquisition of property, plant and equipment	(64)	(59)
A, 14	Interest received	71	28
	Proceeds from sale of asset held-for-sale	-	2,145
	<b>Net cash from investing activities</b>	<b>7</b>	<b>2,114</b>
	<b>Cash flows from financing activities</b>		
	Payment of principal portion of lease liabilities	(203)	(400)
	Interest paid on lease liabilities	(36)	(36)
	<b>Net cash used in financing activities</b>	<b>(239)</b>	<b>(436)</b>
	<b>Net increase in cash and cash equivalents</b>	<b>349</b>	<b>2,247</b>
	Cash and cash equivalents as at beginning of the period	15,426	13,043
	Effects of exchange rate changes on cash and cash equivalents	(164)	114
	<b>Cash and cash equivalents, representing cash at bank balances at end of the period</b>	<b>15,611</b>	<b>15,404</b>



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**D. Consolidated Statement of Cash Flows (Continued)**

<b>Group</b>	
<b>Half year ended</b>	
<b>30-Jun-24</b>	<b>30-Jun-23</b>

**Note to Condensed Consolidated Statement of Cash Flows:**

**Note A:**

Addition of property, plant and equipment	136	454
Less: Addition of right-of-use assets	(72)	(395)
Acquisition of property, plant and equipment	<b>64</b>	<b>59</b>

**Note B:**

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

Bank balances and cash in hand	12,627	14,177
Fixed deposits	6,884	5,127
<b>Cash and bank balances as per statements of financial position</b>	<b>19,511</b>	<b>19,304</b>
Bank deposits pledged	(3,900)	(3,900)
<b>Cash and cash equivalents per consolidated statement of cash flows</b>	<b>15,611</b>	<b>15,404</b>

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





## NIPPECRAFT LIMITED

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

The condensed interim consolidated financial statements as at and for the six months ended 30 June 2024 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 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* 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 2023.

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.



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### **a. New and amended standards adopted by the Group.**

A number of amendments to SFRS(I) have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

### **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 2023.

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 and no assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

### **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.



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### 4. Reportable segments

<b>Group</b>	<b>Stationery</b>	<b>Trading</b>	<b>Unallocated</b>	<b>Total</b>
<b>1-Jan-24 to 30-Jun-24</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Segment revenue	6,491	42,777	-	49,268
Intra-Segment revenue	(3,339)	-	-	(3,339)
<b>External revenue</b>	<b>3,152</b>	<b>42,777</b>	<b>-</b>	<b>45,929</b>
<b>Segment loss</b>	<b>(1,636)</b>	<b>(2)</b>	<b>-</b>	<b>(1,638)</b>
Finance income				71
Finance expense				(36)
<b>Loss before tax</b>				<b>(1,603)</b>
Tax credit				-
<b>Consolidated loss for the financial period</b>				<b>(1,603)</b>
Segment assets	17,172	37,229	-	54,401
Segment liabilities	5,560	18,639	-	24,199
Other segment information:				
Capital expenditure	64	-	-	64
Depreciation of property, plant and equipment	304	22	-	326
Write-down of inventories	142	-	-	142
Allowance for expected credit losses	4	-	-	4
<b>Group</b>	<b>Stationery</b>	<b>Trading</b>	<b>Unallocated</b>	<b>Total</b>
<b>1-Jan-23 to 30-Jun-23</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Segment revenue	10,328	44,126	-	54,454
Intra-Segment revenue	(6,393)	-	-	(6,393)
<b>External revenue</b>	<b>3,935</b>	<b>44,126</b>	<b>-</b>	<b>48,061</b>
<b>Segment loss</b>	<b>(1,178)</b>	<b>(5)</b>	<b>1,129</b>	<b>(54)</b>
Finance income				28
Finance expense				(36)
<b>Loss before tax</b>				<b>(62)</b>
Tax credit				2
<b>Consolidated loss for the financial period</b>				<b>(60)</b>
Segment assets	20,630	30,334	-	50,964
Segment liabilities	6,530	14,021	-	20,551
Other segment information:				
Capital expenditure	59	-	-	59
Depreciation	278	21	-	299
Gain on disposal of asset held-for-sale	-	-	(1,129)	(1,129)
Write-down of inventories	118	-	-	118
Allowance for expected credit losses	4	-	-	4



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**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.

	<u>Group</u>	
	Half year ended	
	30-Jun-24	30-Jun-23
	US\$'000	US\$'000
Sale of goods		
- Stationery products	3,152	3,935
- Pulp and related trading products	42,777	44,126
	<u>45,929</u>	<u>48,061</u>

Geographical markets		
- Continental Europe	34,175	97
- Hong Kong	7,523	31,613
- United Kingdom	1,605	1,969
- Australia	1,283	1,536
- Singapore	1,200	251
- United States of America	67	37
- Indonesia	12	59
- Malaysia	-	12,301
- Others	64	198
	<u>45,929</u>	<u>48,061</u>

	<u>Group</u>	
	As at	
	30-Jun-24	31-Dec-23
	US\$'000	US\$'000
<b>Non-current assets</b>		
Singapore	2,877	3,019
United Kingdom	213	274
Australia	119	113
	<u>3,209</u>	<u>3,406</u>



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### 6. Other Income, net

	<u>Group</u>	
	Half year ended	
	30-Jun-24	30-Jun-23
	US\$'000	US\$'000
Other income		
Rental income from sublet of premise	302	211
Government grant income	10	8
Foreign exchange gain	-	13
Others	1	-
Gain on disposal of asset held-for-sale	-	1,129
	<u>313</u>	<u>1,361</u>
Other expenses		
Foreign exchange loss	(105)	-
Restructuring expenses	(140)	(71)
	<u>(245)</u>	<u>(71)</u>
<b>Other income, net</b>	<b><u>68</u></b>	<b><u>1,290</u></b>

### 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 2024 and 31 December 2023:

	<u>Group</u>		<u>Company</u>	
	As at		As at	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Financial assets</b>				
Financial assets at fair value through other comprehensive income (FVOCI)	-	-	-	-
Cash and bank balances and trade and other receivables (Amortised cost)	43,105	47,626	9,403	6,709
	<b><u>43,105</u></b>	<b><u>47,626</u></b>	<b><u>9,403</u></b>	<b><u>6,709</u></b>
<b>Financial liabilities</b>				
Trade and other payables and borrowings (Amortised cost)	24,154	24,243	5,072	2,315
	<b><u>24,154</u></b>	<b><u>24,243</u></b>	<b><u>5,072</u></b>	<b><u>2,315</u></b>



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### 8. Loss before tax

#### a) Significant items

	Group	
	Half year ended	
	30-Jun-24	30-Jun-23
	US\$'000	US\$'000
Depreciation of property, plant and equipment	326	299
Write-down of inventories	142	118
Loss on disposal of property, plant and equipment	-	9
Gain on disposal of Asset held-for-sale	-	(1,129)
Foreign exchange loss/ (gain), net	105	(13)
Restructuring expenses	140	71
Interest income	71	28
Interest expense	(36)	(36)
<b>Finance income/ (expense), net</b>	<b>35</b>	<b>(8)</b>

#### 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 expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	Half year ended	
	30-Jun-24	30-Jun-23
	US\$'000	US\$'000
Current income tax expense	-	-
Deferred income tax credit relating to origination and reversal of temporary differences	-	(2)



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### 10. Loss per share

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

	<u>Group</u>	
	Half year ended	
	30-Jun-24	30-Jun-23
Loss per share based on average number of shares (US cents)	<b>(0.456)</b>	<b>(0.017)</b>

  

	<u>Group</u>	
	As at	
	30-Jun-24	30-Jun-23
	('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 1H2024 (1H2023: nil) 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

	<u>Group</u>		<u>Company</u>	
	As at		As at	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
Net asset value per share (US cents)	<b>8.59</b>	<b>9.09</b>	<b>6.84</b>	<b>6.87</b>
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.



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### 14. Property, plant, and equipment

During the six months ended 30 June 2024, the Group acquired assets amounting to US\$64,000 (31 December 2023: US\$135,000) and disposed-off assets amounting to US\$nil (31 December 2023: US\$9,000).

### 15. Intangible assets

	<b>Group</b>	
	<b>As at</b>	
	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cost</b>		
As at 1 January 2024 and 1 January 2023	12,706	11,926
Currency translation differences	(183)	780
As at 30 June 2024 and 31 December 2023 respectively	<b>12,523</b>	<b>12,706</b>
<b>Accumulated amortisation and impairment losses</b>		
As at 1 January 2024 and 1 January 2023	12,706	11,926
Currency translation differences	(183)	780
As at 30 June 2024 and 31 December 2023 respectively	<b>12,523</b>	<b>12,706</b>
<b>Net carrying amount</b>		
As at 30 June 2024 and 31 December 2023 respectively	-	-

**Note:**

Intangible assets were trademarks acquired by a subsidiary, Collins Debden Limited in the United Kingdom in 1995 and had a deemed useful life of 20 years.

### 16. Investment properties

Not applicable.





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### 17. Share capital.

	Group and Company			
	30-Jun-24		31-Dec-23	
	Number of ordinary shares ( <b>'000</b> )	US\$ <b>'000</b>	Number of ordinary shares ( <b>'000</b> )	US\$ <b>'000</b>
<b>Issued and fully paid ordinary shares</b>				
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 2024 to 30 June 2024. There were no outstanding convertibles, treasury shares or subsidiary holdings as of 30 June 2024 and 30 June 2023.

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

### 18. Acquisition of subsidiary

Not applicable.

### 19. Subsequent events

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



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

**1. Review**

The condensed consolidated statements of financial position of Nippcraft Limited and its subsidiaries as at 30 June 2024 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**

	<b>Group</b>			
	<b>Half year ended</b>		<b>Variance</b>	
	<b>30-Jun-24</b>	<b>30-Jun-23</b>		
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	
Stationery business	3,152	3,935	(783)	-20%
Trading business	42,777	44,126	(1,349)	-3%
	<b>45,929</b>	<b>48,061</b>	<b>(2,132)</b>	<b>-4%</b>

The Group recorded revenue of US\$45.9 million for the half year ended 30 June 2024 (“1H2024”) as compared to US\$48.0 million in the previous corresponding half year ended 30 June 2023 (“1H2023”). The decrease in revenue of US\$2.1 million or 4% was attributed to the decrease in revenue of both the stationery business and trading business.

Stationery business revenue decreased by US\$0.8 million or 20% mainly due to a decrease in sales in the UK and Australia. The ongoing economic challenges in 1H2024 have prompted some customers to request for later delivery instead of the usual delivery in June.

Trading business revenue decreased by US\$1.3 million or 3% to US\$42.8 million mainly due to the decrease in sales to customers in Hong Kong and Malaysia as a result of strong market competition that was partially offset by the increase in sales to customers in Europe and Singapore.

**Gross profit**

	<b>Half year ended</b>		<b>Half year ended</b>		<b>Variance</b>
	<b>30-Jun-24</b>		<b>30-Jun-23</b>		
	<b>US\$'000</b>	<b>Margin</b>	<b>US\$'000</b>	<b>Margin</b>	
	<b>US\$'000</b>	<b>Margin</b>	<b>US\$'000</b>	<b>Margin</b>	<b>US\$'000</b>
Stationery business	1,621	51.5%	2,074	52.7%	(453)
Trading business	424	1.0%	458	1.0%	(34)
	<b>2,045</b>	<b>4.5%</b>	<b>2,532</b>	<b>5.3%</b>	<b>(487)</b>



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Gross profit for 1H2024 decreased by US\$0.5 million to US\$2.0 million as compared to 1H2023.

Overall gross profit margin for 1H2024 decreased by 0.8% to 4.5% due to a decrease in gross profit contributions by both the stationery and trading business. The gross profit margin for the stationery business decreased by 1.3% to 51.4% mainly driven by sales mix and an increase in write-down of inventories. The gross profit margin for trading business was flat at 1.0%.

In 1H2024, the trading business contributed to approximately 21% (1H2023: 18%) of the gross profit.

### Distribution and marketing and Administrative expenses

	Group			Variance
	Half year ended			
	30-Jun-24	30-Jun-23	US\$'000	
	US\$'000	US\$'000	US\$'000	
Distribution and marketing expenses	2,024	2,034	(10)	N.M.
Administrative expenses	1,723	1,838	(115)	-6%
<b>Total operating expenses</b>	<b>3,747</b>	<b>3,872</b>	<b>(125)</b>	<b>-3%</b>

Distribution and marketing expenses remained consistent at US\$2.0 million in 1H2024 and 1H2023. Administrative expenses incurred in 1H2024 decreased US\$0.1 million or 6% to US\$1.7 million. This was mainly due to the decrease in personnel expenses.

### Other income, net

Other income decreased by US\$1.2 million or 95% in 1H2024 as compared to 1H2023. The decrease was mainly attributable to the absence of a one-off gain on the disposal of asset held for sale relating to the disposal of 9 Fan Yoong Road, Singapore, which was completed on 8 March 2023 and an increase in foreign exchange losses and restructuring expenses. The decrease was partially cushioned by an increase in rental income.

### Finance income/(expense), net.

Finance income in 1H2024 as compared to finance expense in 1H2023 was mainly due to higher interest income received which was partially offset by the imputed interest expense on leases.

### Tax credit/(expense)

No tax provision was required in 1H2024 as tax losses incurred are transferable to taxable income within the Group of companies incorporated in Singapore.

### Net loss for the period

As a result of the above, the Group's net loss after tax increased by US\$1.5 million to US\$1.6 million in 1H2024 as compared with the same period last year.



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### **B) Condensed Statements of Financial Position**

#### **Group**

##### **Non-current assets**

Property, plant, and equipment decreased by US\$0.2 million due to the depreciation expenses incurred in 1H2024 partially offset by increase in capital expenditure.

##### **Current assets**

Inventories increased by US\$1.9 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\$4.0 million mainly due to the receipt of payment from the customers from both the Stationery and Trading Business segments as of 30 June 2024.

Cash and bank balances increased by US\$0.2 million to US\$19.5 million as of 30 June 2024.

##### **Non-current liabilities**

Long-term lease liabilities decreased by US\$0.2 million due to reclassification of lease liabilities to current liabilities.

##### **Current liabilities**

Current liabilities remained consistent at approximately US\$23.1 million as at 30 June 2024 and 31 December 2023.

##### **Equity**

Total equity decreased by US\$1.8 million from US\$32.0 million as at 31 December 2023 to US\$30.2 million as at 30 June 2024 mainly due to the increase in accumulated losses of US\$1.6 million.



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### **C) Condensed Consolidated Statement of Cash Flows**

The operating loss before working capital changes was US\$1.2 million. The operating activities' net cash inflows during 1H2024 were due to inflows of US\$3.7 million from trade and other receivables and US\$0.1 million in trade and other payables that were partially offset by outflows to purchase inventories of US\$2.1 million. As a result, net cash generated from operating activities in 1H2024 was US\$0.6 million.

Net cash generated from investing activities was mainly due to interest income received from deposits placed with banks that were partially offset against capital expenditure in 1H2024.

Net cash used in financing activities of US\$0.2 million was due to cash used to settle lease liabilities including interest in 1H2024.

As a result of the above and together with the negative effects of foreign exchange rate changes, cash and cash equivalents increased by US\$0.2 million in 1H2024 to US\$15.6 million as of 30 June 2024.

#### **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 1H2024.

#### **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 Group anticipates a highly competitive environment in both of its business segments in the coming operating period and the next twelve months. We face challenges such as geopolitical tensions, commercial conflicts and potential slowdown in demand. Strict monetary and fiscal policies in an uncertain interest rate environment persists to dampen consumer sentiments.

These uncertainties will continue to exert pressures on the costs of raw materials, labour, international shipping and local logistics, negating efforts to reduce operating expenses. Consequently, the outlook for both of our business segments remains uncertain.

Amidst the heightened global geopolitical and economic uncertainties, the Group will proceed with caution and prudence, while taking proactive steps to maintain strong capital management discipline. This includes preserving cash, optimising cashflows, and maintaining a solid liquidity position.



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**5. Dividend information**

**(a) Current Financial Period Reported On**

**Any dividend declared for the current financial period report on?**

No.

**(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 30 April 2024. No IPTs exceeding S\$100,000 were entered into for 1H2024 and 1H2023.

**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 2024 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**  
**8 August 2024**