



Xpress

Business Update:

Strengthening our Foundations for Continuous Growth

SIAS Corporate Profile Seminar 22 November 2008 – DBS Auditorium, Singapore



Outline

Xpress

- Background
- Milestones & Network
- Product Segments
- New Business Model
- Core Strengths
- Financial Highlights
- Focus for Year 2009



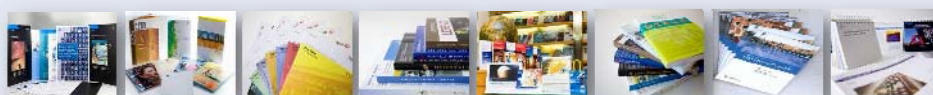
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Background



- Established in 1986 by founder KK Fong who has more than 30 years of innovative printing experience
- Listed on SGX Mainboard in 1999
- Leading niche player in time-sensitive financial and commercial publications production and printing in Asia
- Network of 34 Print Stations, including 12 On-Site Print Stations, spread across 19 major cities in the region



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Milestones



Since 2006, Xpress embarked on major strategic initiatives to expand and meet the needs of our growing customer base



- | | | |
|---|--|---|
| <p>2006</p> <ul style="list-style-type: none"> ➔ Private placement of new ordinary shares with net proceeds of S\$21.5m ➔ Acquisition of remaining 40% of PMG ➔ Appointment of Director, Strategic Planning and Business Development ➔ Acquisition of Beijing Hengzhi by Shenzhen Jiaxinda ➔ Incorporation of Xpress Print (Shenzhen) | <p>2007</p> <ul style="list-style-type: none"> ➔ MOU with Shenzhen Securities Info Co. Ltd (China Listed Companies Handbook) ➔ MOU with SWT: Formed translation JV ➔ Appointment of key managers to drive PRC strategy ➔ Incorporation of Xpress Print (Vietnam) ➔ Issuance of S\$12.5m Convertible Bonds to Credit Suisse ➔ Incorporation of Xpress Print (Shenyang) | <p>2008</p> <ul style="list-style-type: none"> ➔ Signed 3-year print management agreements worth RMB200m annually with 7 major PRC media companies ➔ 3 new Print Stations in China - Wuhan, Xiamen and Changsha ➔ Sale and leaseback of Kallang Way building for S\$14m ➔ Signed MOUs to provide 2-year print management services worth RMB140m annually with 6 major PRC publishers in Hunan province ➔ Xpress Vietnam client won top awards in Vietnam's first ever Annual Report Award ➔ Accredited with Forest Stewardship Council Chain of Custody (FSC CoC) certificate ➔ Attained ISO 12647-2 accreditation ➔ Mercomm ARC Gold Award (AR cover/award) |
|---|--|---|

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Geographical Coverage in 19 cities





- Beijing
- Chengdu
- Changsha
- Guangzhou
- Ho Chi Minh City
- Hong Kong
- Jakarta
- Kuala Lumpur
- Manila
- Melbourne
- Seoul
- Shanghai
- Shenyang
- Shenzhen
- Singapore
- Sydney
- Taipei
- Wuhan
- Xiamen




We can connect you...
 With our vast network in the region, particularly in China & South East Asia, we can link you up with our partners and customers for business opportunities such as mergers and acquisitions, strategic alliances or business development.

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Product Segments - Financial



We provide a comprehensive and unique range of financial printing services that cover the entire value chain...

Financial Research	Corporate Finance	Annual Reports	Asset Management
			
<ul style="list-style-type: none"> Financial & Economic Research reports Financial journals Financial magazines 	<ul style="list-style-type: none"> IPO prospectuses Rights issues Bonds and warrants documents Offer documents Information memoranda 	<ul style="list-style-type: none"> Annual, bi-annual and quarterly reports Shareholder circulars 	<ul style="list-style-type: none"> Asset and Fund Management reports Periodic reports Brochures and flyers White paper research publications

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Product Segments - Commercial



We provide a comprehensive and unique range of commercial printing services that cover across all industries...



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Valued International Customers



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Valued PRC Customers





光大证券
EVERBRIGHT SECURITIES



中投证券
China Jiayin Investment Securities



博时基金
BOSERA FUNDS




海通证券
Hai Tong Securities Co., Ltd.




CITI



南方基金管理有限公司
CHINA SOUTHERN FUND MANAGEMENT CO., LTD.



上海证券
SHANGHAI SECURITIES



国信证券



上海浦东发展银行股份有限公司



国泰君安
GUOTAI JUNAN



SYWG
Research & Consulting
上海申银万国证券研究所有限公司



天一证券
TIANYI SECURITIES



国海富兰克林基金管理有限公司
FRANKLIN TEMPLETON SEALORD FUND MANAGEMENT CO., LTD.



FRANKLIN TEMPLETON INVESTMENTS

海富通基金管理有限公司
Fortis Haitong Investment Management Co., Ltd



联合证券
UNITED SECURITIES




富国基金管理有限公司
FULLGOAL FUND MANAGEMENT CO., LTD.

英大证券有限责任公司

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Unique Print Management Business Model



One-Stop Solution to Print - Surpassing your needs and expectations

Clients

Pre-press

Design Layout
Translation
Proofing

Sales / Pre-press Network

Printing

Production Scheduling
Printing
Q.C.

Printing Network

Post-press


Binding
Packing
Delivery

Logistics Network

Clients / End Customers

Central Desk Control

Print Stations



On-Site Print Stations


Located "Where customers are"

Split Printing @ Multiple Locations

Xpress
Xpress
Xpress
Xpress

Xpress' Short-Print Run Facilities

AP



Authorised Printers

Transportation & Logistics Partners

- Intra-City
- Inter-City
- International

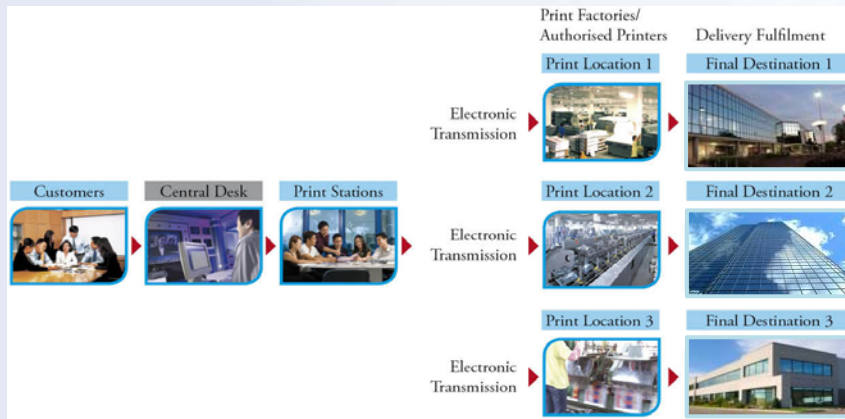
Print / Deliver "Where customers want"

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Split-Printing : Cuts Costs, Saves Time



A Key Unique Selling Proposition of Xpress

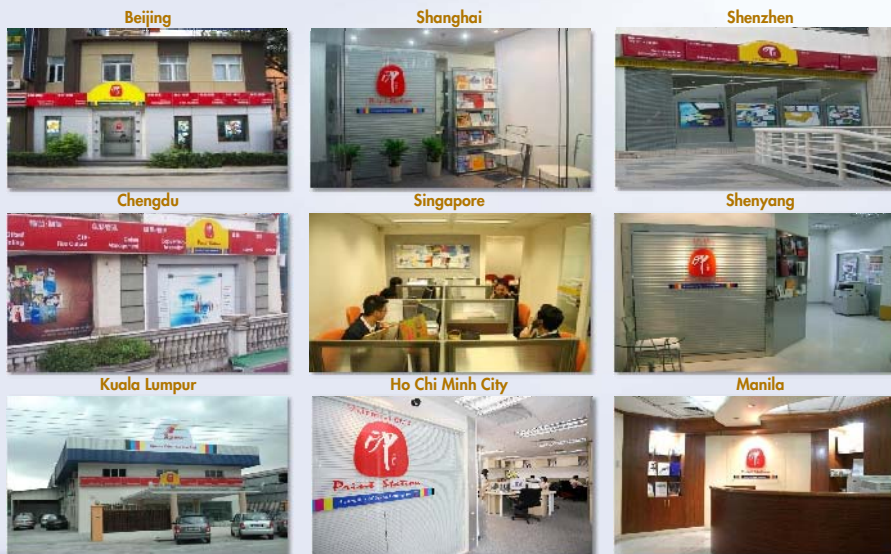


With Xpress' regional network of Xpress-owned short-print run facilities & print partners, our split-print capability allows print and deliver where our customers want and brings benefits of shorter time and delivery distance, lower cost and increased reliability.

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Print Stations around the region



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Dedicated On-Site Print Station



Putting Creative Design and Pre-press Production in your Office

Through innovative technology, Xpress has progressed from traditional printing to provide customised services (on-site designing and typesetting) at client's premises.



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New Generation On-Site Print Station



Artists impression of the On-Site Print Station located within client's premises – Hunan Fine Arts Publishing

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Accreditations



ISO12647-2

- Global process standard for offset printing
- ISO standard print management control

Benefits

- Consistent high-quality colour reproduction
- Fast turnaround time with easier proofs matching on press



DNV-COC-00051

- Forest Stewardship Council (FSC) certification for sustainable materials usage

Benefits

- Meet increased consumer demand for FSC-CoC certified products
- Credible seal of approval supporting the highest social & environmental standards
- Environmental sustainability committed image with FSC-CoC logo on corporate collaterals



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Core Strengths



- Invested in state-of-the-art information technology, upgraded facilities and enhanced high quality customer service
- Provide full range of premium time-sensitive financial printing solutions from pre-press to print and fulfillment
- Global distribution via "split-printing" capability and partnerships with leading logistics companies
- Large geographical footprints in core markets especially China
- Excellent record with more than two decades of experience in niche financial printing



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Financial Highlights

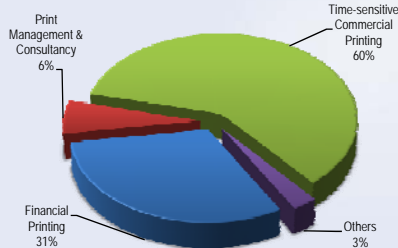
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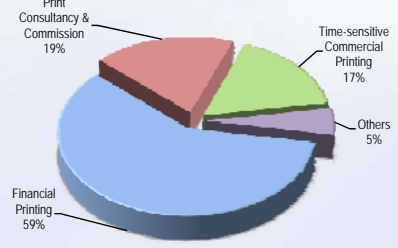
Turnover by Product

FY2008



FY2008 S\$'million	
Time-sensitive Commercial Printing	36.8 ↑
Financial Printing	19.0
Print Management & Consultancy	3.8
Others	1.7
61.3 ↑	

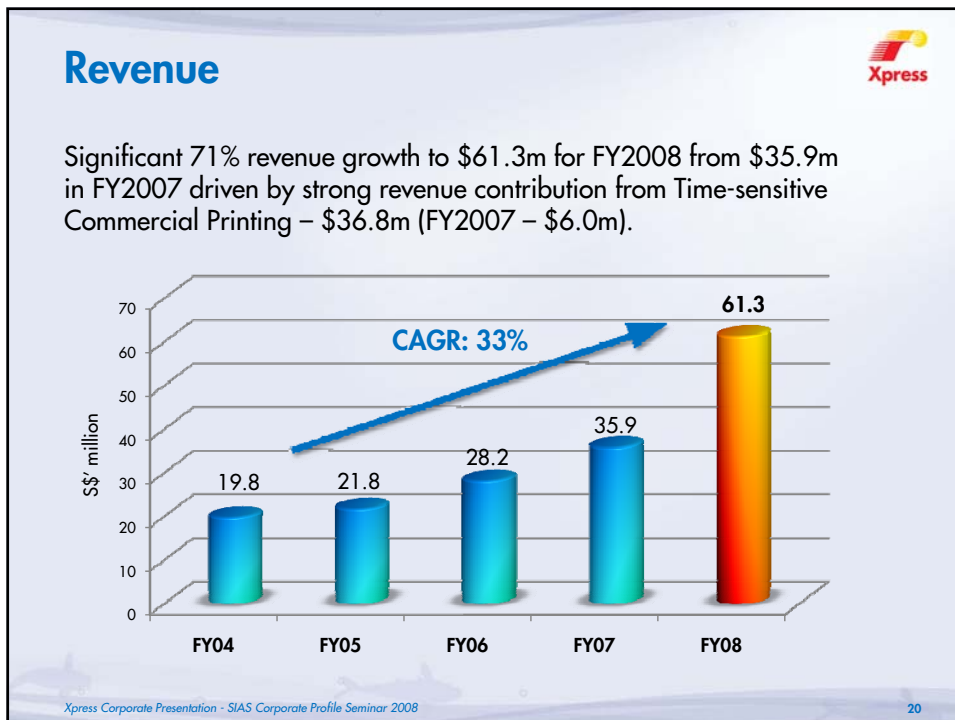
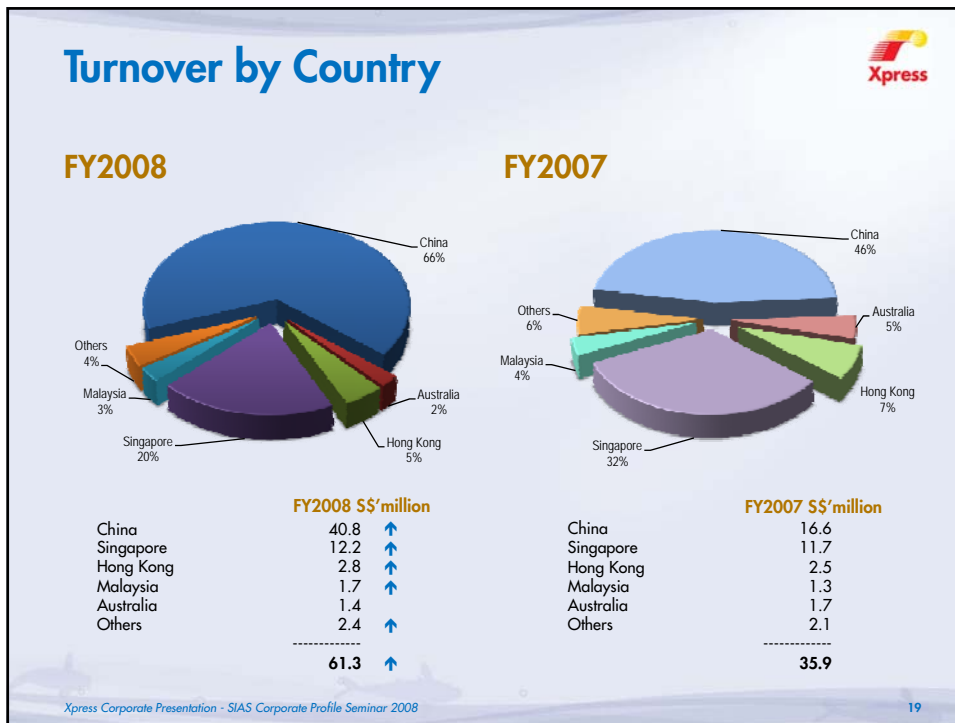
FY2007



FY2007 S\$'million	
Time-sensitive Commercial Printing	6.0
Financial Printing	21.2
Print Management & Consultancy	6.8
Others	1.9
35.9	

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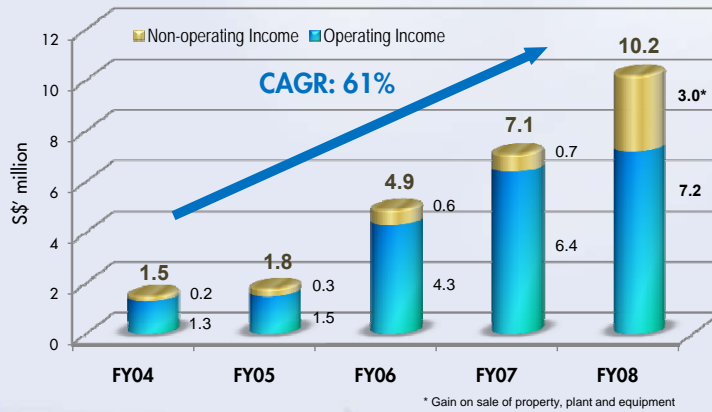
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Earnings



45% rise in net profit to \$10.2m for FY2008 from \$7.1m in FY2007, driven by strong revenue contributions from its fast-growing core products and non-operating income.



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Shareholders' Equity



An 8% increase in shareholders' equity to \$111.3m for FY2008, up from \$102.6m in FY2007, mainly attributable to increase in net profit to \$10.2m for FY2008 from \$7.1m in FY2007



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Earnings Per Share



Basic EPS increased 37% from 0.54 to 0.74 cents in FY2008.



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Dividend



Financial Year Ending	Net Dividend (S\$ cents per ordinary share)	Dividend Payout (S\$ '000)
31 July 2008	0.13 (proposed)	1,800 (proposed)
31 July 2007	0.12	1,661
31 July 2006	0.10	1,061
31 July 2005	0.06	297
31 July 2004	0.05	246

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Business Opportunities



Huge opportunities for Xpress to increase its product penetration in these countries with growing number of listed companies.



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Opportunities Evaluation



Expansion decisions are supported by detailed market research and field investigations.

Our network of **Print Stations**, essentially sales & customer service offices, are strategically located in major cities providing print management services. They are linked to a network of **Print Partners** located within 15-18 hours radius road transport distance.



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Focus for 2009



- Sales & Marketing
Innovating our Products & Services
 - ◆ Focus on anticipating and exceeding clients' needs
 - ◆ Break into new and untapped markets

- Business Operations
Building Strategic Alliances and Partnerships
 - ◆ Identify potential business partners who can offer complementary benefits
 - ◆ Extend our global network
 - ◆ Establish more On-Site Print Stations within clients' premises

- Human Talent
Developing and Retaining Human Talent
 - ◆ Create a cross-border team of dedicated, skilful, and competitive employees
 - ◆ Execute and deliver the market-leading services that will win and retain customers



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Questions & Answers



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