



XPRESS HOLDINGS LTD
(Registration No. 199902058Z)
**UNAUDITED RESULTS FOR THE
FULL YEAR ENDED 31 JULY 2009**
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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

	Note	GROUP 3 MONTHS ENDED			GROUP 12 MONTHS ENDED		
		31 Jul 2009	31 Jul 2008	Increase / (decrease)	31 Jul 2009	31 Jul 2008	Increase / (decrease)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue		14,062	18,096	(22.3%)	54,999	61,290	(10.3%)
Other income	2	5,433	831	553.8%	6,587	4,217	56.2%
Total Revenue		19,495	18,927	3.0%	61,586	65,507	(6.0%)
Costs and expenses							
Changes in inventories of finished goods and work-in-progress		(807)	133	N.M.	87	267	(67.4%)
Raw materials and consumables used		(4,591)	(9,120)	(49.7%)	(24,652)	(30,127)	(18.2%)
Staff costs		(3,162)	(3,063)	3.2%	(12,341)	(12,001)	2.8%
Depreciation		(826)	(753)	9.7%	(3,173)	(2,696)	17.7%
Foreign currency gains/(losses)		(600)	491	N.M.	(472)	(49)	863.3%
Other operating expenses		(3,168)	(3,370)	(6.0%)	(10,486)	(10,462)	0.2%
Finance costs	3	(415)	(278)	49.3%	(974)	(848)	14.9%
Share of associate's results		-	457	N.M.	716	720	(0.6%)
Profit before tax	4	5,926	3,424	73.1%	10,291	10,311	(0.2%)
Income tax	5	1,183	(17)	N.M.	2,715	(95)	N.M.
Net profit for the period		7,109	3,407	108.7%	13,006	10,216	27.3%
Attributable to:							
Equity holders of the parent	1	7,108	3,422	107.7%	13,025	10,234	27.3%
Minority interests		1	(15)	N.M.	(19)	(18)	5.6%
Net profit for the period		7,109	3,407	108.7%	13,006	10,216	27.3%

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			12 MONTHS ENDED			
	31 Jul 2009	31 Jul 2008	Increase / (decrease)	31 Jul 2009	31 Jul 2008	Increase / (decrease)	
	\$'000	\$'000	%	\$'000	\$'000	%	
Profit from operations	2,043	3,422	(40.3%)	6,155	7,237	(15.0%)	
One off items:							
Gain on sale of leasehold building	2	-	-	N.M.	-	2,997	N.M.
Gain on dilution of minority interest	2	-	-	N.M.	172	-	N.M.
Gain on disposal of long-term investments	2	5,065	-	N.M.	5,065	-	N.M.
Deferred tax written back	5	-	-	N.M.	1,633	-	N.M.
Net profit attributable to equity holders of the parent	7,108	3,422	107.7%	13,025	10,234	27.3%	

Note 2 Other income comprises the following:

Note	3 MONTHS ENDED			12 MONTHS ENDED			
	31 Jul 2009	31 Jul 2008	Increase / (decrease)	31 Jul 2009	31 Jul 2008	Increase / (decrease)	
	\$'000	\$'000	%	\$'000	\$'000	%	
Gain on disposal of leasehold building	1	-	-	N.M.	-	2,997	N.M.
Gain on disposal of other plant and equipment		-	-	N.M.	4	-	N.M.
Gain on dilution of minority interest	1	-	-	N.M.	172	-	N.M.
Gain on disposal of long-term investments	1	5,065	-	N.M.	5,065	-	N.M.
Rental income		100	63	58.7%	364	271	34.3%
Interest income on bank deposits		7	52	(86.5%)	77	110	(30.0%)
Sale of waste material		261	466	(44.0%)	827	574	44.1%
Miscellaneous income		-	250	N.M.	78	265	(70.6%)
Total		5,433	831	553.8%	6,587	4,217	56.2%

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			12 MONTHS ENDED		
	31 Jul 2009	31 Jul 2008	Increase / (decrease)	31 Jul 2009	31 Jul 2008	Increase / (decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Interest incurred for:						
- overdrafts	(9)	-	N.M.	(9)	(17)	47.1 %
- term loans	(196)	(114)	71.9 %	(618)	(254)	143.3 %
- convertible bonds	(189)	(144)	31.3 %	(251)	(522)	(51.9)%
Hire purchase interest	(21)	(20)	5.0 %	(96)	(55)	74.5 %
Total	(415)	(278)	49.3 %	(974)	(848)	14.9 %

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

	3 MONTHS ENDED			12 MONTHS ENDED		
	31 Jul 2009	31 Jul 2008	Increase / (decrease)	31 Jul 2009	31 Jul 2008	Increase / (decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Property, plant and equipment written off	-	-	N.M.	-	(10)	N.M.
Loss on disposal of property, plant and equipment	-	-	N.M.	(38)	(3)	1,166.7 %
Allowance reversed / (made) for doubtful receivables (net)	9	38	(76.3)%	(47)	(200)	(76.5)%
Bad debts written off	(1)	(78)	(98.7)%	(1)	(71)	(98.6)%

Note 5 Income tax comprises the following:

Note	3 MONTHS ENDED			12 MONTHS ENDED		
	31 Jul 2009	31 Jul 2008	Increase / (decrease)	31 Jul 2009	31 Jul 2008	Increase / (decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Current tax- current year	(150)	(92)	63.0 %	(370)	(170)	117.6 %
Current tax- prior years	1,356	75	1,708.0 %	1,475	75	1,866.7 %
Deferred tax written back	(23)	-	N.M.	1,610	-	N.M.
	1,183	(17)	N.M.	2,715	(95)	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 Jul 2009	31 Jul 2008	31 Jul 2009	31 Jul 2008
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	18,078	18,470	405	536
Goodwill on consolidation	64,484	64,484	-	-
Investments in subsidiaries	-	-	78,582	78,733
Interest in associate	-	8,825	-	6,122
Non-trade amount due from subsidiaries	-	-	4,304	3,918
Available-for-sale financial assets	16,598	334	16,583	-
Deferred tax assets	-	24	-	24
	99,160	92,137	99,874	89,333
Current assets				
Inventories	592	505	-	-
Trade receivables	27,950	15,114	-	-
Other receivables	27,342	22,313	8,199	343
Trade amount due from subsidiaries	-	-	15,342	8,311
Non-trade amount due from related parties	-	-	781	630
Cash and cash equivalents	10,775	12,813	5,429	6,281
	66,659	50,745	29,751	15,565
Total assets	165,819	142,882	129,625	104,898
Equity attributable to equity holders of the parent				
Share capital	100,390	88,285	100,390	88,285
Other reserves	12,888	103	13,190	1,924
Accumulated profits	31,591	22,584	6,396	2,190
	144,869	110,972	119,976	92,399
Minority interests	173	377	-	-
Total equity	145,042	111,349	119,976	92,399
Non-current liabilities				
Interest-bearing borrowings	2,168	10,928	-	10,928
Obligations under finance lease	1,930	1,894	207	265
Deferred tax liabilities	2	1,634	-	-
	4,100	14,456	207	11,193
Current liabilities				
Trade and other payables	9,359	10,975	1,286	887
Trade amount due to subsidiaries	-	-	-	6
Non-trade amount due to subsidiaries	-	-	7,950	357
Interest-bearing borrowings	6,057	3,769	-	-
Obligations under finance lease	906	859	56	56
Current tax payable	355	1,474	150	-
	16,677	17,077	9,442	1,306
Total liabilities	20,777	31,533	9,649	12,499
Total equity and liabilities	165,819	142,882	129,625	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 Jul 2009		As at 31 Jul 2008	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
6,463	500	4,628	-

Amount repayable after one year

As at 31 Jul 2009		As at 31 Jul 2008	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
3,598	500	1,894	10,928

Details of any collateral:

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

- a. obligations under finance leases amounting to \$2.84 million that are secured by the respective motor vehicles and machinery purchased under finance leases and;
- b. term loans amounting to \$4.0 million secured by a charge over cash and bank balances of Rmb 2.0 million (\$0.42 million) and corporate guarantee of Rmb 20.0 million (\$4.2 million) by the holding company.
- c. bank overdraft of \$3.23 million secured by a charge over fixed deposits of \$2.0 million.

Unsecured borrowings consist of a 2-year bridging loan of \$2.0 million given to a subsidiary under SPRING Singapore's Local Enterprise Finance Scheme of which \$1.0 million has been drawn down as at 31 July 2009, mainly in replacement of the bank overdraft for working capital uses.

On 4 September 2007, the company issued \$12.5 million worth of convertible bonds (the "Bonds") which will originally mature 4 years from the date of issue. In the previous quarter's results announcement, we disclosed that on 4 June 2009 the Company had entered into a variation agreement with the Bondholders that it would redeem the Bonds in 3 tranches of 20% by 15 June 2009, next 40% by 15 September 2009 and the final 40% by 15 December 2009. Accordingly, the Company repaid 20% (\$2.5 million) of the Bonds on 15 June 2009 but the balance 80% (\$10.0 million) was fully redeemed on 29 June 2009 ahead of the schedule stated in the Variation Agreement using proceeds from the issuance of new shares through a private placement. The early redemption of the Bonds allowed the Group to lower its gearing considerably, reducing total interest-bearing loans and borrowings by almost 37% as at the end of FY2009. The Company also made a savings of approximately \$0.44 million in interest expense on the Bonds which would have been incurred incidentally had it repaid the Bonds according to the original schedule stated in the Variation Agreement.

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 Jul 2009	31 Jul 2008
	\$'000	\$'000
Operating activities		
Profit before taxation	10,291	10,311
Adjustments for:		
Interest expense	3 974	848
Interest income	2 (77)	(110)
Depreciation of property, plant and equipment	3,173	2,696
Property, plant and equipment written off	-	10
Share of results of an associate	(716)	(720)
Loss/(gain) on disposal of property, plant and equipment, net	38	(2,994)
Gain on disposal of long-term investments	(5,335)	-
Share option expense	386	182
Gain on dilution of Minority interest	2 (172)	-
Operating profit before working capital changes	8,562	10,223
Changes in working capital:		
Inventories	(87)	(267)
Trade and other receivables	(10,290)	(13,946)
Trade and other payables	(1,616)	4,211
Cash used in operations	(3,431)	221
Income tax paid	(134)	(95)
Cash flows (used in)/generated from operating activities	(3,565)	126
Investing activities		
Interest received	77	110
Purchase of property, plant and equipment	(2,647)	(9,165)
Proceeds from sale of property, plant and equipment	64	13,921
Proceeds from sale of long-term investments	1,302	-
Cash flows (used in)/generated from investing activities	(1,204)	4,866
Financing activities		
Interest paid	(974)	(373)
Proceeds from finance lease	1,069	-
Repayment of hire purchase instalments, net	(1,118)	(475)
Proceeds of interest-bearing loans & borrowings	1,848	3,769
Repayment of interest-bearing loans & borrowings	(838)	(3,631)
Proceeds from issuing shares	12,105	13
(Redemption of) / proceeds from convertible loan	(12,545)	12,125
Due to a related party	-	(23)
Dividend paid	(1,800)	(1,661)
Deposits pledged	(3,000)	(2,401)
Cash flows (used in)/generated from financing activities	(5,253)	7,343
Net (decrease)/increase in cash and cash equivalents	(10,022)	12,335
Cash and cash equivalents at beginning of the year	10,412	(327)
Foreign currency translation adjustments	1,729	(1,596)
Cash and cash equivalents at end of the period	2,119	10,412

Explanatory notes to the consolidated cash flow statement

Note A. Cash and cash equivalents comprise the following:

	31 Jul 2009	31 Jul 2008
	\$'000	\$'000
Cash at bank and in hand	5,355	4,889
Fixed deposits	5,420	7,924
Cash and cash equivalents	10,775	12,813
Bank overdrafts (secured)	(3,236)	-
Fixed deposits pledged	(5,420)	(2,401)
Cash and cash equivalents in the cash flow statement	2,119	10,412

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 \$5.42 million (31 Jul 2008: \$2.4 million) held by banks as security for the Group's credit facilities.

Out of the \$5.42 million pledged, a fixed deposit of \$3.0 million was for obtaining overdraft facilities of \$5.5 million of which \$3.23 million overdraft had been drawn down and \$1.63 million used as bankers' guarantee thus leaving \$0.63 million unutilized as at 31 July 2009.

Note B. Review of cash flows

FOURTH QUARTER (4Q)

Net cash generated from operating activities by the Group for 4Q2009 was \$2.05 million, \$0.47 million lower than the net cash generated of \$2.52 million in the corresponding quarter a year ago. This was mainly because higher operating profit was achieved in 4Q2008 than in 4Q2009 and due to a strategic decision to make prompt payment to cash strapped suppliers to promote and develop goodwill amongst the same.

Cash flows generated from investing activities in 4Q2009 was \$0.1 million as compared to net cash used of \$2.28 million in 4Q2008. The cash used in 4Q2008 of \$2.28 million was mainly for purchase of printing machineries in Shenzhen. In 4Q2009, the Group refurbished certain subsidiaries and added pre-press facilities to print stations in PRC for approximately \$1.2 million which was offset by \$1.31 million received as part of the proceeds arising from the partial sale of equity stake in an associated company which the Company announced on 29 July 2009. Subsequent to the financial year end, the Company has received the balance \$7.11 million sale proceeds for the equity sale.

The Group's net cash used in financing activities for 4Q2009 was \$0.93 million, \$0.94 million lower than the net cash outflow of \$1.87 million in financing activities for the corresponding period last year. This was mainly due to the drawdown of the \$1.0 million 2-year bridging loan under SPRING Singapore and also comparatively lower fixed deposits pledged for bank facilities during 4Q2009.

Overall and including currency translation adjustments, the net increase in cash and cash equivalent in 4Q2009 was \$1.22 million, as compared to the net decrease of \$1.63 million in the corresponding quarter a year ago.

FULL YEAR (FY)

For the 12 months ended 31 July 2009 or FY2009, net cash used in operating activities was \$3.57 million as compared to net cash generated of \$0.13 million in the same period last year. The higher level of net cash used in FY2009 was mainly attributable to strategic reasons. The Group decided to take on select projects with longer repayment schedules, to offer longer repayment terms and to pay suppliers promptly in order to secure more projects and to establish significant goodwill amongst important customers and suppliers. As a result, the Group incurred higher working capital requirement. However, the higher working capital funding has now eased as payments roll in and as credit terms have started to revert back to norm.

The net cash used in investing activities for FY2009 of \$1.20 million was mainly due to upgrading of pre-press facilities and additions to furniture and fittings as compared to the net cash of \$4.87 million generated in FY2008 which was mainly the proceeds of \$13.92 million from the sale of a leasehold building offset by purchase of printing machineries and other equipment of \$9.17 million.

For financing activities, the group used up \$5.25 million in FY2009 as compared to the net cash inflow of \$7.34 million in the same period last year mainly due to the issue of convertible bonds to Credit Suisse in FY2008. The bonds were fully redeemed in FY2009 using mainly the proceeds from issuance of new shares which raised \$12.1 million cash.

Overall and including currency translation adjustments, the net decrease in cash and cash equivalent during FY2009 was \$10.02 million, as compared to the net increase of \$12.34 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 \$'000	Minority interests \$'000	Total equity \$'000
	Share capital \$'000	Convertible bond - equity component \$'000	Revaluation Reserve \$'000	Currency translation reserve \$'000	Share option reserve \$'000	Retained earnings \$'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
Dulition 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
Translation gain/(loss) on consolidation	-	-	-	(141)	-	-	(141)	13	(128)
Translation gain arising on monetary items forming part of net investment in foreign operations	-	-	-	(56)	-	-	(56)	-	(56)
Net gains recognised directly in equity	-	-	-	(197)	-	-	(197)	13	(184)
Share option expense	-	-	-	-	117	-	117	-	117
Transfer to Current Liabilities	-	(1,617)	-	-	-	-	(1,617)	-	(1,617)
Net profit for the third quarter	-	-	-	-	-	1,953	1,953	1	1,954
At 30 April 2009	88,285	-	-	839	605	26,726	116,455	155	116,610
Translation gain/(loss) on consolidation	-	-	-	(863)	-	-	(863)	17	(846)
Translation gain arising on monetary items forming part of net investment in foreign operations	-	-	-	(278)	-	-	(278)	-	(278)
Net gains recognised directly in equity	-	-	-	(1,141)	-	-	(1,141)	17	(1,124)
Issue of new shares for cash	12,105	-	-	-	-	-	12,105	-	12,105
Share option expense	-	-	-	-	63	-	63	-	63
Gain on revaluation of available for sale assets	-	-	12,522	-	-	-	12,522	-	12,522
Disposal of share of associate's profits	-	-	-	-	-	(2,243)	(2,243)	-	(2,243)
Net profit for the fourth quarter	-	-	-	-	-	7,108	7,108	1	7,109
At 31 July 2009	100,390	-	12,522	(302)	668	31,591	144,869	173	145,042

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 \$'000	Minority interests \$'000	Total equity \$'000
	Share capital \$'000	Convertible bond - equity component \$'000	Revaluation reserve \$'000	Currency translation reserve \$'000	Share option reserve \$'000	Retained earnings \$'000			
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 bonds	-	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 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
Translation loss on consolidation	-	-	-	(561)	-	-	(561)	1	(560)
Translation gain arising on monetary items forming part of net investment in foreign operations	-	-	-	(470)	-	-	(470)	-	(470)
Net gains recognised directly in equity	-	-	-	(1,031)	-	-	(1,031)	1	(1,030)
Transfer between reserves - share options cancelled or lapsed	-	-	-	-	-	10	10	-	10
Share option expense	-	-	-	-	3	-	3	-	3
Net profit for the third quarter	-	-	-	-	-	2,420	2,420	8	2,428
At 30 April 2008	88,285	1,617	-	(1,937)	243	19,162	107,370	389	107,759
Translation gain/(loss) on consolidation	-	-	-	159	-	-	159	3	162
Translation gain arising on monetary items forming part of net investment in foreign operations	-	-	-	(43)	-	-	(43)	-	(43)
Net gains recognised directly in equity	-	-	-	116	-	-	116	3	119
Share option expense	-	-	-	-	64	-	64	-	64
Net profit for the fourth quarter	-	-	-	-	-	3,422	3,422	(15)	3,407
At 31 July 2008	88,285	1,617	-	(1,821)	307	22,584	110,972	377	111,349

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					Total equity \$'000
	Share capital \$'000	Convertible bond - equity component \$'000	Revaluation reserve \$'000	Share	Retained	
				option	earnings	
				reserve		
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
Share option expense	-	-	-	117	-	117
Transfer to Current Liabilities	-	(1,617)	-	-	-	(1,617)
Net profit for the third quarter	-	-	-	-	813	813
At 30 April 2009	88,285	-	-	605	1,499	90,389
Issue of new shares for cash	12,105	-	-	-	-	12,105
Share option expense	-	-	-	63	-	63
Gain on revaluation of available for sale assets	-	-	12,522	-	-	12,522
Net profit for the third quarter	-	-	-	-	4,897	4,897
At 31 July 2009	100,390	-	12,522	668	6,396	119,976
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 bonds	-	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
Share option expense	-	-	-	3	10	13
Net profit for the third quarter	-	-	-	-	821	821
At 30 April 2008	88,285	1,617	-	243	1,223	91,368
Share option expense	-	-	-	64	-	64
Net profit for the third quarter	-	-	-	-	967	967
At 31 July 2008	88,285	1,617	-	307	2,190	92,399

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.

ISSUED CAPITAL OF THE COMPANY

	No of shares '000	
	As at 31 Jul 09	As at 31 Jul 08
At 1 August	1,384,520	1,384,246
Issue of shares on exercise of share options	-	274
Issue of shares for cash through private share placement	160,000	-
At 31 July	1,544,520	1,384,520

CONVERTIBLES

i. Convertible Bonds

The Company entered into a Subscription Agreement with Credit Suisse (Singapore) Limited (“Credit Suisse or the Purchaser”) on 4 September 2007 which allowed for the Purchaser to subscribe up to \$25.0 million worth of convertible bonds (“the Bonds”) of the Company. The Bonds were divided into 2 equal tranches of \$12.5 million each; with Credit Suisse granting an option to the Company to issue the Tranche 2 Bonds within 60 days of Credit Suisse converting the Tranche 1 Bonds into shares. The direct, unconditional and unsubordinated 1.0 per cent Tranche 1 Bonds which were originally due in 2011 were not converted into shares up to the date of redemption.

The Subscription Agreement also provided for Credit Suisse a right under the Bonds to subscribe for additional shares in the Company which they did not exercise up to the date of redemption.

On 4 June 2009, the Company signed an agreement with Credit Suisse undertaking that it will early repay the Tranche 1 Bonds without penalty but interest of 10% per annum will be paid on the outstanding principal amount from 1 May 2009. The decision to implement this variation to the terms of the Bonds was decided by the Board after taking into consideration the changes in the economic and market environment that the Company operates in. The Board has also taken note of certain negative views with respect to the Bonds Issue. Moreover, the Board is of the view that early repayment of the Bonds will be beneficial to Shareholders as it will reduce the debt and gearing ratio of the Company.

Accordingly, the Company repaid 20% (\$2.5 million) of the Bonds on 15 June 2009 but the balance 80% (\$10.0 million) was fully redeemed on 29 June 2009 ahead of the schedule stated in the Variation Agreement using proceeds from the issuance of new shares through a private placement. The early redemption of the Bonds allowed the Group to lower its gearing considerably, reducing total interest-bearing loans and borrowings by almost 37% as at the end of FY2009. The Company also made a savings of approximately \$0.44 million in interest expense on the Bonds which would have been incurred incidentally had it repaid the Bonds according to the original schedule stated in the Variation Agreement.

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 July 2009, there were 48,000,000 (31 July 2008: 18,000,000) outstanding share options which would entitle the holders to subscribe for a total of 48,000,000 ordinary shares of the Company (31 July 2008: 18,000,000) at a weighted average exercise price of \$0.091 per share.

The 48,000,000 share options outstanding at 31 July 2009 were approximately 3.1% of the share capital consisting of 1,544,519,374 issued shares at 31 July 2009.

Save as disclosed above, the Company had no other outstanding convertibles and treasury shares at 31 July 2009 and 31 July 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 July 2009 was 1,544,519,374 (31 July 2008: 1,384,519,374). There were no treasury shares held by the Company at 31 July 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 year 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 year.

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			
	3 Months		FULL YEAR ENDED	
	31 Jul 2009	31 Jul 2008	31 Jul 2009	31 Jul 2008
6(a) Based on the weighted average number of ordinary shares on issue	0.5	0.42	0.93	0.74
Weighted average number of ordinary shares (in million)	1,400.30	1,384.47	1,400.30	1,384.47
6(b) On a fully diluted basis	0.5	0.42	0.93	0.74
Weighted average number of ordinary shares (in million)	1,401.50	1,385.32	1,401.50	1,385.32

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 Jul 2009	31 Jul 2008	31 Jul 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)	9.4	8.0	7.8	6.6

Net asset value per ordinary share as at 31 July 2009 is calculated based on the existing issued share capital of 1,544,519,374 ordinary shares outstanding as at 31 July 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

The Group achieved total revenue of \$14.06 million for the quarter ended 31 July 2009 (“4Q2009”), 22.3% lower than total revenue of \$18.1 million in the corresponding quarter last year (“4Q2008”). This was mainly due to a sharp decline in large volume commercial print jobs in 4Q2009 as compared to 4Q2008. The decline was in part due to the global economic crisis but also due to the Group’s decision to concentrate on Print Management and Consultancy (please also see next paragraph below for more details). Large volume printing comes mainly from large clients who have been demanding longer credit terms. The Group’s decision is based on its risk-return assessment of the respective businesses.

For the full year ended 31 July 2009 (“FY2009”), the Group achieved total revenue of \$55.0 million which is 10.3% lower than total revenue of \$61.3 million in the last financial year (“FY2008”). Besides the impact of the global economic crisis, which particularly impacted 2Q2009 and 3Q2009, the Group’s decision to emphasize Print Management and Consultancy led to significant declines in large volume printing. For instance, the Group in 4Q2009 re-negotiated certain large volume commercial printing contracts into print management contracts. In print management contracts only the gross margin is recognised as revenue, thus resulting in sharp revenue recognition falls.

Business Activity	4th Quarter				FULL YEAR ENDED			
	31 Jul 09 S\$'mil	31 Jul 08 S\$'mil	+ / (-) S\$'mil	+ / (-) %	31 Jul 09 S\$'mil	31 Jul 08 S\$'mil	+ / (-) S\$'mil	+ / (-) %
Financial Printing	4.57	5.05	(0.48)	(9.5%)	14.99	19.04	(4.05)	(21.3%)
Time-sensitive commercial Printing - small scale	2.01	1.75	0.26	14.9%	7.86	6.50	1.36	20.9%
Time-sensitive commercial Printing - large volume	5.88	10.47	(4.59)	(43.8%)	26.34	30.32	(3.98)	(13.1%)
Others	0.15	0.24	(0.09)	(37.5%)	1.58	1.64	(0.06)	(3.7%)
Revenue from print production	12.61	17.51	(4.90)	(28.0%)	50.77	57.50	(6.73)	(11.7%)
Print Management and Consultancy	1.45	0.59	0.86	145.8%	4.23	3.79	0.44	11.6%
Total revenue	14.06	18.10	(4.04)	(22.3%)	55.00	61.29	(6.29)	(10.3%)

Revenue from Financial Printing

S\$m	1Q2008 Aug 07 to Oct 07	2Q2008 Nov 07 to Jan 08	3Q2008 Feb 08 to Apr 08	4Q2008 May 08 to Jul 08	1Q2009 Aug 08 to Oct 08	2Q2009 Nov 08 to Jan 09	3Q2009 Feb 09 to Apr 09	4Q2009 May 09 to Jul 09
Financial Printing	4.41	5.26	4.32	5.05	3.26	3.04	4.12	4.57

Revenue from financial printing of \$4.57 million in 4Q2009 was \$0.48 million lower than the \$5.05 million for 4Q2008. As with previous quarters, the quarterly year-on-year decline in financial print market activities was due to the global economic crisis which has impacted the financial industry disproportionately. Of our three major markets, namely Singapore, Hong Kong and Malaysia, two are global financial centers. However, as can be seen in the quarterly trend, the sequential quarterly rate of decline appears to have bottomed and perhaps is beginning to improve. Our clients tell us that our ability to deliver small orders in a very short space of time is even more important to them in this current cautious economic climate.

Revenue from financial printing in FY2009 declined by \$4.05 million or 21.3% from \$19.04 million in FY2008 to \$14.99 million in FY2009. This was largely due to the sharp declines in 1Q2009 and 2Q2009 due to the global economic crisis.

Revenue from Time-Sensitive Commercial Printing

S\$m	1Q2008 Aug 07 to Oct 07	2Q2008 Nov 07 to Jan 08	3Q2008 Feb 08 to Apr 08	4Q2008 May 08 to Jul 08	1Q2009 Aug 08 to Oct 08	2Q2009 Nov 08 to Jan 09	3Q2009 Feb 09 to Apr 09	4Q2009 May 08 to Jul 09
Time-sensitive commercial Printing								
- small scale	2.58	0.29	1.87	1.76	1.81	2.26	1.78	2.01
- large volume	4.04	7.28	8.54	10.46	9.30	6.30	4.86	5.88
	6.62	7.57	10.41	12.22	11.11	8.56	6.64	7.89

Revenue from time-sensitive commercial printing in 4Q2009 decreased by \$4.33 million vis-à-vis the same period last year from \$12.22 million in 4Q2008 to \$7.89 million in 4Q2009. The decline was entirely due to the decline in large volume printing. As noted above, the decline in large volume printing was not only due to the global economic crisis but also due to the increased focus given by the Group to print management. For instance, in 4Q2009 part of the large volume printing contracts were re-negotiated into print management contracts whereby the Group now manages the printing chain for clients and charges a fee for the service, instead of taking on the entire project and paying out disbursements and booking the difference as gross profit. Management believes that this will be beneficial for the Group, as disbursements, including paper, ink and printing costs, will be borne directly by the customers thus freeing up the Group's working capital. Without this change in basis of revenue recognition, the year-on-year decline in quarterly revenue for this product segment would have been significantly lower. We also mentioned in the 3Q2009 results announcement that there are signs that the rate of decline in time sensitive printing is slowing partly due to a noticeable recovery in China's domestic consumption and partly because many larger publishers have been booking orders. Having said this, many of the new orders are for smaller volumes as compared to before the global economic crisis. This favourable, if mixed, trend continued into the fourth quarter of 2009.

For FY2009, revenue from time-sensitive commercial printing decreased by \$2.62 million, or 7.1% vis-à-vis the same period last year largely due to the global economic crisis, the focus on print management and the change in the basis of revenue recognition in 4Q2009 as mentioned above.

Revenue from Print Management and Consultancy

Print management and consultancy fees are fees charged for jobs where the printing is outsourced to PRC printers. Quarterly results for print management and consultancy are normally not good indicators of trend since the business has been traditionally characterised by large one-off projects.

Print management and consultancy fees increased by \$0.86 million or 145.8% from \$0.59 million in 4Q2008 to \$1.45 million in 4Q2009, mainly due to the revenue from large volume commercial printing jobs which had been converted into print management fees as mentioned above.

In FY2009, print management and consultancy fees increased by \$0.44 million or 11.6% from \$3.79 million in FY2008 to \$4.23 million in FY2009. This was mainly because there were fewer outsourced jobs during the first half of 2009 which was reversed by an increase in the second half of 2009 due in part to a recovery in China domestic consumption but more especially to the reasons stated above.

Raw materials and consumables used

In 4Q2009, raw materials and consumables such as paper, films and plates decreased by 49.7% to \$4.59 million as compared to \$9.12 million in 4Q2008. The main reason why costs fell by more than revenues in 4Q2009 as compared to 4Q2008 was largely due to the absence of production costs for those large volume commercial printing jobs that had been converted into print management contracts.

In FY2009, raw materials and consumables used in production decreased by \$5.48 million or 18.2% from \$30.13 million in FY2008 to \$24.65 million in FY2009. The costs have declined more than revenues mainly due to the reasons stated in the above paragraph. It should be noted that the pre-purchase of paper for committed jobs allowed the Group to create a natural hedge against the sharp rise in paper price at the end of 2008. Paper prices have since come down sharply though not to the previous levels.

Gross profit margin

\$'m	1Q2008 Aug 07 to Oct 07	2Q2008 Nov 07 to Jan 08	3Q2008 Feb 08 to Apr 08	4Q2008 May 08 to Jul 08	1Q2009 Aug 08 to Oct 08	2Q2009 Nov 08 to Jan 09	3Q2009 Feb 09 to Apr 09	4Q2009 May 09 to Jul 09
Gross margins	52.0%	52.6%	50.6%	50.3%	50.0%	56.2%	53.9%	61.6%

Gross profit margin, net of deducting changes in inventories of finished goods and work-in-progress, increased by approximately 11.3 percentage points from 50.3% in 4Q2008 to 61.6% in 4Q2009. This increase in 4Q2009 was mainly attributable to the large volume commercial printing jobs which had been converted into print management income. This change meant that only the fee was booked as revenue. However, even without this change in business mix, the gross profit margin of the Group would still have improved due to the natural hedge in paper that the Group had created.

Gross profit margin, net of deducting changes in inventories of finished goods and work-in-progress, increased by approximately 4.0 percentage points from 51.3% in FY2008 to 55.3% in FY2009. This was due to all the reasons explained above.

Staff costs

Staff costs for the Group increased slightly by \$0.1 million or 3.3% from \$3.06 million in 4Q2008 to \$3.16 million in 4Q2009 despite the headcount decrease, mainly due to staff bonuses provided in this quarter for the whole of FY2009.

The Group's staff costs for FY2009 was \$12.34 million and this was just 2.8% more than the \$12.0 million incurred in FY2008. The increase was due to increased commission payouts to sales staff (not all revenue pay sales commission but that part that does grow compared to that part that does not) and overtime payouts to production staff in the first two quarters of 2009 (the Group decided not to replace many of the staff who voluntarily left during the year). Despite the lower staff headcounts, operations had not been adversely affected as the plants' production shifts were reduced and the shift hours were stretched only when there were large orders to be delivered. Existing employees have been very supportive of these adjustments, putting in extra hours at work when required and this has allowed the Group to remain cost-efficient and competitive.

Foreign currency (losses) / gain

In 4Q2009, the exchange loss for the Group was \$0.6 million as compared to exchange gains of \$0.49 million in 4Q2008. The loss in 4Q2009 was mainly due to unrealised net foreign exchange losses with respect to the revaluation of the Group's entities' monetary assets and liabilities that were denominated in foreign currencies.

The Group's trade operations yielded a net foreign exchange loss of \$0.47 million in FY2009 as compared to net foreign exchange losses of \$0.05 million in FY2008. This was mainly due to unrealised net foreign exchange loss in 4Q2009 as described above. The Group's foreign exchange exposure comes mainly from the issuance of S\$-denominated trade invoices by Singapore subsidiaries to Hong Kong subsidiaries (who then recharges clients) whose functional currencies are expressed in HK\$. The Group undertakes no speculative foreign exchange trades.

The Group undertakes no foreign exchange hedging and it has not purchased any foreign exchange derivative products or any foreign exchange contracts.

Other operating expenses

In 4Q2009, the Group incurred other operating expenses of \$3.17 million which is 6.0% or \$0.2 million lower than the \$3.37 million incurred in 4Q2008. This was mainly due to lower upkeep of building and marketing expense in 4Q2009 as compared to 4Q2008.

In FY2009, the Group incurred other operating expenses of \$10.49 million which was comparable with the \$10.46 million incurred in FY2008. The comparatively higher rental expenses incurred for the Group's leasehold building up to 1H2009 (as the sale-and-leaseback lease started in January 2008) was offset by lower legal fees overall incurred for FY2009 as compared to FY2008 due to successful resolution of the Group's lawsuit in the first half of FY2009.

Finance costs

Finance cost was \$0.14 million higher for 4Q2009 at \$0.42 million as compared to \$0.28 million for 4Q2008 mainly due to the higher interest on convertible bonds from May 2009 as disclosed in 1d(ii).

In FY2009, finance cost was \$0.97 million or 14.9% higher than the \$0.85 million in FY2008. As shown in note 3 to 1(a)(ii), the lower interest on convertible bonds in FY2009 vis-à-vis the same period last year was offset by the increase in interests on term loans and finance lease in FY2009.

As mentioned in note 1(d)(ii), interest of 10% will apply to outstanding convertible bonds from 1 May 2009. In accordance with the Variation to the Bonds as announced by the Company on 4 June 2009, 20% of the Bonds were repaid on 15 June 2009. On 29 June 2009 the Company fully redeemed the balance 80% of the Bonds, ahead of the scheduled 40% on 15 September 2009 and final 40% on 15 December 2009. Had the Company redeemed the Bonds as scheduled in the Variation to the Bonds, an additional \$0.44 million in interest on the Bonds would have been incurred in FY2009.

Taxation

The Group has provided, in prior years, deferred tax provision of \$1.63 million for temporary timing differences arising on disposal of a Singapore subsidiary's plant and equipment. This provision was 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. In 4Q2009, over-provisions of \$1.36 million in the Group's Hong Kong operations were written back to the income statement. See note 5 of 1(a)(i).

For the full year ended 31 July 2009, current tax written back due to over-provision in prior years net of current year provisions was \$1.11 million and the deferred tax written back to profit and loss was \$1.61 million. The total tax credit for FY2009 was therefore \$2.72 million as compared to a tax charge of \$0.1 million in FY2008 which was mainly net current tax.

Share of associate's results

Shenzhen Jiaxinda ("JXD") ceased to be an associated company of the Group from July 2009 as the Company sold down its holdings in JXD by almost 33.7% from the previous 30% to the current 19.9% equity interest held in JXD.

JXD broke even for the 2 months ended 30 June 2009, therefore, there was no share of associate's profits in 4Q2009 as compared to \$0.46 million in 4Q2008. Share of associate's profit was \$0.72 million which was the same as that recorded for FY2008, although in FY2009 we only equity accounted for JXD's 11 months results as compared to 12 months in FY2008.

Net Profit

Net profit attributable to equity holders of the parent for 4Q2009 was \$7.11 million as compared to \$3.42 million in 4Q2008 mainly due to the one-off gain on disposal of long-term investments (mainly sale of 10.1% of interest in associate) amounting to \$5.07 million.

Net profit attributable to equity holders of the parent for FY2009 was \$13.03 million, \$2.8 million higher than the \$10.23 million for FY2008 mainly due to comparatively lower one-off gains in FY2008. Excluding one-off gains, the net profit attributable to equity holders was \$1.08 million or 15.0% lower as compared with the same period last year (see note 1 to 1(a)(ii)). Refer to table below for more details.

Dividend declared

The Board of Directors have decided to recommend to shareholders a first and final ordinary dividend of 0.11 cents as compared to 0.13 cents in FY2008 to reflect the 15% decline in net profit attributable to equity holders of the parent excluding one-off gains. However, the Board of Directors have also decided to recommend to shareholders a special dividend of 0.04 cents so that shareholders can share in the profits arising from the gain from a disposal of an investment. Accordingly, the total first and final dividend to be recommended shall be 0.15 cents or 15% higher than the 0.13 cents declared in FY2008.

S\$m	1Q2008	2Q2008	3Q2008	4Q2008	1Q2009	2Q2009	3Q2009	4Q2009
	Aug 07 to Oct 07	Nov 07 to Jan 08	Feb 08 to Apr 08	May 08 to Jul 08	Aug 08 to Oct 08	Nov 08 to Jan 09	Feb 09 to Apr 09	May 09 to Jul 09
Total revenue	13.1	13.3	16.8	18.1	15.2	12.6	13.2	14.0
Net profit attributable to equity holders of the Parent	0.66	3.73	2.42	3.42	3.48	0.49	1.95	7.11
Net profit attributable to equity holders of the Parent excluding one-off items	0.66	0.73	2.42	3.42	1.68	0.49	1.95	2.04

BALANCE SHEET

Property, plant and equipment

The Group's property, plant and equipment decreased by \$0.39 million from \$18.47 million at 31 July 2008 to \$18.08 million at 31 July 2009. For the full year ending 31 July 2009, the Group made net purchases of machinery of \$0.82 million and other plant and equipment of \$1.86 million mainly to upgrade certain print stations' pre-press capabilities to serve a growing base of publisher clients. The increase from additions and exchange translation gains from translating foreign subsidiaries' plant and equipment was offset by the full year depreciation charge for FY2009 amounting to \$3.17 million.

Trade and other receivables

Trade receivables increased by approximately \$12.84 million from \$15.11 million at 31 July 2008 to \$27.95 million at 31 July 2009. This was mainly due to the increased sales from the Group's PRC operations and the need to grant certain key customers, most notably key customers giving large volume printing, credit terms of 180 days. Collections for receivables continued to improve in 4Q2009 from 3Q2009, due to the focus on print planning, and this was partly reflected by the increase in cash and cash equivalents from \$6.97 million at 30 April 2009 to \$10.0 million (excluding the receipt for 10% of the proceeds from sale of 10.1 equity interest in associated company) at 31 July 2009.

Other receivables increased by approximately \$5.03 million from \$22.31 million at 31 July 2008 to \$27.34 million at 31 July 2009 mainly due to the outstanding balance of the proceeds from sale of 10.1 equity interest in associated company amounting to \$7.3 million. Without this receivable for investment sale, other receivables would have decreased by \$2.24 million owing to the net reduction in prepaid operating expenses. Other receivables mainly consist of prepayment for paper, trade deposits, advances to suppliers and prepaid operating expenses which will be charged to the income statement in future periods. Where jobs had already been contracted for, the Group had locked in paper prices with suppliers by prepaying for part of and/or all the paper required for those particular print jobs. Therefore, included in other receivables there was an element of inventory where the ownership title had not been passed on to the Group until they have been issued by the suppliers.

Cash and cash equivalents

Cash and cash equivalents decreased by approximately \$2.03 million from \$12.81 million at 31 July 2008 to \$10.78 million at 31 July 2009 mainly due to net cash out-flows to meet working capital needs during the 12 months ended 31 July 2009. As explained in the explanatory notes to consolidated cash flow statement under note 1(c), the Group needed higher working capital requirements during FY2009 to fund the ongoing large volume printing projects that started in 1Q2009. Due to an increase in book orders with shorter credit days in 3Q2009 and 4Q2009 and as receivables arising from job deliveries in 2Q2009 had mostly been collected in 4Q2009, the Group's cash position had improved significantly from 1H2009 where cash and cash equivalents was \$5.56 million.

In addition to the expected increased cash-flows from operations in the coming months, the Group is expecting the remaining 90% of sale proceeds of \$7.3 million from the sale of associated company in

the next quarter. Hence, the Group's cash position is expected to remain healthy for the foreseeable future.

Trade and other payables

Trade and other payables decreased by approximately \$1.62 million from \$10.98 million at 31 July 2008 to \$9.36 million at 31 July 2009 mainly due to the increased net repayments to suppliers in FY2009.

Borrowings

Interest-bearing borrowings decreased by approximately \$6.47 million from \$14.70 million at 31 July 2008 to \$8.23 million as at 31 July 2009 mainly due to the redemption of Convertible Bonds of \$10.93 million (as shown in FY2008's non-current liabilities). This was offset by increased bank borrowings of \$4.46 million mainly for PRC subsidiaries to finance purchases of plant and equipment and bank overdraft drawn down by Singapore subsidiaries for working capital.

Finance lease liabilities increased by approximately \$0.09 million from \$2.75 million at 31 July 2008 to \$2.84 million at 31 July 2009 mainly due to new finance lease arrangements net of scheduled repayments in FY2009, 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 our previous prospect statement made during the 3Q2009 results announcement, we noted that the Group's operating landscape remained challenging. However, as the Group's order book in PRC remained healthy, Management was cautiously optimistic that the Group's operations would not be significantly adversely affected in FY2009 by the contractions in printing demand. The Board of Directors went on to state that barring any unforeseen circumstances the Group will remain profitable for the financial year ending 31 July 2009.

In FY2009, the Group saw revenues fall by 10.3% in part due to the global economic crisis and, particularly in 4QFY2009, due to Management's decision to move away from volume printing towards print management. In FY2009, the Group saw net profit attributable to shareholders rise by 27.3% but the rise included exceptional gains. If all one-off items and the fact that Jiaxinda is no longer an associate were adjusted for, year-on-year net profit attributable to shareholders would have declined by 15.0%. Accordingly, events have unfolded largely as Management had predicted.

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

Overall, the Group has had both a challenging and eventful year. The Group achieved a record net profit of \$13.03 million in FY2009 on the back of higher one-off gains as compared to FY2008. Although revenues had fallen, gross margins have risen due to a more cost-efficient revenue mix and net profit attributable to shareholders has also risen due to higher one-off gains in the current year. Compared to earlier fears and many other companies in the printing industry, we have enjoyed a relatively good year.

While the economic conditions for the major economies in which we operate, particularly Singapore, Hong Kong and China, had declined significantly in Q4 of 2008 and in particular Q1 of 2009, preliminary signs of an emergence from the recession and a possible recovery based on statistical data released by their respective national governments and compiled in the table below, bodes well for the medium-term growth of the printing industry.

GDP growth rates	2007	2008					2009		
	Full year	*Q1	*Q2	*Q3	*Q4	Full year	*Q1	*Q2	Forecast
Singapore	7.8	6.7	2.5	0	-4.2	1.1	-10.1	-3.5	-6.0 to -4.0
Hong Kong	9.5	9.7	6.1	3.5	-2.8	3.8	-7.3	-3.8	-4.5 to -3.5
China	13	10.6	10.1	9	6.8	9	6.1	7.9	8.0
<p>*Q1 to Q4 – on calendar year basis</p> <p><u>Sources:</u> Singapore - MTI Hong Kong - Census and Statistics Department China - National Bureau of Statistics, World Bank</p>									

Amidst the uncertain outlook and bleak economic conditions during our FY2009, the Board is pleased to inform shareholders that the Group remained profitable, was able to repay its convertible bonds early and had been able to make further progress in China particularly with respect to capturing more foreign MNC business in China.

Our continued growth in China was partly fuelled by the central government’s Rmb 4 trillion stimuli package and continued focus on our growing dedicated on-site print stations network which are situated in the premises of major customers. It also helped that we refined our business and product mix strategies which have allowed us to be less dependent on export business which has reduced significantly.

From the current vantage point, the Board is of the opinion that FY2010 will be another year of consolidation, with more ‘nip and tuck’ investments (meaning investments to round out the core investments already made) and more marketing towards local and foreign MNCs required. The emphasis on continued consolidation for the next 12 months is appropriate given that there are still plenty of uncertainties about full economic recovery. At this time, and barring any unforeseen circumstances, the Board is hopeful that the Group will be able to maintain the level of operating profits in FY2010.

11 Dividend

- (a) **Any dividend declared for the present financial period?** Yes. Please refer to 16(a)
- (b) **Any dividend declared for the previous corresponding period?** Yes. Please refer to 16(b)
- (c) **Date payable :** To be announced at a later date
- (d) **Book closure date :** To be announced at a later date

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

Not applicable.

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Business Segments

Revenue and expenses

	Print media		Corporate and others		Eliminations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sales to external customers	54,999	61,233	-	57	-	-	54,999	61,290
Inter-segment sales	3,971	455	8,279	7,528	(12,250)	(7,983)	-	-
Other revenue	6,587	4,217	-	-	-	-	6,587	4,217
Total revenue	65,557	65,905	8,279	7,585	(12,250)	(7,983)	61,586	65,507
Segment results	4,127	9,301	6,422	1,138	-	-	10,549	10,439
Finance costs							(974)	(848)
Share of results of associate							716	720
Profit before taxation							10,291	10,311
Income tax expense							2,715	(95)
Net profit for the year							13,006	10,216

Asset and liabilities

	Print media		Corporate and others		Eliminations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets	129,857	123,034	25,187	7,035	-	-	155,044	130,069
Unallocated assets							10,775	12,813
Total assets							165,819	142,882
Segment liabilities	8,073	10,127	1,286	848	-	-	9,359	10,975
Unallocated liabilities							11,418	20,558
Total liabilities							20,777	31,533

Other segment information

	2009	2008
	\$'000	\$'000
Capital expenditure	2,688	11,662
Depreciation	3,173	2,696

Geographical Segments

	Revenue from external customers		Segment assets		Capital expenditure	
	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	11,374	12,183	39,790	25,543	320	3,872
Malaysia	1,256	1,707	888	1,079	79	444
Hong Kong	1,586	2,844	568	1,022	-	-
Australia	810	1,360	293	1,639	-	3
China	38,150	40,816	124,036	113,062	2,289	7,306
Others	1,823	2,380	244	537	-	37
	54,999	61,290	165,819	142,882	2,688	11,662

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to item 8 of this announcement.

15 Breakdown of sales

	Group		
	1 Aug 2008 to 31 Jul 2009	1 Aug 2007 to 31 Jul 2008	Increase / (decrease)
	\$'000	\$'000	%
(a) Sales reported for first half year	27,755	26,379	5.2%
(b) Operating profit after tax before deducting minority interests reported for the first half year	3,943	4,381	(10.0%)
(c) Sales reported for second half year	27,244	34,911	(22.0%)
(d) Operating profit after tax before deducting minority interests reported for the second half year	9,063	5,835	55.3%

16 Breakdown on the Total Annual Dividend (in dollar value) of the Company

(a)

Current financial year ended 31 July 2009				
Name of Dividend	:	First & Final (One-tier)	Special (One-tier)	Total
Type of dividend	:	Cash	Cash	Cash
Dividend per Share	:	0.11 cent per share	0.04 cent per share	0.15 cent per share
Annual Dividend (\$'000)	:	\$1,699	\$618	\$2,317

(b)

Previous financial year ended 31 July 2008				
Name of Dividend	:	First & Final (One-tier)		
Type of dividend	:	Cash		
Dividend per Share	:	0.13 cent per share		
Annual Dividend (\$'000)	:	\$1,800		

Note : The Board of Directors has recommended the above dividends for the financial year ended 31 July 2009. Payment of the said dividends is subject to the approval of shareholders at the forthcoming Annual General Meeting. The above dividend amounts are estimated based on the number of issued shares as at 31 July 2009. The actual dividend payment can only be determined on the book closure date.

17 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>

BY ORDER OF THE BOARD

Poh Eng Seng
Chief Executive Officer

22 September 2009