



XPRESS HOLDINGS LTD

(Registration No. 199902058Z)

**UNAUDITED RESULTS FOR THE
SECOND QUARTER ENDED 31 JANUARY 2014**

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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**

	GROUP 3 MONTHS ENDED			GROUP 6 MONTHS ENDED			
	Note	31 Jan 2014	31 Jan 2013	Increase / (decrease)	31 Jan 2014	31 Jan 2013	Increase / (decrease)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue		4,770	6,972	(31.6%)	9,454	12,578	(24.8%)
Other income	1	205	185	10.8%	370	350	5.7%
Total Revenue		4,975	7,157	(30.5%)	9,824	12,928	(24.0%)
Costs and expenses							
Changes in inventories of finished goods and work-in-progress		198	(34)	N.M	110	(24)	N.M
Raw materials and consumables used		(1,111)	(1,810)	(38.6%)	(2,437)	(3,800)	(35.9%)
Staff costs		(2,187)	(2,278)	(4.0%)	(3,667)	(4,257)	(13.9%)
Depreciation		(573)	(621)	(7.7%)	(1,032)	(1,242)	(16.9%)
Foreign currency gains		614	386	59.1%	794	1,223	(35.1%)
Other operating expenses		(1,369)	(1,523)	(10.1%)	(2,260)	(2,565)	(11.9%)
Finance costs	2	(109)	(186)	(41.4%)	(274)	(367)	(25.3%)
Profit before tax		438	1,091	(59.9%)	1,058	1,896	(44.2%)
Income tax	3	-	-	N.M.	(20)	-	N.M.
Net profit for the period		438	1,091	(59.9%)	1,038	1,896	(45.3%)
Attributable to:							
Equity holders of the parent		442	1,091	(59.5%)	1,042	1,896	(45.0%)
Non controlling interests		(4)	-	N.M.	(4)	-	N.M.
Net profit for the period		438	1,091	(59.9%)	1,038	1,896	(45.3%)

N.M. : Not meaningful

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

Note 1 Other income comprises the following:

Note	3 MONTHS ENDED			6 MONTHS ENDED		
	31 Jan 2014	31 Jan 2013	Increase / (decrease)	31 Jan 2014	31 Jan 2013	Increase / (decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Rental income	188	143	31.5%	310	265	17.0%
Interest income on bank deposits	13	5	160.0%	19	9	111.1%
Sale of waste material	-	-	N.M.	-	-	N.M.
Miscellaneous income	4	37	(89.2%)	41	76	(46.1%)
Total	205	185	10.8%	370	350	5.7%

Note 2 Finance costs comprise the following:

Note	3 MONTHS ENDED			6 MONTHS ENDED		
	31 Jan 2014	31 Jan 2013	Increase / (decrease)	31 Jan 2014	31 Jan 2013	Increase / (decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Interest incurred for:						
- overdrafts	(17)	(134)	(87.3%)	(40)	(164)	(75.6%)
- term loans	(45)	(30)	50.0%	(181)	(168)	7.7%
Hire purchase interest	(47)	(22)	113.6%	(53)	(35)	51.4%
Total	(109)	(186)	(41.4%)	(274)	(367)	(25.3%)

Note 3 Income tax comprises the following:

Note	3 MONTHS ENDED			6 MONTHS ENDED		
	31 Jan 2014	31 Jan 2013	Increase / (decrease)	31 Jan 2014	31 Jan 2013	Increase / (decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Current tax- current year	-	-	N.M.	-	-	N.M.
Current tax- prior years	-	-	N.M.	(20)	-	N.M.
	-	-		(20)	-	

Note: N.M. – Not meaningful

1(a)(iii) A Statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	GROUP 3 MONTHS ENDED			GROUP 6 MONTHS ENDED		
	31 Jan 2014	31 Jan 2013	Increase/ Decrease	31 Jan 2014	31 Jan 2013	Increase/ Decrease
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit/(loss) for the period	438	1,091	(59.9%)	1,038	1,896	(45.3%)
Other comprehensive income:						
Translation differences relating to financial statements of foreign subsidiaries	(2,671)	(1,695)	57.6%	(2,955)	(2,546)	16.1%
Translation differences arising on monetary items forming part of net investments in foreign operations	(707)	(23)	2973.9%	(80)	(381)	(79.0%)
Other comprehensive income for the period	(3,378)	(1,718)	96.6%	(3,035)	(2,927)	3.7%
Total comprehensive income for the period	(2,940)	(627)	368.9%	(1,997)	(1,031)	93.7%
Total comprehensive income attributable to:						
Equity holders of the parent	(2,934)	(627)	367.9%	(1,993)	(1,031)	93.3%
Non-controlling interests	(6)	-	N.M.	(4)	-	N.M.
Total comprehensive income for the period	(2,940)	(627)	368.9%	(1,997)	(1,031)	93.7%

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

	Group		Company	
	31 Jan 2014	31 Jul 2013	31 Jan 2014	31 Jul 2013
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Plant and equipment	13,313	12,108	348	387
Goodwill on consolidation	64,484	64,484	-	-
Investments in subsidiaries	-	-	76,488	76,487
Non-trade amount due from subsidiaries	-	-	22,860	23,792
Available-for-sale financial assets	7,655	7,657	7,642	7,642
Project receivables	8,265	8,265	-	-
	93,717	92,514	107,338	108,308
Current assets				
Inventories	4,272	4,162	-	-
Trade receivables	36,794	37,845	-	-
Other receivables	24,447	24,986	5,125	4,553
Trade amount due from subsidiaries	-	-	30,538	26,365
Non-trade amount due from subsidiaries	-	-	25,881	16,572
Cash and cash equivalents	10,009	6,362	7,270	4,285
	75,522	73,355	68,814	51,775
Total assets	169,239	165,869	176,152	160,083
Equity attributable to equity holders of the parent				
Share capital	117,908	105,090	117,908	105,090
Other reserves	(8,830)	(5,795)	6,328	6,328
Accumulated profits	42,992	41,950	10,413	10,070
	152,070	141,245	134,649	121,488
Non-controlling interests	180	184	-	-
Total equity	152,250	141,429	134,649	121,488
Non-current liabilities				
Obligations under finance lease	278	499	278	309
Deferred tax liabilities	20	20	20	20
	298	519	298	329
Current liabilities				
Trade and other payables	7,757	12,744	2,267	3,041
Trade amount due to subsidiaries	-	-	299	301
Non-trade amount due to subsidiaries	-	-	38,575	34,860
Interest-bearing borrowings	8,649	11,015	-	-
Obligations under finance lease	265	142	62	62
Current tax payable	20	20	2	2
	16,691	23,921	41,205	38,266
Total liabilities	16,989	24,440	41,503	38,595
Total equity and liabilities	169,239	165,869	176,152	160,083

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 2014		As at 31 Jul 2013	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
8,473	441	10,292	865

Amount repayable after one year

As at 31 Jan 2014		As at 31 Jul 2013	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
278	-	499	-

Details of any collateral:

Secured borrowings at 31 January 2014 mainly refer to the following:

- a. Finance lease liabilities amounting to S\$0.5 million that are secured by the respective motor vehicles and machinery purchased under finance leases;
- b. Term loans of S\$3.7 million secured by a charge over fixed deposits of S\$1.8 million and plant & equipment
- c. Revolving loan of S\$1.3 million are secured by a charge over fixed deposits of S\$0.5 million and corporate guarantee;
- d. Bank overdraft of S\$3.2 million is secured by a charge over fixed deposits of S\$1.9 million.

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

	Note	Group		Group	
		2nd Quarter Ended		6 Months Ended	
		31 Jan 2014	31 Jan 2013	31 Jan 2014	31 Jan 2013
		\$'000	\$'000	\$'000	\$'000
Operating activities					
Profit before taxation		438	1,091	1,058	1,896
Adjustments for:					
Interest expense	2	109	186	274	367
Interest income	1	(13)	(5)	(19)	(9)
Depreciation of plant and equipment		573	621	1,032	1,242
Loss/(gain) on disposal of plant and equipment, net		22	33	22	33
Operating profit before working capital changes		<u>1,129</u>	<u>1,926</u>	<u>2,367</u>	<u>3,529</u>
Changes in working capital:					
Inventories		802	35	(110)	25
Trade and other receivables		1,023	475	1,590	3,454
Trade and other payables		(3,222)	(1,743)	(4,986)	(2,017)
Cash generated from operations		<u>(268)</u>	<u>693</u>	<u>(1,139)</u>	<u>4,991</u>
Income tax paid		-	-	(20)	(14)
Cash flows (use in) / generated from operating activities		<u>(268)</u>	<u>693</u>	<u>(1,159)</u>	<u>4,977</u>
Investing activities					
Interest received		13	6	19	6
Purchase of plant and equipment		(1,731)	(46)	(2,237)	(56)
Proceeds from disposal of plant and equipment, net		4	1	4	1
Cash flows used in investing activities		<u>(1,714)</u>	<u>(39)</u>	<u>(2,214)</u>	<u>(49)</u>
Financing activities					
Interest paid		(109)	(279)	(274)	(392)
Repayment of finance lease instalments		(69)	(157)	(99)	(185)
Proceeds from borrowings		-	-	1,500	1,500
Repayments of borrowings		(2,400)	(1,571)	(2,400)	(2,211)
Fixed deposits pledged		-	-	-	(500)
Proceeds from issue of shares		12,818	4,500	12,818	4,500
Cash flows generated from financing activities		<u>10,240</u>	<u>2,493</u>	<u>11,545</u>	<u>2,712</u>
Foreign currency translation adjustments		(2,956)	29	(2,339)	(587)
Net increase in cash and cash equivalents		<u>5,302</u>	<u>3,176</u>	<u>5,833</u>	<u>7,053</u>
Cash and cash equivalents at beginning of the period		(2,739)	(915)	(3,270)	(4,792)
Cash and cash equivalents at end of the period	A	<u>2,563</u>	<u>2,261</u>	<u>2,563</u>	<u>2,261</u>

Explanatory notes to the consolidated cash flow statement

Note A. Cash and cash equivalents comprise the following:

	31 Jan 2014	31 Jan 2013
	\$'000	\$'000
Cash at bank and in hand	2,722	4,661
Fixed deposits	7,287	5,953
Cash and cash equivalents	10,009	10,614
Bank overdrafts (secured)	(3,199)	(3,360)
Fixed deposits pledged	(4,247)	(4,993)
Cash and cash equivalents in the cash flow statement	2,563	2,261

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							
	Share capital	Fair value reserve	Currency translation reserve	Share option reserve	Retained earnings	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 August 2012	100,590	5,717	(8,846)	706	39,273	137,440	180	137,620
Total comprehensive income for the period	-	-	(2,927)	-	1,896	(1,031)	-	(1,031)
Issued shares	4,500	-	-	-	-	4,500	-	4,500
At 31 January 2013	105,090	5,717	(11,773)	706	41,169	140,909	180	141,089
At 1 August 2013	105,090	5,717	(12,218)	706	41,950	141,245	184	141,429
Total comprehensive income for the period	-	-	(3,035)	-	1,042	(1,993)	(4)	(1,997)
Issued shares	12,818	-	-	-	-	12,818	-	12,818
At 31 January 2014	117,908	5,717	(15,253)	706	42,992	152,070	180	152,250

Statement of Changes in Equity for the Company

	Attributable to equity holders of the Company				
	Share capital	Fair value reserve	Share option reserve	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 August 2012	100,590	5,622	706	8,941	115,859
Total comprehensive income for the period	-	-	-	132	132
Issued shares	4,500	-	-	-	4,500
At 31 January 2013	105,090	5,622	706	9,073	120,491
At 1 August 2013	105,090	5,622	706	10,070	121,488
Total comprehensive income for the period	-	-	-	343	343
Issued shares	12,818	-	-	-	12,818
At 31 January 2014	117,908	5,622	706	10,413	134,649

- 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.**

During the reporting period, the Company issued 699,407,749 new ordinary shares in the issued and paid-up share capital of the Company pursuant to a renounceable underwritten rights issue of up to 711,720,149 new ordinary shares in the issued share capital of the Company (rights issue) at an issue price of \$0.02 for each rights share on the basis of two (2) rights shares for every five (5) existing shares held by shareholders as based on the terms and conditions of the Offer Information Statement dated 14 October 2013 issued by the Company. Net proceeds of \$12.8 million were raised from the rights issue.

The issued share capital of the company as at 31 January 2014 comprise of 2,447,927,123 (31 October 2013: 1,748,519,374) ordinary shares.

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 2014, there were 13,100,000 (31 January 2013: 33,181,000) outstanding share options which would entitle the holders to subscribe for a total of 13,100,000 ordinary shares of the Company (31 January 2013: 33,181,000) at a weighted average exercise price of S\$0.118 (31 January 2013: S\$0.091) per share.

The 13,100,000 share options outstanding at 31 January 2014 are approximately 0.53% of the share capital consisting of 2,447,927,123 issued shares at 31 January 2014.

- 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 as at 31 January 2014 was 2,447,927,123 (31 January 2013: 1,748,519,374). There were no treasury shares held by the Company at 31 January 2014.

- 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 information for the current financial period as compared with those used in the audited financial statements for the financial year ended 31 July 2013.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

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 2013. The adoption of these new/revised FRS and INT FRS did 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 reporting periods.

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			
	2nd Quarter (3 Months)		First Half (6 Months)	
	31 Jan 2014	31 Jan 2013	31 Jan 2014	31 Jan 2013
6(a) Based on the weighted average number of ordinary shares on issue	0.020	0.065	0.046	0.120
Weighted average number of ordinary shares (in million)	2,260.14	1,615.19	2,260.14	1,615.19
6(b) On a fully diluted basis	0.020	0.065	0.046	0.120
Weighted average number of ordinary shares (in million)	2,260.14	1,615.19	2,260.14	1,615.19

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 2014	31 Jul 2013	31 Jan 2014	31 Jul 2013
Net asset value per ordinary share based on issued share capital at the end of the financial period / year (in cents)	6.2	8.1	5.5	6.9

Net asset value per ordinary share as at 31 January 2014 is calculated based on the existing issued share capital of 2,447,927,123 ordinary shares outstanding as at 31 January 2014 (31 July 2013: 1,748,519,374).

- 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

Business Activity	2nd Quarter ended (3 months)				First Half (6 Months Ended)			
	31 Jan 14 S\$'mil	31 Jan 13 S\$'mil	+ / (-) S\$'mil	+ / (-) %	31 Jan 14 S\$'mil	31 Jan 13 S\$'mil	+ / (-) S\$'mil	+ / (-) %
Time-sensitive Printing	2.55	4.05	(1.50)	(37.0%)	6.17	9.25	(3.08)	(33.3%)
Print Management (VIP Client)	1.64	2.82	(1.18)	(41.8%)	2.60	3.02	(0.42)	(13.9%)
	4.19	6.87	(2.68)	(39.0%)	8.77	12.27	(3.50)	(28.5%)
Other Revenue	0.58	0.11	0.47	427.3%	0.68	0.31	0.37	119.4%
Total Revenue	4.77	6.98	(2.21)	(31.7%)	9.45	12.58	(3.13)	(24.9%)

Overview

For the 2nd Quarter 2014

For 2Q2014, the Group recorded Revenue of S\$4.8 million, which was S\$2.2 million (31.7%) lower than the S\$7.0 million achieved in 2Q2013 mainly due to the changing trend in the print media industry. Generally, customers are changing their requirements by moving from bulk printing to small volume printing. The close proximity of the Christmas (December 2013) and Chinese New Year (January 2014) holidays also contributed to the decrease as many of the customers, both local and foreign, were on long leave.

Revenue from time-sensitive printing of \$2.6 million in 2Q2014 was \$1.5 million lower than the \$4.1 million achieved in 2Q2013.

Revenue from print management comprises fees earned by managing MNC and VIP clients' printing and related supply-chain needs. It decreased by 41.8% from S\$2.8 million in 2Q2013 to S\$1.6 million in 2Q2014.

Revenue from time-sensitive printing and print management decreased for the same reasons mentioned above.

Raw materials and consumables used and changes in inventories of finished goods and work-in-progress

In 2Q2014, the cost of raw materials and consumables such as paper, films and plates decreased by 38.6% to S\$1.1 million compared to S\$1.8 million in 2Q2013, which was in line with lower sales recorded for the reporting period.

Gross profit margin

Gross Profit margin ("GP margin"), net of deducting changes in inventories of finished goods and work-in-progress, increased by approximately 7.3% from 73.6% in the corresponding quarter last year to 80.9% in 2Q2014. The increase was mainly due to the continued shift away from labour-intensive manufacturing industry towards higher margin service industry - print management .

Foreign currency gain

In 2Q2014, the Group recorded an exchange gain of S\$0.6 million which was S\$0.2 million higher than S\$0.4 million in 2Q2013.

This was mainly attributable to the Hong Kong subsidiary, Print Planner (Hong Kong) Limited, in which a significant portion of its receivables were denominated in Renminbi (RMB). The functional currency of the subsidiary is the Hong Kong Dollar (HK\$). The increase was due to the depreciation of the HK\$ against the RMB during the current financial period.

Staff costs

In 2Q2014, the decrease in staff cost of S\$0.1 million as compared to 2Q2013 was mainly due to reduction in staff strength as a result of restructuring of workflow and production processes.

Depreciation

In 2Q2014, the depreciation expense was lower as compared to the depreciation expense incurred in 2Q2013 due to lesser depreciable assets during the current quarter.

Other operating expenses

In 2Q2014, the Group incurred other operating expenses of S\$1.4 million of which was S\$0.1 million lower than S\$1.5 million incurred in 2Q2013.

Taxation

Taxation was not significant for the Group.

STATEMENT OF FINANCIAL POSITION

Property, plant and equipment

The Group's plant and equipment increased by S\$1.2 million from S\$12.1 million as at 31 July 2013 to S\$13.3 million as at 31 January 2014. This increase was mainly due to depreciation charges of S\$1.0 million and offset by purchases of equipment of S\$2.2 million.

Project receivables

The project receivables of S\$8.3 million arise from the Group's joint print project where Xpress manages the print supply chain and our business partners manage the marketing and distribution functions.

Trade and other receivables

Trade receivables decreased by S\$1.0 million from S\$37.8 million as at 31 July 2013 to S\$36.8 million as at 31 January 2014 due to repayment by customers.

Other receivables decreased by S\$0.6 million from S\$25.0 million as at 31 July 2013 to S\$24.4 million as at 31 January 2014.

Trade and other payables

Trade and other payables was S\$7.8 million at as 31 January 2014 which was lower than S\$12.7 million as at 31 July 2013 due to repayment to suppliers.

Borrowings

Interest-bearing borrowings decreased by approximately S\$2.4 million from S\$11.0 million as at 31 July 2013 to S\$8.6 million as at 31 January 2014 mainly due to repayments during the current financial period.

REVIEW OF CASH FLOWS

Net cash used in operation activities by the Group for 2Q2014 was S\$0.3 million as compared to net cash generated of S\$0.7 million in the corresponding quarter a year ago.

Cash flows used in investing activities in 2Q2014 amounted to S\$1.7 million compared to S\$39,000 in 2Q2013 mainly due to higher purchases of equipment.

The Group's net cash generated from financing activities for 2Q2014 was S\$10.2 million compared to S\$2.5 million mainly due to proceeds from rights issue during 2Q2014.

Overall and including currency translation adjustments, the net increase in cash and cash equivalents in 2Q2014 amounted to S\$5.3 million.

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

Not applicable.

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 Board is cautiously assessing the current challenges facing the print industry. However, the Board notes that the Company has certain competitive advantages such as speed, reliable service and huge network, over its competitors, most notably its local smaller competitors in China.

The Group will continue to provide more value-added services to customers while actively review its operations to improve efficiency in order to remain competitive.

11 Dividend

- (a) **Current financial period reported on**
Any dividend declared for the present financial period?
No.
- (b) **Corresponding period of the immediately preceding financial year**
Any dividend declared for the previous corresponding period?
No.
- (c) **Date payable**
Not Applicable.
- (d) **Book 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.

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

There is no interested person transaction which is valued at more than S\$100,000 during the year under review and the company has not obtained any general mandate pursuant to Rule 920 of the Listing Manual.

14 Use of proceeds from rights issue

Further to the Company's announcement relating to the completion of the rights issue of shares, the company wishes to provide an update on the utilisation of the net proceeds from the rights issue of approximately S\$12,818,000 as follows:

Purpose	Amount Utilised (S\$)
1. Repayment of existing debts	3,869,000
2. Business development and expansion	1,668,000
3. General working capital purpose	2,000,000
	7,537,000

The above utilization is in line with the intended uses of the net proceeds stated in the Offer Information Statement. Subsequent to the aforementioned, the remaining balance of the net proceeds amounts to approximately \$5,281,000.

15 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 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Fong Kah Kuen
Executive Chairman

14 March 2014