

Listed companies must provide the information required by Appendix 7.2 of the Listing Manual. Adequate disclosure should be given to explain any material extraordinary item either as a footnote of the material extraordinary item or in the "Review of the performance of the group".



**Second Quarter and Six Months Ended 30 June 2014  
Financial Statement and Dividend Announcement**

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

**1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

**Income statement**

	Group			Group		
	S\$'000		%	S\$'000		%
	Q2 FY2014		incr/ decr)	6 months ended 30 Jun		incr/ decr)
	2014	2013 (restated)		2014	2013 (Restated)	
a Revenue	40,204	41,498	(3.1)	77,782	81,278	(4.3)
b Investment Income	-	-	-	-	-	-
c Other income including interest income :-	518	294	76.2	739	333	121.9
(i) Gain (loss) on sale of available-for-sale investments, properties and/or plant & equipment included in other income	236	149	58.4	238	146	63.0
(ii) Interest Income	54	30	80.0	100	66	51.5
(iii) Other Income	228	115	98.3	401	121	231.4
d Changes in inventories of FG & WIP	(96)	(473)	(79.7)	116	(739)	(115.7)
(i) (Allowance) write back for inventories	(45)	(7)	n.m	(51)	(7)	n.m
e Raw Materials and consumables used	(12,707)	(13,102)	(3.0)	(24,295)	(25,341)	(4.1)
(i) Write back (allowance) for inventories	(41)	(252)	(83.7)	(41)	(514)	(92.0)
f Staff Costs	(9,551)	(10,237)	(6.7)	(18,795)	(19,967)	(5.9)
g Depreciation, amortisation and impairment expenses	(1,407)	(1,269)	10.9	(2,723)	(2,525)	7.8
h Interest on borrowings	(62)	(30)	106.7	(139)	(73)	90.4
i Other operating expenses :-	(14,042)	(13,975)	0.5	(27,027)	(26,679)	1.3
(i) foreign exchange gain /(loss)	107	(183)	n.m	179	72	n.m
(ii) (Allowance) write back for doubtful debts	6	-	n.m	(9)	(36)	(75.0)
j Exceptional items	-	-	-	-	-	-
k Operating profit before income tax, non-controlling interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange loss and exceptional items	2,857	2,706	5.6	5,658	6,287	(10.0)

**Income statement (continued)**

	Group			Group		
	S\$'000		%	S\$'000		%
	Q2 FY2014		incr/	6 months ended 30 Jun		incr/
	2014	2013 (restated)	(decr)	2014	2013 (Restated)	(decr)
l Loss from associated companies	-	-	-	-	-	-
m Profit from joint venture	36	180	(80.0)	109	307	(64.5)
n Operating profit before income tax	2,893	2,886	0.2	5,767	6,594	(12.5)
o Less income tax	(1,074)	(622)	72.7	(1,816)	(1,245)	45.9
(i) Adjustment for (over) under provision of tax in respect of prior periods.	258	-	n.m	210	(406)	(151.7)
p Profit for the Period	1,819	2,264	(19.7)	3,951	5,349	(26.1)
Attributable to :-						
q Owners of the Company	1,672	2,160	(22.6)	3,686	5,188	(29.0)
r Non-controlling Interests	147	104	n.m	265	161	n.m

**Statement of Comprehensive Income**

	Group			Group		
	S\$'000		%	S\$'000		%
	Q2 FY2014		incr/	6 months ended 30 Jun		incr/
	2014	2013 (restated)	(decr)	2014	2013 (Restated)	(decr)
Profit for the Period	1,819	2,264	(19.7)	3,951	5,349	(26.1)
Other comprehensive income :						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation	(95)	1,164	n.m	(97)	1,413	n.m
Other comprehensive income for the period	(95)	1,164	n.m	(97)	1,413	n.m
Total comprehensive income for the period	1,724	3,428	(49.7)	2,954	6,762	(56.3)
The comprehensive income attributable to :-						
Owners of the Company	1,577	3,321	(52.5)	2,706	6,607	(59.0)
Non-controlling Interests	147	107	n.m	248	155	n.m

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

**Statement of Financial Position**

	<b>Group</b>			<b>Company</b>	
	Actual 30-Jun-14 \$'000	Restated 31-Dec-13 \$'000	Restated 1-Jan-13 \$'000	Actual 30-Jun-14 \$'000	Previous 31-Dec-13 \$'000
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	24,580	29,529	38,473	966	1,646
Trade and other receivables	45,159	48,046	37,851	17,206	17,129
Inventories	12,381	12,432	16,620	-	-
<b>Total current assets</b>	<b>82,120</b>	<b>90,007</b>	<b>92,944</b>	<b>18,172</b>	<b>18,775</b>
<b>Non-current assets:</b>					
Other assets	322	179	244	-	-
Joint venture	5,433	6,281	5,829	4,216	4,216
Subsidiaries	-	-	-	19,829	19,829
Property, plant and equipment	76,009	62,405	31,325	43,638	32,145
Investment property	2,383	2,366	-	-	-
Land use rights	7,693	7,846	8,103	7,218	7,351
Intangible assets	77	83	93	77	83
Goodwill	6,691	6,691	6,691	-	-
Deferred tax assets	191	188	417	-	-
<b>Total non-current assets</b>	<b>98,799</b>	<b>86,039</b>	<b>52,702</b>	<b>74,978</b>	<b>63,624</b>
<b>Total assets</b>	<b>180,919</b>	<b>176,046</b>	<b>145,646</b>	<b>93,150</b>	<b>82,399</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities:</b>					
Trade and other payables	21,592	35,824	25,961	15,072	17,429
Income tax payable	2,431	2,286	3,251	8	59
Bank loans	8,040	3,536	1,026	3,750	2,500
Finance leases	1,136	560	-	-	-
<b>Total current liabilities</b>	<b>33,199</b>	<b>42,206</b>	<b>30,238</b>	<b>18,830</b>	<b>19,988</b>
<b>Non-current liabilities:</b>					
Bank loans	18,500	7,002	1,602	19,750	6,500
Finance leases	3,309	1,542	-	-	-
Post Employment Benefits	117	119	121	-	-
Deferred tax liabilities	1,003	1,004	1,338	68	68
<b>Total non-current liabilities</b>	<b>22,929</b>	<b>9,667</b>	<b>3,061</b>	<b>19,818</b>	<b>6,568</b>
<b>Capital, reserves and non-controlling interests:</b>					
Share capital	23,852	23,852	23,852	23,852	23,852
Statutory surplus reserve	1,473	1,473	939	-	-
Currency translation reserve	(47)	933	(715)	-	-
Retained earnings	98,160	96,810	87,549	30,650	31,991
<b>Equity attributable to owners of the company</b>	<b>123,438</b>	<b>123,068</b>	<b>111,625</b>	<b>54,502</b>	<b>55,843</b>
Non-controlling interests	1,353	1,105	722	-	-
<b>Total equity</b>	<b>124,791</b>	<b>124,173</b>	<b>112,347</b>	<b>54,502</b>	<b>55,843</b>
<b>Total liabilities and equity</b>	<b>180,919</b>	<b>176,046</b>	<b>145,646</b>	<b>93,150</b>	<b>82,399</b>

**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 30/6/14		As at 31/12/13	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
1,136	8,040	560	3,536

(b) Amount repayable after one year

As at 30/6/14		As at 31/12/13	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
3,309	18,500	1,542	7,002

**Details of any collateral**

The finance lease liabilities are secured by the assets under finance leases.

**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**

**Statement of cash flows**

	<b>Group</b>			
	<b>3 months ended 30 Jun 2014</b>	<b>2013 (Restated)</b>	<b>6 months ended 30 Jun 2014</b>	<b>2013 (Restated)</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flow from operating activities:</b>				
Profit before tax	2,893	2,886	5,767	6,594
Adjustments for :				
Allowance (Reversal of allowance) for doubtful debts	(6)	-	9	36
Write-down of inventories	86	259	92	521
Depreciation and amortisation expense	1,428	1,269	2,744	2,525
Reversal of impairment loss on property, plant and equipment	(21)	-	(21)	-
Gain on disposal of property, plant and equipment	(236)	(149)	(238)	(146)
Post employment benefits	(1)	2	(2)	4
Share of profit from joint venture	(36)	(180)	(109)	(307)
Interest income	(54)	(30)	(100)	(66)
Finance costs	62	30	139	73
<b>Operating cash flows before movements in working capital</b>	<b>4,115</b>	<b>4,087</b>	<b>8,281</b>	<b>9,234</b>
Trade and other receivables and other assets	(1,592)	934	2,735	(1,440)
Inventories	117	819	(41)	1,700
Trade and other payables	(6,192)	2,985	(14,232)	(1,143)
<b>Cash generated (used in) from operations</b>	<b>(3,552)</b>	<b>8,825</b>	<b>(3,257)</b>	<b>8,351</b>
Interest paid	(62)	(30)	(139)	(73)
Income tax paid	(912)	(736)	(1,671)	(2,380)
<b>Net cash (used in) from operating activities</b>	<b>(4,526)</b>	<b>8,059</b>	<b>(5,067)</b>	<b>5,898</b>
<b>Cash flow from investing activities:</b>				
Interest received	54	30	100	66
Dividends received from joint venture	-	-	956	-
Proceeds from disposal of property, plant & equipment	628	320	630	328
Purchase of property, plant & equipment	(2,599)	(6,707)	(13,733)	(10,833)
<b>Net cash used in investing activities</b>	<b>(1,917)</b>	<b>(6,357)</b>	<b>(12,047)</b>	<b>(10,439)</b>
<b>Cash flows from financing activities:</b>				
Dividends paid	(2,336)	(1,168)	(2,336)	(1,168)
Repayment of bank loans	(260)	(258)	(514)	(510)
Proceeds from bank loans	8,000	-	16,500	-
Repayment of obligations under finance leases	(359)	(114)	(691)	(114)
<b>Net cash from (used in) financing activities</b>	<b>5,045</b>	<b>(1,540)</b>	<b>12,959</b>	<b>(1,792)</b>
Net (decrease) increase in cash and cash equivalents	(1,398)	162	(4,155)	(6,333)
Cash and cash equivalents at beginning of period	26,181	32,054	29,529	38,473
Effect of foreign exchange rate changes	(203)	785	(794)	861
Cash and cash equivalents at end of period	<b>24,580</b>	<b>33,001</b>	<b>24,580</b>	<b>33,001</b>

**1(d)(i) A statement of changes in equity (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**

**Statement of changes in equity**

GROUP	Share	Statutory	Retained	Currency	Fair	Attributable to	Non-	Total
	capital	surplus	earnings	translation	value	owners of	controlling	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 April 2013 (As previously stated)</b>	<b>23,852</b>	<b>1,197</b>	<b>91,271</b>	<b>(1,398)</b>	-	<b>114,922</b>	<b>770</b>	<b>115,692</b>
Effects of adopting FRS 111 and FRS 28	-	-	(952)	941	-	(11)	-	(11)
<b>Balance at 1 April 2013 (As restated)</b>	<b>23,852</b>	<b>1,197</b>	<b>90,319</b>	<b>(457)</b>	-	<b>114,911</b>	<b>770</b>	<b>115,681</b>
<b>Total comprehensive income for the period</b>								
Profit for the period net of tax	-	-	2,160	-	-	2,160	104	2,264
Other comprehensive income for the period	-	-	-	1,161	-	1,161	3	1,164
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,160</b>	<b>1,161</b>	<b>-</b>	<b>3,321</b>	<b>107</b>	<b>3,428</b>
<b>Transactions with owners, recognised directly in equity</b>								
Appropriations	-	-	-	-	-	-	-	-
Dividends paid	-	-	(1,168)	-	-	(1,168)	-	(1,168)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(1,168)</b>	<b>-</b>	<b>-</b>	<b>(1,168)</b>	<b>-</b>	<b>(1,168)</b>
<b>Balance at 30 June 2013</b>	<b>23,852</b>	<b>1,197</b>	<b>91,311</b>	<b>704</b>	-	<b>117,064</b>	<b>877</b>	<b>117,941</b>

<b>Balance at 1 April 2014</b>	<b>23,852</b>	<b>1,473</b>	<b>98,824</b>	<b>48</b>	-	<b>124,197</b>	<b>1,206</b>	<b>125,403</b>
<b>Total comprehensive income for the period</b>								
Profit for the period net of tax	-	-	1,672	-	-	1,672	147	1,819
Other comprehensive income for the period	-	-	-	(95)	-	(95)	-	(95)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,672</b>	<b>(95)</b>	<b>-</b>	<b>1,577</b>	<b>147</b>	<b>1,724</b>
<b>Transactions with owners, recognised directly in equity</b>								
Appropriations	-	-	-	-	-	-	-	-
Dividends paid	-	-	(2,336)	-	-	(2,336)	-	(2,336)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(2,336)</b>	<b>-</b>	<b>-</b>	<b>(2,336)</b>	<b>-</b>	<b>(2,336)</b>
<b>Balance at 30 June 2014</b>	<b>23,852</b>	<b>1,473</b>	<b>98,160</b>	<b>(47)</b>	-	<b>123,438</b>	<b>1,353</b>	<b>124,791</b>

COMPANY	Share	Statutory	Retained	Currency	Fair	Attributable to	Non-	Total
	capital	surplus	earnings	translation	value	owners of	controlling	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 April 2013 (As previously stated)</b>	<b>23,852</b>	-	<b>11,787</b>	-	-	<b>35,639</b>	-	<b>35,639</b>
Profit for the period net of tax, representing total comprehensive income for the period	-	-	(677)	-	-	(677)	-	(677)
Dividends paid, representing transactions with owners recognised directly in equity	-	-	(1,168)	-	-	(1,168)	-	(1,168)
<b>Balance at 30 June 2013</b>	<b>23,852</b>	-	<b>9,942</b>	-	-	<b>33,794</b>	-	<b>33,794</b>
<b>Balance at 1 April 2014</b>	<b>23,852</b>	-	<b>33,122</b>	-	-	<b>56,974</b>	-	<b>56,974</b>
Profit for the period net of tax, representing total comprehensive income for the period	-	-	(136)	-	-	(136)	-	(136)
Dividends paid, representing transactions with owners recognised directly in equity	-	-	(2,336)	-	-	(2,336)	-	(2,336)
<b>Balance at 30 June 2014</b>	<b>23,852</b>	-	<b>30,650</b>	-	-	<b>54,502</b>	-	<b>54,502</b>

**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 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**

Not applicable.

**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.**

	Number of Issued Shares	
	30/6/2014	31/12/2013
Balance as at 1 January	233,550,248	233,550,248
Issue of shares	-	-
Balance as at 30 June	<u>233,550,248</u>	<u>233,550,248</u>

**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 on.**

There are no treasury shares as at the end of current period.

**2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

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**

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2013.

**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**

On 1 January 2014, the Group adopted all the following new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations:

- FRS 27 (Revised) *Separate Financial Statements*
- FRS 28 (Revised) *Investments in Associates and Joint Ventures*
- FRS 110 *Consolidated Financial Statements*
- FRS 111 *Joint Arrangements*
- FRS 112 *Disclosure of Interests in Other Entities*
- FRS 110, FRS 111, FRS 112 *Transition Guidance*
- Amendments to FRS 32 *Financial Instruments: Presentation*
- Amendments to FRS 36 *Impairment of Assets*

The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and company's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below:

FRS 111 *Joint Arrangements* and FRS 28 *Investments in Associates and Joint Ventures*

FRS 111 supersedes FRS 31 *Interests in Joint Ventures* and INT FRS 13 *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*.

FRS 111 classifies a joint arrangement as either a joint operation or a joint venture based on the parties' rights and obligations under the arrangement. The existence of a separate legal vehicle is no longer the key factor. A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets.

The joint venturer should use the equity method under the revised FRS 28 *Investments in Associates and Joint Ventures* to account for a joint venture. The option to use proportionate consolidation method has been removed. For joint operations, the group directly recognises its rights to the assets, liabilities, revenues and expenses of the investee in accordance with applicable FRSs.

FRS 111 will take effect from financial years beginning on or after January 1, 2014, with retrospective application subject to transitional provisions.

When the group adopts FRS 111, a jointly controlled entity may be classified as a joint operation or joint venture, depending on the rights and obligations of the parties to the joint arrangement. For arrangements that are joint ventures and were previously proportionately consolidated as jointly controlled entities, the group will have to adopt equity accounting.

The application of FRS 111 has change the accounting of the group's investment in PPH Teckwah Value Chain Sdn Bhd, which has previously been accounted for using the proportionate consolidation method. Under FRS 111, PPH Teckwah Value Chain Sdn Bhd will be accounted for using the equity method, resulting in aggregation of the group's proportionate share of PPH Teckwah Value Chain Sdn Bhd's net assets and items of profit or loss into a single line item which will be presented in the consolidated statement of financial position and consolidated statement of profit or loss as "investment in joint venture" and "share of profits (loss) of joint venture" respectively.



The effects to the Group's financial statements after the adoption of FRS 110 and revised FRS 28 are as follows:

	Group	
	As at 31 December 2013	As at 1 January 2013
	(Restated)	(Restated)
	\$'000	\$'000
(Decrease) / increase in		
<u>Statement of financial position</u>		
Cash and cash equivalents	(3,869)	(3,538)
Trade and other receivables	(1,053)	(1,041)
Inventories	(506)	(481)
Other assets	(1)	(13)
Joint venture	6,281	5,829
Property, plant and equipment	(1,249)	(1,467)
Land use rights	(178)	(66)
Trade and other payables	(803)	(741)
Income tax payable	(2)	(7)
Post Employment Benefits	119	121
Deferred tax liabilities	(138)	(150)
Retained earnings	(952)	(952)
Currency translation reserve	1,201	952

	2013
	(Restated)
	\$'000
(Decrease) / increase in	
<u>Income statement</u>	
Revenue	(5,873)
Other income including interest income	(61)
Changes in inventories of finished goods and work in progress	33
Raw materials and consumables used	2,999
Employee benefits expense	1,319
Depreciation, amortisation and impairment expense	215
Other operating expenses	849
Finance costs	3
Profit from joint venture	452
Income tax expense	64

**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**

	Group 3 months ended		Group 6 months ended	
	Jun'14	Jun'13 (restated)	Jun'14	Jun'13 (restated)
Earnings per Ordinary Share for the year based on net profit attributable to shareholders :-				
i) Based on the weighted average number of ordinary shares on issue (cents)	0.72	0.92	1.58	2.22
ii) On a fully diluted basis (cents)	0.72	0.92	1.58	2.22

Note

- The earnings per ordinary share ("EPS") for the period ended June 30, 2014 has been calculated on weighted average number of ordinary shares in issue of 233,550,248 (June 30, 2013 = 233,550,248) ordinary shares
- Fully diluted EPS for the period ended June 30, 2014 is calculated on 233,550,248 (June 30, 2013, Diluted EPS is calculated at 233,550,248) ordinary shares assuming all the fully exercise of employee shares option during the year and adjusting for the number of ordinary shares in issue to reflect the effect of all potentially dilutive ordinary shares.

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

	GROUP		COMPANY	
	Jun'14	(restated) Dec'13	Jun'14	Dec'13
Net Asset Value Per Ordinary Share based On issued share capital at the end of the period	52.85 cts	52.69 cts	23.34 cts	23.91 cts

Note: The net asset value per ordinary share for the period ended June 30, 2014 have been calculated based on the issued share capital of 233,550,248 shares (December 31, 2013: 233,550,248)

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**

#### **2Q FY 2014 vs 2Q FY 2013**

For the second quarter ended 30 June 2014, the Group achieved total revenue of \$40.2 million, 3.1% lower than the \$41.5 million achieved in the same period last year.

The Print-related business accounted for 59.9% of the Group's revenue. Its revenue contribution declined by 2.5% from \$24.7 million to \$24.1 million as a result of the lower demand from some existing customers in China operation and the cessation of Print related operation in Australia since the second half of last year. The Non-print business accounted for 40.1% of the Group's total. Its revenue contribution declined by 3.9% from \$16.7 million to \$16.0 million due mainly to the cessation of some projects during the second half of last year.

The Group's operating profit before tax for the second quarter ended 30 June 2014 was \$2.9 million that was the same as the same period last year. Higher income tax expense was recorded during the quarter due mainly to additional tax assessed by the relevant tax authorities on subsidiaries at Batam, Indonesia and Wuxi, China.

#### **1H FY 2014 vs 1H FY 2013**

For the half year ended 30 June 2014, the Group achieved total revenue of \$77.8 million, 4.3% lower than the \$81.3 million achieved in the same period last year.

The Print-related business accounted for 60.2% of the Group's revenue and the Non-print business contributed the balance of 39.6%. In terms of geographical perspective, the Singapore operations continue to be the main contributor accounted for 66.8% of the Group's revenue. The China operations remain as the second largest with 22.6% contribution.

The revenue for the Print-related business declined by 4.9% from \$49.3 million to \$46.8 million while the Non-print business declined by 3.3% in revenue from \$31.8 million to \$30.8 million. The decline in the Print segment revenue was mainly due to the lower demand from some existing customers in China operation and the cessation of operation in Australia during the second half of last year. For the Non-Print Business, the decrease was mainly due to cessation of some projects since the second half of last year.

The Group's operating profit before tax for the half year ended 30 June 2014 decreased by 12.5% to \$5.8 million as compared to \$6.6 million for the same period last year. The decrease is mainly attributed to lower customer demands, continuous price pressure and certain one-off relocation expense on shifting to new building at Paya Lebar, Pixel Red during the period. In addition, the decrease was also due to higher income tax expense incurred during the quarter as additional tax was assessed by the relevant tax authorities on subsidiaries at Batam, Indonesia and Wuxi, China.

The operating profit before tax for the Print-related business (after allocation of corporate services expenses) declined by 49.3% from \$2.9 million to \$1.5 million. The decrease in operating profit is mainly attributed to continued downward price pressure as well as certain one-off expenses as the Print operation shifted to Pixel Red.

The operating profit before tax for the Non-print business (after allocation of corporate services expenses) increased by 17.0% from \$3.7 million in the same period last year to \$4.3 million this year. The increase in operating profit is mainly due to savings from cost management efforts and continued improvement in sales mix, although it is partially offset by the downward price pressures.

For the six months ended 30 June 2014, the Group generated negative cash flow of \$3.3 million from operations after working capital changes. It was positive cash flow of \$8.4 million for the same period

last year. The decrease in cash flow generated from operations after working capital changes is mainly attributed to payment for the construction of Pixel Red.

During this period, the Group continued to invest \$13.7 million into construction of Pixel Red, upgrading of facilities for factory at Wuxi (China), as well as improvement works on the new factory at Iskandar Development Zone (Johor State, Malaysia). As at 30 June 2014, the Group's cash and cash equivalents amount was approximately \$24.6 million.

The Group's gearing ratio rose from 10.27% as at 31 Dec 2013 to 25.10% as at 30 June 2014 mainly due to the drawdown of bank loans for paying the construction cost of Pixel Red and for new machineries for the new factory at Iskandar Development Zone respectively.

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

The results are in line with the commentary previously stated in Paragraph 10 of the announcement for the full year FY 2013.

**10. A commentary at the date of the announcement of the 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. The stiff competition in the region continues to result in downward pressure on pricing, while the rising operating cost would further squeeze our margins. The Group will continue to enhance its cost management measures, further develop existing and new customers, productivity improvement initiatives and continuously seeking for new upstream activities that widen revenue source.

In FY 2013, the group has moved part of its production to its new production plant at Iskandar, Johor, Malaysia. In late May 2014, the group has moved into its new global headquarters at Pixel Red.

Barring any unforeseen circumstances, the Directors expect the Group to remain profitable for the current year.

**11. Dividend (to amend accordingly)**

***(a) Current Financial Period Reported On***

***Any dividend declared for the current financial period reported on?***

Name of dividend	:	Interim
Dividend Type	:	Cash
Dividend amount per share (in cents)	:	0.5 cent

***(b) Corresponding Period of the Immediately Preceding Financial Year***

***Any dividend declared for the corresponding period of the immediately preceding financial year?***

Name of dividend	:	Interim
Dividend Type	:	Cash
Dividend amount per share (in cents)	:	0.5 cent

**(c) Date payable**

To be announced later.

**(d) Books closure date**

To be announced later.

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

Not Applicable

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The company did not obtain a general mandate from shareholders for IPTs.

**14. Confirmation Pursuant to Rule 705(5) of the Listing Manual**

The Board of Directors do hereby confirm that to the best of their knowledge, nothing has come to their attention which may render the un-audited results of the Group, for the six months ending June 30, 2014, to be false or misleading.

**BY ORDER OF THE BOARD  
Thomas Chua Kee Seng  
Chairman & Managing Director  
August 12, 2014  
Singapore**