CRAFT PRINT INTERNATIONAL LIMITED
(Incorporated in Singapore)
(Co. Reg. No. 197501572K)

EMPHASIS OF MATTER BY THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

Pursuant to Rule 704(4) of the Catalist Rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Board of Directors (the "**Board**") of Craft Print International Limited (the "**Company**") wishes to announce that the Company's Independent Auditor, Foo Kon Tan Grant Thornton LLP, has issued their report (the "**Independent Auditor's Report**") on the consolidated financial statements of the Company and its subsidiaries (collectively the "**Group**") for the financial year ended 30 September 2014, with the following emphasis of matter:-

Extract of Independent Auditor's Report

"Without qualifying our opinion, we draw attention to Note 2 to the financial statements. The Group incurred a net loss of $3,887,000 (2013: $3,731,000) and has net operating cash outflows of $551,000 (2013: net operating cash inflow of $1,884,000) for the financial year ended 30 September 2014; and as at that date, the Group's and the Company's accumulated losses amounted to $20,409,000 (2013: $16,522,000) and $20,462,000 (2013: $16,577,000) respectively. These factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as going concerns. The ability of the Group and the Company to continue as going concerns is dependent on the generation of sufficient revenue and positive cash flows by the Group and the Company. The directors are of the view that the going concern assumption is appropriate for the preparation of these financial statements and that debts owing will be paid as and when they fall due as the directors believe that the Group and the Company will be able to generate sufficient operating cash flows following the completion of the subscription and placement transaction on 25 September 2014. Our opinion is not qualified in respect of this matter.

The accompanying financial statements do not include any adjustments relating to the realisation and classification of asset amounts that may be necessary if the Group and the Company are unable to continue as going concerns. Should the going concern assumption be inappropriate, adjustments would have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No adjustments have been made in the financial statements in respect of these."

Extract of Note 2 to the financial statements for the year ended 30 September 2014

"The Group incurred a net loss of $3,887,000 (2013: $3,731,000) and has net operating cash outflows of $551,000 (2013: net operating cash inflows of $1,884,000) for the financial year ended 30 September 2014; and as at that date, the Group's and the Company's accumulated losses amounted to $20,409,000 (2013: $16,522,000) and $20,462,000 (2013: $16,577,000) respectively.

Notwithstanding the above, the financial statements have been prepared assuming that the Group and the Company will continue as going concerns. The ability of the Group and the Company to continue as going concerns is dependent on the generation of sufficient revenue and positive cash flows by the Group and the Company. The directors are of the view that the going concern assumption is appropriate for the preparation of these financial statements and that debts owing will be paid as and when they fall due as the directors believe that the

Group and the Company will be able to generate sufficient operating cash flows following the completion of the subscription and placement transaction on 25 September 2014.

The accompanying financial statements do not include any adjustments to the realisation and classification of asset amounts that may be necessary if the Group and the Company are unable to continue as going concerns. Should the going concern assumption be inappropriate, adjustments would have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No adjustments have been made in the financial statements in respect of these."

A copy of the Independent Auditor's Report is annexed to this announcement as Appendix I.

BY ORDER OF THE BOARD

Sam Kok Yin
Executive Director

02 January 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.

The contact person for the Sponsor is Mr Ng Joo Khin: Tel: 6389 3000 Email: jookhin.ng@stamfordlaw.com.sg