



**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 and full year ended**  
**31 December 2021**



**NIPPECRAFT LIMITED**

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

	Note	Group			Group		
		6 months ended		Change	Financial year ended		Change
		31-Dec-21	31-Dec-20		31-Dec-21	31-Dec-20	
		US\$'000	US\$'000		US\$'000	US\$'000	
<b>Revenue from contracts with customers</b>	5	<b>80,531</b>	<b>76,880</b>	<b>5%</b>	<b>140,143</b>	<b>143,048</b>	<b>-2%</b>
Cost of sales		(74,786)	(71,980)	4%	(131,885)	(135,144)	-2%
<b>Gross profit</b>		<b>5,745</b>	<b>4,900</b>	<b>17%</b>	<b>8,258</b>	<b>7,904</b>	<b>4%</b>
Distribution and marketing expenses		(2,643)	(2,782)	-5%	(4,712)	(4,676)	1%
Administrative expenses (Reversal of) impairment loss on financial assets		(1,810)	(1,745)	4%	(3,567)	(3,740)	-5%
Other income, net	6	18	(146)	N.M.	15	(146)	N.M.
Finance expense, net		306	829	-63%	728	1,200	-39%
Tax credit/ (expense)	9	(128)	(148)	-14%	(422)	(317)	33%
<b>Profit before tax</b>	8	<b>1,488</b>	<b>908</b>	<b>64%</b>	<b>300</b>	<b>225</b>	<b>33%</b>
<b>Net profit for the period/ year</b>		<b>33</b>	<b>(27)</b>	<b>N.M.</b>	<b>24</b>	<b>(166)</b>	<b>N.M.</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		(280)	502	N.M.	(163)	471	N.M.
<b>Other comprehensive (loss)/ income for the period/ year, net of tax</b>		<b>(280)</b>	<b>502</b>	<b>N.M.</b>	<b>(163)</b>	<b>471</b>	<b>N.M.</b>
<b>Total comprehensive income for the period/ year</b>		<b>1,241</b>	<b>1,383</b>	<b>-10%</b>	<b>161</b>	<b>530</b>	<b>-70%</b>
<b>Earnings per share (US cents)</b>							
- Basic & Diluted		<b>0.433</b>	<b>0.251</b>		<b>0.092</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	As at	As at	As at
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
		US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	14	3,478	4,618	3,042	4,279
Intangible assets	15	-	-	-	-
Subsidiaries		-	-	16,512	16,512
Deferred tax assets		-	-	-	-
		<b>3,478</b>	<b>4,618</b>	<b>19,554</b>	<b>20,791</b>
<b>Current assets</b>					
Inventories		2,242	2,707	231	335
Trade and other receivables		33,441	31,699	2,879	2,807
Prepayments		263	421	120	110
Cash and bank balances		22,958	18,242	1,454	1,324
Asset held-for-sale	14	1,016	-	1,016	-
		<b>59,920</b>	<b>53,069</b>	<b>5,700</b>	<b>4,576</b>
<b>TOTAL ASSETS</b>		<b>63,398</b>	<b>57,687</b>	<b>25,254</b>	<b>25,367</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		30,572	24,827	1,252	1,069
Lease liabilities		338	275	195	110
Income tax payable		-	202	-	-
		<b>30,910</b>	<b>25,304</b>	<b>1,447</b>	<b>1,179</b>
<b>Non-current liabilities</b>					
Lease liabilities		1,478	1,534	1,395	1,491
		<b>1,478</b>	<b>1,534</b>	<b>1,395</b>	<b>1,491</b>
<b>TOTAL LIABILITIES</b>		<b>32,388</b>	<b>26,838</b>	<b>2,842</b>	<b>2,670</b>
<b>NET ASSETS</b>		<b>31,010</b>	<b>30,849</b>	<b>22,412</b>	<b>22,697</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	18	36,817	36,817	36,817	36,817
Reserves		1,441	1,604	748	748
Accumulated losses		(7,248)	(7,572)	(15,153)	(14,868)
<b>TOTAL EQUITY</b>		<b>31,010</b>	<b>30,849</b>	<b>22,412</b>	<b>22,697</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 01.01.2021</b>	<b>36,817</b>	<b>748</b>	<b>856</b>	<b>(7,572)</b>	<b>30,849</b>
Profit for the year	-	-	-	324	<b>324</b>
<b>Other comprehensive income for the year, net of tax</b>					
- Currency translation differences	-	-	(163)	-	<b>(163)</b>
<b>Total comprehensive (loss)/ income for the year</b>	<b>-</b>	<b>-</b>	<b>(163)</b>	<b>324</b>	<b>161</b>
<b>Balance as at 31.12.2021</b>	<b>36,817</b>	<b>748</b>	<b>693</b>	<b>(7,248)</b>	<b>31,010</b>
<b>Balance as at 01.01.2020</b>	<b>36,817</b>	<b>748</b>	<b>385</b>	<b>(7,631)</b>	<b>30,319</b>
Profit for the year	-	-	-	59	<b>59</b>
<b>Other comprehensive loss for the year, net of tax</b>					
- Currency translation differences	-	-	471	-	<b>471</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>471</b>	<b>59</b>	<b>530</b>
<b>Balance as at 31.12.2020</b>	<b>36,817</b>	<b>748</b>	<b>856</b>	<b>(7,572)</b>	<b>30,849</b>

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**C. Condensed Statements of Changes in Equity (Continued)**

Company	Share	Asset	Accumulated	Total
	capital	revaluation	losses	equity
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance as at 01.01.2021</b>	<b>36,817</b>	<b>748</b>	<b>(14,868)</b>	<b>22,697</b>
Loss for the year	-	-	(285)	(285)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(285)</b>	<b>(285)</b>
<b>Balance as at 31.12.2021</b>	<b>36,817</b>	<b>748</b>	<b>(15,153)</b>	<b>22,412</b>
<b>Balance as at 01.01.2020</b>	<b>36,817</b>	<b>748</b>	<b>(14,958)</b>	<b>22,607</b>
Profit for the year	-	-	90	90
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>90</b>	<b>90</b>
<b>Balance as at 31.12.2020</b>	<b>36,817</b>	<b>748</b>	<b>(14,868)</b>	<b>22,697</b>



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

	Note	Group	
		Financial year ended	
		31-Dec-21 US\$'000	31-Dec-20 US\$'000
<b>Cash flows from operating activities</b>			
<b>Profit before tax</b>		<b>300</b>	<b>225</b>
<b>Adjustments:</b>			
Depreciation of property, plant and equipment	8	679	645
Property, plant and equipment written off		2	3
Impairment on financial assets		(15)	146
Interest income	8	(36)	(127)
Interest expense	8	458	444
Write-down of inventories		591	480
<b>Operating profit before working capital changes</b>		<b>1,979</b>	<b>1,816</b>
<b>Movement in working capital:</b>			
Inventories		(186)	495
Trade and other receivables		(1,748)	(6,939)
Trade and other payables		5,937	9,303
Deposit pledged		-	(1,400)
<b>Cash generated from operations</b>		<b>5,982</b>	<b>3,275</b>
Income tax paid, net	9	(181)	(65)
<b>Net cash from operating activities</b>		<b>5,801</b>	<b>3,210</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	A, 14	(180)	(163)
Interest received		36	127
<b>Net cash used in investing activities</b>		<b>(144)</b>	<b>(36)</b>
<b>Cash flows from financing activities</b>			
Interest paid for trade financing		(380)	(360)
Payment of lease liabilities including interest		(405)	(349)
<b>Net cash used in financing activities</b>		<b>(785)</b>	<b>(709)</b>
<b>Net increase in cash and cash equivalents</b>		<b>4,872</b>	<b>2,465</b>
Cash and cash equivalents as at beginning of the period		14,742	11,972
Effects of exchange rate changes on cash and cash equivalents		(156)	305
<b>Cash and cash equivalents as at end of the year</b>	B	<b>19,458</b>	<b>14,742</b>



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

<u>Group</u>	
Financial year ended	
31-Dec-21	31-Dec-20

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

**Note A:**

Addition of property, plant and equipment	556	176
Less: Addition of right-of-use assets	(376)	(13)
Acquisition of property, plant and equipment	<u>180</u>	<u>163</u>

**Note B:**

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

Cash at bank and in hand	19,388	14,672
Short-term bank deposits	3,570	3,570
<b>Cash and bank balances</b>	<u><b>22,958</b></u>	<u><b>18,242</b></u>
Bank balances and deposits pledged	(3,500)	(3,500)
<b>Cash and cash equivalents per consolidated statement of cash flows</b>	<u><b>19,458</b></u>	<u><b>14,742</b></u>





## **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 9 Fan Yoong Road, Singapore 629787.

APP Printing (Holding) Pte Ltd (“**APP Printing**”), a company incorporated in Singapore, holds 49% (2020: 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 89.9% (2020: 89.9%) 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 63.32% (2020: 63.32%) 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 2021 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 2021 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 interim financial statements for the period ended 30 June 2021.

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 Standards 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 2020.

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.



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### **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 Group interim 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>Total</b>
<b>1-Jul-21 to 31-Dec-21</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Segment revenue	14,434	68,779	83,213
Intra-Segment revenue	(2,686)	4	(2,682)
External revenue	11,748	68,783	80,531
Segment profit	1,272	344	1,616
Finance income			34
Finance expense			(162)
Profit before tax			1,488
Tax credit			33
Consolidated profit for the financial period			1,521
Segment assets	21,739	41,659	63,398
Segment liabilities	6,014	26,374	32,388
Other segment information:			
Capital expenditure	58	7	65
Depreciation	349	1	350
Write-down of inventories	578	-	578
(Reversal of)/ impairment loss on financial assets	(18)	-	(18)
<b>Group</b>	<b>Stationery</b>	<b>Trading</b>	<b>Total</b>
<b>1-Jul-20 to 31-Dec-20</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Segment revenue	14,046	65,770	79,816
Intra-Segment revenue	(2,899)	(37)	(2,936)
External revenue	11,147	65,733	76,880
Segment profit	56	1,000	1,056
Finance income			110
Finance expense			(258)
Profit before tax			908
Tax expense			(27)
Consolidated profit for the financial period			881
Segment assets	21,629	36,058	57,687
Segment liabilities	5,307	21,531	26,838
Other segment information:			
Capital expenditure	35	-	35
Depreciation	326	-	326
Write-down of inventories	291	-	291
Impairment loss on financial assets	146	-	146



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<b>Group</b>	<b>Stationery</b>	<b>Trading</b>	<b>Total</b>
<b>From 1 January 2021 to 31 December 2021</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Segment revenue	23,432	124,122	147,554
Intra-Segment revenue	(7,411)	-	(7,411)
External revenue	16,021	124,122	140,143
Segment profit	78	644	722
Finance income			36
Finance expense			(458)
Profit before tax			300
Tax credit			24
Consolidated profit for the financial year			324
Segment assets	21,739	41,659	63,398
Segment liabilities	6,014	26,374	32,388
Other segment information:			
Capital expenditure	173	7	180
Depreciation	677	2	679
Write-down of inventories	591	-	591
(Reversal)/ impairment loss on financial assets	(15)	-	(15)
<b>Group</b>	<b>Stationery</b>	<b>Trading</b>	<b>Total</b>
<b>From 1 January 2020 to 31 December 2020</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Segment revenue	22,336	128,348	150,684
Intra-Segment revenue	(7,596)	(40)	(7,636)
External revenue	14,740	128,308	143,048
Segment profit	(1,403)	1,945	542
Finance income			127
Finance expense			(444)
Profit before tax			225
Tax expense			(166)
Consolidated profit for the financial year			59
Segment assets	21,629	36,058	57,687
Segment liabilities	5,307	21,531	26,838
Other segment information:			
Capital expenditure	163	-	163
Depreciation	645	-	645
Write-down of inventories	480	-	480
Impairment loss on financial assets	146	-	146



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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>	
	6 months ended		12 months ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	US\$'000	US\$'000	US\$'000	US\$'000
Sale of goods				
- Stationery products	11,748	11,147	16,021	14,740
- Pulp and related trading products	68,783	65,733	124,122	128,308
	<u>80,531</u>	<u>76,880</u>	<u>140,143</u>	<u>143,048</u>

	<u>Group</u>		<u>Group</u>	
	6 months ended		12 months ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	US\$'000	US\$'000	US\$'000	US\$'000
Geographical markets				
- Hong Kong	26,848	10,766	53,811	30,015
- Indonesia	23,874	32,137	42,600	65,509
- Malaysia	9,348	22,595	19,005	32,567
- Singapore	8,772	380	8,809	383
- Australia	6,171	5,784	7,982	7,271
- United Kingdom	5,147	4,977	7,308	6,893
- Continental Europe	9	49	133	169
- United States of America	43	42	43	42
- Others	319	150	452	199
	<u>80,531</u>	<u>76,880</u>	<u>140,143</u>	<u>143,048</u>

	<u>Group</u>	
	As at	
	31-Dec-21	31-Dec-20
	US\$'000	US\$'000
<b>Non-current assets</b>		
Singapore	3,047	4,278
United Kingdom	306	208
Australia	125	132
	<u>3,478</u>	<u>4,618</u>



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A breakdown of sales:

	<b>Group</b>		<b>Change</b>
	<b>Financial year ended</b>		
	<b>31-Dec-21</b>	<b>31-Dec-20</b>	
	<b>US\$'000</b>	<b>US\$'000</b>	
Sales reported:			
(a) First half of the financial year	59,612	66,168	-10%
(b) Second half of the financial year	80,531	76,880	5%
	<b>140,143</b>	<b>143,048</b>	<b>-2%</b>
Profit/ (loss) attributable to owners of the Company			
(a) First half of the financial year	(1,197)	(822)	46%
(b) Second half of the financial year	1,521	881	73%
	<b>324</b>	<b>59</b>	<b>&gt;100%</b>

**6. Other Income, net**

	<b>Note</b>	<b>Group</b>		<b>Group</b>	
		<b>6 months ended</b>		<b>Financial year ended</b>	
		<b>31-Dec-21</b>	<b>31-Dec-20</b>	<b>31-Dec-21</b>	<b>31-Dec-20</b>
		<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Other income					
Rental income		292	163	578	405
Government grant income	(i)	128	331	285	553
Rental rebate	(ii)	-	64	-	64
Foreign exchange gain		-	235	-	142
Others		17	36	17	36
		<b>437</b>	<b>829</b>	<b>880</b>	<b>1,200</b>
Other expenses					
Foreign exchange loss		131	-	120	-
Restructuring expenses		-	-	32	-
		<b>131</b>	<b>-</b>	<b>152</b>	<b>-</b>
<b>Other income, net</b>		<b>306</b>	<b>829</b>	<b>728</b>	<b>1,200</b>

**Note**

- (i) Government grant income is related to Job Support Scheme introduced by government of Singapore and similar schemes granted by Australia and United Kingdom which represents cash grants for employers.
- (ii) Rental rebate is granted by lessor from property tax rebate by Singapore government.



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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 2021 and 31 December 2020:

	Group		Company	
	As at		As at	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	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)	56,301	49,835	4,280	4,080
	<b>56,301</b>	<b>49,835</b>	<b>4,280</b>	<b>4,080</b>
<b>Financial liabilities</b>				
Trade and other payables and borrowings (Amortised cost)	<b>32,388</b>	<b>26,553</b>	<b>2,842</b>	<b>2,588</b>

### 8. Profit before tax

#### a) Significant items

	Group		Group	
	6 months ended		12 months ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	US\$'000	US\$'000	US\$'000	US\$'000
Depreciation of property, plant and equipment	350	326	679	645
Write-down of inventories	578	291	591	480
Property, plant and equipment written-off	2	3	2	3
Foreign exchange loss/ (gain), net	131	(235)	120	(142)
Restructuring expenses	-	-	32	-
Interest income	34	110	36	127
Interest expense	(162)	(258)	(458)	(444)
<b>Finance expense, net</b>	<b>(128)</b>	<b>(148)</b>	<b>(422)</b>	<b>(317)</b>





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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 Catalyst 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:

	<b>Group</b>			
	<b>6 months ending</b>		<b>12 months ended</b>	
	<b>31-Dec-21</b>	<b>31-Dec-20</b>	<b>31-Dec-21</b>	<b>31-Dec-20</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Current income tax (credit)/ expense	(33)	27	(24)	166
Deferred income tax expense relating to origination and reversal of temporary differences	-	-	-	-

**10. Earnings per share**

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

	<b>Group</b>			
	<b>6 months ended</b>		<b>12 months ended</b>	
	<b>31-Dec-21</b>	<b>31-Dec-20</b>	<b>31-Dec-21</b>	<b>31-Dec-20</b>
Earnings per share based on average number of shares (US cents)	0.433	0.251	0.092	0.017

	<b>Group</b>	
	<b>As at</b>	
	<b>31-Dec-21</b>	<b>31-Dec-20</b>
	<b>('000)</b>	<b>('000)</b>
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 FY2021 (FY2020: nil) in order to conserve financial resources to meet the various challenges in the foreseeable future including challenges posed by the COVID-19 situation and increase in operating cost.

### 12. Net asset value

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>		<b>As at</b>	
	<b>31-Dec-21</b>	<b>31-Dec-20</b>	<b>31-Dec-21</b>	<b>31-Dec-20</b>
Net asset value per share (US cents)	8.82	8.78	6.38	6.46
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

During the twelve months ended 31 December 2021, the Group acquired assets amounting to US\$180,000 (31 December 2020: US\$163,000) and disposed assets amounting to US\$2,000 (31 December 2020: US\$3,000).

On 22 October 2021, the Company granted an option to purchase ("Option") to Pan Ocean International Pte Ltd ("the Purchaser"), for the sale of its property located at 9 Fan Yoong Road, Singapore 629787 (the "Property") (the "Proposed Disposal") for a cash consideration of S\$2.68 million (the "Purchase Price" or "Sales Consideration"). On 25 October 2021, the Purchaser exercised the Option.

Currently, the Company is waiting for Jurong Town Corporation to approve the sale of the Property.

The Company will make further announcements to keep shareholders informed, as and when there are material updates and developments in respect of the Proposed Disposal.

The Property has been reclassified to asset held-for-sale.



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### 15. Intangible assets

	<b>Group</b>	
	<b>As at</b>	
	<b>2021</b>	<b>2020</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cost</b>		
As at 1 January	13,413	13,014
Currency translation differences	305	(817)
As at 30 June	13,718	12,197
Currency translation differences	(379)	1,216
As at 31 December	13,339	13,413
<b>Accumulated amortisation and impairment losses</b>		
As at 1 January	13,413	13,014
Currency translation differences	305	(817)
As at 30 June	13,718	12,197
Currency translation differences	(379)	1,216
As at 31 December	13,339	13,413
<b>Net carrying amount</b>		
As at 31 December	-	-

**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. Borrowings

	Group and Company			
	As at 31-Dec-21		As at 31-Dec-20	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand	-	-	-	-
Amount repayable after one year	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Details of any collateral

Not applicable.

### 18. Share capital

	Group and Company			
	31-Dec-21		31-Dec-20	
	Number of ordinary shares ( '000)	US\$'000	Number of ordinary shares ( '000)	US\$'000
<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 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 2021 to 31 December 2021. There were no outstanding convertibles, treasury shares and subsidiary holdings as at 31 December 2021 and 31 December 2020.

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



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**19. Acquisition of subsidiary**

Not applicable.

**20. 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 Catalyst Listing Rules Appendix 7C

#### 1. Review

The condensed consolidated statement of financial position of Nippecraft Limited and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement 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		Change	
	31-Dec-21	31-Dec-20		
	US\$'000	US\$'000	US\$'000	
Stationery business	16,021	14,740	1,281	9%
Trading business	124,122	128,308	(4,186)	-3%
	<b>140,143</b>	<b>143,048</b>	<b>(2,905)</b>	-2%

The Group recorded revenue of US\$140.1 million for the financial year ended 31 December 2021 (“FY2021”) as compared to US\$143.0 million in the previous corresponding financial year ended 31 December 2020 (“FY2020”). The decrease in revenue of US\$2.9 million or 2% was mainly attributed to the decline in the trading business that was partially offset by an increase in the stationery business.

Stationery business revenue increased by US\$1.3 million or 9%. Sales were higher in FY2021 due to lesser number of days of COVID-19 lock downs in our key markets in United Kingdom and Australia as compared to FY2020.

Trading business revenue decreased by US\$4.2 million or 3% to US\$124.1 million mainly due to decrease in sales to a mandated interested person offset by increase in sales to third parties (Please refer to paragraph F6). The decrease in revenue from customers in Indonesia and Malaysia as a result of strong market competition was partially offset by the increase in revenue from customers in Hong Kong and Singapore due to increased sales to existing customers.



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### Gross profit

	Financial year ended 31-Dec-21		Financial year ended 31-Dec-20		Change US\$'000
	US\$'000	Margin	US\$'000	Margin	
Stationery business	6,719	41.9%	4,534	30.8%	2,185
Trading business	1,539	1.2%	3,370	2.6%	(1,831)
	<b>8,258</b>	<b>5.9%</b>	<b>7,904</b>	<b>5.5%</b>	<b>354</b>

Gross profit for FY2021 increased by US\$0.4 million to US\$8.3 million as compared to FY2020.

Overall gross profit margin for FY2021 increased marginally by 0.4% mainly due to the change in gross profit contributions by the stationery and trading business. Gross profit margin for the stationery business increased by 11.1% to 41.9% mainly driven by sales mix and higher discounts provided to customers due to the poor consumer sentiments in FY2020 partially offset by the increase in write-down of inventories. Gross profit margin for trading business decreased by 1.4% to 1.2%. The depressed margins were due to strong market competition.

In FY2021, the trading business contributed to approximately 19% of the gross profit, compared to 43% in FY2020.

### Distribution and marketing and Administrative expenses

	Group			Change US\$'000	
	Financial year ended		US\$'000		
	31-Dec-21 US\$'000	31-Dec-20 US\$'000		US\$'000	
Distribution and marketing expenses	4,712	4,676	36	1%	
Administrative expenses	3,567	3,740	(173)	-5%	
<b>Total operating expenses</b>	<b>8,279</b>	<b>8,416</b>	<b>(137)</b>	<b>-2%</b>	

Distribution and marketing expenses incurred in FY2021 remained flat at US\$4.7 million.

Administrative expenses incurred in FY2021 decreased by US\$0.2 million or 5% as compared to FY2020. This was mainly due to the decrease in personnel expenses.



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### **Impairment on financial assets**

Impairment on financial assets decreased were due to reversal or recovery of trade receivables from the Stationery Business.

### **Other income, net**

Other income decreased by US\$0.5 million or 39% in FY2021 as compared to FY2020. The increase in rental income was offset by the decrease in receipt of government grants for sustaining employment amid the COVID-19 pandemic and restructuring expenses. In addition, there were foreign exchange losses incurred in FY2021 as compared to foreign exchange gains in FY2020.

### **Finance expense, net**

Finance expense was higher by US\$0.1 million in FY2021 compared to FY2020 mainly due to interest expense incurred in financing the trading business and imputed interest on operating leases.

### **Tax credit**

Tax credit received was due to finalisation of prior year tax assessments. No tax provision was required due to transfer of tax losses within the Group.

### **Net profit for the year**

As a result of the above, the Group net profit after tax increased by US\$0.2 million to US\$0.3 million in FY2021.

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

### **Group**

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

Plant, property and equipment decreased by US\$1.1 million mainly due to the reclassification of the 9 Fan Yoong Road property to asset held for sale. Please refer to Note 14 for more details.

#### **Current assets**

Inventories decreased by US\$0.5 million mainly due to better inventory management and higher sales for the Stationery business achieved in FY2021.

Trade and other receivables increased by US\$1.7 million mainly due to higher December sales attributed to the Trading Business.

Asset held for sale amounting to US\$1.0 million was relating to the 9 Fan Yoong Road property.

Cash and bank balances increased by US\$4.8 million to US\$23.0 million as at 31 December 2021.





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### **Current liabilities**

Trade and other payables increased by US\$5.7 million mainly due to increase in payables to the Trading Business suppliers.

There were new and renewed leases committed in FY2021. As a result, current lease liabilities increased by US\$0.1 million to US\$0.3 million as at 31 December 2021.

No income tax provision was required as at 31 December 2021.

### **Non-current liabilities**

There were new and renewed leases committed in FY2021 which were offset by lease reclassifications to current liabilities. As a result, long-term lease liabilities were flat at US\$1.5 million.

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

Net cash from operating activities in FY2021 amounted to US\$5.8 million. The net cash inflows from operating activities during FY2021 were due to operating profit contribution of US\$2.0 million, and an increase in trade and other payables of US\$5.9 million which was partially offset by an increase of trade and other receivables of US\$1.7 million, increase in inventories of US\$0.2 million and payment of US\$0.2 million of taxes.

Net cash used in investing activities of US\$0.1 million was mainly for capital expenditure on acquisition of property, plant and equipment.

Net cash used in financing activities of US\$0.8 million was due to interest expense incurred on financing the trading business and payment of lease liabilities including interest.

As a result of the above, cash and cash equivalents increased by US\$4.9 million in FY2021. Together with the negative effect of exchange rate changes, the cash and cash equivalents stood at US\$19.5 million as at 31 December 2021.

### **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 FY2021.

### **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**

Revenue from Stationery business has recovered to above the pre-pandemic level in the year 2021. The retail and wholesale landscape in our key markets remains challenging in the next operating period and the next twelve months due to the evolution of the more virulent strain of COVID-19 globally and the uncertainty of additional safety measures that may be imposed by governments from time to time.



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We will continue to accelerate and sharpen our technical capabilities in digitalisation to operate more efficiently and effectively.

Gross margin of the Trading business is expected to remain depressed. The expected rise in US interest rates will erode the net margin further into the next operation period and the next twelve months.

The Group operates across several countries and each country is in a different COVID-19 recovery phase. Given the evolving COVID-19 situation around the world, the Group will continue to take proactive measures to strengthen our financial position, including preserving cash, optimising cash flows, improving liquidity and reducing operational costs.

### **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.



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### 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 2021. The IPTs for FY2021 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 Catalyst Rules)		Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 of the Catalyst Rules (excluding transactions less than S\$100,000)	
		Financial year ended 31-Dec-21 US\$'000	Financial year ended 31-Dec-20 US\$'000	Financial year ended 31-Dec-21 US\$'000	Financial year ended 31-Dec-20 US\$'000
<u>Sales</u> PT Paramitra Gunakarya Cemerlang	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. Entities under the APP Group (which comprises Asia Pulp & Paper Company Ltd, its subsidiaries and associated companies).	-	-	42,587	65,492
APP China Trading Limited		-	-	862	-
<b>Total IPTs</b>		-	-	43,449	65,492

### 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 Catalyst 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 Section B: Rules of Catalyst of the SGX-ST (“Catalist Rules”).

### 8. Review of performance of the group

Please refer to paragraph F2.



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**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**  
**Interim Chief Executive Officer**  
**24 February 2022**