



**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 2022**



**NIPCRAFT LIMITED**

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

	Note	Group			Group		
		1-Jul-22 - 1-Jul-21 -		Change	Financial year ended		Change
		31-Dec-22	31-Dec-21		31-Dec-22	31-Dec-21	
	US\$'000	US\$'000		US\$'000	US\$'000		
<b>Revenue from contracts with customers</b>	5	<b>74,533</b>	<b>80,531</b>	-7%	<b>129,719</b>	<b>140,143</b>	-7%
Cost of sales		(69,345)	(74,786)	-7%	(121,685)	(131,885)	-8%
<b>Gross profit</b>		<b>5,188</b>	<b>5,745</b>	<b>-10%</b>	<b>8,034</b>	<b>8,258</b>	<b>-3%</b>
Distribution and marketing expenses		(2,762)	(2,643)	5%	(4,876)	(4,712)	3%
Administrative expenses		(1,445)	(1,810)	-20%	(3,248)	(3,567)	-9%
Reversal of impairment loss on financial assets		4	18	-78%	1	15	-93%
Other income, net	6	82	306	-73%	357	728	-51%
Finance expense, net		(104)	(128)	-19%	(279)	(422)	-34%
<b>Profit/ (loss) for the period/ year</b>	8	<b>963</b>	<b>1,488</b>	<b>-35%</b>	<b>(11)</b>	<b>300</b>	<b>N.M.</b>
Tax credit	9	49	33	48%	15	24	-38%
<b>Profit for the period/ year</b>		<b>1,012</b>	<b>1,521</b>	<b>-33%</b>	<b>4</b>	<b>324</b>	<b>-99%</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		(160)	(280)	-43%	(871)	(163)	N.M.
<b>Other comprehensive loss for the period/ year, net of tax</b>		<b>(160)</b>	<b>(280)</b>	<b>N.M.</b>	<b>(871)</b>	<b>(163)</b>	<b>N.M.</b>
<b>Total comprehensive income/ (loss) for the period/ year</b>		<b>852</b>	<b>1,241</b>	<b>-31%</b>	<b>(867)</b>	<b>161</b>	<b>N.M.</b>
<b>Earnings per share (US cents)</b>							
- Basic & Diluted		<b>0.288</b>	<b>0.433</b>		<b>0.001</b>	<b>0.092</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-22	31-Dec-21	31-Dec-22	31-Dec-21
		US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	14	3,198	3,478	2,830	3,042
Intangible assets	15	-	-	-	-
Subsidiaries		-	-	16,512	16,512
Deferred tax assets		15	-	14	-
		<b>3,213</b>	<b>3,478</b>	<b>19,356</b>	<b>19,554</b>
<b>Current assets</b>					
Inventories		2,359	2,242	261	231
Trade and other receivables		40,017	33,441	3,156	2,879
Prepayments		298	263	161	120
Cash and bank balances		16,943	22,958	2,494	1,454
Asset held-for-sale	14	1,016	1,016	1,016	1,016
		<b>60,633</b>	<b>59,920</b>	<b>7,088</b>	<b>5,700</b>
<b>TOTAL ASSETS</b>		<b>63,846</b>	<b>63,398</b>	<b>26,444</b>	<b>25,254</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		32,083	30,572	2,382	1,252
Lease liabilities		248	338	135	195
		<b>32,331</b>	<b>30,910</b>	<b>2,517</b>	<b>1,447</b>
<b>Non-current liabilities</b>					
Lease liabilities		1,355	1,478	1,292	1,395
Provision for Long Service Leave		17	-	-	-
		<b>1,372</b>	<b>1,478</b>	<b>1,292</b>	<b>1,395</b>
<b>TOTAL LIABILITIES</b>		<b>33,703</b>	<b>32,388</b>	<b>3,809</b>	<b>2,842</b>
<b>NET ASSETS</b>		<b>30,143</b>	<b>31,010</b>	<b>22,635</b>	<b>22,412</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		570	1,441	748	748
Accumulated losses		(7,244)	(7,248)	(14,930)	(15,153)
<b>TOTAL EQUITY</b>		<b>30,143</b>	<b>31,010</b>	<b>22,635</b>	<b>22,412</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 01.01.2022</b>	<b>36,817</b>	<b>748</b>	<b>693</b>	<b>(7,248)</b>	<b>31,010</b>
Profit for the year	-	-	-	4	4
<b>Other comprehensive loss for the year, net of tax</b>					
- Currency translation differences	-	-	(871)	-	(871)
<b>Total comprehensive (loss)/ income for the year</b>	<b>-</b>	<b>-</b>	<b>(871)</b>	<b>4</b>	<b>(867)</b>
<b>Balance as at 31.12.2022</b>	<b>36,817</b>	<b>748</b>	<b>(178)</b>	<b>(7,244)</b>	<b>30,143</b>
<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	324
<b>Other comprehensive loss for the year, net of tax</b>					
- Currency translation differences	-	-	(163)	-	(163)
<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>



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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 01.01.2022</b>	<b>36,817</b>	<b>748</b>	<b>(15,153)</b>	<b>22,412</b>
Profit for the year	-	-	223	223
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>223</b>	<b>223</b>
<b>Balance as at 31.12.2022</b>	<b>36,817</b>	<b>748</b>	<b>(14,930)</b>	<b>22,635</b>
<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>



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

	Note	Group	
		Financial year ended	
		31-Dec-22	31-Dec-21
		US\$'000	US\$'000
<b>Cash flows from operating activities</b>			
<b>(Loss)/ profit before tax</b>		<b>(11)</b>	<b>300</b>
<b>Adjustments:</b>			
Depreciation of property, plant and equipment	8	493	679
Property, plant and equipment written off		-	2
Reversal of impairment loss on financial assets		(1)	(15)
Interest income	8	(23)	(36)
Interest expense	8	302	458
Write-down of inventories		713	591
<b>Operating profit before working capital changes</b>		<b>1,473</b>	<b>1,979</b>
<b>Movement in working capital:</b>			
Inventories		(1,047)	(186)
Trade and other receivables		(7,154)	(1,748)
Trade and other payables		2,011	5,937
Deposit pledged		(400)	-
<b>Cash (used in)/ generated from operations</b>		<b>(5,117)</b>	<b>5,982</b>
Income tax paid, net	9	-	(181)
<b>Net cash (used in)/ from operating activities</b>		<b>(5,117)</b>	<b>5,801</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	A, 14	(129)	(180)
Interest received		23	36
<b>Net cash used in investing activities</b>		<b>(106)</b>	<b>(144)</b>
<b>Cash flows from financing activities</b>			
Interest paid for trade financing		(231)	(380)
Payment of principal portion of lease liabilities		(314)	(327)
Interest paid for lease liabilities		(71)	(78)
<b>Net cash used in financing activities</b>		<b>(616)</b>	<b>(785)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(5,839)</b>	<b>4,872</b>
Cash and cash equivalents at beginning of year		19,458	14,742
Effects of exchange rate changes on cash and cash equivalents		(576)	(156)
<b>Cash and cash equivalents at end of year</b>	B	<b>13,043</b>	<b>19,458</b>



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

<u>Group</u>	
Financial year ended	
31-Dec-22	31-Dec-21

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

**Note A:**

Addition of property, plant and equipment	249	556
Less: Addition of right-of-use assets	(120)	(376)
Acquisition of property, plant and equipment	<u>129</u>	<u>180</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	12,933	19,388
Short-term bank deposits	4,010	3,570
<b>Cash and bank balances</b>	<u>16,943</u>	<u>22,958</u>
Bank balances and deposits pledged	(3,900)	(3,500)
<b>Cash and cash equivalents per consolidated statement of cash flows</b>	<u>13,043</u>	<u>19,458</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 2 Venture Drive #24-01 Vision Exchange, Singapore 608526.

APP Printing (Holding) Pte Ltd (“**APP Printing**”), a company incorporated in Singapore, holds 49% (2021: 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% (2021: 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% (2021: 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 2022 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 2022 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 2022.

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 2021.

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 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-22 to 31-Dec-22</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Segment revenue	13,881	63,447	77,328
Intra-Segment revenue	(2,795)	-	(2,795)
External revenue	11,086	63,447	74,533
Segment profit	787	280	1,067
Finance income			13
Finance expense			(117)
Profit before tax			963
Tax credit			49
Consolidated profit for the financial period			1,012
Segment assets	21,694	42,412	64,106
Segment liabilities	5,882	28,081	33,963
Other segment information:			
Capital expenditure	93	-	93
Depreciation	229	1	230
Write-down of inventories	541	-	541
Reversal of impairment loss on financial assets	(4)	-	(4)
<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)



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<b>Group</b>	<b>Stationery</b>	<b>Trading</b>	<b>Total</b>
<b>From 1 January 2022 to 31 December 2022</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Segment revenue	23,484	114,508	137,992
Intra-Segment revenue	(8,273)	-	(8,273)
External revenue	15,211	114,508	129,719
Segment profit	(346)	614	268
Finance income			23
Finance expense			(302)
Profit before tax			(11)
Tax credit			15
Consolidated loss for the financial year			4
Segment assets	21,694	42,412	64,106
Segment liabilities	5,882	28,081	33,963
Other segment information:			
Capital expenditure	129	-	129
Depreciation	491	2	493
Write-down of inventories	713	-	713
Reversal of impairment loss on financial assets	(1)	-	(1)
<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 of impairment loss on financial assets	(15)	-	(15)



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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-22 -	1-Jul-21 -	12 months ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	US\$'000	US\$'000	US\$'000	US\$'000
Sale of goods				
- Stationery products	11,086	11,748	15,211	16,021
- Pulp and related trading products	63,447	68,783	114,508	124,122
	<u>74,533</u>	<u>80,531</u>	<u>129,719</u>	<u>140,143</u>

	<u>Group</u>		<u>Group</u>	
	1-Jul-22 -	1-Jul-21 -	12 months ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	US\$'000	US\$'000	US\$'000	US\$'000
Geographical markets				
- Hong Kong	39,497	26,848	59,790	53,811
- Malaysia	18,044	9,348	30,250	19,005
- Indonesia	5,888	23,874	23,744	42,600
- Australia	5,706	6,171	7,412	7,982
- United Kingdom	4,999	5,147	7,055	7,308
- Singapore	132	8,772	935	8,809
- Continental Europe	10	9	131	133
- United States of America	23	43	26	43
- Others	234	319	376	452
	<u>74,533</u>	<u>80,531</u>	<u>129,719</u>	<u>140,143</u>

	<u>Group</u>	
	As at	
	31-Dec-22	31-Dec-21
	US\$'000	US\$'000
<b>Non-current assets</b>		
Singapore	2,846	3,047
United Kingdom	207	306
Australia	160	125
	<u>3,213</u>	<u>3,478</u>



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A breakdown of sales:

	<b>Group</b>		
	<b>Financial year ended</b>		<b>Change</b>
	<b>31-Dec-22</b>	<b>31-Dec-21</b>	
	<b>US\$'000</b>	<b>US\$'000</b>	
Sales reported:			
(a) First half of the financial year	55,186	59,612	-7%
(b) Second half of the financial year	74,533	80,531	-7%
	<b>129,719</b>	<b>140,143</b>	<b>-7%</b>
Profit/ (loss) attributable to owners of the Company			
(a) First half of the financial year	(1,008)	(1,197)	-16%
(b) Second half of the financial year	1,012	1,521	-33%
	<b>4</b>	<b>324</b>	<b>-99%</b>

**6. Other Income, net**

	<b>Note</b>	<b>Group</b>		<b>Group</b>	
		<b>1-Jul-22 -</b>	<b>1-Jul-21 -</b>	<b>Financial year ended</b>	
		<b>31-Dec-22</b>	<b>31-Dec-21</b>	<b>31-Dec-22</b>	<b>31-Dec-21</b>
		<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Other income					
Rental income		281	292	570	578
Government grant income	(i)	1	128	7	285
Others		56	17	56	17
		<b>338</b>	<b>437</b>	<b>633</b>	<b>880</b>
Other expenses					
Foreign exchange loss		256	131	276	120
Restructuring expenses		-	-	-	32
		<b>256</b>	<b>131</b>	<b>276</b>	<b>152</b>
<b>Other income, net</b>		<b>82</b>	<b>306</b>	<b>357</b>	<b>728</b>

**Note**

- (i) Government grant income was related to Wage Credit Scheme, Special Employment Credit Scheme and Job Support Scheme granted by the government of Singapore and also similar support schemes received from Australia and United Kingdom which were cash grants for employers.



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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 2022 and 31 December 2021:

	<u>Group</u>		<u>Company</u>	
	As at		As at	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	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)	54,616	56,301	5,507	4,280
	<b>54,616</b>	<b>56,301</b>	<b>5,507</b>	<b>4,280</b>
<b>Financial liabilities</b>				
Trade and other payables and borrowings (Amortised cost)	<b>33,527</b>	<b>32,388</b>	<b>3,809</b>	<b>2,842</b>

**8. Profit before tax**

**a) Significant items**

	<u>Group</u>		<u>Group</u>	
	1-Jul-22 -	1-Jul-21 -	12 months ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	US\$'000	US\$'000	US\$'000	US\$'000
Depreciation of property, plant and equipment	230	350	493	679
Write-down of inventories	541	578	713	591
Property, plant and equipment written-off	-	2	-	2
Foreign exchange loss, net	256	131	276	120
Restructuring expenses	-	-	-	32
Interest income	(13)	(34)	(23)	(36)
Interest expense	117	162	302	458
<b>Finance expense, net</b>	<b>104</b>	<b>128</b>	<b>279</b>	<b>422</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>1-Jul-22 -</b>	<b>1-Jul-21 -</b>	<b>12 months ended</b>	
	<b>31-Dec-22</b>	<b>31-Dec-21</b>	<b>31-Dec-22</b>	<b>31-Dec-21</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Current income tax credit	(34)	(33)	-	(24)
Deferred income tax credit relating to origination and reversal of temporary differences	(15)	-	(15)	-

**10. Earnings per share**

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

	<b>Group</b>			
	<b>1-Jul-22 -</b>	<b>1-Jul-21 -</b>	<b>12 months ended</b>	
	<b>31-Dec-22</b>	<b>31-Dec-21</b>	<b>31-Dec-22</b>	<b>31-Dec-21</b>
Earnings per share based on average number of shares (US cents)	0.288	0.433	0.001	0.092

	<b>Group</b>	
	<b>As at</b>	
	<b>31-Dec-22</b>	<b>31-Dec-21</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 FY2022 (FY2021: nil) in order 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>	
	<u>As at</u>		<u>As at</u>	
	<u>31-Dec-22</u>	<u>31-Dec-21</u>	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Net asset value per share (US cents)	8.58	8.82	6.44	6.38
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 12 months ended 31 December 2022, the Group acquired assets amounting to US\$129,000 (31 December 2021: US\$180,000) and disposed assets amounting to US\$nil (31 December 2021: US\$2,000).

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**15. Intangible assets**

	<b>Group</b>	
	<b>As at</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cost</b>		
As at 1 January	13,339	13,413
Currency translation differences	(1,272)	305
As at 30 June	12,067	13,718
Currency translation differences	(141)	(379)
As at 31 December	11,926	13,339
<b>Accumulated amortisation and impairment losses</b>		
As at 1 January	13,339	13,413
Currency translation differences	(1,272)	305
As at 30 June	12,067	13,718
Currency translation differences	(141)	(379)
As at 31 December	11,926	13,339
<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**

	<b>Group and Company</b>			
	<b>As at 31-Dec-22</b>		<b>As at 31-Dec-21</b>	
	<b>Secured US\$'000</b>	<b>Unsecured US\$'000</b>	<b>Secured US\$'000</b>	<b>Unsecured US\$'000</b>
<b>Amount repayable in one year or less, or on demand</b>	-	-	-	-
<b>Amount repayable after one year</b>	-	-	-	-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Details of any collateral**

Not applicable.

**18. Share capital**

	<b>Group and Company</b>			
	<b>31-Dec-22</b>		<b>31-Dec-21</b>	
	<b>Number of ordinary shares ( '000)</b>	<b>US\$'000</b>	<b>Number of ordinary shares ( '000)</b>	<b>US\$'000</b>
<b>Issued and fully paid ordinary shares</b>				
At beginning and end of financial period	<u>351,398</u>	<u>36,817</u>	<u>351,398</u>	<u>36,817</u>

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 2022 to 31 December 2022. There were no outstanding convertibles, treasury shares and subsidiary holdings as at 31 December 2022 and 31 December 2021.

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**

On 5 July 2022, the Company granted an option to purchase (“**Option**”) to Fire Armour 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\$2.80 million. On 29 July 2022, the Purchaser has exercised the Option. On 23 December 2022, the Company has received the written consent (the “**Consent**”) from Jurong Town Corporation (the “**JTC**”).

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.

There are no known subsequent events which have led to adjustments to this set of interim financial statements for the six months and full year ended 31 December 2022.



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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 2022 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-22	31-Dec-21	Change	
	US\$'000	US\$'000	US\$'000	
Stationery business	15,211	16,021	(810)	-5%
Trading business	114,508	124,122	(9,614)	-8%
	<b>129,719</b>	<b>140,143</b>	<b>(10,424)</b>	-7%

The Group recorded revenue of US\$129.7 million for the financial year ended 31 December 2022 (“FY2022”) as compared to US\$140.1 million in the previous corresponding financial year ended 31 December 2021 (“FY2021”). The decrease in revenue of US\$10.4 million or 7% was mainly attributed to the decline in both the trading business and stationery business.

Stationery business revenue decreased by US\$0.8 million or 5%, which is mainly due to the foreign exchange translation losses of US\$1.6 million as a result of the currency translation of sales made in Australia and UK into USD. Assuming constant currency exchange rates, stationery revenue would have increased by US\$0.8 million or 5%.

Trading business revenue decreased by US\$9.6 million or 8% to US\$114.5 million mainly due to the decrease in sales to a mandated interested person and sales to third parties (Please refer to paragraph F6). The decrease in revenue from customers in Indonesia and Singapore as a result of strong market competition was partially offset by the increase in revenue from customers in Hong Kong and Malaysia.



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**Gross profit**

	Financial year ended		Financial year ended		Change
	31-Dec-22		31-Dec-21		
	US\$'000	Margin	US\$'000	Margin	
Stationery business	6,547	43.0%	6,719	41.9%	(172)
Trading business	1,487	1.3%	1,539	1.2%	(52)
	<b>8,034</b>	<b>6.2%</b>	<b>8,258</b>	<b>5.9%</b>	<b>(224)</b>

Gross profit for FY2022 decreased by US\$0.2 million to US\$8.0 million as compared to FY2021.

Overall gross profit margin for FY2022 increased marginally by 0.3% due to the increase in gross profit contributions by both stationery and trading business. Gross profit margin for the stationery business increased by 1.1% to 43.0% mainly driven by sales mix and decrease in depreciation expenses as the Property had been reclassified to asset held-for-sale, which was partially offset by the increase in write-down of inventories. Gross profit margin for trading business increased marginally by 0.1% to 1.3% was mainly due to one-off discounted pulp prices offered by the vendors in FY2022.

In FY2022, the trading business contributed to approximately 19% of the gross profit, which is comparable to FY2021.

**Distribution and marketing and Administrative expenses**

	Group			
	Financial year ended			
	31-Dec-22	31-Dec-21	Change	
	US\$'000	US\$'000	US\$'000	
Distribution and marketing expenses	4,876	4,712	164	3%
Administrative expenses	3,248	3,567	(319)	-9%
<b>Total operating expenses</b>	<b>8,124</b>	<b>8,279</b>	<b>(155)</b>	<b>-2%</b>

Distribution and marketing expenses incurred in FY2022 increased by US\$0.2 million or 3% as compared to FY2021. This was mainly due to the increase in freight and storage expenses which were partially offset by the decrease in personnel expenses and advertising expenses.

Administrative expenses incurred in FY2022 decreased by US\$0.3 million or 9% as compared to FY2021. This was mainly due to the decrease in personnel expenses.



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### **Other income, net**

Other income decreased by US\$0.4 million or 51% in FY2022 as compared to FY2021. The decrease was mainly attributable to the decrease in receipt of government grant for sustaining employment amid the COVID-19 pandemic in FY2021 and increase in foreign exchange losses. The decrease was offset by the absence of restructuring expenses in FY2022.

### **Finance expense, net**

Finance expense decreased by US\$0.1 million or 34% in FY2022 compared to FY2021 mainly due to lower interest expense incurred in financing the trading business.

### **Tax credit**

Tax credit was due to deferred tax recognized on leases. 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 decreased by US\$0.3 million from a profit of US\$0.3 million to a profit of US\$4,000 in FY2022.

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

### **Group**

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

Property, plant and equipment decreased by US\$0.3 million due to depreciation incurred partially offset by the addition in FY2022.

Deferred tax assets increased due to recognition of deferred tax on leases.

#### **Current assets**

Inventories increased by US\$0.1 million mainly due to lower sales for the Stationery business in FY2022 as compared to FY2021.

Trade and other receivables increased by US\$6.6 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 decreased by US\$6.0 million to US\$17.0 million as at 31 December 2022.

#### **Current liabilities**

Trade and other payables increased by US\$1.5 million mainly due to increase in payables to the Trading Business suppliers.





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Current lease liabilities decreased by US\$0.1 million due to contractual payments made in FY2022.

**Non-current liabilities**

Long-term lease liabilities decreased by US\$0.1 million due to contractual payments made in FY2022 partially offset by the renewed lease committed in FY2022.

Deferred tax liabilities arose due to the recognition of deferred tax on leases.

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

Net cash used in operating activities in FY2022 amounted to US\$5.1 million. The net cash outflows from operating activities during FY2022 were due to increase of trade and other receivables of US\$7.1 million, increase in inventories of US\$1.0 million and increase in deposit pledged of US\$0.4 million which were partially offset by the operating profit before changes in working capital contributing US\$1.4 million and increase in trade and other payables of US\$2.0 million.

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

Net cash used in financing activities of US\$0.6 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 decreased by US\$5.8 million in FY2022. Together with the negative effect of exchange rate changes, the cash and cash equivalents stood at US\$13.0 million as at 31 December 2022.

**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 FY2022.



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**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**

Although the COVID-19 measures have been lifted in all our key markets, there are increasing headwinds from the challenging global macroeconomic environment and the prolonged conflicts in Europe. High inflation and increasing interest rates will continue to impact our consumer confidence and spending power. Amidst a highly competitive environment, Stationery business will continue be impacted by the higher inflation-driven costs in raw material, manpower and local logistic costs. On the trading business, given the rising interest rates, there will be an impact to the topline and gross profit margin.

The Group will continue to be proactive and agile in strengthening the financial position, preserve cash, optimising cash flows, improve liquidity and reduce operating cost.

**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 26 April 2022. The IPTs for FY2022 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-22 US\$'000	Financial year ended 31-Dec-21 US\$'000	Financial year ended 31-Dec-22 US\$'000	Financial year ended 31-Dec-21 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).	-	-	23,729	42,587
APP China Trading Limited		-	-	176	862
<b>Total IPTs</b>		-	-	23,905	43,449

**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.



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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**  
**Chief Executive Officer**  
**24 February 2023**