CRAFT PRINT INTERNATIONAL LIMITED

(Incorporated in Singapore)
(Co. Reg. No: 197501572K)

Unaudited Half Year Financial Statement And Dividend Announcement for the 6 months ended 31 March 2014.

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

	GROUP		
	Half-year ended 31/03/14	**Half-year ended 31/03/13**	**% Change (+/-)**
	$'000	**$'000**	
Revenues			
Sale of goods	5,930	7,730	-23.3
Other gains	266	254	+4.7
Costs and expenses			
Changes in inventories of finished goods and work-in-progress	45	756	N.M.
Raw materials and consumables used	2,807	3,318	-15.4
Salaries and employee benefits	2,015	2,344	-14.0
Depreciation of property, plant and equipment	703	787	-10.7
Freight and handling charges	244	321	-24.0
Repairs and maintenance	182	247	-26.3
Operating lease expenses	809	557	+45.2
Utilities	393	459	-14.4
Sub-contractors' costs	120	125	-4.0
Other operating expenses	1,074	911	+17.9
Total costs and expenses	**(8,392)**	**(9,825)**	**-14.6**
Loss from operating activities	**(2,196)**	**(1,841)**	**+19.3**
Finance costs	(187)	(190)	-1.6
Loss before income tax	**(2,383)**	**(2,031)**	**+17.3**
Tax expense	(31)	-	N.M.
Loss for the period	**(2,414)**	**(2,031)**	**+18.9**
Other comprehensive loss			
Translation differences	-	1	N.M.
Other comprehensive income	**-**	**1**	N.M.
Total comprehensive loss	**(2,414)**	**(2,030)**	+18.9
Loss after taxation attributable to:			
Owners of the Company	(2,414)	(2,031)	+18.9

	GROUP		
	Half-year ended 31/03/14	**Half-year ended 31/03/13**	**% Change (+/-)**
Total comprehensive loss attributable to:			
Owners of the Company	(2,414)	(2,031)	+18.9
Loss per share – in cents Basic and diluted	(1.44)	(1.21)	+19.0

N.M. denotes "not meaningful"
\+ denotes "increase"
\- denotes "decrease"

Notes to statement of comprehensive income

The statement of comprehensive income for the corresponding period has been restated due to the reclassification of certain expenses in the income statement during the last financial period.

Other gains for the period is arrived after crediting the following:

	Half-year ended 31/03/14	**Half-year ended 31/03/13**
	$'000	**$'000**
Foreign exchange gain, net	20	-
Write back of allowance for doubtful debts - trade	-	60
Gain on sale of scrap material	84	94
Government grants	97	34

Profit / (loss) for the period is arrived at after charging the following:

	Half-year ended 31/03/14	**Half-year ended 31/03/13**
	$'000	**$'000**
Foreign exchange loss, net	-	(55)
Allowance for doubtful debts - trade	(92)	(97)
Interest expense	(187)	(190)
Loss on disposal of property, plant and equipment	(328)	-
Writen-down in inventories	(76)	(67)

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.

	GROUP		COMPANY	
	31/03/14	**30/09/13**	**31/03/14**	**30/09/13**
	$'000	**$'000**	**$'000**	**$'000**
Non-current assets				
Property, plant and Equipment	23,849	24,933	23,838	24,918
Subsidiaries	-	-	44	44
Intangible assets	-	-	-	-
	23,849	**24,933**	**23,882**	**24,962**
Current assets				
Inventories	3,289	3,547	3,289	3,547
Trade receivables	2,369	3,805	2,365	3,803
Other receivables and deposits	128	230	127	230
Prepayments	65	35	64	35
Amounts due from associate company	364	414	364	414
Cash and bank balances	109	101	98	80
	6,324	**8,132**	**6,307**	**8,109**
Current liabilities				
Trade payables	2,040	2,007	2,040	2,007
Other payables and accruals	1,154	1,307	1,145	1,295
Amounts due to directors	6,628	5,885	6,628	5,885
Amount due to subsidiary company	-	-	96	85
Loans and borrowings	4,323	5,094	4,323	5,094
Finance lease obligations	46	54	41	48
	(14,191)	**(14,347)**	**(14,273)**	**(14,414)**
Net current liabilities	**(7,867)**	**(6,215)**	**(7,966)**	**(6,305)**
Long-term liabilities				
Loans and borrowings	256	560	256	560
Finance lease obligations	27	45	15	31
Other provisions	15	15	15	15
	(298)	**(620)**	**(286)**	**(606)**
Net assets	**15,684**	**18,098**	**15,630**	**18,051**
Equity				
Share capital	20,267	20,267	20,267	20,267
Translation reserve	(8)	(8)	-	-
Assets revaluation Reserve	14,361	14,361	14,361	14,361
Accumulated losses	(18,936)	(16,522)	(18,998)	(16,577)
Attributable to equity holders of the parent	15,684	18,098	15,630	18,051
Total equity	**15,684**	**18,098**	**15,630**	**18,051**

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

Amount repayable in one year or less, or on demand

As at 31/03/14		As at 30/09/13	
Secured	**Unsecured**	**Secured**	**Unsecured**
$'000	**$'000**	**$'000**	**$'000**
4,369	6,475	5,148	5,725

Amount repayable after one year

As at 31/03/14		As at 30/09/13	
Secured	**Unsecured**	**Secured**	**Unsecured**
$'000	**$'000**	**$'000**	**$'000**
283	-	605	-

Details of any collaterals

The Group's borrowings for bank overdrafts, trust receipts and term loans were secured on the Company's factory buildings located at 9 Joo Koon Circle, Singapore. Hire purchase financing was secured by a charge over the respective leased plant and equipment. The amount due to a finance house was secured by specific customer debts.

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

	Half-year ended 31/03/14	Half-year ended 31/03/13
	$'000	**$'000**
Cash flows from operating activities		
Loss before taxation	(2,383)	(2,031)
Adjustments:		
Depreciation of property, plant and equipment	703	787
Interest expense	187	190
Loss on disposal of property, plant and equipment	328	-
Operating cashflow before working capital changes	**(1,165)**	**(1,054)**
Change in trade and other receivables	1,538	2,883
Change in amount due from asociate	50	9
Change in prepayment	(30)	(37)
Change in inventories	258	1,188
Change in trade and other payables	(120)	(378)
Cash generated from operations	**531**	**2,611**
Tax paid	(31)	-
Interest paid	(187)	(190)
Net cash generated from operating activities	**313**	**2,421**
Cash flows from investing activities		
Purchase of property, plant and equipment	(17)	(7)
Proceeds from disposal of property, plant and equipment	70	-
Net cash generated from / (used in) investing activities	**53**	**(7)**
Cash flows from financing activities		
Repayments of loans and borrowings	(1,075)	(3,369)
Repayments of finance lease obligations	(26)	(186)
Advances from a director	743	1,107
Net cash used in financing activities	**(358)**	**(2,448)**
Net increase / (decrease) in cash and bank balances	8	(34)
Effect of changes in currency translation	-	1
Cash and bank balances at beginning of period	101	103
Cash and bank balances at end of period	**109**	**70**

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.

Group	Share Capital	Foreign Currency Translation Reserve	Asset Revaluation Reserve	Accumulated Losses	Equity Attributable to Equity Holders of the Parent	Non-controlling interests	Total Equity
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1 October 2013	20,267	(8)	14,361	(16,522)	18,098	-	18,098
Total comprehensive loss for the period	**-**	-	-	(2,414)	(2,414)	-	(2,414)
Balance at 31 March 2014	**20,267**	**(8)**	**14,361**	**(18,936)**	**15,684**	**-**	**15,684**
Balance at 1 October 2012	20,267	1	9,794	(12,791)	17,271	-	17,271
Total comprehensive loss for the period	**-**	1	-	(2,031)	(2,030)	-	(2,030)
Balance at 31 March 2013	**20,267**	**2**	**9,794**	**(14,822)**	**15,241**	**-**	**15,241**
Company	**Share Capital**	**Asset Revaluation Reserve**	**Accumulated Losses**	**Total Equity**			
	$'000	**$'000**	**$'000**	**$'000**			
Balance at 1 October 2013	20,267	14,361	(16,577)	18,051			
Total comprehensive loss for the period	-	-	(2,421)	(2,421)			
Balance at 31 March 2014	**20,267**	**14,361**	**(18,998)**	**15,630**			
Balance at 1 October 2012	20,267	9,794	(12,880)	17,181			
Total comprehensive loss for the period	-	-	(1,992)	(1,992)			
Balance at 31 March 2013	**20,267**	**9,794**	**(14,872)**	**15,189**			

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.

There was no change in the Company's share capital during the half year ended 31 March 2014.

There were no outstanding convertibles and treasury shares as at 31 March 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 the immediately preceding year.

	Group	
	As at 31/03/14	**As at 30/09/13**
Issued Ordinary Shares	168,000,000	168,000,000

The Company does not have any treasury shares as at 31/03/14 and 30/09/13.

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

Not applicable.

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 a 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 the financial statements for the current reporting period compared with those of the audited financial statements for the financial year ("FY") ended 30 September 2013 except for the adoption of the new and revised Financial Reporting Standards which became effective for the financial period beginning on or after 1 October 2013. The adoption of these new and revised standards did not give rise to any significant impact on the financial statements.

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.

None

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.

	GROUP	
	Half-year ended 31/03/14	**Half-year ended 31/03/13**
Earnings/ (loss) per ordinary share		
Basic and diluted	(1.44) cents	(1.21) cents

The calculation of basic and diluted losses per ordinary share is computed based on 168,000,000 (2013: 168,000,000) ordinary shares in issue during the financial period.

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.

	GROUP		COMPANY	
	As at 31/03/14	**As at 30/09/13**	**As at 31/03/14**	**As at 30/09/13**
Net asset value per ordinary share based on issued share capital	9.3cents	10.8cents	9.3cents	10.7cents

Net asset value per ordinary share of the Group/Company is calculated based on the 168,000,000 (2013: 168,000,000) ordinary shares in issue as at 31 March 2014.

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.

The Group recorded revenues of $5.9 million in the current period as compared to $7.7 million reported in 1H2013. However, even though the condition of the printing industry remained difficult, gross margin improved to 51.9% as compared to 47.3% in 1H2013.

In line with the lower production volume, raw materials and consumables used, freight and handling charges, and utilities decreased in 1H2014.

As a result of the reduction in staff headcount, expenses arising from salaries and employee benefits also saw a decrease of $0.3 million. In addition, depreciation of property, plant and equipment was lower as some of the Group's machinery and equipment had been fully depreciated during the current period. Operating lease expenses grew 45.2% during the period and this was mainly due to the lease of a printing machine. Arising from a loss on the disposal of machinery, other operating expenses was $1.1 million for the period.

In view of the foregoing, the group recorded a loss of $2.4 million for 1H2014.

Reduction in trade receivables and inventories is in line with reduced sales. Other receivables and deposits decreased due to the amortization of a non refundable deposit for an operating lease. The above has resulted in a $1.8 million decrease in current assets.

Amounts due to directors have increased due mainly to additional advances received from a director for working capital purposes. Other payables and accruals, loans and borrowings and finance lease obligations were lower as a result of repayments made during the period.

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

The Group performance for 1H2014 was consistent with the announcement made on 22th November 2013 in respect of the financial year ended 30 September 2013.

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 structural difficulties within the printing industry remain. The Group will continue to streamline its operations to improve sales and manage costs to meet the changing demands of the industry.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported 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.

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

No dividend has been declared or recommended for the half year ended 31 March 2014.

13. General mandate for interested person transactions

The Group does not have a general mandate for interested person transactions.

14. Negative Assurance Confirmation

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the half-year ended 31 March 2014 to be false or misleading in any material aspect.

On Behalf of the Board of Directors,

Dora Ong Kwee Cheng
Executive Chairman

Charlie Chan
Managing Director

BY ORDER OF THE BOARD

Dora Ong Kwee Cheng
Executive Chairman

8 May 2014

Note:

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of the Exchange. The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange 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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