XPRESS HOLDINGS LTD

(Registration No. 199902058Z)

UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 JULY 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 12 MONTHS ENDED		
	Note	31 Jul 2014	31 Jul 2013	Increase / (decrease)	31 Jul 2014	31 Jul 2013	Increase / (decrease)
		$'000	$'000	%	$'000	$'000	%
Revenue		**3,676**	4,902	(25.0%)	**17,854**	23,702	(24.7%)
Other income	1	**207**	243	(14.8%)	**796**	755	5.4%
Total Revenue		**3,883**	5,145	(24.5%)	**18,650**	24,457	(23.7%)
Costs and expenses							
Changes in inventories of finished goods and work-in-progress		**(59)**	2,907	N.M	**16**	3,106	(99.5%)
Raw materials and consumables used		**(1,230)**	(3,071)	(59.9%)	**(4,785)**	(9,429)	(49.3%)
Staff costs		**(2,050)**	(2,394)	(14.4%)	**(6,995)**	(8,468)	(17.4%)
Depreciation		**(421)**	(537)	(21.6%)	**(1,900)**	(2,326)	(18.3%)
Foreign currency (loss) / gains		**(142)**	975	N.M	**203**	2,714	(92.5%)
Other operating expenses		**(146,801)**	(2,832)	N.M	**(150,182)**	(6,512)	N.M
Finance costs	2	**(201)**	(248)	(19.0%)	**(664)**	(861)	(22.9%)
(Loss)/Profit before tax		**(147,021)**	(55)	N.M	**(145,657)**	2,681	N.M
Income tax	3	**(10)**	-	N.M.	**(102)**	-	N.M.
Net (loss)/ profit for the period		**(147,031)**	(55)	N.M	**(145,759)**	2,681	N.M
Attributable to:							
Equity holders of the parent		**(147,034)**	(55)	N.M	**(145,758)**	2,677	N.M
Non controlling interests		**3**	-	N.M	**(1)**	4	N.M
Net (loss)/ profit for the period		**(147,031)**	(55)	N.M	**(145,759)**	2,681	N.M

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			12 MONTHS ENDED		
		31 Jul 2014	31 Jul 2013	**Increase / (decrease)**	**31 Jul 2014**	31 Jul 2013	**Increase / (decrease)**
		$'000	$'000	**%**	**$'000**	$'000	**%**
Rental income		**146**	147	(0.7%)	**655**	556	17.8%
Interest income on bank deposits		**-**	10	N.M.	**26**	25	4.0%
Gain on disposal of Property, Plant and Equipment		**61**	-	N.M.	**61**	-	N.M
Miscellaneous income		**-**	86	N.M.	**54**	174	(69.0%)
Total		**207**	243	(14.8%)	**796**	755	5.4%

Note 2 Finance costs comprise the following:

	Note	3 MONTHS ENDED			12 MONTHS ENDED		
		31 Jul 2014	31 Jul 2013	**Increase / (decrease)**	**31 Jul 2014**	31 Jul 2013	**Increase / (decrease)**
		$'000	$'000	**%**	**$'000**	$'000	**%**
Interest incurred for:							
- overdrafts		**(36)**	(54)	(33.3%)	**(238)**	(356)	(33.1%)
- term loans		**(126)**	(145)	(13.1%)	**(326)**	(415)	(21.4%)
- trust receipts		**-**	(45)	N.M.	**-**	(60)	N.M.
Hire purchase interest		**(39)**	(4)	N.M.	**(100)**	(30)	233.3%
Total		**(201)**	(248)	(19.0%)	**(664)**	(861)	(22.9%)

Note 3 Income tax comprises the following:

	Note	3 MONTHS ENDED			12 MONTHS ENDED		
		31 Jul 2014	31 Jul 2013	**Increase / (decrease)**	**31 Jul 2014**	31 Jul 2013	**Increase / (decrease)**
		$'000	$'000	**%**	**$'000**	$'000	**%**
Current tax- current year		**10**	-	N.M.	**-**	-	N.M.
Current tax- prior years		**(20)**	-	N.M.	**(102)**	-	N.M.
		(10)	-		**(102)**	-	

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 12 MONTHS ENDED		
	31 Jul 2014	31 Jul 2013	**Increase/ Decrease**	**31 Jul 2014**	31 Jul 2013	**Increase/ Decrease**
	$'000	$'000	%	**$'000**	$'000	%
Net profit/(loss) for the period	**(147,031)**	(55)	N.M	**(145,759)**	2,681	N.M
Other comprehensive income:						
Translation differences relating to financial statements of foreign subsidiaries	**760**	2,259	(66.4%)	**(6,871)**	(2,711)	153.4%
Translation differences arising on monetary items forming part of net investments in foreign operations	**176**	(278)	N.M.	**462**	(661)	N.M.
Other comprehensive income for the period	**936**	1,981	(52.8%)	**(6,409)**	(3,372)	90.1%
Total comprehensive (loss)/ income for the period	**(146,095)**	1,926	N.M	**(152,168)**	(691)	N.M
Total comprehensive (loss)/ income attributable to:						
Equity holders of the parent	**(146,096)**	1,926	N.M	**(152,165)**	(695)	N.M
Non-controllling interests	**1**	-	N.M	**(3)**	4	N.M.
Total comprehensive (loss)/ income for the period	**(146,095)**	1,926	N.M	**(152,168)**	(691)	N.M

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 Jul 2014	31 Jul 2013	**31 Jul 2014**	31 Jul 2013
	$'000	$'000	**$'000**	$'000
Non-current assets				
Plant and equipment	**8,069**	12,108	**309**	387
Goodwill on consolidation	**-**	64,484	**-**	-
Investments in subsidiaries	**-**	-	**4,000**	76,487
Non-trade amount due from subsidiaries	**-**	-	**-**	23,792
Available-for-sale financial assets	**-**	7,657	**-**	7,642
Project receivables	**-**	8,265	**-**	-
	8,069	92,514	**4,309**	108,308
Current assets				
Inventories	**2,146**	4,162	**-**	-
Trade receivables	**1,798**	37,845	**-**	-
Other receivables	**2,364**	24,986	**1,068**	4,553
Trade amount due from subsidiaries	**-**	-	**-**	26,365
Non-trade amount due from subsidiaries	**-**	-	**-**	16,572
Cash and cash equivalents	**358**	6,362	**3**	4,285
	6,666	73,355	**1,071**	51,775
Total assets	**14,735**	165,869	**5,380**	160,083
Equity attributable to equity holders of the parent				
Share capital	**117,908**	105,090	**117,908**	105,090
Other reserves	**(12,202)**	(5,795)	**6,328**	6,328
Accumulated profits	**(103,808)**	41,950	**(122,615)**	10,070
	1,898	141,245	**1,621**	121,488
Non-controlling interests	**181**	184	**-**	-
Total equity	**2,079**	141,429	**1,621**	121,488
Non-current liabilities				
Obligations under finance lease	**249**	499	**249**	309
Deferred tax liabilities	**20**	20	**20**	20
	269	519	**269**	329
Current liabilities				
Trade and other payables	**9,830**	12,744	**3,426**	3,041
Trade amount due to subsidiaries	**-**	-	**-**	301
Non-trade amount due to subsidiaries	**-**	-	**-**	34,860
Interest-bearing borrowings	**2,298**	11,015	**-**	-
Obligations under finance lease	**244**	142	**62**	62
Current tax payable	**15**	20	**2**	2
	12,387	23,921	**3,490**	38,266
Total liabilities	**12,656**	24,440	**3,759**	38,595
Total equity and liabilities	**14,735**	165,869	**5,380**	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 Jul 2014		As at 31 Jul 2013	
Secured	**Unsecured**	Secured	Unsecured
$'000	**$'000**	$'000	$'000
244	**2,298**	10,292	865

Amount repayable after one year

As at 31 Jul 2014		As at 31 Jul 2013	
Secured	**Unsecured**	Secured	Unsecured
$'000	**$'000**	$'000	$'000
249	**-**	499	-

Details of any collateral:

Secured borrowings at 31 July 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.

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 4th Quarter Ended 31 Jul 2014	Group 4th Quarter Ended 31 Jul 2013	Group 12 Months Ended 31 Jul 2014	Group 12 Months Ended 31 Jul 2013
		$'000	$'000	**$'000**	$'000
Operating activities					
Profit before taxation		**(147,021)**	(55)	**(145,657)**	2,681
Adjustments for:					
Interest expense	2	**201**	248	**664**	861
Interest income	1	**-**	(10)	**(26)**	(25)
Depreciation of plant and equipment		**421**	537	**1,900**	2,326
Impairment loss on plant and equipment		**4,000**	(1)	**4,000**	16
Impairment loss on goodwill		**64,484**	-	**64,484**	-
Impairment loss on available for sale financial asset		**7,655**	-	**7,655**	-
Impairment loss on project receivable		**8,265**	-	**8,265**	-
Inventories written off		**2,000**	-	**2,000**	-
Impairment loss on trade and other receivables		**55,657**	-	**55,657**	
Plant and equipment written off		**-**		**4**	
Loss/(gain) on disposal of plant and equipment, net		**436**	-	**453**	61
Operating profit before working capital changes		**(3,902)**	719	**(601)**	5,920
Changes in working capital:					
Inventories		**90**	(2,909)	**16**	(3,106)
Trade and other receivables		**2,684**	(4,178)	**3,012**	(1,431)
Trade and other payables		**1,167**	1,638	**(2,914)**	(465)
Cash generated from operations		**39**	(4,730)	**(487)**	918
Income tax paid		**(16)**	(3)	**(106)**	(17)
Cash flows (used in) / generated from operating activities		**23**	(4,733)	**(593)**	901
Investing activities					
Interest received		**7**	6	**26**	12
Purchase of plant and equipment		**(99)**	-	**(2,493)**	(59)
Proceeds from disposal of plant and equipment, net		**-**	-	**4**	1
Cash flows (used in)/ generated from investing activities		**(92)**	6	**(2,463)**	(46)
Financing activities					
Interest paid		**(201)**	(232)	**(664)**	(874)
Repayment of finance lease instalments		**(17)**	(1,113)	**(148)**	(1,114)
Proceeds from borrowings		**-**	411	**1,500**	2,979
Repayments of borrowings		**(4,301)**	(56)	**(10,217)**	(3,072)
Fixed deposits pledged		**-**	-	**(540)**	(500)
Dividend paid to equity holders of the company		**-**	-	**(734)**	
Proceeds from issue of shares		**-**	-	**12,818**	4,500
Cash flows (used in)/ generated from financing activities		**(4,519)**	(990)	**2,015**	1,919
Foreign currency translation adjustments		**4,855**	2,186	**3,518**	(1,252)
Net (decrease) / increase in cash and cash equivalents		**267**	(3,531)	**2,477**	1,522
Cash and cash equivalents at beginning of the period		**(1,060)**	261	**(3,270)**	(4,792)
Cash and cash equivalents at end of the period	A	**(793)**	(3,270)	**(793)**	(3,270)

Explanatory notes to the consolidated cash flow statement

Note A. Cash and cash equivalents comprise the following:

	31 Jul 2014	31 Jul 2013
	$'000	$'000
Cash at bank and in hand	**358**	403
Fixed deposits	**540**	5,959
Cash and cash equivalents	**898**	6,362
Bank overdrafts (secured)	**(1,151)**	(3,673)
Fixed deposits pledged	**(540)**	(5,959)
Cash and cash equivalents in the cash flow statement	**(793)**	(3,270)

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 $'000	Fair value value reserve $'000	Currency translation reserve $'000	Share option reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'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	-	-	(3,372)	-	2,677	(695)	4	(691)
Issued shares	4,500	-	-	-	-	4,500	-	4,500
At 31 July 2013	105,090	5,717	(12,218)	706	41,950	141,245	184	141,429
At 1 August 2013	**105,090**	**5,717**	**(12,218)**	**706**	**41,950**	**141,245**	**184**	**141,429**
Total comprehensive income for the period	**-**	**-**	**(6,407)**	**-**	**(145,758)**	**(152,165)**	**(3)**	**(152,168)**
Issued shares	**12,818**	**-**	**-**	**-**	**-**	**12,818**	**-**	**12,818**
At 31 July 2014	**117,908**	**5,717**	**(18,625)**	**706**	**(103,808)**	**1,898**	**181**	**2,079**

Statement of Changes in Equity for the Company

	Attributable to equity holders of the Company				
	Share capital $'000	Fair value reserve $'000	Share option reserve $'000	Retained earnings $'000	Total equity $'000
At 1 August 2012	100,590	5,622	706	8,941	115,859
Total comprehensive income for the period	-	-	-	1,129	1,129
Issued shares	4,500	-	-	-	4,500
At 31 July 2013	105,090	5,622	706	10,070	121,488
At 1 August 2013	**105,090**	**5,622**	**706**	**10,070**	**121,488**
Total comprehensive income for the period	**-**	**-**	**-**	**(132,685)**	**(132,685)**
Issued shares	**12,818**	**-**	**-**	**-**	**12,818**
At 31 July 2014	**117,908**	**5,622**	**706**	**(122,615)**	**1,621**

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.

There were no changes to the share capital of the Company since the end of the previous period reported on.

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 2014, there were 13,100,000 (31 July 2013: 30,781,000) outstanding share options which would entitle the holders to subscribe for a total of 13,100,000 ordinary shares of the Company (31 July 2013: 30,781,000) at a weighted average exercise price of S$0.118 (31 July 2013: S$0.091) per share.

The 13,100,000 share options outstanding at 31 July 2014 are approximately 0.53% of the share capital consisting of 2,447,927,123 issued shares at 31 July 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 July 2014 was 2,447,927,123 (31 July 2013: 1,748,519,374). There were no treasury shares held by the Company at 31 July 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 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			
		4th Quarter (3 Months)		12 Months (FY2014)	
		31 Jul 2014	31 Jul 2013	31 Jul 2014	31 Jul 2013
6(a)	Based on the weighted average number of ordinary shares on issue	**(6.51)**	(0.0033)	**(6.45)**	0.1600
	Weighted average number of ordinary shares (in million)	**2,260.14**	1,681.67	**2,260.14**	1,681.67
6(b)	On a fully diluted basis	**(6.51)**	(0.00)	**(6.45)**	0.16
	Weighted average number of ordinary shares (in million)	**2,260.14**	1,681.67	**2,260.14**	1,681.67

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 2014	31 Jul 2013	**31 Jul 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)	**0.1**	8.1	**0.1**	6.9

Net asset value per ordinary share as at 31 July 2014 is calculated based on the existing issued share capital of 2,447,927,123 ordinary shares outstanding as at 31 July 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

<u>INCOME STATEMENT</u>

<u>Revenue</u>

	4th Quarter ended (3 months)				12 Months Ended			
Business Activity	**31 Jul 14 S$'mil**	**31 Jul 13 S$'mil**	**+ / (-) S$'mil**	**+ / (-) %**	**31 Jul 14 S$'mil**	**31 Jul 13 S$'mil**	**+ / (-) S$'mil**	**+ / (-) %**
Time-sensitive Printing	**2.83**	**1.43**	1.40	97.9%	**11.92**	**15.37**	(3.45)	(22.4%)
Print Management (VIP Client)	**0.50**	**3.46**	(2.96)	(85.5%)	**4.76**	**7.87**	(3.11)	(39.5%)
	3.33	**4.89**	**(1.56)**	**(31.9%)**	**16.68**	**23.24**	**(6.56)**	**(28.2%)**
Other Revenue	**0.34**	**0.01**	0.33	3300.0%	**1.17**	**0.46**	0.71	154.3%
Total Revenue	**3.67**	**4.90**	**(1.23)**	**(25.1%)**	**17.85**	**23.70**	**(5.85)**	**(24.7%)**

Reflecting the industry downtrend for traditional commercial printing and falling customer demand, the Group's revenue for 4th Quarter (3 months) ended 31 July 2014, fell to S$3.67 million, which was S$1.23 million (25.1%) lower than the S$4.90 million achieved in 4Q2013.

Generally, customers are changing their requirements by moving from bulk printing to small volume printing. This is seen in the Group's Revenue from time-sensitive printing, which rose to S$2.83 million in 4Q2014 which is S$1.4 million higher than the S$1.43 million achieved in 4Q2013. It is largely due to increased demand for small quantity print run from existing and new clients especially in the financial and professional service industry.

With the slowdown in China's economy, the Chinese government's credit tightening policies as well as cuts in corporate and government expenditures, revenue from the Group's print management services is derived mainly from MNC and VIP clients, decreased by 85.5% from S$3.46 million in 4Q2013 to S$0.5 million in 4Q2014.

<u>For the full year ended 31 July 2014</u>

For the full year ended 31 July 2014 (FY2014), the Group recorded Revenue of S$17.85 million, which was S$5.85 million (24.7%) lower than the S$23.70 million recorded in FY2013.

<u>Raw materials and consumables used and changes in inventories of finished goods and work-in-progress</u>

In 4Q2014, the cost of raw materials and consumables such as paper, films and plates decreased by 59.9% to S$1.23 million compared to S$3.07 million in 4Q2013, mainly due to lower sales recorded for the reporting period.

For the full year ended 31 July 2014 (FY2014), the cost of raw materials and consumables decreased by S$4.64 million to S$4.79 million recorded in FY2014 mainly due to the lower sales recorded.

<u>Gross profit margin</u>

While the Gross Profit margin ("GP margin"), net of deducting changes in inventories of finished goods and work-in-progress, decreased as compared to corresponding quarter due to lower print management income recorded in the current quarter, the Group's Gross Profit margin ("GP margin), net of deducting changes in inventories of finished goods and work-in-progress, is comparable to last year margin of 73.3% for the full year ended 31 July 2014.

Foreign currency

In 4Q2014, the Group recorded an exchange loss of S$0.14 million versus a S$0.98 million gain in 4Q2013.

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$). The decrease was due to the appreciation of the HK$ against the RMB during the current financial period.

For the full year ended 31 Jul 2014, the Group recorded an exchange gain of S$0.2 million compared to S$2.71 million recorded in FY2013.

Other income

The other income increased by approximately S$0.04 million in full year ended 31 July 2014 as compared to FY2013 mainly due to gain on disposal of plant and equipment in the current financial year.

Staff costs

In 4Q2014, the decrease in staff cost of S$0.35 million as compared to 4Q2013 was mainly due to reduction in staff strength as a result of restructuring of workflow and production processes.

In FY2014, the overall staff cost decreased to S$7.0 million from S$8.47 million in FY2013 mainly due to reduction in staff strength as a result of restructuring of workflow and production processes.

Depreciation

In 4Q2014, the depreciation expense was lower as compared to 4Q2013 was mainly due to lesser depreciable assets during the current quarter.

In FY2014, the depreciation expense was S$0.4 million lower than FY2013 due to lesser depreciable assets compared to FY2013.

Other operating expenses

In line with the Group's commitment to adopt a prudent approach towards financial and operating matters, it took steps to review and asses the collectability and recoverability of various assets under the group and decided to impair those assets to its recoverable value.

The Board decided to have a one-time impairment loss totaling S$142.06 million in 4Q2014.

This one-off provision was mainly due to impairment of goodwill (S$64.48 million), trade & other receivables (S$55.66 million), project receivable (S$8.27 million), available for sale financial assets (S$7.66 million), inventories (S$2.0 million) and plant & equipment (S$4.0 million) as compared to 4Q2013.

The total impairment amount is as follows: -

		S$ '000
a)	Goodwill	64,484
b)	Trade and other receivables	55,657
c)	Project receivable	8,265
d)	Available for sale financial assets	7,655
e)	Inventories	2,000
f)	Plant and equipment	4,000
	Total	142,061

a) Goodwill

The recoverable amount of the Precise Media cash-generating unit ("CGU") for a 5-year period is determined on a value-in-use basis using financial budgets approved by the management.

For 4QFY14, an impairment charge of S$64,484,000 was recorded in the income statement for the goodwill arising from the Group's acquisition of Precise Media Group. This resulted from a decline in the value-in-use of the cash-generating unit as cash flow projections were reduced.

The decline in cash flow projection for the cash generating unit was driven by the increased likelihood of management's decision to defocus on PMG's current commercial print business and to concentrate on print management business.

Moving forward, the Group will continue to tap into PMG's vast geographical network and expand its new line of services beyond print through the establishment of 8-8 Biz Butler business centers which will specialize on more value-added office support services including small-volume print related services targeted at busy executives and professionals.

b) Trade and other receivables

The amount of S$55.7 million comprises the following:-

Trade and other receivables - S$43.4 million

These are mainly trade receivables from PRC customers. In accordance with industry norms, we have given them 1 year credit period. These receivables have been outstanding for more than 1 year, with many of them more than 2 years. Despite strenuous efforts to recover the debts including installment payment plans, results have been unsatisfactory. In view of the difficult trading conditions in the PRC, the Board considers it prudent to provide for the receivables.

Prepaid paper - S$9.1 million
These are specialized customized papers earmarked for a specific ornamental publishing project. Payments were made in prior years to secure the paper source. The project has been put on hold by the publisher and the Group is still in negotiation with the publisher. Pending settlement of the negotiation, the Board considers it appropriate to provide for the sum.

Deposit for machinery - S$3.2 million
This relates to a deposit paid for a custom-built printing cum gluing machine for the project as described in the commentary on prepaid paper above. An impairment loss is accordingly recognized.

c) Project receivable - S$8.2 million
Project receivable relates to revenue derived by a subsidiary from a Chinese encyclopedia publishing project with a publisher during the financial year ended 31 Jul 2010. Under this project, the subsidiary manages the print supply chain management and the publisher manages the marketing and distribution functions. During the financial year ended 2012, due to the implementation of the new marketing strategy by the business partner, the time to receipt of payment from the publisher has been revised from 2013 to 2014. The Group has not been able to recover the remaining debts as promised by the publisher. Consequently the Board has decided to recognize an impairment loss.

d) Available for sale financial assets - S$7.7 million
This investment relates to a balance of 9.9% equity in an unquoted company in the PRC. The investee was supposed to seek a public listing in China but it has so far not materialized. The investee, being in the traditional printing industry, has been badly affected by the decline in business prospects in China. Furthermore the Group is unable to gain access to the financial information of the investee to perform a valuation of this investment. The Board has therefore decided to impair this investment.

e) Inventories - S$2 million
This is part of the Group's inventory of paper kept for its China operations. The Board has decided after reviewing its business prospects in China and current paper prices to write the remaining inventory down to its net realizable value.

f) Plant and equipment - S$4 million
Based on a preliminary review and taking into account the decline of the printing business, the recoverable amount was assessed to be S$4 million below the net book value of the assets. The Board will complete a full assessment on the plant and equipment, including an independent valuation where appropriate.

Despite the impairment, Management will continue with its unrelenting effort to recover the receivables and pursue a satisfactory conclusion to the above mentioned projects.

Finance costs

Finance cost decreased by approximately S$0.05 million in 4Q2014 from S$0.25 million (4Q2013) to S$0.2 million. This is due to the group had paid down the borrowings during the year.

Finance cost decreased by S$0.20 million from S$0.86 million (FY2013) to S$0.66 million in FY2014 as the group paid down its borrowings during the year.

Taxation

Taxation was not significant for the Group.

STATEMENT OF FINANCIAL POSITION

Plant and equipment

The Group's plant and equipment decreased by S$4.04 million from S$12.11 million as at 31 July 2013 to S$8.07 million as at 31 July 2014. This decrease was mainly due to depreciation charges of S$1.9 million, disposal of fixed assets of S$0.5 million and impairment loss of S$4.0 million, partly offset by purchases of equipment of S$2.4 million.

Inventories

The inventory decreased by S$2 million to S$2.15 million as at 31 July 2014 was comparable to S$4.16 million as at 31 July 2013. This decrease was mainly due to a change in stocking policy and write down in inventories amounting to S$2 million.

Trade and other receivables

Trade and other receivables decreased from S$62.8 million as at 31 July 2013 to S$4.2 million as at 31 July 2014 mainly due to impairment loss recognized during the financial period

Trade and other payables

Trade and other payables was S$9.8 million at as 31 July 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$8.7 million from S$11.0 million as at 31 July 2013 to S$2.3 million as at 31 July 2014 mainly due to repayments during the current financial period.

REVIEW OF CASH FLOWS

For the 4th Quarter (being the 3 months ended 31 July 2014)

Net cash generated by operating activities of the Group for 4Q2014 was S$0.02 million as compared to net cash used of S$4.7 million in the corresponding quarter a year ago.

Cash flows used in investing activities in 4Q2014 amounted to S$0.09 million compared to S$0.01 million generated in 4Q2013 mainly due to purchases of equipment during the period.

The Group's net cash used in financing activities for 4Q2014 was S$4.5 million compared to S$1.0 million used during 4Q2013 mainly due to repayment of borrowings.

Overall and including currency translation adjustments, the net increase in cash and cash equivalents in 4Q2014 amounted to S$0.2 million.

For the full year ended 31 July 2014

For the 12 months ended 31 July 2014 or FY2014, net cash used in operating activities was S$0.6 million as compared to S$0.9 million generated in the same period last year.

The net cash used in investing activities in FY2014 was S$2.5 million compared to net cash used of S$0.05 million in FY2013. The cash used was mainly for the purchase of plant and equipment.

For financing activities, the net cash generated in FY2014 was S$2.01 million, compared to net cash generated of S$1.92 million in FY2013 mainly due to proceeds from issued of shares amounted to S$12.82 million during the financial year.

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

On 16 September 2014, the Company announced by way of profit warning that the Company was expected to report a significant net loss for FY2014.

The Group had made a significant loss in 4Q2014 and for the whole of FY2014 due to impairment of goodwill, trade & other receivables, project receivable, available for sale financial assets, inventories and plant & equipment.

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

Due to the rapidly changing trends in the overall print industry and the rise of new media, traditional commercial printing businesses are facing immense pressure to transform to cope with the uncertain business conditions facing the industry.

This adverse industry trend is exacerbated by the difficult business environment in which the Group operates. The impact of these challenges can be seen in the growing number of small, medium and big printers closing down while those remaining in operation had to face a sharp decline in business, especially in recent months. This gave rise to excess capacity thus leading to aggressive price wars and fierce competition among printers. As a result, the Group has experienced significant downward pressure on business volume.

The Group's performance was also impacted by recent developments in China, one of the Group's major markets. China, which is experiencing an economic slowdown, has also been hit by credit tightening controls from the Government's economic cooling measures and massive budget cuts from both corporate and government organisations.

Nevertheless, the Board notes that the Group has certain advantages such as speed, reliable service and an extensive network over its competitors, most notably its smaller competitors in China.

As the attrition and consolidation in the industry continue amidst such challenging operating conditions, the Group has to operate more productively and offer more value-added services to its customers.

Moving forward, the Group will refocus its operations towards smaller volume printing, high-speed digital solutions as well as a full range of office support services to expand its business portfolio and customer base. This will allow it to leverage on new services beyond traditional print services. Already, the Group has started its transformation towards its new business model through the establishment of its 8 to 8 Biz Butler centres. With its new 8 to 8 business concept, the Group will provide value-added office support services and a comprehensive range of products and solutions to meet current trends in demand from corporate customers as well as start-ups and SMEs.

The Group's newly launched 8 to 8 Biz Butler outlet in Kuala Lumpur in mid-November this year, and its first outlet in Guangzhou Knowledge City will be full service business centres which specialize on more value-added business-related services to meet the needs of today's busy executives and professionals as well as organizations that are looking for reliable and quick-turnaround office support services to manage manpower/talent shortages.

Recognizing the structural changes and challenges facing the print media industry, the Group is also exploring other opportunities with the objective of improving the Company's financial performance. There have been on-going discussions with several parties on merger and acquisition opportunities. The Company will make appropriate announcements when substantive progress is achieved.

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 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	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Sales to external customers	**17,854**	23,702	**-**	-	**-**	-	**17,854**	23,702
Inter-segment sales	**1,170**	3,859	**-**		**(1,170)**	(3,859)	**-**	-
Total revenue	**19,024**	27,561	**-**	-	**(1,170)**	(3,859)	**17,854**	23,702
Segment results	**(138,380)**	1,380	**(6,613)**	2,162	-	-	**(144,993)**	3,542
Finance costs							(664)	(861)
(Loss)/Profit before taxation							**(145,657)**	2,681
Income tax expense							(102)	-
Net (loss)/profit for the year							**(145,759)**	2,681

Asset and liabilities	Print media		Corporate and others		Eliminations		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Segment assets	**13,000**	146,924	**1,377**	12,583	**-**	-	14,377	159,507
Unallocated assets							**358**	6,362
Total assets							**14,735**	165,869
Segment liabilities	**6,094**	9,703	**3,736**	3,041	**-**	-	9,830	12,744
Income tax liabilities							**15**	20
Deferred tax liabilities							**20**	20
Unallocated liabilities							**2,791**	11,656
Total liabilities							**12,656**	24,440

Other segment information	**2014**	2013
	$'000	$'000
Capital expenditure	**2,493**	321
Depreciation	**1,900**	2,326
Impairment loss on plant & equipment	**4,000**	**-**
Impairment loss on goodwill	**64,484**	**-**
Impairment loss on available for sale financial asset	**7,655**	**-**
Impairment loss on project receivable	**8,265**	**-**

Geographical Segments	Revenue from external customers		Segment assets		Capital expenditure	
	2014	2013	**2014**	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Singapore	**11,505**	11,978	**13,122**	74,516	**357**	297
Malaysia	**500**	749	**271**	452	**7**	-
Hong Kong	**5,302**	9,834	**533**	72,138	**174**	14
Australia	**23**	74	**64**	64	**-**	-
China	**444**	808	**606**	18,565	**1,955**	3
Others	**80**	259	**139**	134	**-**	7
	17,854	23,702	**14,735**	165,869	**2,493**	321

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 2013 to 31 Jul 2014	**1 Aug 2012 to 31 Jul 2013**	**Increase / (decrease)**
		$'000	**$'000**	**%**
(a)	Sales reported for first half year	**9,454**	**8**	118075.0%
(b)	Operating profit after tax before deducting minortity interests reported for the first half year	**1,038**	**1,896**	(45.3%)
(c)	Sales reported for second half year	**8,400**	**11,124**	(24.5%)
(d)	Operating loss after tax before deducting minority interests reported for the second half year	**(146,797)**	**785**	N.M.

16 A breakdown of the total annual dividend (in dollar value) for the issuer latest full year and its previous full year

	Latest Full Year S$'000	Previous Full Year S$'000
Ordinary-Final	-	525

17 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.

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Fong Sau Kwan @ Foong Sau Kwan	66	Sister of Fong Kah Kuen @ Foong Kah Kuen and aunt of Khoo Choon Meng who are the CEO/substantial shareholder and Executive Director of the Company respectively.	Managing Director of Xpress Print (Pte) Ltd. Fong Sau Kwan manages the printing and publishing activities as well as oversees the sales and marketing department of Xpress Print (Pte) Ltd. 1992	Nil
Foong Sow Peng	64	Sister of Fong Kah Kuen @ Foong Kah Kuen and aunt of Khoo Choon Meng who are the CEO/substantial shareholder and Executive Director of the Company respectively.	Operations Director of Xpress Print (Pte) Ltd. Foong Sow Peng is in charge of the print production of Xpress Print (Pte) Ltd. 1995	Nil
Fong Sau Chun	70	Sister of Fong Kah Kuen @ Foong Kah Kuen and aunt of Khoo Choon Meng who are the CEO/substantial shareholder and Executive Director of the Company respectively.	Director of Xpress Print (Australia) Pty Ltd. Fong Sau Chun manages the operations in Xpress Print (Australia) Pty Ltd, with a focus on customer service. 1996	Nil
Fong Sau Lan	68	Sister of Fong Kah Kuen @ Foong Kah Kuen and aunt of Khoo Choon Meng who are the CEO/substantial shareholder and Executive Director of the Company respectively.	Director of Xpress Print (Australia) Pty Ltd. Fong Sau Lan manages the operations in Xpress Print (Australia) Pty Ltd, with a focus on finance. 1996	Nil
Adelene Lim Hwee Lee	35	Niece of Fong Kah Kuen @ Foong Kah Kuen and cousin of Khoo Choon Meng who are the CEO/substantial shareholder and Executive Director of the Company respectively.	Account Manager of Xpress Print (Australia) Pty Ltd. Adelene Lim performs the role of account servicing for Australian clients. 2005	Nil

BY ORDER OF THE BOARD

Fong Kah Kuen
Director

29 November 2014