



NIPPECRAFT LIMITED

(Incorporated in the Republic of Singapore)

Company registration number: 197702861N

The announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited ("Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the 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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UNAUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS.

1(a)(i) A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income

	Group		
	Financial year ended 31-Dec-18 US\$'000	31-Dec-17 US\$'000	Change %
Revenue	115,037	125,810	-9%
Cost of sales	(106,659)	(116,279)	-8%
Gross profit	8,378	9,531	-12%
Distribution and marketing expenses	(4,469)	(4,995)	-11%
Administrative expenses	(3,906)	(4,226)	-8%
Impairment on financial assets	(14)	(25)	-44%
Other income, net	240	252	-5%
Finance expense, net	(528)	(440)	20%
(Loss) / profit before tax	(299)	97	N.M.
Tax credit / (expense)	238	(81)	N.M.
Net (loss) / profit for the year	(61)	16	N.M.
Other comprehensive (loss) / income			
<u>Items that may be reclassified subsequently to profit or loss</u>			
- Foreign currency translation differences for foreign operations	(797)	1,049	N.M.
Other comprehensive (loss) / income for the year, net of tax	(797)	1,049	N.M.
Total comprehensive (loss) / income for the year	(858)	1,065	N.M.
(Loss) / earnings per share (US cents)			
- Basic & Diluted	(0.017)	0.005	N.M.

Note: N.M. - Not meaningful



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1(a)(ii) (Loss) / Profit before tax is arrived at after charging/(crediting) the following:

	Group		
	Financial year ended		Change
	31-Dec-18	31-Dec-17	%
	US\$'000	US\$'000	
Depreciation of property, plant and equipment	471	436	8%
Gain on disposal of property, plant and equipment	(19)	(79)	-76%
Write-down of inventories	1,278	1,680	-24%
Foreign exchange gain, net	(40)	(318)	-87%
Restructuring expenses	213	83	N.M.

Note: N.M. - Not meaningful



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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position

	Group			Company	
	As at 31-Dec-18 US\$'000	As at 31-Dec-17 US\$'000 Restated ⁽¹⁾	As at 01-Jan-17 US\$'000 Restated ⁽¹⁾	As at 31-Dec-18 US\$'000	As at 31-Dec-17 US\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	5,035	3,882	4,232	4,991	3,815
Intangible assets	-	-	-	-	-
Investments in subsidiaries	-	-	-	16,512	16,512
	5,035	3,882	4,232	21,503	20,327
Current assets					
Inventories	4,005	4,537	4,174	481	589
Trade and other receivables	26,013	45,955	27,185	4,343	2,148
Prepayments	470	654	292	176	488
Income tax recoverable	62	-	-	-	-
Cash and bank balances	15,011	11,634	16,401	1,092	2,061
	45,561	62,780	48,052	6,092	5,286
Total assets	50,596	66,662	52,284	27,595	25,613
Current liabilities					
Trade and other payables	17,886	34,021	20,624	2,818	2,535
Borrowings	-	-	43	-	-
Lease liabilities	71	-	-	71	-
Income tax payable	-	144	185	-	-
	17,957	34,165	20,852	2,889	2,535
Non-current liabilities					
Deferred tax liabilities	-	210	210	-	210
Lease liabilities	1,589	-	-	1,589	-
	1,589	210	210	1,589	210
Total liabilities	19,546	34,375	21,062	4,478	2,745
Net assets	31,050	32,287	31,222	23,117	22,868
Equity					
Capital and reserves attributable to equity holders of the Company					
Share capital	36,817	36,817	36,817	36,817	36,817
Reserves ⁽¹⁾	1,000	1,797	748	748	748
Accumulated losses ⁽¹⁾	(6,767)	(6,327)	(6,343)	(14,448)	(14,697)
Total equity	31,050	32,287	31,222	23,117	22,868

Note 1: Please refer to Paragraph 4 - SFRS (I) 1 and SFRS (I) 9 for the reason for restatement.



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1(b)(ii) Aggregate amount of group's borrowing and debt securities

	As at 31-Dec-18		As at 31-Dec-17	
	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.



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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

	Group	
	Financial year ended	
	31-Dec-18	31-Dec-17
	US\$'000	US\$'000
Cash flows from operating activities		
(Loss)/profit before tax	(299)	97
Adjustments:		
Depreciation of property, plant and equipment	471	436
Gain on disposal of property, plant and equipment	(19)	(79)
Impairment loss on trade receivables	14	25
Interest income	(22)	(8)
Interest expense	550	448
Write-down of inventories	1,278	1,680
Operating profit before working capital changes	1,973	2,599
Movement in working capital:		
Inventories	(1,076)	(1,747)
Trade and other receivables	19,044	(18,243)
Trade and other payables	(15,441)	12,489
Cash generated from/(used in) operations	4,500	(4,902)
Income tax paid, net of tax refund	(175)	(79)
Net cash from/(used in) operating activities	4,325	(4,981)



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Consolidated Statement of Cash Flows (Cont'd)

	Group	
	Financial year ended	
	31-Dec-18	31-Dec-17
	US\$'000	US\$'000
Cash flows from investing activities		
Interest received	22	8
Acquisition of property, plant and equipment	(107)	(154)
Proceeds from disposal of property, plant and equipment	227	151
Net cash from investing activities	142	5
Cash flows from financing activities		
Deposits pledged	-	(77)
Interest paid	(476)	(448)
Repayment of bills payable	-	(43)
Payment of lease liabilities	(144)	-
Net cash used in financing activities	(620)	(568)
Net increase/(decrease) in cash and cash equivalents		
	3,847	(5,544)
Effects of exchange rate changes on cash and cash equivalents	(470)	700
Cash and cash equivalents as at beginning of the year	9,534	14,378
Cash and cash equivalents as at end of the year	12,911	9,534

Note to Consolidated Statement of Cash Flows:

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

Cash at bank and in hand	12,892	11,567
Short-term bank deposits	2,119	67
Cash and bank balances	15,011	11,634
Bank balances and deposits pledged	(2,100)	(2,100)
Cash and cash equivalents per consolidated statement of cash flows	12,911	9,534



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statements of Changes in Equity

Group	Share capital US\$'000	Asset revaluation reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings/ (Accumulated losses) US\$'000	Total equity US\$'000
Balance as at 01.01.2018, as previously reported	36,817	748	(6,394)	1,116	32,287
Effects on adoption of SFRS(I) 1	-	-	7,443	(7,443)	-
Effects on adoption of SFRS(I) 9	-	-	-	(379)	(379)
Loss for the year	-	-	-	(61)	(61)
Other comprehensive loss for the year, net of tax					
- Currency translation differences	-	-	(797)	-	(797)
Total comprehensive loss for the year	-	-	(797)	(61)	(858)
Balance as at 31.12.18	36,817	748	252	(6,767)	31,050
Balance as at 01.01.2017, as previously reported	36,817	748	(7,443)	1,100	31,222
Effects on adoption of SFRS(I) 1	-	-	7,443	(7,443)	-
Profit for the year	-	-	-	16	16
Other comprehensive income for the year, net of tax					
- Currency translation differences	-	-	1,049	-	1,049
Total comprehensive income for the year	-	-	1,049	16	1,065
Balance as at 31.12.17 (restated)	36,817	748	1,049	(6,327)	32,287



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Statements of Changes in Equity

Company	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 01.01.2018	36,817	748	-	(14,697)	22,868
Profit for the year	-	-	-	249	249
Total comprehensive income for the year	-	-	-	249	249
Balance as at 31.12.18	36,817	748	-	(14,448)	23,117
Balance as at 01.01.2017	36,817	748	-	(15,396)	22,169
Loss for the year	-	-	-	(1,211)	(1,211)
Dividend income from subsidiary	-	-	-	1,910	1,910
Total comprehensive income for the year	-	-	-	699	699
Balance as at 31.12.17	36,817	748	-	(14,697)	22,868

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There was no change in the Company's issued and paid-up share capital from 1 January 2018 to 31 December 2018. There were no outstanding convertibles, treasury shares and subsidiary holdings as at 31 December 2018 and 31 December 2017.



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1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31-Dec-18	31-Dec-17
Total number of issued shares ('000)	<u>351,398</u>	<u>351,398</u>

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/or use of treasury shares during the financial year ended 31 December 2018.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/or use of subsidiary holdings during the financial year ended 31 December 2018.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 & 5 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) ("**SFRS(I)**"). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards. The Group's financial statements for the financial year ended 31 December 2018 has been prepared in accordance with SFRS(I).

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the previous audited financial statements, except for the adoption of the SFRS(I) framework as described above and the new/revised SFRS(I) applicable for the financial period beginning 1 January 2018 as follows:



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- SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)
- SFRS(I) 15 Revenue from Contracts with Customers
- SFRS(I) 9 Financial Instruments
- SFRS(I) 16 Leases

SFRS(I) 1

As a first-time adopter of SFRS(I), the Group has elected the option to deem cumulative translation differences for foreign operations to be nil on 1 January 2017 (date of transition), and accordingly, the gain or loss that will be recognised on a subsequent disposal of the foreign operations will exclude cumulative translation differences that arose before 1 January 2017. As a result, the foreign currency translation reserve of US\$7.4 million was reclassified to opening retained earnings as at 1 January 2017.

SFRS(I) 9

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets and new general hedge accounting requirements.

The Group has elected to apply the exemption in SFRS(I) 1 allowing it not to restate comparative information in the 2018 SFRS(I) financial statements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings as at 1 January 2018.

SFRS(I) 9 requires the Group to record expected credit losses (“**ECL**”) on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group adopts the simplified approach and records lifetime ECL on all trade receivables. As a result, receivables and retained earnings as at 1 January 2018 were adjusted by US\$0.4 million.

SFRS(I) 15

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. The impact of this adjustment has been assessed to be immaterial by management and accordingly, no restatement has been made.

SFRS(I) 16

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (“**ROU**”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted for entities that apply SFRS(I) 15 at or before the date of initial application of this standard.

The Group has elected to early adopt SFRS(I) 16 on 1 January 2018 using the modified retrospective approach. At the date of initial application, the Group has recognised ROU assets that are equal to their corresponding lease liabilities.



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6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

<u>(Loss)/earnings per share (LPS/EPS)</u>	Group	
	Financial year ended	
	31-Dec-18	31-Dec-17
(LPS)/EPS based on average number of shares (US cents)	(0.017)	0.005
(LPS)/EPS based on a fully diluted basis (US cents)	(0.017)	0.005
Weighted average number of shares ('000)	351,398	351,398
Weighted average number of shares - diluted ('000)	351,398	351,398

The Company has no dilutive equity instruments as at 31 December 2018 and 31 December 2017.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

<u>Net asset value (NAV)</u>	Group		Company	
	As at		As at	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
Net asset value per share (US cents)	<u>8.84</u>	<u>9.19</u>	<u>6.58</u>	<u>6.51</u>
Number of issued shares less treasury shares ('000)	<u>351,398</u>	<u>351,398</u>	<u>351,398</u>	<u>351,398</u>



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8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

A) Consolidated Statement of Comprehensive Income

Revenue

	Financial year ended				
	31-Dec-18		31-Dec-17		Variance
	US\$'000		US\$'000		
Stationery business	17,893		21,967	(4,074)	-19%
Trading business	97,144		103,843	(6,699)	-6%
	115,037		125,810	(10,773)	-9%

The Group recorded revenue of US\$115.0 million for the financial year ended 31 December 2018 (“FY2018”) as compared to US\$125.8 million in the previous corresponding financial year ended 31 December 2017 (“FY2017”). The decrease in revenue of US\$10.8 million or 9% was mainly attributable to unfavorable economic conditions.

Stationery business revenue decreased by US\$4.1 million or 19%, of which US\$1.0 million was attributed to foreign exchange differences. Excluding the effect of foreign exchange differences, stationery revenue decreased by US\$3.1 million, or 14%. Sales were lower mainly due to decline in the traditional stationery business, as well as loss of sales from low-margin customers. While there has been growth from new markets and more sales of lifestyle stationery, these new businesses are at an early development stage and are insufficient to cover the core decline in FY2018. In the United Kingdom (“UK”), the Group also saw a sharp decline in customer sentiments during the 4th quarter of 2018 amidst Brexit uncertainties, which translated into a decline in UK market sales.

Trading business revenue decreased by US\$6.7 million or 6% to US\$97.1 million mainly due to unexpected delay of an order to January 2019.

Gross profit

	Financial year ended		Financial year ended		Variance
	31-Dec-18		31-Dec-17		
	US\$'000	Margin	US\$'000	Margin	US\$'000
Stationery business	5,915	33.1%	6,779	30.9%	(864)
Trading business	2,463	2.5%	2,752	2.6%	(289)
	8,378	7.3%	9,531	7.6%	(1,153)

Gross profit for FY2018 decreased by US\$1.2 million to US\$8.4 million as compared to FY2017 mainly due to the decrease of US\$0.9 million in Stationery business in line with the decrease in sales in this business, and a decrease of US\$0.3 million in Trading business.



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Overall gross profit margin for FY2018 decreased slightly by 0.3 percentage point. Gross profit margin for Stationery business improved by 2.2 percentage point mainly due to realignment of sales strategy to improve the average selling prices in FY2018 as well as to shift to higher-margin market segments. Gross profit margin for Trading business decreased slightly by 0.1 percentage point mainly due to differences in product mix being traded.

Distribution and marketing and Administrative expenses

	Financial year ended			
	31-Dec-18	31-Dec-17	Variance	
	US\$'000	US\$'000	US\$'000	%
Distribution and marketing expenses	4,469	4,995	(526)	-11%
Administrative expenses	3,906	4,226	(320)	-8%
Total operating expenses	8,375	9,221	(846)	-9%

Distribution and marketing expenses in FY2018 decreased by US\$0.5 million or 11%. This was mainly attributable to a decrease of US\$0.5 million in freight charges as well as storage and distribution costs in the Stationery business. The decrease was in tandem with the decline in sales as well as increased efforts of the Group to improve logistics efficiency.

Administrative expenses incurred in FY2018 decreased as compared to FY2017. This was mainly due to cost savings of US\$0.3 million in payroll related costs following a restructuring exercise to streamline resources in the Stationery business.

Impairment on financial assets

Impairment on financial assets remained relatively consistent.

Other income, net

The decrease in other income was mainly due to:

- (a) increase of US\$0.1 million in restructuring expenses incurred for the Stationery business;
- (b) decrease in foreign exchange gain of US\$0.3 million due mainly to weakening of GBP and AUD against USD; and
- (c) decrease in gain on disposal of fixed assets of US\$0.1 million,

partially offset by an increase of US\$0.4 million in rental income arising from the rental of warehousing space to a new tenant.

Finance expense, net

Higher finance expense was mainly due to the recognition of interest expenses for the lease liabilities following the adoption of the new accounting standard - SFRS(I) 16 Leases.

Tax credit / (expense)

The tax credit arose from the reversal of over-provision of income tax expenses and deferred tax liability relating to prior years.

Net loss for the year

As a result of the above, the Group recorded a net loss of approximately US\$61,000 in FY2018 as compared to a net profit of approximately US\$16,000 in FY2017.



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B) Statements of Financial Position

i) Group

Non-current assets

Property, plant and equipment increased by US\$1.2 million because of the recognition of ROU asset of US\$1.6 million following the adoption of SFRS(I) 16 Leases, offset by depreciation charges of US\$0.5 million recorded in the year.

Current assets

Inventory levels were lower by US\$0.5 million due to the timing difference in the shipment of stocks to Australia.

Trade and other receivables decreased by US\$19.9 million because of payment received from customers of the Trading business which are partially offset by outstanding billings made in the last quarter of FY2018.

Prepayments decreased by US\$0.2 million because of lower advanced payments made to suppliers.

Income tax recoverable arose due to a refund of income tax from tax authorities in certain subsidiaries.

Movement in cash and bank balances is illustrated in the statement of cash flows.

Current liabilities

Current liabilities decreased by US\$16.2 million mainly due to payment to suppliers of the Trading business.

Non-current liabilities

Lease liabilities increased by US\$1.6 million due to the recognition of lease liabilities on balance sheet following the adoption of the new accounting standard - SFRS(I) 16 Leases.

Deferred tax liabilities decreased by US\$0.2 million due to a reversal of an over-provision in respect of prior year.

C) Consolidated Statement of Cash Flows

In FY2018, the Group's cash and cash equivalents increased by US\$3.4 million (after adjusting for the effect of exchange rate changes) from US\$9.5 million as at 31 December 2017 to US\$12.9 million as at 31 December 2018.

The significant cash movements during FY2018 were as follows:

Net cash from operating activities in FY2018 amounted to US\$4.3 million. This was mainly due to a decrease in trade and other receivables of US\$19.0 million arising from receipts and an operating cash inflow (before changes in working capital) of US\$2.0 million, partially offset by purchase of inventories of US\$1.1 million, net repayment of trade and other payables of US\$15.4 million as well as payment for income tax of US\$0.2 million.

Net cash from investing activities of US\$0.1 million was mainly generated from proceeds from disposal of property, plant and equipment of US\$0.2 million, partially offset by capital expenditure of US\$0.1 million.



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Net cash used in financing activities of US\$0.6 million was due to interest expense incurred on financing trading business activities.

9 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 financial year ended 31 December 2018.

10 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 reporting period and the next 12 months

Retail environment remains challenging in both UK and Australia, and traditional stationery business declined further from last year. Both trends are expected to continue in the medium term. Furthermore, Brexit uncertainties are likely to affect the UK market at least up till the 1st quarter of 2019.

Amidst these uncertainties, the Group's priorities are to strengthen our brand position and to expand the lifestyle stationery business, which is growing albeit from a small base. The Group will be celebrating the 200th year anniversary of its flagship Collins brand in 2019. This presents an excellent opportunity to showcase the new brand design and new lifestyle-driven product range.

The Group's core markets, UK and Australia, are mature and it is critical that we expand into new markets. The Collins brand was launched in Malaysia, Indonesia, Japan and the Middle East in 2018. The Group will cultivate the new markets, while looking for further expansion opportunities.

Subsequent to the update provided on 3 August 2018 on the Forest Stewardship Council ("FSC") license, the Company is still undergoing discussions with FSC on the licensing status. The Company will provide an update once there is further development. Based on our current assessment, this is not expected to have a material impact on the Company's operations for the next financial reporting period.

Barring any unforeseen circumstances, the Group expects the Trading business to continue to be stable in the next financial reporting period.

11 Dividend

**(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.

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(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for FY2018 in view of the negative earnings.

13 If the group has obtained a general mandate from shareholders for Interested Person Transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Catalyst Rules. If no IPT mandate has been obtained, a statement to that effect.

The Group has renewed its general mandate for IPT at the recent annual general meeting held on 27 April 2018. The IPTs for the financial year ended 31 December 2018 were as follows:

Name of Interested Person	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-18 US\$'000	31-Dec-17 US\$'000	31-Dec-18 US\$'000	31-Dec-17 US\$'000
<u>Sales</u> PT Paramitra Gunakarya Cemerlang	-	-	36,751	45,369
Total IPTs	-	-	36,751	45,369

14 Confirmation that the issuer has procured the undertakings 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 confirms that it has procured the undertakings from all its Directors and Executive Officers in the format set out in Appendix 7H pursuant to Rule 720(1) of the Catalyst Rules.



NIPPECRAFT LIMITED

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PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15 Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Reportable segments

Group	Stationery	Trading	Total
Financial year ended 31-Dec-18	US\$'000	US\$'000	US\$'000
Segment revenue	26,975	97,184	124,159
Intra-Segment revenue	(9,082)	(40)	(9,122)
External revenue	17,893	97,144	115,037
Segment (loss)/profit	(1,079)	1,308	229
Finance income			22
Finance expense			(550)
Loss before tax			(299)
Tax expense			238
Consolidated loss for the year			(61)
Segment assets	26,125	24,471	50,596
Segment liabilities	6,572	12,974	19,546
Other segment information:			
Capital expenditure	107	-	107
Depreciation	471	-	471
Write-down of inventories	1,278	-	1,278
Group	Stationery	Trading	Total
Financial year ended 31-Dec-17	US\$'000	US\$'000	US\$'000
Segment revenue	31,899	103,889	135,788
Intra-Segment revenue	(9,932)	(46)	(9,978)
External revenue	21,967	103,843	125,810
Segment (loss)/profit	(1,466)	2,003	537
Finance income			8
Finance expense			(448)
Profit before tax			97
Tax expense			(81)
Consolidated profit for the year			16
Segment assets	27,084	39,578	66,662
Segment liabilities	5,800	28,575	34,375
Other segment information:			
Capital expenditure	154	-	154
Depreciation	436	-	436
Write-down of inventories	1,680	-	1,680



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Geographical information

In presenting information of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on geographical location of the assets.

<u>Revenue</u>	Financial year ended	
	31-Dec-18	31-Dec-17
	US\$'000	US\$'000
Singapore	28,338	29,676
United Kingdom	7,736	13,173
Europe	180	136
Australia	8,640	10,895
United States of America	418	925
Indonesia	36,765	45,369
Hong Kong	24,730	12,234
Malaysia	8,136	13,055
Others	94	347
Total	115,037	125,810

<u>Non-current assets</u>	Financial year ended	
	31-Dec-18	31-Dec-17
	US\$'000	US\$'000
Singapore	4,991	3,815
United Kingdom	32	42
Australia	12	25
Total	5,035	3,882

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments

Please refer to Paragraph 8.

17 A breakdown of sales as follows:

	Financial year ended		
	31-Dec-18	31-Dec-17	Variance
	US\$'000	US\$'000	%
Sales reported for:			
(a) First half of the financial year	59,302	49,467	20%
(b) Second half of the financial year	55,735	76,343	-27%
	115,037	125,810	-9%
(Loss) / profit attributable to owners of the Company			
(a) First half of the financial year	(888)	(421)	N.M.
(b) Second half of the financial year	827	437	89%
	(61)	16	N.M.



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

Not applicable.

- 19 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) of the Catalist Rules in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(10) of the Catalist Rules, the Board of Nippecraft Limited hereby confirms that to the best of its knowledge, as at the date of this announcement, none of the persons occupying managerial positions in the Company or any of its subsidiaries is a relative of a director or chief executive officer or a substantial shareholder of the Company.

BY ORDER OF THE BOARD

Connie Oi Yan Chan
Executive Chairlady and Chief Executive Officer
26 February 2019