

UNAUDITED FULL YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

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

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

Income Statement for the year ended 31 December 2015	Group		
	S\$'000		%
	Full year to 31/12/2015	Full year to 31/12/2014	Change
Revenue	328,392	313,417	4.8
Cost of sales	(311,916)	(299,722)	4.1
Gross profit	16,476	13,695	20.3
Other income/(expenses)	940	(6,699)	(114.0)
Distribution and marketing expenses	(8,521)	(8,461)	0.7
Administrative expenses	(6,385)	(6,601)	(3.3)
Results from operating activities	2,510	(8,066)	(131.1)
Finance income	175	88	98.9
Finance expenses	(1,456)	(233)	524.9
Net profit / (loss) before income tax	1,229	(8,211)	(115.0)
Income tax expense	(385)	431	(189.3)
Profit / (loss) for the year	844	(7,780)	(110.8)

	Group		
	S\$'000		%
	Full year to 31/12/2015	Full year to 31/12/2014	Change
Profit / (loss) for the year	844	(7,780)	(110.8)
Other comprehensive income			
Foreign currency translation differences for foreign operations	401	(99)	(505.1)
Total comprehensive income / (loss) for the year	1,245	(7,879)	(115.8)

- (ii) The income statement includes the followings items:

	Group		
	S\$'000		%
	Full year to 31/12/2015	Full year to 31/12/2014	Change
Depreciation of property, plant and equipment	734	1,726	(57.5)
Amortisation of intangible assets	-	769	N/M
Impairment loss on trade receivables	172	135	27.4
Impairment loss on intangible assets	-	3,016	N/M
Provision for slow-moving stocks	1,302	1,480	(12.0)
Exchange (gain) / loss	(267)	(266)	0.4
Impairment loss on fixed assets	-	3,434	N/M
Loss on disposal of subsidiary	-	927	N/M

N/M denotes Not Meaningful

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

	Group		Company	
	31/12/2015 S\$'000	31/12/2014 S\$'000	31/12/2015 S\$'000	31/12/2014 S\$'000
Non-Current Assets				
Property, Plant and Equipment	6,600	7,233	6,508	7,102
Investment in Subsidiaries	-	-	23,117	23,117
	<u>6,600</u>	<u>7,233</u>	<u>29,625</u>	<u>30,219</u>
Current Assets				
Inventories	7,576	8,504	1,557	3,103
Trade receivables	39,356	23,844	297	645
Amounts due from subsidiaries	-	-	4,386	5,220
Amounts due from related companies	6,734	29,103	-	-
Other receivables, deposits and prepayments	7,212	3,673	482	605
Tax recoverable	-	-	-	-
Cash and bank balances	24,746	24,242	5,102	5,837
	<u>85,624</u>	<u>89,366</u>	<u>11,824</u>	<u>15,410</u>
Current Liabilities				
Trade payables	24,626	33,482	1,134	1,658
Amounts due to subsidiaries	-	-	1,444	1,281
Amounts due to related companies	6,533	4,721	9	102
Other payables and accruals	10,622	9,449	2,390	2,247
Loans and borrowings	19	69	19	69
Provision for taxation	560	259	-	15
	<u>42,360</u>	<u>47,980</u>	<u>4,996</u>	<u>5,372</u>
Net Current Assets	43,264	41,386	6,828	10,038
Non-Current Liabilities				
Deferred taxation	300	300	300	300
	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>
Net Assets	<u>49,564</u>	<u>48,319</u>	<u>36,153</u>	<u>39,957</u>
Capital and Reserves				
Share Capital	51,547	51,547	51,547	51,547
Asset revaluation reserve	1,047	1,047	1,047	1,047
Foreign currency translation reserve	(7,411)	(7,812)	-	-
Accumulated profits/(losses)	4,381	3,537	(16,441)	(12,637)
	<u>49,564</u>	<u>48,319</u>	<u>36,153</u>	<u>39,957</u>

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

(a) Amount repayable in one year or less, or on demand;

As at 31/12/2015		As at 31/12/2014	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
-	19	-	69

(b) Amount repayable after one year;

As at 31/12/2015		As at 31/12/2014	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Other information:

Details of any collaterals.

Not applicable.

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

	Group	
	Full year ended	
	31/12/2015 S\$'000	31/12/2014 S\$'000
Cash flow from operating activities		
Profit / (loss) before tax	1,229	(8,211)
Adjustments for :		
Depreciation of property, plant and equipment	734	1,726
Amortisation of intangible assets	-	769
Impairment loss on intangible assets	-	3,016
Gain on sale of property, plant and equipment	(21)	(9)
Loss on disposal of subsidiary	-	927
Fixed assets written off	-	(62)
Impairment loss on fixed assets	-	3,434
Interest expenses	1,456	233
Interest income	(175)	(88)
Unrealised foreign exchange (loss)/gain	(57)	(476)
Impairment loss on trade receivables	172	135
Provision for slow-moving stocks	1,302	1,480
Operating profit before changes in working capital	<u>4,640</u>	<u>2,874</u>
Changes in working capital:		
Trade and other receivables	2,960	(21,242)
Inventories	(374)	5,206
Trade and other payables	<u>(5,773)</u>	<u>6,455</u>
Cash (used in)/generated from operations	1,453	(6,707)
Income tax paid	<u>(111)</u>	<u>72</u>
Net cash generated from/(used in) operating activities	<u>1,342</u>	<u>(6,635)</u>
Cash flow from investing activities		
Interest received	175	88
Purchase of property, plant and equipment	(106)	(159)
Proceeds from sale of property, plant and equipment	22	78
Net proceed from disposal of subsidiary (see note below)	-	646
Net cash generated from investing activities	<u>91</u>	<u>653</u>
Cash flow from financing activities		
Deposits pledged	(609)	(346)
Interest paid	(1,456)	(233)
Repayment of bills payable	(318)	(407)
Proceeds from bills payable	266	299
Net cash used in financing activities	<u>(2,117)</u>	<u>(687)</u>
Net (decrease)/increase in cash and cash equivalents	(684)	(6,669)
Effects of exchange rate changes on cash and cash equivalents	579	162
Cash and cash equivalents at beginning of the year	<u>22,051</u>	<u>28,558</u>
Cash and cash equivalents at end of the year	<u>21,946</u>	<u>22,051</u>
Cash and cash equivalents at end of the year comprises of:		
Cash and bank balances	23,584	22,099
Short term bank deposits	<u>1,162</u>	<u>2,143</u>
	24,746	24,242
Deposits pledged	<u>(2,800)</u>	<u>(2,191)</u>
Cash and cash equivalents in the statement of cash flows	<u>21,946</u>	<u>22,051</u>
Note: Disposal of subsidiary	31/12/2015	31/12/2014
	S\$'000	S\$'000
Property, plant and equipment	-	709
Trade Receivables - 3rd Party	-	1,112
Trade Receivables - Related Party	-	104
Other receivables	-	157
Inventories (net)	-	1,119
Cash and cash equivalents	<u>-</u>	<u>595</u>
	-	3,796
Trade Payables - 3rd Party	-	(49)
Trade Payables - Related Party	-	(4,935)
Other payables	<u>-</u>	<u>(72)</u>
Carrying value of net assets	<u>-</u>	<u>(1,260)</u>
Total consideration	-	1,241
Cash and cash equivalents	<u>-</u>	<u>(595)</u>
Net cash inflow on disposal of subsidiary	<u>-</u>	<u>646</u>

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.

The Group

(S\$'000)	Share capital	Asset revaluation reserve	Foreign currency translation reserve	Accumulated profits/(losses)	Total
As at 1 January 2014	51,547	1,047	(7,713)	11,317	56,198
Total comprehensive loss for the year	-	-	-	(7,780)	(7,780)
Loss for the year	-	-	-	(7,780)	(7,780)
Other comprehensive loss	-	-	(99)	-	(99)
Foreign currency translation differences	-	-	(99)	-	(99)
Total comprehensive loss for the year	-	-	(99)	(7,780)	(7,879)
Balance as at 31 December 2014	51,547	1,047	(7,812)	3,537	48,319
As at 1 January 2015	51,547	1,047	(7,812)	3,537	48,319
Total comprehensive income for the year	-	-	-	844	844
Profit for the year	-	-	-	844	844
Other comprehensive income	-	-	401	-	401
Foreign currency translation differences	-	-	401	-	401
Total comprehensive income for the year	-	-	401	844	1,245
Balance as at 31 December 2015	51,547	1,047	(7,411)	4,381	49,564

The Company

(S\$'000)	Share capital	Asset revaluation reserve	Foreign currency translation reserve	Accumulated profits/(losses)	Total
As at 1 January 2014	51,547	1,047	-	(3,767)	48,827
Total comprehensive income for the year	-	-	-	(8,870)	(8,870)
Loss for the year	-	-	-	(8,870)	(8,870)
Balance as at 31 December 2014	51,547	1,047	-	(12,637)	39,957
As at 1 January 2015	51,547	1,047	-	(12,637)	39,957
Total comprehensive loss for the year	-	-	-	(3,804)	(3,804)
Loss for the year	-	-	-	(3,804)	(3,804)
Balance as at 31 December 2015	51,547	1,047	-	(16,441)	36,153

- 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, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

The Company has no treasury shares as at 31st December 2015 and 31st December 2014.

- 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 immediately preceding year.

	The Group	
	31/12/2015	31/12/2014
Total number of issued shares	351,398,000	351,398,000

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

There was no treasury shares at the end of the financial year ended 31 December 2015.

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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in preparing the financial statements for the current accounting year compared with the most recently audited financial statements for the year ended 31 December 2014.

5. 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.

Not applicable.

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

	The Group	
	31/12/2015	31/12/2014
Profit / (loss) per ordinary share for the period based on net profit attributable to shareholders:		
(i) Based on the weighted average number of ordinary shares in issue; and	0.240 cts	(2.214) cts
(ii) On a fully diluted basis (detailing any adjustments made to the earnings).	0.240 cts	(2.214) cts

Notes:

Profit / (loss) per share for years ended 31/12/2015 and 31/12/2014 were based on 351,398,000 shares.

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.

	31/12/2015	31/12/2014
Net assets value per ordinary share based on issued share capital at the end of the period - The Group	S\$ 0.141	S\$ 0.138
Net assets value per ordinary share based on issued share capital at the end of the period - The Company	S\$ 0.103	S\$ 0.114

Note:

Net assets value per share for years ended 31/12/2015 and 31/12/2014 were based on 351,398,000 shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Consolidated Income Statement

A Group Revenue

	FY2015	FY2014	Variance	
	S\$'000	S\$'000	S\$'000	%
Stationery Business	37,695	41,928	(4,233)	-10.1%
Trading Business	290,697	271,489	19,208	7.1%
	328,392	313,417	14,975	4.8%

The Group revenue increased by \$15.0 million to \$328.4 million in FY2015. This represented a 10.1% decrease and 7.1% increase in the stationery and trading business respectively. However the Group experienced foreign currency volatility in FY2015 especially the Australia dollars. The revenue in Singapore dollar term may not fully reflect the performance of the underlying business.

(i) The decline of \$4.2 million was due to lower sales of \$1.2 million from the stationery business primarily due to translation differences as a result of weakening of Australia dollars and absence of household tissue sales of \$2.8 million in which this business was sold in August 2014.

At constant foreign exchange rate, the stationery business (exclude household tissue sales) is stable at \$39.7 million in FY2015; a slight increase of \$0.6 million as compared to FY2014.

(ii) The trading business is conducted in USD dollars which declined slightly from USD215.5 million in FY2014 to USD211.5 million in FY2015. This was driven by the overall decline in commodity prices and Group's effort to reduce exposure in emerging markets.

B Group Gross Profit

	FY2015		FY2014		Variance	
	S\$'000	Margin	S\$'000	Margin	S\$'000	%
Stationery Business	8,033	21.3%	8,746	20.9%	(713)	(8.2%)
Trading Business	8,443	2.9%	4,949	1.8%	3,494	70.6%
	16,476	5.0%	13,695	4.4%	2,781	20.3%

The Group achieved a higher gross profit of \$16.5 million in FY2015 as compared to \$13.7 million in FY2014. Gross profit margin was higher for both the stationery and trading business; achieving an overall gross profit margin of 5.0% in FY2015 as compared to 4.4% in FY2014.

(i) In the stationery business, the reduction in gross profit from \$8.7 million to \$8.0 million in FY2015 was driven by adverse foreign exchange rates in the Australia markets which sourced most of their products in US dollars. This was partially offset by efficiencies gained from increased outsourcing production activities and a reduction in depreciation costs as a result of impairment of plant and equipment in FY2014. The disposal of household tissue business in FY2014 also contributed to a lower production overheads in FY2015.

During the year, the Group expanded its stationery business into new markets including Taiwan and Indonesia and is working to re-enter the US market.

(ii) The higher gross profit margin in the trading business was due to different product mix traded.

C Group Selling & Distribution and General Administration

	FY2015	FY2014	Variance	
	S\$'000	S\$'000	S\$'000	%
Selling & Distribution	8,521	8,461	60	0.7%
General Administration	6,385	6,601	(216)	(3.3%)
	14,906	15,062	(156)	(1.0%)

General administration expenses declined due to absence of amortisation costs in FY2015.

D Finance costs

Finance costs increased by \$1.2 million due to more discounting of trade bills for the trading business.

E Other income / (expenses)

	FY2015	FY2014	Variance	
	S\$'000	S\$'000	S\$'000	%
Loss on disposal of subsidiary	-	(927)	927	N/M
Impairment of property, plant and equipment	-	(3,434)	3,434	N/M
Impairment loss on intangible assets	-	(3,016)	3,016	N/M
Exchange gain / (loss)	267	266	1	0.4%
Others	673	412	261	63.3%
	940	(6,699)	7,639	(114.0%)

Others consist of subletting income and wage credit scheme. The increase is primarily due to subletting income which commenced in FY2015 and write back of accruals and deposits of \$120,000 in FY2015.

Group	FY2015	FY2014	Variance		Change
	S\$'000	S\$'000	S\$'000		%
Net profit / (loss) before tax for the year	1,229	(8,211)	9,440		115.0%
(i) Loss on disposal of subsidiary - Jinmei	-	927	(927)		N/M
(ii) Add Impairment of plant and equipment at Nippecraft	-	3,434	(3,434)		N/M
(iii) Add impairment loss on intangible assets	-	3,016	(3,016)		N/M
Adjusted net profit / (loss) before tax	1,229	(834)	2,063		247.4%
Add depreciation	734	1,726	(992)		(57.5%)
Add finance costs	1,456	233	1,223		524.9%
Add amortisation of intangible	-	769	(769)		N/M
Adjusted EBITDA (Earnings before income tax, depreciation, amortisation and interest costs)	3,419	1,894	1,525		80.5%

N/M denotes Not Meaningful

In FY2015, the Group made a profit before tax of \$1.2 million as compared to an adjusted loss of \$834,000.

Adjusted EBITDA has also improved by 80.5% from \$1.9 million in FY2014 to \$3.4 million in FY2015.

Nippecraft (Company)

Company - Profit and Loss (Extract)	FY2015	FY2014	Variance	
	S\$'000	S\$'000	S\$'000	%
Sales	18,044	13,477	4,567	33.9%
Gross Loss	(2,357)	(3,684)	1,327	(36.0%)
Net Loss before tax	(3,804)	(9,565)	5,761	(60.2%)
Add impairment of plant and equipment	-	3,434	(3,434)	N/M
Add net loss on disposal of Jinmei at Company level less write off of intercompany balances	-	1,634	(1,634)	N/M
Adjusted net loss before tax	(3,804)	(4,497)	693	(15.4%)
Add depreciation	687	1,562	(875)	(56.0%)
Add finance costs	-	-	-	0.0%
EBITDA	(3,117)	(2,935)	(182)	6.2%

(a)
(b)

Nippecraft, the Company, is the production arm for the Nippecraft Group. It produces stationery products mainly dated diaries. It sells to Australia, US and UK markets.

Sales increased by \$4.6 million due to higher sales in the Australia market (assuming constant exchange rates) and entering new markets (Taiwan and Indonesia)

Gross loss also narrowed from \$3.7 million in FY2014 to \$2.4 million in FY2015. Improvements due to:-

- (i) lower depreciation costs following the impairment of plant and equipment in FY2014
- (ii) efficiencies gained from increased outsource production activities.

Adjusted net loss improved by \$693,000 to \$3.8 million in FY2015. The lower gross loss was offset by increase in selling and distribution expenses due to expenses incurred as we entered new markets and re-enter into the US market.

Review of Statement of Financial Position

Group Review

Non current assets declined due to depreciation charges incurred.

Current assets declined by \$3.7 million due to (i) lower inventory incurred of \$0.9m; (ii) timing of our collections from our receivables (3rd parties and related companies) and (iii) advance payments to pulp suppliers of \$5 million for the trading business.

Current liabilities decreased by \$5.6 million primarily due to timing of payments to suppliers (3rd parties and related companies).

Company Review (significant changes)

Decline in fixed assets due to depreciation charges incurred.

Decrease in current assets of \$3.6 million due to lower inventory purchased of \$1.5 million and timing of collections from intercompany and trade receivables.

Decrease in current liabilities of \$0.4 millions due to timing of payments to our suppliers.

Group Cash Flow

The Group reported a net increase in cash of \$0.5 million from \$24.2 million as at 31 December 2014 to \$24.7 million as at 31 December 2015.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variances between it and the actual results.

No forecast or prospect statement was disclosed to shareholders previously.

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.

The global economic outlook remains uncertain in 2016. The Group expects its pulp trading business in particular to face headwinds. Although the stationery business may also face challenges, the Group has actively reduced its costs base in the last few years, which will help it to remain competitive. In 2016, the Group will continue to practice disciplined costs management, while increasing the focus to grow the stationery business under the Collins and Debden brands. We will also explore investment opportunities when they arise.

11. Dividend

(a) Any dividend declared for the current financial period reported on? Nil

Name of dividend	
Dividend type	
Dividend rate	
Tax rate	

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediate preceding financial year? Nil

Name of dividend	
Dividend type	
Dividend rate	
Tax rate	

(c) Whether the dividend is before tax, net of tax or tax exempt.

Not applicable

(d) Date payable

Not applicable

(e) Books closing date

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. 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.

By geographical location:

Geographical segment information of sales and profit before tax are presented on the basis of the location of markets.

Segment assets, segment liabilities, capital expenditure and depreciation are determined based on the country of incorporation of the company.

(a) Turnover

	Group	
	31/12/2015 S\$'000	31/12/2014 S\$'000
Singapore	540	6,102
Europe	16,565	17,577
Australia	18,367	19,687
North America *	8,710	10,612
South America	3,240	3,308
Indonesia	222,297	238,312
Hong Kong	58,332	17,197
Others	341	622
Total	<u>328,392</u>	<u>313,417</u>

* sales of stationery products, paper bags and gift boxes.

(b) Profit before taxation

	Group	
	31/12/2015 S\$'000	31/12/2014 S\$'000
Singapore	(1,267)	(8,768)
Europe	61	(3,134)
Australia	(1,041)	(534)
North America	(1,645)	(391)
South America	78	63
Indonesia	5,296	4,562
Hong Kong	1,405	329
Others	(377)	(193)
Total	<u>2,510</u>	<u>(8,066)</u>
Unallocated cost	(1,456)	(233)
Unallocated income	175	88
Operating loss before tax	<u>1,229</u>	<u>(8,211)</u>

(c) Other information:

The Group - 2015
S\$'000

	Segment assets S\$'000	Segment liabilities S\$'000	Capital expenditure S\$'000	Depreciation and impairment S\$'000	Amortisation S\$'000	Non-cash expenditure S\$'000
Singapore	19,040	1,413	93	687	-	(232)
Europe	22,747	4,988	13	15	-	(297)
Australia	16,241	3,402	-	32	-	(773)
North America	8,193	678	-	-	-	-
South America	1,069	58	-	-	-	-
Indonesia	7,165	6,435	-	-	-	-
Hong Kong *	17,143	24,414	-	-	-	-
Others	626	1,272	-	-	-	(172)
	<u>92,224</u>	<u>42,660</u>	<u>106</u>	<u>734</u>	<u>-</u>	<u>(1,474)</u>

* segment liabilities - relates mostly to payables for the purchase of pulp and waste papers

The Group - 2014
S\$'000

	Segment assets S\$'000	Segment liabilities S\$'000	Capital expenditure S\$'000	Depreciation S\$'000	Amortisation S\$'000	Non-cash expenditure S\$'000
Singapore	19,937	2,290	107	4,996	-	(509)
Europe	17,080	4,343	9	18	3,785	(114)
Australia	18,157	2,721	43	42	-	(987)
North America	4,036	1,879	-	-	-	-
South America	2,996	87	-	-	-	-
Indonesia	29,115	6,676	-	-	-	-
Hong Kong *	4,555	27,519	-	-	-	-
Others	723	2,765	-	104	-	(5)
	<u>96,599</u>	<u>48,280</u>	<u>159</u>	<u>5,160</u>	<u>3,785</u>	<u>(1,615)</u>

Industry segment

	Year 2015	Year 2014
	Turnover S\$'000	Turnover S\$'000
Stationery Business	37,695	41,928
Trading Business	<u>290,697</u>	<u>271,489</u>
Total	<u>328,392</u>	<u>313,417</u>

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Refer to performance review on item 8.

15. A breakdown of sales.

	Group S\$'000		%	Company S\$'000		%
	Latest year to 31/12/2015	Latest year to 31/12/2014		Change	Latest year to 31/12/2015	
Sales reported for first half year	116,058	58,476	98.5	11,399	7,904	44.2
Operating profit/(loss) after tax before minority interests reported for the first half year	(227)	(2,432)	(90.7)	(131)	(1,888)	(93.1)
Sales reported for second half year	212,334	254,941	(16.7)	6,645	5,574	19.2
Operating profit/(loss) after tax before minority interests reported for the second half year (Note 1)	1,071	(5,348)	(120.0)	(3,673)	(6,982)	(47.4)

Group

The improvement of profit in the second half of 2015 was due to absence of impairment charge of plant and equipment of \$3.4 million, impairment loss on intangible assets of \$3.0 million and loss on disposal of subsidiary of \$927,000.

Company

An improvement of losses in second half of 2015, were due to absence on loss of disposal of subsidiary of \$1.6 million and impairment of plant and equipment of \$3.4 million and write back of taxation of \$600,000 in 2014. Higher selling and distribution expenses incurred due to more expenses as we entered new markets and re-entered the US market.

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

Latest year to 31/12/2015	-
Latest year to 31/12/2014	-

17. Interested Person Transactions

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920	
	full year ended 31/12/2015 S\$'000	31/12/2014 S\$'000	full year ended 31/12/2015 S\$'000	31/12/2014 S\$'000
<u>Purchases</u>				
PT Indah Kiat Pulp & Paper Tbk	-	-	53	-
PT Pindo Deli Pulp and Paper Mills	-	-	-	1,891
PT Pabrik Kertas Tjiwi Kimia Tbk	-	-	8,175	9,884
Toprint Computer Supplies Pte Ltd	-	-	154	-
<u>Sales</u>				
PT Indah Kiat Pulp & Paper Tbk	-	-	41,416	85,111
PT Pindo Deli Pulp and Paper Mills	-	-	93,453	73,475
PT Pabrik Kertas Tjiwi Kimia Tbk	-	-	35,872	71,792
PT Lontar Papyrus Pulp & Paper Industry	-	-	12,554	5,760
PT The Univenus	-	-	482	355
PT Ekamas Fortuna	-	-	682	223
PT Paramitra Gunakarya Cemerlang	-	-	37,627	-
Total Interested Person Transactions	-	-	230,468	248,491

18. 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 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board of Nippecraft Limited ("the Company") 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
Chief Executive Officer and Executive Director

Date: 19 February 2016