

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".



**First Quarter Ended 31 March 2015
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		
	S\$'000		%
	3 months ended 31 Mar		incr/ (decr)
	2015	2014	
a Revenue	43,469	37,578	15.7
b Investment Income	-	-	-
c Other income including interest income :-	413	221	86.9
(i) Gain on sale of plant & equipment included in other income	-	2	(100.0)
(ii) Interest Income	50	46	8.7
(iii) Other Income	363	173	109.8
d Changes in inventories of FG & WIP	(126)	212	(159.4)
(i) Allowance for inventories	(6)	(6)	-
e Raw Materials and consumables used	(14,940)	(11,588)	28.9
(i) Write back (allowance) for inventories	4	-	n.m
f Staff Costs	(9,659)	(9,244)	4.5
g Depreciation, amortisation and impairment expenses	(2,111)	(1,316)	60.4
h Interest on borrowings	(191)	(77)	148.1
i Other operating expenses :-	(12,537)	(12,985)	(3.5)
(i) foreign exchange loss	(200)	72	(377.8)
(ii) Allowance for doubtful debts	-	(15)	(100.0)
(iii) Bad debts written off	-	-	n.m
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	4,318	2,801	54.2

Income statement (continued)

	Group		
	S\$'000		%
	3 months ended 31 Mar		incr/ (decr)
	2015	2014	
l Loss from associated companies	-	-	-
m (Loss) profit from joint venture	(1)	73	(101.4)
n Operating profit before income tax	4,317	2,874	50.2
o Less income tax	(946)	(742)	27.5
(i) Adjustment for under (over) provision of tax in respect of prior periods.	5	(48)	(110.4)
p Profit for the period	3,371	2,132	58.1
Attributable to :-			
q Owners of the Company	3,190	2,014	58.4
r Non-controlling Interests	181	118	53.4

Statement of Comprehensive Income

	Group		
	S\$'000		%
	3 months ended 31 Mar		incr/ (decr)
	2015	2014	
Profit for the period	3,371	2,132	58.1
Other comprehensive income :			
Items that will not be reclassified subsequently to profit or loss Remeasurement of defined benefit obligation	-	-	n.m
Items that may be reclassified subsequently to profit or loss Foreign currency translation	1,796	(888)	(302.3)
Other comprehensive income for the period	1,796	(888)	(302.3)
Total comprehensive income for the period	5,167	1,244	315.4
The comprehensive income attributable to :-			
Owners of the Company	4,911	1,143	329.7
Non-controlling Interests	256	101	153.5

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

	Group		Company	
	Actual	Previous	Actual	Previous
	31-Mar-15	31-Dec-14	31-Mar-15	31-Dec-14
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets:				
Cash and cash equivalents	21,980	22,156	356	868
Trade and other receivables	41,887	43,480	21,311	19,203
Inventories	15,346	14,042	-	-
Total current assets	79,213	79,678	21,667	20,071
Non-current assets:				
Other assets	521	427	-	-
Joint venture	5,165	5,270	4,216	4,216
Subsidiaries	-	-	19,829	19,829
Property, plant and equipment	84,047	83,829	42,827	43,370
Investment properties	3,926	3,993	1,691	1,705
Land use rights	7,524	7,574	7,019	7,085
Intangible assets	69	72	70	72
Goodwill	6,691	6,691	-	-
Deferred tax assets	163	162	-	-
Total non-current assets	108,106	108,018	75,652	76,277
Total assets	187,319	187,696	97,319	96,348
LIABILITIES AND EQUITY				
Current liabilities:				
Trade and other payables	23,118	25,340	14,953	12,947
Finance leases	1,076	1,098	-	-
Income tax payable	2,455	1,929	39	39
Bank loans	5,226	7,493	5,000	5,000
Total current liabilities	31,875	35,860	19,992	17,986
Non-current liabilities:				
Bank loans	16,250	17,500	16,250	17,500
Finance leases	2,331	2,653	-	-
Post employment benefits	257	250	-	-
Deferred tax liabilities	1,008	1,002	-	-
Total non-current liabilities	19,846	21,405	16,250	17,500
Capital, reserves and non-controlling interests:				
Share capital	23,852	23,852	23,852	23,852
Statutory surplus reserve	1,753	1,753	-	-
Retained earnings	105,688	102,498	37,225	37,010
Currency translation reserve	2,325	604	-	-
Equity attributable to owners of the company	133,618	128,707	61,077	60,862
Non-controlling interests	1,980	1,724	-	-
Total equity	135,598	130,431	61,077	60,862
Total liabilities and equity	187,319	187,696	97,319	96,348

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 31/03/15		As at 31/12/14	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
1,076	5,226	1,098	7,493

(b) Amount repayable after one year

As at 31/03/15		As at 31/12/14	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
2,331	16,250	2,653	17,500

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

	Group	
	3 months ended 31 Mar	
	2015	2014
	S\$'000	S\$'000
Cash flow from operating activities:		
Profit before tax	4,317	2,874
Adjustments for :		
Allowance for doubtful debts	-	15
Write-back of inventories	2	6
Depreciation and amortisation expense	2,111	1,316
Loss (gain) on disposal of property, plant and equipment	21	(2)
Post employment benefits	7	(1)
Share of loss (profit) from joint venture	1	(73)
Interest income	(50)	(46)
Finance costs	191	77
	6,600	4,166
Operating cash flows before movements in working capital		
Trade and other receivables and other assets	1,499	4,327
Inventories	(1,306)	(158)
Trade and other payables	(2,222)	(8,040)
Cash generated from operations	4,571	295
Interest paid	(191)	(77)
Income tax paid	(415)	(759)
Net cash from operating activities	3,965	(541)
Cash flow from investing activities:		
Interest received	50	46
Dividends received from joint venture	-	956
Proceeds from disposal of property, plant and equipment	26	2
Purchase of property, plant and equipment	(1,806)	(11,134)
Net cash used in investing activities	(1,730)	(10,130)
Cash flows from financing activities:		
Repayment of bank loans	(3,511)	(254)
Proceeds from bank loans	-	8,500
Repayment of obligations under finance leases	(273)	(332)
Net cash from financing activities	(3,784)	7,914
Net decrease in cash and cash equivalents	(1,549)	(2,757)
Cash and cash equivalents at beginning of period	22,156	29,529
Effect of foreign exchange rate changes	1,373	(591)
Cash and cash equivalents at end of period	21,980	26,181

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 capital	Statutory surplus reserve	Retained earnings	Currency translation reserve	Attributable to owners of the company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jan 2014	23,852	1,473	97,762	(268)	122,819	1,105	123,924
Total Comprehensive Income for the period							
Profit for the period net of tax	-	-	2,014	-	2,014	118	2,132
Other comprehensive income for the period net of tax	-	-	-	(871)	(871)	(17)	(888)
Total	-	-	2,014	(871)	1,143	101	1,244
Balance at 31 Mar 2014	23,852	1,473	99,776	(1,139)	123,962	1,206	125,168
Balance at 1 Jan 2015	23,852	1,753	102,498	604	128,707	1,724	130,431
Total Comprehensive Income for the period							
Profit for the period net of tax	-	-	3,190	-	3,190	181	3,371
Other comprehensive income for the period net of tax	-	-	-	1,721	1,721	75	1,796
Total	-	-	3,190	1,721	4,911	256	5,167
Balance at 31 Mar 2015	23,852	1,753	105,688	2,325	133,618	1,980	135,598
COMPANY							
	Share capital	Statutory surplus reserve	Retained earnings	Currency translation reserve	Attributable to owners of the company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jan 2014	23,852	-	31,991	-	55,843	-	55,843
Profit for the period, net of tax, representing total comprehensive income for the period	-	-	1,131	-	1,131	-	1,131
Balance at 31 Mar 2014	23,852	-	33,122	-	56,974	-	56,974
Balance at 1 Jan 2015	23,852	-	37,010	-	60,862	-	60,862
Profit for the period, net of tax, representing total comprehensive income for the period	-	-	215	-	215	-	215
Balance at 31 Mar 2015	23,852	-	37,225	-	61,077	-	61,077

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	
	31/3/2015	31/12/2014
Balance as at 1 January	233,550,248	233,550,248
Issue of shares	-	-
Balance as at	<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 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

During the current financial year, the group has adopted all the new and revised standards that are relevant to its operations and effective for annual periods beginning on or after January 1, 2015. The adoption of these new/revised standards 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.

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

	31/3/2015	31/3/2014
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)	1.37	0.86
ii) On a fully diluted basis (cents)	1.37	0.86

Note

- a. The earnings per ordinary share ("EPS") for the period ended March 31, 2015 has been calculated on weighted average number of ordinary shares in issue of 233,550,248 (March 31, 2014 = 233,550,248) ordinary shares
- b. Fully diluted EPS for the period ended March 31, 2015 is calculated on 233,550,248 (March 31, 2014, 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	
	Mar'15	Dec'14	Mar'15	Dec'14
Net Asset Value Per Ordinary Share based on issued share capital at the end of the period	57.21 cts	55.11 cts	26.15 cts	26.06 cts

Note: The net asset value per ordinary share for the period ended March 31, 2015 have been calculated based on the issued share capital of 233,550,248 shares (December 31, 2014: 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**

1Q FY 2015 vs 1Q FY 2014

Income Statement

For the first quarter ended 31 March 2015, the Group achieved total revenue of \$43.5 million, 15.7% higher than the \$37.6 million achieved in the same period previous year.

The Print-related business accounted for 60.2% of the Group's revenue and the Non-print business contributed the balance of 39.8%. In terms of geographical perspective, the Singapore operations continued to be the main contributor and it accounted for 64.1% of the Group's revenue. The China operations remained as the second largest with 25.6% contribution.

The revenue for the Print-related business increased by 15.0% from \$22.8 million to \$26.2 million whilst the Non-print business increased by 16.1% in revenue from \$14.7 million to \$17.1 million. The increase in the Print segment revenue was mainly due to higher demand from some existing customers in Singapore and China. For the Non-Print Business, the growth was mainly due to the increase in demand from existing customers.

The Group's operating profit before tax for the first quarter ended 31 March 2015 increased by 50.2% to \$4.3 million as compared to \$2.9 million for the same period in the previous year. The increase was mainly attributed to increased business activities as well as cost saving initiatives as a result of relocation to the new global headquarters at Pixel Red.

The operating profit before tax for the Print-related business (after allocation of corporate services expenses) increased by 153.4% from \$0.5 million to \$1.3 million. The increase in operating profit was mainly attributed to the cost savings on labour costs and rental in Singapore after the relocation to the new global headquarters at Pixel Red as well as moving part of its production to the new factory at Iskandar Development Zone, Johor, Malaysia.

The operating profit before tax for the Non-print business (after allocation of corporate services expenses) increased by 26.8% from \$2.3 million in the same period the previous year to \$3.0 million this year. The increase in operating profit was mainly attributed to the contribution from increased activities from the existing customers.

The Group's other income for the first quarter ended 31 March 2015 increased by 86.9% from \$0.2 million to \$0.4 million. The increase was mainly attributed to receipt of government grants of \$0.3m during the period.

The Group's depreciation, amortisation and impairment expenses increased 60.4% from \$1.3 million to \$2.1 million as a result of the Group's increased investments in property, plant and equipment in Singapore, China and Malaysia in the previous year.

Statement of Financial Position

Total assets decreased 0.2% from \$187.7 million as at 31 December 2014 to \$187.3 million as at 31 March 2015.

Current assets decreased 0.6% from \$79.7 million as at 31 December 2014 to \$79.2 million as at 31 March 2015. The decrease was mainly due to the decrease in cash and cash equivalents as well as trade and other receivables. This decrease was partially offset by an increase in inventories level arising from higher business demand from the Group's existing customers.

Cash and cash equivalents decreased 0.9% to \$22.0 million as of 31 March 2015 compared to \$22.2 million as at 31 December 2014. This was mainly due to faster payment to creditor and repayment of bank loans. Trade and other receivables decreased by 3.7% from \$43.5 million last year to \$41.9

million as at 31 March 2015, mainly due to expedited collection from customers. Inventories increased 9.3% from \$14.0 million last year to \$15.3 million as at 31 March 2015 in anticipation of upcoming sales.

Non-current assets increased 0.1% from \$108.0 million in the previous year to \$108.1 million as at 31 March 2015. This was primarily due to the addition of new property, plant and equipment, and other assets although it was partly offset by the decrease in joint venture and investment properties. Property, plant and equipment increased \$0.2 million (or 0.3%) from \$83.8 million in the previous year to \$84.0 million as at 31 March 2015.

Total liabilities decreased 9.7% from \$57.3 million in the previous year to \$51.7 million as at 31 March 2015. Of this, current liabilities decreased 11.1% from \$35.9 million to \$31.9 million, whilst non-current liabilities decreased 7.4% from \$21.4 million to \$19.8 million. The overall decrease in liabilities was mainly due to the decrease in bank loans, finance leases and trade and other payables, although partially offset by an increase in income tax payable. The decrease in trade and other payables of 8.8% was mainly due to payment to suppliers and staff costs.

Statement of Cash Flows

For the first quarter ended 31 March 2015, the Group generated positive cash flow of \$4.6 million from operations after working capital changes. It was \$0.3 million for the same period in the last year. This increase was mainly attributed to higher revenue. Also, there were payments for progress billings related to the construction of Pixel Red in the same period last year while it is nil for the current financial period.

During this period, the Group continued to invest \$1.8 million into Pixel Red's facilities and addition of new machineries at Wuxi, China. As at 31 March 2015, the Group's cash and cash equivalents was approximately \$22.0 million.

The Group's net cash flow from financing activities registered a negative cash flow of \$3.8 million compared to a positive cash flow of \$7.9 million for the same period in the previous year, this was mainly due to repayment of bank loans during the period. The Group's gearing ratio decreased from 22.3% as at 31 December 2014 to 18.6% as at 31 March 2015.

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 2014.

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 improved results this quarter were due to a combination of higher revenue from customers and cost savings from operating at Pixel Red and Iskandar. Management is, however, mindful that the global economic outlook remains uncertain and would continue to take steps to be competitive and seek new upstream activities to widen revenue sources.

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?

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/recommendeded, 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 three months ending March 31, 2015, to be false or misleading.

BY ORDER OF THE BOARD
Thomas Chua Kee Seng
Chairman & Managing Director
May 12, 2015
Singapore