

## 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 2015.

#### 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 31/03/15	Half-year ended 31/03/14	% Change (+/-)
	\$'000	\$'000	
<b>Revenues</b>			
Sale of goods	5,896	5,930	-0.6
Other income	238	266	-10.5
<b>Costs and expenses</b>			
Changes in inventories of finished goods and work-in-progress	125	45	N.M.
Raw materials and consumables used	2,536	2,807	-9.7
Salaries and employee benefits	2,449	2,015	+21.5
Depreciation of property, plant and equipment	722	703	+2.7
Freight and handling charges	222	244	-9.0
Repairs and maintenance	200	182	+9.9
Operating lease expenses	347	809	-57.1
Utilities	338	393	-14.0
Sub-contractors' costs	123	120	+2.5
Other expenses	843	1,074	-21.5
<b>Total costs and expenses</b>	<b>(7,905)</b>	<b>(8,392)</b>	<b>-5.8</b>
<b>Loss from operating activities</b>	<b>(1,771)</b>	<b>(2,196)</b>	<b>-19.4</b>
Finance costs	(145)	(187)	-22.5
<b>Loss before taxation</b>	<b>(1,916)</b>	<b>(2,383)</b>	<b>-19.6</b>
Tax expense	-	(31)	N.M.
<b>Loss for the period</b>	<b>(1,916)</b>	<b>(2,414)</b>	<b>-20.6</b>
<b>Other comprehensive loss</b>			
Foreign currency translation differences – foreign operation	(4)	-	N.M.
Other comprehensive loss for the period	(4)	-	N.M.
<b>Total comprehensive loss for the period</b>	<b>(1,920)</b>	<b>(2,414)</b>	<b>-20.5</b>
<b>Loss for the period attributable to:</b>			
Owners of the Company	(1,916)	(2,414)	-20.6

	GROUP		
	Half-year ended 31/03/15	Half-year ended 31/03/14	% Change (+/-)
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company	(1,920)	(2,414)	-20.5
Loss per share attributable to the Company – in cents Basic and diluted	(0.41)	(1.44)	-71.5

N.M. denotes "not meaningful"

+ denotes "increase"

- denotes "decrease"

### Notes to statement of comprehensive income

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

	Half-year ended 31/03/15	Half-year ended 31/03/14
	\$'000	\$'000
Foreign exchange gain, net	-	20
Gain on sale of scrap material	86	84
Government grants	136	97

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

	Half-year ended 31/03/15	Half-year ended 31/03/14
	\$'000	\$'000
Foreign exchange loss, net	(154)	-
Allowance for doubtful debts – trade	-	(92)
Interest expense	(145)	(187)
Loss on disposal of property, plant and equipment	-	(328)
Reversal of write-down/(write-down) in inventories	126	(76)

**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	
	31/03/15	30/09/14	31/03/15	30/09/14
	\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>				
Property, plant and equipment	24,192	24,881	24,187	24,873
Investments in subsidiaries	-	-	44	44
	<b>24,192</b>	<b>24,881</b>	<b>24,231</b>	<b>24,917</b>
<b>Current assets</b>				
Inventories	3,103	3,170	3,103	3,170
Held-to-maturity investments	1,012	-	1,012	-
Trade receivables	2,713	3,566	2,713	3,566
Other receivables and deposits	170	127	170	127
Prepayments	70	41	70	40
Amounts due from associate	-	-	-	-
Cash and bank balances	8,472	14,127	8,467	14,084
	<b>15,540</b>	<b>21,031</b>	<b>15,535</b>	<b>20,987</b>
<b>Current liabilities</b>				
Trade payables	1,996	2,224	1,996	2,224
Other payables and accruals	1,435	1,608	1,416	1,590
Amounts due to directors	3,353	7,035	3,353	7,035
Amount due to subsidiary	-	-	102	63
Loans and borrowings	3,982	4,140	3,982	4,140
Finance lease liabilities	10	32	4	19
	<b>(10,776)</b>	<b>(15,039)</b>	<b>(10,853)</b>	<b>(15,071)</b>
<b>Net current assets</b>	<b>4,764</b>	<b>5,992</b>	<b>4,682</b>	<b>5,916</b>
<b>Long-term liabilities</b>				
Loans and borrowings	-	-	-	-
Finance lease liabilities	15	12	10	12
Provisions	15	15	15	15
	<b>(30)</b>	<b>(27)</b>	<b>(25)</b>	<b>(27)</b>
<b>Net assets</b>	<b>28,926</b>	<b>30,846</b>	<b>28,888</b>	<b>30,806</b>
<b>Equity</b>				
Share capital	24,267	21,267	24,267	21,267
Other equity instruments	10,916	13,916	10,916	13,916
Translation reserve	(17)	(13)	-	-
Assets revaluation reserve	16,085	16,085	16,085	16,085
Accumulated losses	(22,325)	(20,409)	(22,380)	(20,462)
Attributable to owner of the Company	28,926	30,846	28,888	30,806
<b>Total equity</b>	<b>28,926</b>	<b>30,846</b>	<b>28,888</b>	<b>30,806</b>

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

**Amount repayable in one year or less, or on demand**

As at 31/03/15		As at 30/09/14	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
3,992	3,162*	4,172	6,902*

**Amount repayable after one year**

As at 31/03/15		As at 30/09/14	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
15	-	12	-

\*The unsecured amount relates to amount owing to a director under a loan.

**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 31/03/15	Half-year ended 31/03/14
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Loss before taxation	(1,916)	(2,383)
<b>Adjustments:</b>		
Depreciation of property, plant and equipment	722	703
Interest expense	145	187
Interest income	(5)	-
Loss on disposal of property, plant and equipment	-	328
<b>Operating cashflow before working capital changes</b>	<b>(1,054)</b>	<b>(1,165)</b>
Change in trade and other receivables	810	1,538
Change in amount due from associate	-	50
Change in prepayments	(29)	(30)
Change in inventories	67	258
Change in trade and other payables	(401)	(120)
<b>Cash (used in) / generated from operations</b>	<b>(607)</b>	<b>531</b>
Tax paid	-	(31)
Interest paid	(138)	(187)
<b>Net cash (used in) / generated from operating activities</b>	<b>(745)</b>	<b>313</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(33)	(17)
Proceeds from disposal of property, plant and equipment	-	70
Purchase of held-to-maturity investments	(1,014)	-
<b>Net cash (used in) / generated from investing activities</b>	<b>(1,047)</b>	<b>53</b>
<b>Cash flows from financing activities</b>		
Net repayment of loans and borrowings	(1,223)	(1,353)
Repayment of finance lease liabilities	(19)	(26)
(Net repayment of) / net proceeds from amounts due to directors	(3,682)	743
<b>Net cash used in financing activities</b>	<b>(4,924)</b>	<b>(636)</b>
Net (decrease) / increase in cash and cash equivalents	(6,716)	(270)
Effect of changes in currency translation	(4)	-
Cash and cash equivalents at beginning of financial period	14,127	(796)
<b>Cash and cash equivalents at end of financial period*</b>	<b>7,407</b>	<b>(1,066)</b>

\*For the purpose of the statement of cashflow, cash and cash equivalents include bank overdrafts of \$1,065,000 and S\$1,175,000 for the financial period ended 31 March 2015 and 31 March 2014 respectively.

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	Other Equity Instruments	Foreign Currency Translation Reserve	Assets Revaluation Reserve	Accumulated Losses	Equity Attributable to Owner of the Company	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 2014	21,267	13,916	(13)	16,085	(20,409)	30,846	30,846
Total comprehensive loss for the period	-	-	(4)	-	(1,916)	(1,920)	(1,920)
Conversion of convertible bonds	3,000	(3,000)	-	-	-	-	-
Balance at 31 March 2015	24,267	10,916	(17)	16,085	(22,325)	28,926	28,926
Company	Share Capital	Other Equity Instruments	Assets Revaluation Reserve	Accumulated Losses	Total Equity		
	\$'000	\$'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 2014	21,267	13,916	16,085	(20,462)	30,806		
Total comprehensive loss for the period	-	-	-	(1,918)	(1,918)		
Conversion of convertible bonds	3,000	(3,000)	-	-	-		
Balance at 31 March 2015	24,267	10,916	16,085	(22,380)	28,888		

- 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.**

On 10 December 2014, the Company issued and allotted 60,000,000 ordinary shares at the Conversion Price of S\$0.05 per share in the capital of the Company, pursuant to the conversion of S\$3,000,000 Convertible Bonds due 2016 pursuant to the issue of a conversion notice by Mr Sam Kok Yin, an Executive Director of the Company and one of the subscribers of the Bonds.

Further details of the Convertible Bonds issue can be found in the Company's Circular dated 3 September 2014.

As at 31 March 2015, the total number of issued shares in the Company is 248,000,000 shares (2014: 188,000,000 shares). The number of shares that may be issued on conversion of all the outstanding convertibles (comprising the Convertible Bonds and the Call Option) is 430,000,000 shares (2014: 490,000,000 shares).

- 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 31/03/15	As at 30/09/14
Issued Ordinary Shares	248,000,000	188,000,000

The Company does not have any treasury shares as at 31/03/15 and 30/09/14.

- 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 2014 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 2014. 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	
	Period ended 31/03/15	Period ended 31/03/14
Loss from continuing operations per ordinary share for the year attributable to shareholders:		
Basic and fully diluted	(0.41) cents	(1.44) cents
Based on weighted average number of issued shares of the Company	468,000,000	168,000,000

Note: The 210,000,000 ordinary shares that may be issued from any exercise of the call option (pursuant to the Subscription Agreement) have been excluded from the calculation of diluted loss per share for the period ended 31 March 2015 as the Group incurred losses.

**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 31/03/15	As at 30/09/14	As at 31/03/15	As at 30/09/14
Net asset value per ordinary share	11.66 cents	16.41 cents	11.65 cents	16.39 cents
Based on number of issued shares of the Company	248,000,000	188,000,000	248,000,000	188,000,000

Note: The Net asset value per ordinary share as at 31/03/15 is derived after including the 60,000,000 shares issued to Mr Sam Kok Yin on 10 December 2014, but without taking into account the additional shares that will be issued upon conversion of the remaining convertible bonds or the call option.



**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's revenues in 1H2015 were approximately at the same level as the revenues achieved in 1H2014. In 1H2015, other income recorded was lower than the corresponding period last year as a net foreign exchange gain was achieved during 1H2014.

The decrease in raw materials and consumables used was due mainly to a reversal of write down in inventories in the current financial period when previously written down inventories were used for production.

The increase in salaries and employee benefits of \$0.4 million was mainly attributable to the appointment of two new Executive Directors on 25<sup>th</sup> September 2014 and the reinstatement of the remuneration of the Managing Director and Executive Advisor. Operating lease expenses were reduced by 57.1% as compared to the corresponding period last year upon the expiry of the lease of a printing machinery. Utilities decreased as a result of lower tariff rates.

Other expenses was 21.5% lower as the \$0.3 million loss on disposal of machinery had been recognised in the last financial period. Finance costs decreased mainly due to repayments made on the term loan and the amount due to a director.

In line with seasonal factors, trade receivables were lower by \$0.9 million than as at end of FY2014 due to lower sales in 1H2015 as compared to 2H2014. Other receivables and deposits increased mainly due to a deposit made on a job tender.

During the current period, the Company invested \$1.0 million in short term debt securities, contributing to an increase in held-to-maturity investments.

Trade payables, other payables and accruals, amounts due to directors, and finance lease liabilities reduced due to repayments made during the period. These repayments coupled with the investments made in short term debt securities contributed to the decrease in the cash and bank balances.

A net cash used in operations was recorded as the cash inflows generated from working capital changes was lower than the loss incurred for the current financial period.

During the current financial period, the Company issued and allotted 60,000,000 ordinary shares at the Conversion Price of S\$0.05 per share in the capital of the Company, following the conversion of \$3,000,000 Convertible Bonds due 2016 pursuant to the issue of a conversion notice by Mr Sam Kok Yin, an Executive Director of the Company and one of the subscribers of the Bonds. This resulted in an increase in the share capital and a corresponding reduction in other equity instruments. Details of the Convertible Bonds issue can be found in the Company's Circular dated 3 September 2014.

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

The Group's performance for 1H2015 was consistent with the announcement made on 28<sup>th</sup> November 2014 in respect of the financial year ended 30 September 2014.

**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.**

Whilst the general outlook is slightly more optimistic, structural difficulties within the printing industry remain. The Group will continue to rationalise its customer base and look for opportunities to improve sales and manage costs to meet the changing demands of the industry, whilst it continues to explore business and investment opportunities outside the printing industry, particularly in the chemicals and investment sectors.

**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 2015.

**13. General mandate for interested person transactions**

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

#### 14. Use of proceeds from convertible bonds issue and placement issue

Further to the Company's announcement relating to the completion of the convertible bonds issue and placement issue made on 25<sup>th</sup> September 2014, the Company wishes to provide an update on the utilisation of the net proceeds of approximately S\$14,886,000 as follows:

	Amount allocated (\$'000)	Amount allocated (%)	Amount utilised (\$'000)	Amount utilised (%)	Balance (\$'000)
1. Acquisition and financing of new businesses	9,675 to 11,164	65% to 75%	(298)	2%	9,377
2. General working capital purpose	3,722 to 5,211	25% to 35%	(5,211)	35%	-
<b>Total</b>	<b>14,886</b>	<b>100%</b>	<b>(5,509)</b>	<b>37%</b>	<b>9,377</b>

With respect to the \$5,211,000 used for general working capital, the breakdown was as follows:

General working capital – Purpose of utilisation	Percentage utilised (%)
Payment of employee compensation and Directors' fees	33%
Payment of professional fees	5%
Payment to suppliers	62%
<b>Total</b>	<b>100%</b>

Pending usage of the funds allocated for acquisition and financing of new businesses as previously announced, \$1 million was invested in short term securities. This amount has not been included in the amount utilised as disclosed above.

The above utilisation is in line with the intended uses of the net proceeds stated in the Company's circular dated 3 September 2014.

The Company will make further announcement when the balance of the Net Proceeds have been fully utilised.

**15. 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 2015 to be false or misleading in any material aspect.

On Behalf of the Board of Directors,

Charlie Chan  
Managing Director

Sam Kok Yin  
Executive Director

**BY ORDER OF THE BOARD**

Sam Kok Yin  
Executive Director  
15 May 2015

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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