



XPRESS HOLDINGS LTD
(Registration No. 199902058Z)
UNAUDITED RESULTS FOR THE
SECOND QUARTER ENDED 31 JANUARY 2009
TABLE OF CONTENTS

Item No.	Description	Page No.
1(a)(i)	Income Statement	1
1(a)(ii)	Explanatory Notes to Income Statement	2
1(b)(i)	Balance Sheet	4
1(b)(ii)	Group Borrowings	5
1(c)	Consolidated Cash Flow Statement	6
1(d)(i)	Statements of Changes in Equity	8
1(d)(ii)	Share Capital	10
2 & 3	Audit Statement	11
4 & 5	Accounting Policies	11
6	Earnings Per Share	12
7	Net Asset Value Per Share	12
8(i)	Group Performance Review	12
9 & 10	Prospects	16 & 17
11 & 12	Dividend	17
13	Interested Person Transactions	18
14	Negative Assurance Confirmation on Interim Financial Results Under Rule 705(4) of the Listing Manual	18

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

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

	GROUP SECOND QUARTER			GROUP FIRST HALF			
	Note	31 Jan 2009 \$'000	31 Jan 2008 \$'000	Increase / (decrease) %	31 Jan 2009 \$'000	31 Jan 2008 \$'000	Increase / (decrease) %
Revenue		12,586	13,244	(5.0%)	27,755	26,379	5.2%
Other income	2	183	3,138	(94.2%)	546	3,251	(83.2%)
Total Revenue		12,769	16,382	(22.1%)	28,301	29,630	(4.5%)
Costs and expenses							
Changes in inventories of finished goods and work-in-progress		19	72	(73.6%)	(2)	206	N.M.
Raw materials and consumables used		(5,533)	(6,351)	(12.9%)	(13,082)	(12,784)	2.3%
Staff costs		(3,058)	(3,131)	(2.3%)	(6,281)	(6,028)	4.2%
Depreciation		(765)	(693)	10.4%	(1,513)	(1,382)	9.5%
Foreign currency gains/(losses)		(192)	186	N.M.	485	(366)	N.M.
Other operating expenses		(2,736)	(2,446)	11.9%	(5,123)	(4,629)	10.7%
Finance costs	3	(361)	(250)	44.4%	(606)	(413)	46.7%
Share of associate's results		403	50	706.0%	506	238	112.6%
Profit before tax	4	546	3,819	(85.7%)	2,685	4,472	(40.0%)
Income tax	1	(56)	(76)	(26.3%)	1,258	(91)	N.M.
Net profit for the period		490	3,743	(86.9%)	3,943	4,381	(10.0%)
Attributable to:							
Equity holders of the parent	1	486	3,731	(87.0%)	3,964	4,392	(9.7%)
Minority interests		4	12	66.7%	(21)	(11)	90.9%
Net profit for the period		490	3,743	(86.9%)	3,943	4,381	(10.0%)

n.m. : not meaningful

1(a)(ii) Breakdown and explanatory notes to the income statement

Note 1 Net profit attributable to equity holders of the Company comprises the following:

Note	3 MONTHS ENDED			6 MONTHS ENDED			
	31 Jan 2009	31 Jan 2008	Increase / (decrease)	31 Jan 2009	31 Jan 2008	Increase / (decrease)	
	\$'000	\$'000	%	\$'000	\$'000	%	
Profit from operations	538	810	(33.6%)	2,530	1,486	70.3%	
Non-operating income:							
Gain on sale of leasehold building	2	4	2,997	(99.9%)	4	2,997	(99.9%)
Gain on dilution of minority interest	2	-	-	N.M.	172	-	N.M.
Profit after minority interest and before tax	542	3,807	(85.8%)	2,706	4,483	(39.6%)	
Taxation							
Current tax - current year	(59)	(76)	(22.4%)	(220)	(91)	141.8%	
Current tax - prior years	3	-	N.M.	(155)	-	N.M.	
Deferred tax written back	-	-	N.M.	1,633	-	N.M.	
	(56)	(76)	(26.3%)	1,258	(91)	N.M.	
Net profit attributable to equity holders of the parent	486	3,731	(87.0%)	3,964	4,392	(9.7%)	

Note 2 Other income comprises the following:

Note	3 MONTHS ENDED			6 MONTHS ENDED			
	31 Jan 2009	31 Jan 2008	Increase / (decrease)	31 Jan 2009	31 Jan 2008	Increase / (decrease)	
	\$'000	\$'000	%	\$'000	\$'000	%	
Gain on disposal of property, plant and equipment	1	4	2,997	(99.9%)	4	2,997	(99.9%)
Gain on dilution of minority interest	1	-	-	N.M.	172	-	N.M.
Rental income	99	72	37.5%	170	145	17.2%	
Interest income on bank deposits	31	23	34.8%	61	32	90.6%	
Miscellaneous income	49	46	6.5%	139	77	80.5%	
Total	183	3,138	(94.2%)	546	3,251	(83.2%)	

Note: N.M. – Not meaningful

1(a)(ii) Breakdown and explanatory notes to the income statement (Cont'd)

Note 3 Finance costs comprise the following:

	3 MONTHS ENDED			6 MONTHS ENDED		
	31 Jan 2009	31 Jan 2008	Increase / (decrease)	31 Jan 2009	31 Jan 2008	Increase / (decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Interest incurred for:						
- overdrafts	-	-	N.M.	-	(17)	N.M.
- term loans	(189)	(97)	94.8 %	(263)	(140)	87.9 %
- convertible bonds	(148)	(142)	4.2 %	(294)	(235)	25.1 %
Hire purchase interest	(24)	(11)	118.2 %	(49)	(21)	133.3 %
Total	(361)	(250)	44.4 %	(606)	(413)	46.7 %

Note 4 Profit before taxation is stated after charging the following:

	3 MONTHS ENDED			6 MONTHS ENDED		
	31 Jan 2009	31 Jan 2008	Increase / (decrease)	31 Jan 2009	31 Jan 2008	Increase / (decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Loss on disposal of other property, plant and equipment	(2)	(3)	(33.3%)	(2)	(3)	(33.3%)
Allowance reversed / (made) for doubtful receivables (net)	(36)	118	N.M.	(63)	(200)	(68.5%)
Bad debts written off	-	(69)	N.M.	-	(71)	N.M.

Note: N.M. – Not meaningful

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

	Group		Company	
	31 Jan 2009	31 Jul 2008	31 Jan 2009	31 Jul 2008
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	18,707	18,470	470	536
Goodwill on consolidation	64,484	64,484	-	-
Investments in subsidiaries	-	-	78,733	78,733
Interest in associate	9,331	8,825	6,122	6,122
Non-trade amount due from subsidiaries	-	-	4,592	3,918
Available-for-sale financial assets	382	334	-	-
Deferred tax assets	24	24	24	24
	92,928	92,137	89,941	89,333
Current assets				
Inventories	485	505	-	-
Trade receivables	22,932	15,114	-	-
Other receivables	23,481	22,313	393	343
Trade amount due from subsidiaries	-	-	11,282	8,311
Non-trade amount due from related parties	-	-	822	630
Cash and cash equivalents	5,563	12,813	3,044	6,281
	52,461	50,745	15,541	15,565
Total assets	145,389	142,882	105,482	104,898
Equity attributable to equity holders of the parent				
Share capital	88,285	88,285	88,285	88,285
Other reserves	3,141	103	2,105	1,924
Accumulated profits	24,773	22,584	686	2,190
	116,199	110,972	91,076	92,399
Minority interests	141	377	-	-
Total equity	116,340	111,349	91,076	92,399
Non-current liabilities				
Interest-bearing borrowings	12,923	10,928	11,159	10,928
Obligations under finance lease	2,419	1,894	236	265
Deferred tax liabilities	2	1,634	-	-
	15,344	14,456	11,395	11,193
Current liabilities				
Trade and other payables	8,236	10,975	1,198	887
Trade amount due to subsidiaries	-	-	-	6
Non-trade amount due to subsidiaries	-	-	1,757	357
Interest-bearing borrowings	2,646	3,769	-	-
Obligations under finance lease	966	859	56	56
Current tax payable	1,857	1,474	-	-
	13,705	17,077	3,011	1,306
Total liabilities	29,049	31,533	14,406	12,499
Total equity and liabilities	145,389	142,882	105,482	104,898

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 Jan 2009		As at 31 Jul 2008	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
3,612	-	4,628	-

Amount repayable after one year

As at 31 Jan 2009		As at 31 Jul 2008	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
4,183	11,159	1,894	10,928

Details of any collateral:

Secured borrowings at 31 January 2009 mainly refer to the following:

- a. obligations under finance leases amounting to S\$3.39 million that are secured by the respective motor vehicles and machinery purchased under finance leases and;
- b. term loans amounting to S\$4.41 million secured by a charge over cash and bank balances of Rmb 2.0 million (S\$0.44 million) and corporate guarantee of Rmb 20.0 million (S\$4.4 million) by the holding company.

Unsecured borrowings at 31 January 2009 represent convertible bonds issued by the company on 4 September 2007. The increase of S\$0.23 million from S\$10.93 million at 31 July 2008 to S\$11.16 million at 31 January 2009 is mainly due to amortisation of borrowing costs of \$0.29 million that have been expensed to the Income Statement and credited to Interest-bearing Borrowings in the Balance Sheet partially offset by interest repayments of \$0.06 million.

Details of the convertible bonds are set out in Note 1(d)(ii) to the results announcement.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Note	Group	
	31 Jan 2009	31 Jan 2008
	\$'000	\$'000
Operating activities		
Profit before taxation	2,685	4,472
Adjustments for:		
Interest expense	3 606	413
Interest income	2 (61)	(32)
Depreciation of property, plant and equipment	1,513	1,382
Property, plant and equipment written off	-	-
Share of results of an associate	(506)	(238)
Gain on disposal of property, plant and equipment, net	(2)	(2,994)
Share option expense	206	105
Gain on dilution of Minority interest	2 (172)	-
Operating profit before working capital changes	4,269	3,108
Changes in working capital:		
Inventories	20	(206)
Trade and other receivables	(8,986)	(7,130)
Trade and other payables	(1,857)	3,396
Cash used in operations	(6,554)	(832)
Income tax paid	-	(78)
Cash flows used in operating activities	(6,554)	(910)
Investing activities		
Interest received	61	32
Purchase of property, plant and equipment	(750)	(3,148)
Proceeds from sale of property, plant and equipment, net	25	13,843
Cash flows used in investing activities	(664)	10,727
Financing activities		
Interest paid	(606)	(391)
Repayment of hire purchase instalments, net	(347)	(183)
Proceeds from interest-bearing loans & borrowings	1,142	-
Repayment of interest-bearing loans & borrowings	(660)	(3,631)
Proceeds from issuing shares	-	13
Proceeds from convertible loan	-	12,320
Due to a related party	-	(23)
Dividend paid	(1,800)	(1,661)
Deposits pledged	(1,000)	-
Cash flows (used in)/generated from financing activities	(3,271)	6,444
Net (decrease)/increase in cash and cash equivalents	(10,489)	16,261
Cash and cash equivalents at beginning of the year	10,412	(327)
Foreign currency translation adjustments	2,239	(696)
Cash and cash equivalents at end of the period	2,162	15,238

Explanatory notes to the consolidated cash flow statement

Note A. Cash and cash equivalents comprise the following:

	31 Jan 2009	31 Jan 2008
	<u>\$'000</u>	<u>\$'000</u>
Cash at bank and in hand	2,563	15,238
Fixed deposits	3,000	-
Cash and cash equivalents	5,563	15,238
Fixed deposits pledged	(3,401)	-
Cash and cash equivalents in the cash flow statement	2,162	15,238

For the purpose of presenting the consolidated cash flow statement, cash and cash equivalents at the end of the financial period exclude restricted bank balances of S\$3.4 million (31 January 2008: S\$nil) held by banks as security for the Group's credit facilities.

Note B. Review of cash flows

SECOND QUARTER (2Q)

Net cash used in operating activities by the Group for 2Q2009 was S\$0.7 million, as compared to net cash inflows of S\$1.3 million the corresponding quarter a year ago. Certain large volume printing projects in PRC which started in 1Q2009 where the credit terms for trade receivables (180 days) are higher than those of trade payables (30 to 60 days) required a net increase in working capital funding in the near term. Based on ongoing increased collection efforts and an increase in book orders with shorter credit days, the Group expects to achieve net cash inflows from its operations in subsequent quarters.

Cash flows used in investing activities in 2Q2009 was S\$0.31 million and this was mainly for purchase of equipment to upgrade certain subsidiaries' pre-press facilities. The cash flows generated from investing activities in the same period last year was mainly due to receipts from the sale of a subsidiary's leasehold building of \$13.79 million.

The Group's net cash used in financing activities for 2Q2009 was \$3.23 million as compared to \$5.45 million for the corresponding period last year. This was mainly due to payment of dividends of \$1.8m and an additional pledge of a \$1.0 million fixed deposit to a local bank mainly for issuing bankers' guarantee to a local subsidiary's landlord in 2Q2009 and in 2Q2008 it was mainly due to redemption of property loans upon the sale of a subsidiary's leasehold building and dividend payments of \$1.66m.

Overall and including currency translation adjustments, the net decrease in cash and cash equivalent during 2Q2009 was S\$4.03 million, as compared to the net increase of S\$6.93 million in the corresponding quarter a year ago.

HALF YEAR (1H)

For the half year, net cash used in operating activities was \$6.55 million as compared to \$0.91 million in the same period last year. The higher level of net cash used in the current period was mainly attributable to the higher working capital requirements used to fund the ongoing large volume printing projects that started in 1Q2009 whereby credit terms to key customers were 180 days whereas suppliers' credit terms to us were 30 – 60 days. Collections relating to job deliveries in 1Q2009 are expected in 3Q2009 and also due to an increase in book orders with shorter credit days operating net cash flows are expected to increase in the next quarter.

The net cash used in investing activities for 1H2009 of \$0.66 million was mainly due to upgrading of pre-press facilities as compared to the net cash of \$10.73 million generated in 1H2008 mainly from the sale of leasehold building of \$13.84 million offset by purchase of printing machinery of \$3.15 million.

For financing activities, the group used up \$3.27 million in 1H2009 as compared to the net cash inflow of \$6.44 million in the same period last year mainly due to the issue of convertible bonds to Credit Suisse in 1H2008. There were no issue of convertible financial instruments by the Group in this current half year.

Overall and including currency translation adjustments, the net decrease in cash and cash equivalent during the current first half was S\$8.25 million, as compared to the net increase of S\$15.56 million in the corresponding period a year ago.

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 capitalization 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 for the Group

	Attributable to equity holders of the Company							Total equity \$'000
	Share capital \$'000	Convertible bond - equity component \$'000	Currency translation reserve \$'000	Share option reserve \$'000	Retained earnings \$'000	Total \$'000	Minority interests \$'000	
At 1 August 2008	88,285	1,617	(1,821)	307	22,584	110,972	377	111,349
Translation gain/(loss) on consolidation	-	-	1,945	-	-	1,945	(41)	1,904
Translation gain arising on monetary items forming part of net investment in foreign operations	-	-	535	-	-	535	-	535
Net gains recognised directly in equity	-	-	2,480	-	-	2,480	(41)	2,439
Dilution of minority interests	-	-	-	-	-	-	(172)	(172)
Share option expense	-	-	-	89	-	89	-	89
Net profit for the first quarter	-	-	-	-	3,478	3,478	(25)	3,453
At 31 October 2008	88,285	1,617	659	396	26,062	117,019	139	117,158
Translation gain/(loss) on consolidation	-	-	73	-	-	73	(2)	71
Translation gain arising on monetary items forming part of net investment in foreign operations	-	-	304	-	-	304	-	304
Net gains recognised directly in equity	-	-	377	-	-	377	(2)	375
Share option expense	-	-	-	117	-	117	-	117
Dividend paid	-	-	-	-	(1,800)	(1,800)	-	(1,800)
Transfer between reserves- Share option cancelled or lapsed	-	-	-	(25)	25	-	-	-
Net profit for the second quarter	-	-	-	-	486	486	4	490
At 31 January 2009	88,285	1,617	1,036	488	24,773	116,199	141	116,340
At 1 August 2007	88,272	-	(176)	135	14,001	102,232	400	102,632
Issue of shares under share option scheme	13	-	-	-	-	13	-	13
Translation loss on consolidation	-	-	(141)	-	-	(141)	(2)	(143)
Net gains recognised directly in equity	13	-	(141)	-	-	(128)	(2)	(130)
Issue of convertible bond	-	1,617	-	-	-	1,617	-	1,617
Transfer between reserves - share options cancelled or lapsed	-	-	-	(10)	10	-	-	-
Share option expense	-	-	-	59	-	59	-	59
Net profit for the first quarter	-	-	-	-	661	661	(23)	638
At 31 October 2007	88,285	1,617	(317)	184	14,672	104,441	375	104,816
Translation gain/(loss) on consolidation	-	-	(589)	-	-	(589)	(7)	(596)
Net gains recognised directly in equity	-	-	(589)	-	-	(589)	(7)	(596)
Share option expense	-	-	-	56	(10)	46	-	46
Dividend paid	-	-	-	-	(1,661)	(1,661)	-	(1,661)
Net profit for the second quarter	-	-	-	-	3,731	3,731	12	3,743
At 31 January 2008	88,285	1,617	(906)	240	16,732	105,968	380	106,348

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 capitalization 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 for the Company

	Attributable to equity holders of the Company				
	Share	Convertible	Share	Retained	Total
	capital	bond - equity	option	earnings	equity
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 August 2008	88,285	1,617	307	2,190	92,399
Share option expense	-	-	89	-	89
Net profit for the first quarter	-	-	-	107	107
At 31 October 2008	88,285	1,617	396	2,297	92,595
Share option expense	-	-	117	-	117
Dividend paid	-	-	-	(1,800)	(1,800)
Transfer between reserves- Share option cancelled or lapsed	-	-	(25)	25	-
Net profit for the second quarter	-	-	-	164	164
At 31 January 2009	88,285	1,617	488	686	91,076
At 1 August 2007	88,272	-	135	2,537	90,944
Issue of shares under share option scheme	13	-	-	-	13
Net gains recognised directly in equity	13	-	-	-	13
Issue of convertible bond	-	1,617	-	-	1,617
Transfer between reserves - share options cancelled or lapsed	-	-	(10)	10	-
Share option expense	-	-	59	-	59
Net profit for the first quarter	-	-	-	104	104
At 31 October 2007	88,285	1,617	184	2,651	92,737
Share option expense	-	-	56	(10)	46
Dividend paid	-	-	-	(1,661)	(1,661)
Net profit for the second quarter	-	-	-	(588)	(588)
At 31 January 2008	88,285	1,617	240	392	90,534

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.

SHARE CAPITAL

There were no movements in the Company's share capital for the financial period ended 31 January 2009.

CONVERTIBLES

i. Convertible Bonds

On 4 September 2007, the Company completed the issue of the Tranche 1 bonds issue (the "**Bonds Issue**") to Credit Suisse (Singapore) Limited ("**Credit Suisse (Singapore)**") (the "**Purchaser**") of the direct, unconditional and unsubordinated 1.0 per cent convertible bonds due in 2011 of an aggregate principal amount of up to \$12,500,000 (the "**Tranche 1 Bonds**"). Pursuant to the terms and conditions of the Subscription Agreement, the Purchaser has granted the Company an option to issue to Credit Suisse (Singapore) up to a further \$12,500,000 in aggregate principal amount of direct, unconditional and unsubordinated 1.0 per cent convertible bonds (the "**Tranche 2 Bonds**") which together with the Tranche 1 Bonds, is collectively known as the "**Bonds**". Such option may be exercised by the Company once only during the 60 day period beginning from the date of conversion of the last of the Tranche 1 Bonds.

Pursuant to the terms and conditions of the said Subscription Agreement, the Adjusted Conversion Price ("**ACP**") for the Tranche 1 Bonds at 31 January 2009 is S\$0.0823 per share. Based on the ACP of S\$0.0823 per share, the outstanding Tranche 1 Bonds in aggregate principal amount of S\$12,500,000 can be converted into 151,883,354 ordinary shares of the Company.

In connection with the proposed Bonds Issue, the Company has also granted Credit Suisse (Singapore) a right (the "**Right of Allotment of Additional Shares**") under each above-mentioned tranches of bonds to subscribe for additional new shares in the capital of the Company.

At 31 January 2009, the number of additional new shares under Tranche 1 Bonds to be issued pursuant to the Right of Allotment of Additional Shares will be up to 7,594,168 Shares. The Right of Allotment of Additional Shares under Tranche 2 Bonds has not come into effect because the Company has not exercised its rights to issue the Tranche 2 Bonds to the Purchaser.

ii. Share Options

The Company has a share option scheme known as Xpress Holdings Executives' Share Option Scheme 2001 which was approved by members of the Company at the Extraordinary General Meeting held on 25 June 2001.

At 31 January 2009, there were 47,000,000 (31 January 2008: 10,036,000) outstanding share options which would entitle the holders to subscribe for a total of 47,000,000 ordinary shares of the Company (31 January 2008: 10,036,000) at a weighted average exercise price of S\$0.091 per share.

The 47,000,000 share options outstanding at 31 January 2009 are approximately 3.4% of the share capital consisting of 1,384,519,374 issued shares at 31 January 2009.

Save as disclosed above, the Company have no other outstanding convertibles and treasury shares at 31 January 2009 and 31 January 2008.

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.

The total number of issued shares at 31 January 2009 was 1,384,519,374 (31 July 2008: 1,384,519,374). There were no treasury shares held by the Company at 31 January 2009.

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 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 auditors of the Company.

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 financial period as compared with those used in the audited financial statements for the financial year ended 31 July 2008.

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

The Group has adopted all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 August 2008. The adoption of these new / revised FRS and INT FRS does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior period.

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

Earnings per ordinary share of the Group, after deducting any provision for preference dividends (in cents):	Group			
	Second Quarter		Half Year	
	31 Jan 2009	31 Jan 2008	31 Jan 2009	31 Jan 2008
(a) Based on the weighted average number of ordinary shares on issue	0.04	0.27	0.29	0.32
(b) On a fully diluted basis	0.04	0.27	0.29	0.32

Earnings per share for the financial period ended 31 January 2009 is computed based on the weighted average number of ordinary shares in issue during the period of 1,384,519,374 shares (31 January 2008: 1,384,439,385 shares).

Diluted earnings per share for the financial period ended 31 January 2009 is computed based on the adjusted weighted average number of ordinary shares in issue during the period of 1,384,631,145 shares (31 January 2008: 1,385,417,227 shares).

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	
	31 Jan 2009	31 Jul 2008	31 Jan 2009	31 Jul 2008
Net asset value per ordinary share based on issued share capital at the end of the financial period / year (in cents)	8.4	8.0	6.6	6.7

Net asset value per ordinary share as at 31 January 2009 is calculated based on the existing issued share capital of 1,384,519,374 ordinary shares outstanding as at 31 January 2009 (31 July 2008: 1,384,519,374).

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

INCOME STATEMENT

Revenue

2Q2009 is for the 3 months ending 31 January 2009. Chinese New Year fell in January this year reducing the number of working days by 7 days. Despite this, the Group achieved total revenue of \$12.58 million in 2Q2009 or 5.1% lower than total revenue of \$13.25 million in 2Q2008. The mix of revenues, however, changed significantly and reflects the current economic environment. Financial printing slowed significantly but the slack was largely taken up by time sensitive Commercial Printing and Print Management.

The total revenue of S\$27.76 million achieved by the Group in 1H2009 rose by S\$1.38 million or 5.2% over the revenue of S\$26.38 million recorded in 1H2008. This increase is mainly attributable to the increase in revenue from time-sensitive commercial printing partially offset by decreases in revenue from other product segments. The proprietary features of our print management system was a strong factor in the Group winning a number of time-sensitive large volume print jobs in PRC.

Business Activity	2nd Quarter				First Half			
	31 Jan 09 S\$'mil	31 Jan 08 S\$'mil	+ / (-) S\$'mil	+ / (-) %	31 Jan 09 S\$'mil	31 Jan 08 S\$'mil	+ / (-) S\$'mil	+ / (-) %
Financial Printing	3.00	5.26	(2.26)	(43.0%)	6.30	9.67	(3.37)	(34.9%)
Time-sensitive commercial Printing (f.k.a. "General Printing")	8.52	7.57	0.95	12.5%	19.67	14.19	5.48	38.6%
Others	0.33	0.32	0.01	3.1%	0.47	0.69	(0.22)	(31.9%)
Revenue from print production	11.85	13.15	(1.30)	(9.9%)	26.44	24.55	1.89	7.7%
Print Management and Consultancy	0.73	0.10	0.63	630.0%	1.32	1.83	(0.51)	(27.9%)
Total revenue	12.58	13.25	(0.67)	(5.1%)	27.76	26.38	1.38	5.2%

Revenue from Financial Printing

Revenue from financial printing in 2Q2009 was \$3.0 million, \$2.26 million or 43.0% lower as compared to 2Q2008. The financial print market activities continued to slow down in 2Q2009 due to the global economic crisis.

Revenue from financial printing in 1H2009 declined by \$3.37 million or 34.9% from \$9.67 million in 1H2008 to \$6.3 million in 1H2009. This is largely due to the current global economic crisis and the fact that two of our major markets – namely Hong Kong and Singapore – are global financial centers.

Revenue from Time-Sensitive Commercial Printing

Revenue from time-sensitive commercial printing increased by S\$0.95 million vis-à-vis the same period last year from \$7.57 million in 2Q2008 to \$8.52 million in 2Q2009. The reason was because of increase in large volume time sensitive commercial print runs.

Revenue from time-sensitive commercial printing increased by S\$5.48 million, or 38.6%, in 1H2009 vis-à-vis the same period last year. The reason was because of our new contracts with large volume publishers in PRC which in turn was due to our previously announced strategy of concentrating more on non-financial printing.

Revenue from Print Management and Consultancy

Print management and consultancy fees are fees charged for jobs where the printing is outsourced to PRC printers.

In 2Q2009, print management and consultancy fees increased by S\$0.63 million or 630.0% from S\$0.10 million in 2Q2008 to \$0.73 million in 2Q2009, mainly due to newly secured print management jobs where the Group received fees for managing printing projects for certain clients.

In 1H2009, print management and consultancy fees decreased by \$0.51 million or 27.9% from \$1.83 million in 1H2008 to \$1.32 million in 1H2009. This is mainly due to fewer outsourced jobs in 1H2009.

Raw materials and consumables used

In 2Q2009, raw materials and consumables such as paper, films and plates decreased by 12.9% to \$5.53 million as compared to \$6.35 million that was used in 2Q2008. This is mainly due to the small reduction in business arising from an early Chinese New Year and which resulted in less raw materials, and in particular paper, being used.

In 1H2009, raw materials and consumables used in production increased by \$0.3 million or 2.3% from \$12.78 million in 1H2008 to \$13.08 million in 1H2009. This was due to the 7.7% increase in business volume from print production excluding print management and consultancy.

The pre-purchase of paper for committed jobs has allowed the Group to create a natural hedge against the then paper price rises.

Gross profit margin

In 2Q2009, gross profit margin on print production activities, net of deducting changes in inventories of finished goods and work-in-progress, increased by approximately 1.1 percentage points from 52.2% to 53.3%. This increase in 2Q2009 was attributable to improved sales in small scale time-sensitive commercial print jobs which have higher margins as compared to large volume time-sensitive commercial print jobs and the natural hedge in paper which we have taken out. A strong demand allows us to take on more small scale time-sensitive commercial print jobs.

In 1H2009, gross profit margin on print production activities, net of deducting changes in inventories of finished goods and work-in-progress, increased by approximately 1.7 percentage points from 48.8% to 50.5%. 1H2009 margins are less than 2Q2009 margins as the former included significant large volume commercial print runs. The rise in gross profit margins would have been greater if it were not for the continued, and planned, decline in high gross margin financial printing revenues.

Staff costs

Staff costs for the Group decreased slightly by S\$0.07 million or 2.3% from S\$3.13 million in 2Q2008 to S\$3.06 million in 2Q2009.

However, 1H2009 staff costs for the Group increased by \$0.25 million or 4.2% from \$6.03 million in 1H2008 to \$6.28 million in 1H2009. This was mainly due to increased commission payouts to sales staff for the higher group revenue achieved and overtime payouts to production staff in 1QFY2009 for increased production hours when the Group accepted the large volume time sensitive commercial printing work.

Foreign currency (losses) / gain

In 2Q2009, the Group made an exchange loss of \$0.19 million as compared to the exchange gain of \$0.19 million in 2Q2008. This was mainly due to translation losses with respect to the Group's receivables that were denominated in Australian Dollars that were translated and remitted as Singapore Dollars in 2Q2009.

In 1H2009, the Group's trade operations yielded a net foreign exchange gain of S\$0.49 million as compared to net foreign exchange losses of S\$0.37 million in 1H2008. This was mainly due to unrealized net foreign exchange gains arising from the re-translation of monetary assets and liabilities denominated in currencies other than the respective Group's entities' functional currencies. The Group's foreign exchange exposure comes mainly from HK\$ due to S\$-denominated trade invoices charged by Singapore subsidiaries to Hong Kong subsidiaries whose functional currencies are expressed in HK\$. The Group undertakes no speculative foreign exchange trades.

Other operating expenses

In 2Q2009, the Group incurred other operating expenses of S\$2.74 million which is an 11.9% or \$0.29 million increase over the S\$2.45 million incurred in 2Q2008. This was mainly due to higher legal fees incurred in 2Q2009 for a successful lawsuit and rental expenses, which is described below.

In 1H2009, the Group incurred other operating expenses of \$5.12 million which was \$0.49 million higher than the \$4.63 million incurred in 1H 2008. This was mainly due to additional rental expenses of S\$0.70 million, legal expenses of \$0.10 million and offset by a decrease in doubtful/bad debt provisions by S\$0.21 million and other expenses of \$0.10 million in 1H2009. The additional rental expense was for the new 7-year operating lease for the Group’s leasehold building which was sold and leased back from MacArthurCook Reit in January 2008.

Finance costs

In 2Q2009, finance costs increased by S\$0.11 million or 44.0% from S\$0.25 million to S\$0.36 million. This was mainly due to an increase in interest on bank loans that were drawn down in the current financial year.

In 1H2009, finance costs increased by S\$0.20 million or 48.8% from S\$0.41 million to S\$0.61 million. This was mainly due to comparatively higher interest expense on convertible bonds and interest on term loans in 1H2009 vis-à-vis the same period last year.

Taxation

The Group has provided, in prior years, deferred tax provision of S\$1.63 million for temporary timing differences arising on disposal of a Singapore subsidiary’s plant and equipment. This provision was been written back to the income statement in 1Q2009 as the tax authorities have finalized their tax assessments and no tax liability has been levied on the subsidiary. See note 1 of 1(a)(i).

Share of associate’s results

Share of our associate, Shenzhen Jiaxinda’s, results was S\$0.40 million in 2Q2009 which is \$0.35 million higher than S\$0.05 million that was recorded in 2Q2008 mainly due to increased business volume from traditional large volume printing in the first two months of the quarter.

Net Profit

Net profit attributable to equity holders for 2Q2009 was \$0.49 million as compared to \$3.73 million in 2Q2008 mainly due to the absence of a \$3.0 million gain on sale of leasehold building by a subsidiary in 2Q2008 and a decline in business due to Chinese New Year falling in January.

Net profit attributable to equity holders for 1H2009 was S\$3.97 million, \$0.42 million lower than 1H2008 mainly due to the absence of a major one-off gain as mentioned above. Excluding one-off gains, the net profit attributable to equity holders is S\$0.78 million higher as compared with the same period last year.

Financial period	Total revenue	Net profit attributable to equity holders of the Parent	Net profit attributable to equity holders of the Parent excluding one-off items
	S\$ million	S\$ million	S\$ million
Q1 '08	13.1	0.66	0.66
Q2 '08	13.3	3.73	0.73
Q3 '08	16.8	2.42	2.42
Q4 '08	18.1	3.42	3.42
Q1 '09	15.2	3.48	1.68
Q2 '09	12.6	0.49	0.49

BALANCE SHEET

Property, plant and equipment

The Group's property, plant and equipment increased by S\$0.24 million from S\$18.47 million at 31 July 2008 to S\$18.71 million at 31 January 2009 mainly due to purchase of equipment for S\$0.75 million and foreign subsidiaries' plant and equipment translated into higher amounts due to appreciation of their functional currencies against Singapore Dollar. These increases were offset by the depreciation charge for 1H2009 amounting to \$1.51 million.

Trade and other receivables

Trade receivables increased by approximately S\$7.82 million from S\$15.11 million at 31 July 2008 to S\$22.93 million at 31 January 2009. This was mainly due to the increased sales from the Group's PRC operations and the need to grant certain key customers credit terms of 180 days in 1Q2009. There have been net collections of \$2.62 million from trade customers in 2Q2009.

Other receivables increased by approximately S\$1.17 million from S\$22.31 million at 31 July 2008 to S\$23.48 million at 31 January 2009 mainly due to prepaid operating expenses that will be charged to the income statement over the next few months.

Cash and cash equivalents

Cash and cash equivalents decreased by approximately S\$7.25 million from S\$12.81 million at 31 July 2008 to S\$5.56 million at 31 January 2009 mainly due to net cash out-flows to meet working capital needs during the 1H2009. Please see explanatory notes to consolidated cash flow statement under note 1(c) in page 7.

Trade and other payables

Trade and other payables decreased by approximately S\$2.74 million from S\$10.98 million at 31 July 2008 to S\$8.24 million at 31 January 2009 mainly due to net payments to suppliers during the 1H2009.

Borrowings

Interest-bearing borrowings increased by approximately S\$0.87 million from S\$14.70 million at 31 July 2008 to S\$15.57 million as at 31 January 2009 mainly due to additional long-term borrowings drawn down from banks in 1H2009.

Finance lease liabilities increased by approximately S\$0.64 million from S\$2.75 million at 31 July 2008 to S\$3.39 million at 31 January 2009 mainly due to new finance lease arrangements net of scheduled repayments in 1H2009, part of which was accrued under trade payables at 31 July 2008.

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

In the previous prospect statement made in our 1Q2009 results announcement, we mentioned that the Group's operating landscape was expected to become more challenging but as the order book in PRC remains healthy Management was cautiously optimistic that the Group's operations will not be significantly adversely affected in FY2009 by the contractions in printing demand. The Board of Directors also continues to believe that barring any unforeseen circumstances the Group will remain profitable for the financial year ending 31 July 2009. Although the net profit for 2Q2009 has declined as compared to the same period last year, the Group remains in a profitable position and this is in line with the previous prospect statement.

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

The Group, like many other businesses, has had a challenging quarter. Given the deterioration of the financial markets during this period, and due to the timing of the Chinese New Year, the Group's financial performance for 2Q2009 must be considered commendable.

The Group had anticipated a decline in financial printing and has been taking various initiatives such as identifying new sub segments for time sensitive commercial printing and state-owned publishers, leveraging on our network of print stations. Therefore, the Group revenue has not paralleled the severe decline in activity of its traditional markets, namely the printing of reports for the capital and financial markets. As a result, the Group still expects the additional contribution from these new initiatives to cushion the year-on-year decline in revenue from financial printing.

Given that the Group's order books remain healthy the Board of Directors continues to believe, and barring any unforeseen circumstances, that the Group's operations will remain profitable for the financial year ending 31 July 2009.

11 Dividend

(a) Current Financial Period Reported On

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

Name of Dividend	:	Not applicable
Dividend Type	:	Not applicable
Dividend Amount per Share (in cents)	:	Not applicable
Tax Rate	:	Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	:	Not applicable
Dividend Type	:	Not applicable
Dividend Amount per Share (in cents)	:	Not applicable
Tax Rate	:	Not applicable

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12 If no dividend has been declared or recommended, a statement to that effect

No dividend has been declared or recommended for the current financial period ended 31 January 2009.

13 Interested Person Transactions

<u>Name of interested person</u>	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)
	<u>\$'000</u> <u>Nil</u>	<u>\$'000</u> <u>Nil</u>

14 Confirmation by the Board

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to its attention of which may render the interim financial statement for the financial period ended 31 January 2009 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Poh Eng Seng
 Chief Executive Officer

11 March 2009