



NIPPECRAFT LIMITED

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

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

The contact person for the Sponsor is Ms. Charmian Lim (Tel: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

Nippecraft Limited
Condensed Interim Financial Statements
for the six months ended
30 June 2021



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

	Note	Group		Change
		Half year ended		
		30-Jun-21 US\$'000	30-Jun-20 US\$'000	
Revenue	5	59,612	66,168	-10%
Cost of sales		(57,099)	(63,164)	-10%
Gross profit		2,513	3,004	-16%
Distribution and marketing expenses		(2,069)	(1,894)	9%
Administrative expenses		(1,757)	(1,995)	-12%
Impairment loss on financial assets		(3)	-	N.M.
Other income, net	6	422	371	14%
Finance expense, net		(294)	(169)	74%
Loss before tax	8	(1,188)	(683)	74%
Tax expense	9	(9)	(139)	-94%
Net loss for the period		(1,197)	(822)	46%
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss</u>				
- Foreign currency translation differences for foreign operations		117	(31)	N.M.
Other comprehensive income/ (loss) for the period, net of tax		117	(31)	N.M.
Total comprehensive loss for the period		(1,080)	(853)	27%
Loss per share (US cents)				
- Basic & Diluted		(0.341)	(0.234)	

Note: N.M. - Not meaningful



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B. Condensed Statements of Financial Position

	Note	Group		Company	
		As at 30-Jun-21 US\$'000	As at 31-Dec-20 US\$'000	As at 30-Jun-21 US\$'000	As at 31-Dec-20 US\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	4,497	4,618	4,212	4,279
Intangible assets	15	-	-	-	-
Subsidiaries		-	-	16,512	16,512
		4,497	4,618	20,724	20,791
Current assets					
Inventories		6,209	2,707	399	335
Trade and other receivables		23,620	31,699	4,723	2,807
Prepayments		508	421	106	110
Cash and bank balances		16,361	18,242	1,940	1,324
		46,698	53,069	7,168	4,576
Total assets		51,195	57,687	27,892	25,367
Current liabilities					
Trade and other payables		19,622	24,827	3,461	1,069
Lease liabilities		224	275	154	110
Income tax payable		92	202	-	-
		19,938	25,304	3,615	1,179
Non-current liabilities					
Lease liabilities		1,488	1,534	1,445	1,491
		1,488	1,534	1,445	1,491
Total liabilities		21,426	26,838	5,060	2,670
Net assets		29,769	30,849	22,832	22,697
Equity					
Capital and reserves attributable to equity holders of the Company					
Share capital	18	36,817	36,817	36,817	36,817
Reserves		1,721	1,604	748	748
Accumulated losses		(8,769)	(7,572)	(14,733)	(14,868)
		29,769	30,849	22,832	22,697



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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 01.01.2021	36,817	748	856	(7,572)	30,849
Loss for the period	-	-	-	(1,197)	(1,197)
Other comprehensive loss for the period, net of tax					
- Currency translation differences	-	-	117	-	117
Total comprehensive loss for the period	-	-	117	(1,197)	(1,080)
Balance as at 30.6.2021	36,817	748	973	(8,769)	29,769
Balance as at 01.01.2020	36,817	748	385	(7,631)	30,319
Loss for the period	-	-	-	(822)	(822)
Other comprehensive loss for the period, net of tax					
- Currency translation differences	-	-	(31)	-	(31)
Total comprehensive loss for the period	-	-	(31)	(822)	(853)
Balance as at 30.6.2020	36,817	748	354	(8,453)	29,466

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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
Balance as at 01.01.2021	36,817	748	(14,868)	22,697
Profit for the period	-	-	135	135
Total comprehensive income for the period	-	-	135	135
Balance as at 30.6.2021	36,817	748	(14,733)	22,832
Balance as at 01.01.2020	36,817	748	(14,958)	22,607
Profit for the period	-	-	361	361
Total comprehensive income for the period	-	-	361	361
Balance as at 30.6.2020	36,817	748	(14,597)	22,968



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D. Condensed Consolidated Statement of Cash Flows

	Note	Group	
		Half year ended 30-Jun-21 US\$'000	30-Jun-20 US\$'000
Cash flows from operating activities			
Loss before tax		(1,188)	(683)
Adjustments:			
Depreciation of property, plant and equipment	8	329	319
Loss on disposal of property, plant and equipment		-	-
Impairment on financial assets		3	-
Interest income	8	(2)	(17)
Interest expense	8	296	186
Write-down of inventories		13	189
Operating (loss)/ profit before working capital changes		(549)	(6)
Movement in working capital:			
Inventories		(3,532)	(3,652)
Trade and other receivables		8,068	(3,672)
Trade and other payables		(5,203)	8,798
Cash (used in)/ generated from operations		(1,216)	1,468
Income tax paid, net	9	(119)	(10)
Net cash (used in)/ from operating activities		(1,335)	1,458
Cash flows from investing activities			
Acquisition of property, plant and equipment	A, 14	(115)	(128)
Interest received		2	17
Net cash used in investing activities		(113)	(111)
Cash flows from financing activities			
Interest paid for trade financing		(257)	(186)
Payment of lease liabilities including interest		(114)	(174)
Net cash used in financing activities		(371)	(360)
Net (decrease)/ increase in cash and cash equivalents		(1,819)	987
Effects of exchange rate changes on cash and cash equivalents		(62)	174
Cash and cash equivalents as at beginning of the period		14,742	11,972
Cash and cash equivalents as at end of the period		12,861	13,133



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D. Consolidated Statement of Cash Flows (Continued)

Group	
Half year ended	
30-Jun-21	30-Jun-20

Note to Condensed Consolidated Statement of Cash Flows:

Note A:

Total addition of property, plant and equipment	202	128
Less: Addition of right-of-use assets	(87)	-
Acquisition of property, plant and equipment	115	128

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	12,791	13,094
Short-term bank deposits	3,570	2,139
Cash and bank balances	16,361	15,233
Bank balances and deposits pledged	(3,500)	(2,100)
Cash and cash equivalents per consolidated statement of cash flows	12,861	13,133



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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% (2019: 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% (2019: 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% (2019: 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 ended 30 June 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 ended 30 June 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 annual financial statements for the year ended 31 December 2020.

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.

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

Financial period ended 30-Jun-21	US\$'000	US\$'000	US\$'000
Segment revenue	8,998	55,343	64,341
Intra-Segment revenue	(4,725)	(4)	(4,729)
External revenue	4,273	55,339	59,612
Segment (loss)/profit	(1,194)	300	(894)
Finance income			2
Finance expense			(296)
Loss before tax			(1,188)
Tax expense			(9)
Consolidated loss for the financial period			(1,197)
Segment assets	21,483	29,712	51,195
Segment liabilities	6,337	15,089	21,426
Other segment information:			
Capital expenditure	115	-	115
Depreciation	328	1	329
Write-down of inventories	13	-	13
Impairment loss on financial assets	3	-	3
Group	Stationery	Trading	Total
Financial year ended 30-Jun-20	US\$'000	US\$'000	US\$'000
Segment revenue	8,290	62,578	70,868
Intra-Segment revenue	(4,697)	(3)	(4,700)
External revenue	3,593	62,575	66,168
Segment loss	(1,459)	945	(514)
Finance income			17
Finance expense			(186)
Loss before tax			(683)
Tax expense			(139)
Consolidated loss for the financial period			(822)
Segment assets	21,589	33,717	55,306
Segment liabilities	5,705	20,135	25,840
Other segment information:			
Capital expenditure	128	-	128
Depreciation	319	-	319
Write-down of inventories	189	-	189



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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.

	Group	
	Half year ended	
	30-Jun-21	30-Jun-20
	US\$'000	US\$'000
Sale of goods		
- Stationery products	4,273	3,593
- Pulp and related trading products	55,339	62,575
	<u>59,612</u>	<u>66,168</u>
Geographical markets		
- Indonesia	18,726	33,372
- Malaysia	9,657	9,972
- Hong Kong	26,963	19,249
- Australia	1,811	1,487
- United Kingdom	2,161	1,916
- Singapore	37	3
- Continental Europe	124	120
- Others	133	49
	<u>59,612</u>	<u>66,168</u>
	Group	
	As at	
	30-Jun-21	31-Dec-20
	US\$'000	US\$'000
Non-current assets		
Singapore	4,218	4,278
United Kingdom	145	208
Australia	134	132
	<u>4,497</u>	<u>4,618</u>



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6. Other Income, net

	Note	Group	
		Half year ended	
		30-Jun-21 US\$'000	30-Jun-20 US\$'000
Other income			
Rental income		286	242
Government grant income	(i)	157	222
Foreign exchange gain		11	-
		<u>454</u>	<u>464</u>
Other expenses			
Foreign exchange loss		-	93
Restructuring expenses		32	-
		<u>32</u>	<u>93</u>
Other income, net		<u>422</u>	<u>371</u>

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.

7. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	Group		Company	
	As at		As at	
	30-Jun-21 US\$'000	31-Dec-20 US\$'000	30-Jun-21 US\$'000	31-Dec-20 US\$'000
Financial assets				
Financial assets at fair value through other comprehensive income (FVOCI)	-	-	-	-
Cash and bank balances and trade and other receivables (Amortised cost)	39,662	49,835	6,379	4,080
	<u>39,662</u>	<u>49,835</u>	<u>6,379</u>	<u>4,080</u>
Financial liabilities				
Trade and other payables and borrowings (Amortised cost)	21,308	26,553	5,033	2,588
	<u>21,308</u>	<u>26,553</u>	<u>5,033</u>	<u>2,588</u>



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8. Loss before tax

a) Significant items

	Group	
	Half year ended	
	30-Jun-21	30-Jun-20
	US\$'000	US\$'000
Depreciation of property, plant and equipment	329	319
Write-down of inventories	13	189
Foreign exchange (gain)/ loss, net	(11)	93
Restructuring expenses	32	-
	<hr/>	<hr/>
Interest income	2	17
Interest expense	(296)	(186)
Finance expense, net	(294)	(169)

b) Related party transactions

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

9. Taxation

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

	Group	
	Half year ended	
	30-Jun-21	30-Jun-20
	US\$'000	US\$'000
Current income tax expense	9	139
	<hr/>	<hr/>
Deferred income tax expense relating to origination and reversal of temporary differences	-	-



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10. Loss per share

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

	Group	
	Half year ended	
	30-Jun-21	30-Jun-20
Loss per share based on average number of shares (US cents)	(0.341)	(0.234)

	Group	
	As at	
	30-Jun-21	30-Jun-20
	('000)	('000)
Total number of shares	351,398	351,398
Weighted average number of shares	351,398	351,398

There were no potentially dilutive shares during the period reported on.

11. Dividends

No dividend has been declared or recommended for 1H2021 (1H2020: nil) in view of the negative earnings.

12. Net asset value

	Group		Company	
	As at		As at	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
Net asset value per share (US cents)	8.47	8.78	6.50	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.



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14. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to US\$115,000 (31 December 2020: US\$163,000) and disposed-off assets amounting to US\$nil (31 December 2020: US\$3,000).

15. Intangible assets

	Group	
	As at	
	30-Jun-21	31-Dec-20
	US\$'000	US\$'000
Cost		
As at 1 January 2021 and 1 January 2020	13,413	13,014
Currency translation differences	305	399
As at 30 June 2021 and 31 December 2020 respectively	<u>13,718</u>	<u>13,413</u>
Accumulated amortisation and impairment losses		
As at 1 January 2021 and 1 January 2020	13,413	13,014
Currency translation differences	305	399
As at 30 June 2021 and 31 December 2020 respectively	<u>13,718</u>	<u>13,413</u>
Net carrying amount		
As at 30 June 2021 and 31 December 2020 respectively	<u>-</u>	<u>-</u>

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 30-Jun-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	-	-	-	-
Total	-	-	-	-

Details of any collateral

Not applicable.

18. Share capital

	Group and Company			
	30-Jun-21		31-Dec-20	
	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 January 2021 to 30 June 2021. There were no outstanding convertibles, treasury shares and subsidiary holdings as at 30 June 2021 and 30 June 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 30 June 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-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

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

Revenue

	Group			
	Half year ended		Variance	
	30-Jun-21	30-Jun-20	US\$'000	%
	US\$'000	US\$'000	US\$'000	%
Stationery business	4,273	3,593	680	19%
Trading business	55,339	62,575	(7,236)	-12%
	59,612	66,168	(6,556)	-10%

The Group recorded revenue of US\$59.6 million for the half year ended 30 June 2021 ("1H2021") as compared to US\$66.2 million in the previous corresponding half year ended 30 June 2020 ("1H2020"). The decrease in revenue of US\$6.6 million or 10% was mainly attributed to decline in the trading business that was partially offset by an increase in the stationery business.

Stationery business revenue increased by US\$0.7 million or 19%. Sales were higher in 1H2021 due to lesser number of days of COVID-19 locked down in our key markets in United Kingdom and Australia as compared to 1H2020.

Trading business revenue decreased by US\$7.2 million or 12% to US\$55.3 million mainly due to decrease in sales to a mandated interested person offset by increase in sales to third parties (Please refer to paragraph 13).

The decrease in revenue from customers in Indonesia is partially offset by the increase in revenue from customers in Hong Kong.



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Gross profit

	Half year ended 30-Jun-21		Half year ended 30-Jun-20		Variance
	US\$'000	Margin	US\$'000	Margin	US\$'000
Stationery business	1,875	43.9%	1,286	35.8%	589
Trading business	638	1.2%	1,718	2.7%	(1,080)
	2,513	4.2%	3,004	4.5%	(491)

Gross profit for 1H2021 decreased by US\$0.5 million to US\$2.5 million as compared to 1H2020.

Overall gross profit margin for 1H2021 decreased marginally by 0.3 percentage point mainly due to the change in gross profit contributions by the stationery and trading business. Gross profit margin for the stationery business increased by 8.1 percentage point to 43.9% mainly driven by sales mix and lower write-down of inventories due to better inventory management. Gross profit margin for trading business decreased by 1.5 percentage point to 1.2%. The depressed margins were due to strong market competition.

In 1H2021, the trading business contributed to approximately 25% of the gross profit, compared to 57% in 1HFY2020.

Distribution and marketing and Administrative expenses

	Group			Variance
	Half year ended		US\$'000	
	30-Jun-21	30-Jun-20		US\$'000
Distribution and marketing expenses	2,069	1,894	175	9%
Administrative expenses	1,757	1,995	(238)	-12%
Total operating expenses	3,826	3,889	(63)	-2%

Distribution and marketing expenses incurred in 1H2021 increased by US\$0.2 million or 9% as compared to 1H2020, from US\$1.9 million to US\$2.1 million.

This was mainly attributable to the increase of US\$0.2 million of freight and advertising and marketing expenses which were partially offset by the decrease in storage and other expenditures.

Administrative expenses incurred in 1H2021 decreased by US\$0.2 million or 12% as compared to 1H2020. This was mainly due to decrease in personnel expenses.



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Other income, net

Other income remains flat at US\$0.4 million in 1H2021. The increase in rental income and foreign exchange gains were offset by the decrease in receipt of government grant for sustaining employment amid the COVID-19 pandemic and increase in restructuring expenses in 1H2021.

Finance expense, net

Finance expense was higher by US\$0.1 million in 1H2021 compared to 1H2020 mainly due to interest expense incurred in financing the trading business and imputed interest on operating leases.

Tax expense

Losses suffered by certain overseas subsidiaries cannot be transferred to offset against profits of profitable entities. As a result, a tax provision of approximately US\$9,000 was made.

Net loss for the period

As a result of the above, the Group net loss after tax increased by US\$0.4 million or 46% to US\$1.2 million in 1H2021 as compared to a net loss of US\$0.8 million recorded in 1H2020.

B) Condensed Statements of Financial Position

Group

Current assets

Inventories increased by US\$3.5 million mainly due to inventories build-up in both UK and Australia in anticipation of sales in the coming months.

Trade and other receivables decreased by US\$8.1 million mainly due to subsequent receipts from customers in 1H2021 in the ordinary course of business.

Cash and bank balances decreased by US\$1.9 million to US\$16.4 million as at 30 June 2021.

Current liabilities

Trade and other payables decreased by US\$5.2 million mainly due to subsequent payments in 1H2021 attributed to the trading business in the ordinary course of business.

Current lease liabilities decreased by US\$0.1 million due to contractual payment made in 1H2021.

The Group was in an income tax payable position as at 30 June 2021.

Non-current liabilities

A new lease was taken up in 1H2021 which was offset by lease repayments. As a result, long-term lease liabilities remained flat at US\$1.5 million as at 30 June 2021.



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C) Condensed Consolidated Statement of Cash Flows

Net cash used in operating activities in 1H2021 amounted to US\$1.3 million. The operating loss was US\$0.5 million. The operating activities' net cash inflows during 1H2021 were due to decrease in trade and other payables of US\$5.2 million, increase in inventories of US\$3.5 million and payment of taxes of US\$0.1 million which were partially offset by an increase of trade and other receivables of US\$8.0 million.

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

Net cash used in financing activities of US\$0.4 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\$1.8 million in 1H2021. Together with the negative effect of exchange rate changes, the cash and cash equivalents stood at US\$12.9 million as at 30 June 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 1H2021.

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 we have gained traction in our Stationery business in the first half of 2021, the next operating period and the next 12 months remained uncertain due to the emergence of the more virulent strain of COVID-19 globally. The local communities and the retail sectors in our key markets in United Kingdom and Australia continue to be impacted by the new strain. Wholesale and retail channels may continue to be badly affected if the spread is not curbed. In addition, the resurgence of COVID-19 cases with the emergence of more virulent strains globally may have an adverse effect on our supply chain in the next operating period as well as for the next 12 months. We will continue to accelerate and sharpen our technical capabilities in digitalization area to operate more efficiently and effectively.

Gross margin from our trading business is expected to be depressed significantly in the second half of financial year 2021 (as compared to second half of financial year 2020) due to strong market competition. Overall, the performance of the Group is expected to decline due to depressed margins from the trading business in the next reporting period and the next twelve months.

The Group will continue to take proactive measures to strengthen our financial position, including preserving cash, optimising cash flows, improve liquidity and reduce operational costs.



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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 28 April 2021. The IPTs for 1H2021 were as follows:

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Name of Interested Person	Nature of relationship	Aggregate value of all IPTs during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules)		Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000)	
		Half year ended 30-Jun-21 US\$'000	Half year ended 30-Jun-20 US\$'000	Half year ended 30-Jun-21 US\$'000	Half year ended 30-Jun-20 US\$'000
<u>Sales</u> PT Paramitra Gunakarya Cemerlang*	PT Paramitra Gunakarya Cemerlang is an entity under the APP Group which comprises Asia Pulp & Paper Company Ltd, its subsidiaries and associated companies). APP Printing (Holding) Pte Ltd, an entity under the APP Group, held 49% of the Company's shares and is the controlling shareholder of the Company.	-	-	18,726	33,356

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

To the best of their knowledge, nothing has come to the attention of the Directors of the Company which may render the unaudited half year results for the period ended 30 June 2021 to be false or misleading in any material aspects.

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

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

BY ORDER OF THE BOARD

Raja Hayat
Executive Director and
Interim Chief Executive Officer
10 August 2021