



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.

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Nippecraft Limited
Condensed Interim Financial Statements
for the six months and full year ended
31 December 2024



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

	Group			Group			
	1-Jul-24 - 1-Jul-23 -		Change	Financial year ended		Change	
	31-Dec-24	31-Dec-23		31-Dec-24	31-Dec-23		
Note	US\$'000	US\$'000		US\$'000	US\$'000		
Revenue from contracts with customers	5	59,414	63,487	-6%	105,343	111,548	-6%
Cost of sales		(53,049)	(58,196)	-9%	(96,933)	(103,725)	-7%
Gross profit		6,365	5,291	20%	8,410	7,823	8%
Distribution and marketing expenses		(2,896)	(2,509)	15%	(4,920)	(4,543)	8%
Administrative expenses		(1,717)	(1,686)	2%	(3,440)	(3,524)	-2%
Allowance for expected credit losses		(3)	-	N.M.	(7)	(4)	75%
Other income, net	6	214	288	-26%	282	1,578	-82%
Finance income, net		109	48	>100%	144	40	>100%
Profit for the period/ year	8	2,072	1,432	45%	469	1,370	-66%
Tax credit/ (expense)	9	16	(28)	N.M.	16	(26)	N.M.
Profit for the period/ year		2,088	1,404	49%	485	1,344	-64%
Other comprehensive income:							
<u>Items that may be reclassified subsequently to profit or loss</u>							
- Foreign currency translation differences for foreign operations		(173)	135	N.M.	(320)	465	N.M.
Other comprehensive (loss)/ income for the period/ year, net of tax		(173)	135	N.M.	(320)	465	N.M.
Total comprehensive income for the period/ year		1,915	1,539	24%	165	1,809	-91%
Earnings per share (US cents)							
- Basic & Diluted		0.594	0.400		0.138	0.382	

Note: N.M. – Not meaningful



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B. Condensed Statements of Financial Position

	Note	Group		Company	
		As at	As at	As at	As at
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
		US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	3,039	3,385	2,837	2,951
Subsidiaries		-	-	16,512	16,512
Deferred tax assets		21	21	20	19
		3,060	3,406	19,369	19,482
Current assets					
Inventories		3,113	2,894	245	149
Trade and other receivables		32,772	30,649	4,048	4,870
Prepayments		212	146	90	32
Cash and bank balances		17,626	19,326	2,585	1,955
		53,723	53,015	6,968	7,006
TOTAL ASSETS		56,783	56,421	26,337	26,488
LIABILITIES					
Current liabilities					
Trade and other payables		23,380	22,726	1,162	886
Lease liabilities		444	479	355	347
Income tax payable		3	31	-	-
		23,827	23,236	1,517	1,233
Non-current liabilities					
Lease liabilities		831	1,224	831	1,097
Provision for Long Service Leave		8	9	-	-
		839	1,233	831	1,097
TOTAL LIABILITIES		24,666	24,469	2,348	2,330
NET ASSETS		32,117	31,952	23,989	24,158
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		(33)	287	-	-
Accumulated losses		(5,163)	(5,648)	(13,324)	(13,155)
TOTAL EQUITY		32,117	31,952	23,989	24,158



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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 01.01.2024	36,817	496	287	(5,648)	31,952
Profit for the year	-	-	-	485	485
Other comprehensive income for the year, net of tax					
- Currency translation differences	-	-	(320)	-	(320)
Total comprehensive income for the year	-	-	(320)	485	165
Balance as at 31.12.2024	36,817	496	(33)	(5,163)	32,117
Balance as at 01.01.2023	36,817	748	(178)	(7,244)	30,143
Transfer upon disposal of asset held-for-sale	-	(252)	-	252	-
Profit for the year	-	-	-	1,344	1,344
Other comprehensive income for the year, net of tax					
- Currency translation differences	-	-	465	-	465
Total comprehensive income for the year	-	-	465	1,344	1,809
Balance as at 31.12.2023	36,817	496	287	(5,648)	31,952



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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
Balance as at 01.01.2024	36,817	496	(13,155)	24,158
Loss for the year	-	-	(169)	(169)
Total comprehensive loss for the year	-	-	(169)	(169)
Balance as at 31.12.2024	36,817	496	(13,324)	23,989
Balance as at 01.01.2023	36,817	748	(14,930)	22,635
Transfer upon disposal of asset held-for-sale	-	(252)	252	-
Profit for the year	-	-	1,523	1,523
Total comprehensive income for the year	-	-	1,523	1,523
Balance as at 31.12.2023	36,817	496	(13,155)	24,158



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D. Condensed Consolidated Statement of Cash Flows

		Group	
		Financial year ended	
		31-Dec-24	31-Dec-23
		US\$'000	US\$'000
	Note		
Cash flows from operating activities			
Profit before tax		469	1,370
Adjustments:			
Depreciation of property, plant and equipment	8	645	616
Loss on disposal of property, plant and equipment		-	9
Gain on disposal of asset held-for-sale	8	-	(1,129)
Bad debts written off		3	-
Allowance for expected credit losses		7	4
Interest income	8	(211)	(112)
Interest expense	8	67	72
Write-down of inventories	8	586	686
Operating profit before working capital changes		1,566	1,516
Inventories		(945)	(1,087)
Trade and other receivables		(2,596)	9,777
Trade and other payables		1,163	(9,589)
Cash (used in)/ generated from operations		(812)	617
Income tax paid, net	9	(12)	-
Net cash (used in)/ from operating activities		(824)	617
Cash flows from investing activities			
Acquisition of property, plant and equipment	A, 14	(245)	(135)
Interest received		211	112
Proceeds from disposal of property, plant and equipment		1	-
Proceeds from sale of asset held-for-sale		-	2,145
Net cash (used in)/ from investing activities		(33)	2,122
Cash flows from financing activities			
Payment of principal portion of lease liabilities		(445)	(613)
Interest paid on lease liabilities		(67)	(72)
Net cash used in financing activities		(512)	(685)
Net (decrease)/ increase in cash and cash equivalents		(1,369)	2,054
Cash and cash equivalents as at beginning of year		15,426	13,043
Effects of exchange rate changes on cash and cash equivalents		(331)	329
Cash and cash equivalents, representing cash at bank balances at end of year	B	13,726	15,426



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D. Consolidated Statement of Cash Flows (Continued)

<u>Group</u>	
<u>Financial year ended</u>	
<u>31-Dec-24</u>	<u>31-Dec-23</u>

Note to Condensed Consolidated Statement of Cash Flows:

Note A:

Addition of property, plant and equipment	343	804
Less: Addition of right-of-use assets	(98)	(669)
Acquisition of property, plant and equipment	<u>245</u>	<u>135</u>

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	13,542	10,299
Fixed deposits	4,084	9,027
Cash and bank balances as per statements of financial position	<u>17,626</u>	<u>19,326</u>
Bank deposits pledged	(3,900)	(3,900)
Cash and cash equivalents per consolidated statement of cash flows	<u>13,726</u>	<u>15,426</u>



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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 and the financial year ended 31 December 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 and the financial year ended 31 December 2024 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 interim financial statements for the period ended 30 June 2024.

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)s 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

Group	Stationery	Trading	Unallocated	Total
From 1 July 2024 to 31 December 2024	US\$'000	US\$'000	US\$'000	US\$'000
Segment revenue	14,616	48,233	-	62,849
Intra-Segment revenue	(3,435)	-	-	(3,435)
External revenue	11,181	48,233	-	59,414
Segment profit	1,903	60	-	1,963
Finance income				140
Finance expense				(31)
Profit before tax				2,072
Tax credit				16
Consolidated profit for the financial period				2,088
Segment assets	21,224	35,559	-	56,783
Segment liabilities	5,114	19,552	-	24,666
Other segment information:				
Capital expenditure	181	-	-	181
Depreciation of property, plant and equipment	297	22	-	319
Write-down of inventories	444	-	-	444
Allowance for expected credit losses	3	-	-	3
Group	Stationery	Trading	Unallocated	Total
From 1 July 2023 to 31 December 2023	US\$'000	US\$'000	US\$'000	US\$'000
Segment revenue	12,928	52,672	-	65,600
Intra-Segment revenue	(2,113)	-	-	(2,113)
External revenue	10,815	52,672	-	63,487
Segment profit	1,319	65	-	1,384
Finance income				84
Finance expense				(36)
Profit before tax				1,432
Tax expense				(28)
Consolidated profit for the financial period				1,404
Segment assets	21,380	35,041	-	56,421
Segment liabilities	5,129	19,340	-	24,469
Other segment information:				
Capital expenditure	76	-	-	76
Depreciation of property, plant and equipment	293	24	-	317
Write-down of inventories	568	-	-	568



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Group	Stationery	Trading	Unallocated	Total
From 1 January 2024 to 31 December 2024	US\$'000	US\$'000	US\$'000	US\$'000
Segment revenue	21,107	91,010	-	112,117
Intra-Segment revenue	(6,774)	-	-	(6,774)
External revenue	14,333	91,010	-	105,343
Segment profit	268	57	-	325
Finance income				211
Finance expense				(67)
Profit before tax				469
Tax credit				16
Consolidated profit for the financial year				485
Segment assets	21,224	35,559	-	56,783
Segment liabilities	5,114	19,552	-	24,666
Other segment information:				
Capital expenditure	245	-	-	245
Depreciation of property, plant and equipment	601	44	-	645
Restructuring expenses	140	-	-	140
Write-down of inventories	586	-	-	586
Allowance for expected credit losses	7	-	-	7
Group	Stationery	Trading	Unallocated	Total
From 1 January 2023 to 31 December 2023	US\$'000	US\$'000	US\$'000	US\$'000
Segment revenue	23,256	96,798	-	120,054
Intra-Segment revenue	(8,506)	-	-	(8,506)
External revenue	14,750	96,798	-	111,548
Segment profit	141	60	1,129	1,330
Finance income				112
Finance expense				(72)
Profit before tax				1,370
Tax expense				(26)
Consolidated profit for the financial year				1,344
Segment assets	21,380	35,041	-	56,421
Segment liabilities	5,129	19,340	-	24,469
Other segment information:				
Capital expenditure	135	-	-	135
Depreciation of property, plant and equipment	571	45	-	616
Gain on disposal of asset held-for-sale	-	-	(1,129)	(1,129)
Restructuring expenses	71	-	-	71
Write-down of inventories	686	-	-	686
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>		<u>Group</u>	
	1-Jul-24 - 31-Dec-24	1-Jul-23 - 31-Dec-23	12 months ended	
	US\$'000	US\$'000	31-Dec-24	31-Dec-23
			US\$'000	US\$'000
Sale of goods				
- Stationery products	11,181	10,815	14,333	14,750
- Pulp and related trading products	48,233	52,672	91,010	96,798
	<u>59,414</u>	<u>63,487</u>	<u>105,343</u>	<u>111,548</u>

	<u>Group</u>		<u>Group</u>	
	1-Jul-24 - 31-Dec-24	1-Jul-23 - 31-Dec-23	12 months ended	
	US\$'000	US\$'000	31-Dec-24	31-Dec-23
			US\$'000	US\$'000
Geographical markets				
- Continental Europe	37,729	16,070	71,904	16,167
- Hong Kong	8,537	31,732	16,060	63,345
- Australia	5,877	5,653	7,160	7,189
- United Kingdom	4,857	4,798	6,462	6,767
- Singapore	2,008	31	3,208	282
- Malaysia	1	4,880	1	17,181
- United States of America	39	54	106	91
- Others	366	269	442	526
	<u>59,414</u>	<u>63,487</u>	<u>105,343</u>	<u>111,548</u>

	<u>Group</u>	
	As at	
	31-Dec-24	31-Dec-23
	US\$'000	US\$'000
Non-current assets		
Singapore	2,861	3,019
United Kingdom	156	274
Australia	43	113
	<u>3,060</u>	<u>3,406</u>



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A breakdown of sales:

	Group		
	Financial year ended		Change
	31-Dec-24	31-Dec-23	
	US\$'000	US\$'000	
Sales reported:			
(a) First half of the financial year	45,929	48,061	-4%
(b) Second half of the financial year	59,414	63,487	-6%
	105,343	111,548	-6%
Profit/ (loss) attributable to owners of the Company			
(a) First half of the financial year	(1,603)	(60)	>100%
(b) Second half of the financial year	2,088	1,404	49%
	485	1,344	-64%

6. Other Income, net

	Group		Group	
	1-Jul-24 -	1-Jul-23 -	Financial year ended	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	US\$'000	US\$'000	US\$'000	US\$'000
Other income				
Rental income from sublet of premise	288	236	590	447
Government grant income	2	1	12	9
Foreign exchange gain	-	49	-	62
Gain on disposal of asset held-for-sale	-	-	-	1,129
Others	65	2	66	2
	355	288	668	1,649
Other expenses				
Foreign exchange loss	(141)	-	(246)	-
Restructuring expenses	-	-	(140)	(71)
	(141)	-	(386)	(71)
Other income, net	214	288	282	1,578



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7. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2024 and 31 December 2023:

	Group		Company	
	As at		As at	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	US\$'000	US\$'000	US\$'000	US\$'000
Financial assets				
Cash and bank balances and trade and other receivables (Amortised cost)	47,204	47,626	6,616	6,709
Financial liabilities				
Trade and other payables and borrowings (Amortised cost)	24,397	24,243	2,331	2,315

8. Profit before tax

a) Significant items

	Group		Group	
	1-Jul-24 -	1-Jul-23 -	12 months ended	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	US\$'000	US\$'000	US\$'000	US\$'000
Depreciation of property, plant and equipment	319	317	645	616
Write-down of inventories	444	568	586	686
Loss on disposal of property, plant and equipment	-	-	-	9
Gain on disposal of asset held-for-sale	-	-	-	(1,129)
Foreign exchange loss/ (gain), net	141	(49)	246	(62)
Restructuring expenses	-	-	140	71
Interest income	140	84	211	112
Interest expense	(31)	(36)	(67)	(72)
Finance income, net	109	48	144	40



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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			
	1-Jul-24 -	1-Jul-23 -	12 months ended	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	US\$'000	US\$'000	US\$'000	US\$'000
Current income tax (credit)/ expense	(16)	31	(16)	31
Deferred income tax credit relating to origination and reversal of temporary differences	-	(3)	-	(5)

10. Earnings per share

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

	Group			
	1-Jul-24 -	1-Jul-23 -	12 months ended	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Earnings per share based on average number of shares (US cents)	0.594	0.400	0.138	0.382

	Group	
	As at	
	31-Dec-24	31-Dec-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 during the period reported on.



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11. Dividends

The directors did not propose a final dividend for FY2024 (FY2023: 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	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Net asset value per share (US cents)	<u>9.14</u>	<u>9.09</u>	<u>6.83</u>	<u>6.87</u>
Number of issued shares less treasury shares ('000)	<u>351,398</u>	<u>351,398</u>	<u>351,398</u>	<u>351,398</u>

13. Financial assets at fair value through other comprehensive income

Not applicable.

14. Property, plant and equipment

During the 12 months ended 31 December 2024, the Group acquired assets amounting to US\$245,000 (31 December 2023: US\$135,000) and disposed assets amounting to US\$1,000 (31 December 2023: US\$9,000).



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15. Investment properties

Not applicable.

16. Share capital

	Group and Company			
	31-Dec-24		31-Dec-23	
	Number of ordinary shares (‘000)	US\$‘000	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 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 July 2024 to 31 December 2024. There were no outstanding convertibles, treasury shares and subsidiary holdings as at 31 December 2024 and 31 December 2023.

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. Subsequent events

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



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

1. Review

The condensed consolidated statements of financial position of Nippecraft Limited and its subsidiaries as at 31 December 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 and financial year 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			
	Financial year ended			
	31-Dec-24	31-Dec-23	Change	
	US\$'000	US\$'000	US\$'000	
Stationery business	14,333	14,750	(417)	-3%
Trading business	91,010	96,798	(5,788)	-6%
	105,343	111,548	(6,205)	-6%

The Group recorded revenue of US\$105.3 million for the financial year ended 31 December 2024 (“FY2024”) as compared to US\$111.5 million in the previous corresponding financial year ended 31 December 2023 (“FY2023”). The decrease in revenue of US\$6.2 million or 6.0% was attributed to the decrease in revenue of both the stationery business and trading business.

Stationery business revenue decreased by US\$0.4 million or 3.0% mainly due to a decrease in sales in the UK and Australia due to current economic challenges.

Trading business revenue decreased by US\$5.8 million or 6.0% primarily due to the availability of supplier's shipment, which has impacted revenue recognition and 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

	Financial year ended		Financial year ended		Change
	31-Dec-24		31-Dec-23		
	US\$'000	Margin	US\$'000	Margin	
Stationery business	7,509	52.4%	6,843	46.4%	666
Trading business	901	1.0%	980	1.0%	(79)
	8,410	8.0%	7,823	7.0%	587

Gross profit for FY2024 increased by US\$0.6 million to US\$8.4 million as compared to FY2023.



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Overall gross profit margin for FY2024 increased from 7.0% to 8.0% due to an increase in gross profit contribution by the stationery business. The gross profit margin for the stationery business increased from 46.4% to 52.4% mainly driven by favourable sales mix and a decrease in write-down of inventories. The gross profit margin for trading business was flat at 1.0%.

In FY2024, the trading business contributed to approximately 10.7% (FY2023: 12.5%) of the gross profit.

Distribution and marketing and Administrative expenses

	Group			
	Financial year ended			
	31-Dec-24	31-Dec-23	Change	
	US\$'000	US\$'000	US\$'000	
Distribution and marketing expenses	4,920	4,543	377	8%
Administrative expenses	3,440	3,524	(84)	-2%
Total operating expenses	8,360	8,067	293	4%

Distribution and marketing expenses incurred in FY2024 increased by US\$0.4 million or 8% as compared to FY2023. This was mainly due to the increase in freight and storage expenses which was partially offset by the decrease in advertising expenses in FY2024.

Administrative expenses incurred in FY2024 decreased by US\$0.1 million or 2% as compared to FY2023 mainly due to the decrease in personnel expenses.

Other income, net

Other income decreased by US\$1.3 million or 82.1% in FY2024 as compared to FY2023. 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, net

Finance income increased by US\$0.1 million in FY2024 as compared to FY2023 mainly due to higher interest income received which was partially offset by the imputed interest expense on leases.

Tax credit / (expense)

A tax credit of US\$16,000 was recorded in FY2024 as compared to tax expenses of US\$26,000 recorded in FY2023, mainly due to overprovision of prior year tax.

Net profit for the year

As a result of the above, the Group's net profit after tax decreased by US\$0.8 million to US\$0.5 million in FY2024 as compared to US\$1.3 million in FY2023.



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B) Condensed Statements of Financial Position

Group

Non-current assets

Property, plant and equipment decreased by US\$0.3 million due to the depreciation expenses incurred in FY2024 partially offset by increase in capital expenditure.

Current assets

Inventories increased by US\$0.2 million to US\$3.1 million mainly due to anticipation of sales in the first half of FY2025.

Trade and other receivables increased by US\$2.1 million mainly due to higher December sales attributed to the Trading Business.

Cash and bank balances decreased by US\$1.7 million to US\$17.6 million as of 31 December 2024.

Non-current liabilities

Long-term lease liabilities decreased by US\$0.4 million due to reclassification of lease liabilities to current liabilities.

Current liabilities

Trade and other payables increased by US\$0.7 million mainly due to increase in payables to the Trading Business suppliers.

Current lease liabilities decreased US\$0.04 million due to contractual payments made in FY2024 partially offset by a new lease committed in FY2024 and the reclassification mentioned above.

Equity

Total equity increased by US\$0.1 million from US\$32.0 million as at 31 December 2023 to US\$32.1 million as at 31 December 2024 mainly due to the decrease in accumulated losses of US\$0.5 million, which is partially offset by the decrease in foreign currency translation reserve.



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C) Condensed Consolidated Statement of Cash Flows

Net cash used in operating activities in FY2024 amounted to US\$0.8 million. The net cash outflows from operating activities during FY2024 were due to increase in inventories of US\$0.9 million and increase in trade and other receivables of US\$2.6 million partially offset by operating profit before changes in working capital contributing US\$1.5 million and increase of trade and other payables of US\$1.2 million.

Net cash used in investing activities of US\$0.03 million was mainly due to capital expenditure that were partially offset against interest income received from deposits placed with banks in FY2024.

Net cash used in financing activities of US\$0.6 million was due to cash used to settle lease liabilities including interest in FY2024.

As a result of the above and together with the negative effects of foreign exchange rate changes, cash and cash equivalents decreased by US\$1.4 million in FY2024 to US\$13.7 million as of 31 December 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 FY2024.

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 persist to dampen consumer sentiments.

These uncertainties will continue to exert pressure 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 FY2023. The IPTs for FY2024 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)	
		Financial year ended 31-Dec-24 US\$'000	31-Dec-23 US\$'000	31-Dec-24 US\$'000	31-Dec-23 US\$'000
Purchases PT Pabrik Kertas Tjiwi Kimia Tbk	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. PT Pabrik Kertas Tjiwi Kimia Tbk and Gold East Trading Hong Kong Co., Ltd are associated companies of APP Group.	-	-	186	-
Gold East Trading Hong Kong Co. Ltd		-	-	1,557	-
Total IPTs		-	-	1,743	-



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7. 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) of the Catalist Rules

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.

8. Review of performance of the group

Please refer to paragraph F2.

9. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

10. Disclosures on acquisition or sale of shares pursuant to Rule 706A of the Catalist Rules

Not applicable.

11. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Catalist Rules, Nippecraft Limited confirms that there are no persons occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Raja Hayat
Executive Director and
Chief Executive Officer
25 February 2025