



XPRESS HOLDINGS LTD

(Registration No. 199902058Z)

**UNAUDITED RESULTS FOR THE
FIRST QUARTER ENDED 31 OCTOBER 2015**

TABLE OF CONTENTS

Item No.	Description	Page No.
1(a)(i)	Income Statement	1
1(a)(ii)	Explanatory Notes to Income Statement	2 - 3
1(a)(iii)	Statement of Comprehensive Income	3
1(b)(i)	Statement of Financial Position	4
1(b)(ii)	Group Borrowings	5
1(c)	Statement of Cash Flows	6 – 7
1(d)(i)	Statements of Changes in Equity	8
1(d)(ii)-(iv)	Share Capital	9
2 & 3	Audit Statement	9
4 & 5	Accounting Policies	9 - 10
6	Earnings Per Share	10
7	Net Asset Value Per Share	11
8	Group Performance Review	11 – 13
9 & 10	Prospects	13
11 & 12	Dividend	13 - 14
13	Interest Person Transactions	14
14	Use of proceeds from rights issue and shares placement	15
15	Negative Assurance Confirmation on Interim Financial Results Under Rule 705(4) of the Listing Manual	16

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		
Note	31 Oct 2015	31 Oct 2014	Increase / (decrease)	
	\$'000	\$'000	%	
Revenue	1,885	2,497	(24.5%)	
Other income	183	485	(82.9%)	
Total Revenue	1,968	2,982	(34.0%)	
Costs and expenses				
Changes in inventories of finished goods and work-in-progress	109	66	65.2%	
Raw materials and consumables used	(483)	(682)	(29.2%)	
Staff costs	(1,131)	(1,360)	(16.8%)	
Depreciation	(275)	(267)	3.0%	
Foreign currency gain	202	444	(54.5%)	
Other operating expenses	3(599)	(1,043)	(42.6%)	
Finance costs	2(11)	(14)	(21.4%)	
(Loss)/Profit before tax	(220)	126	N.M.	
Income tax	430	-	N.M.	
Net (loss)/profit for the period	(190)	126	N.M.	
Attributable to:				
Equity holders of the parent	(188)	126	N.M.	
Non- controlling interests	(2)	-	N.M.	
Net (loss)/profit for the period	(190)	126	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		
	31 Oct 2015	31 Oct 2014	Increase / (decrease)
	\$'000	\$'000	%
Bad debts recovered	7	-	N.M.
Rental income	-	34	N.M.
Gain on disposal of PPE	-	451	N.M.
Miscellaneous income	76	-	N.M.
Total	83	485	(82.9%)

Note 2 Finance costs comprise the following:

Note	3 MONTHS ENDED		
	31 Oct 2015	31 Oct 2014	Increase / (decrease)
	\$'000	\$'000	%
Interest incurred for:			
- overdrafts	(5)	(10)	(50.0%)
Hire purchase interest	(6)	(4)	50.0%
Total	(11)	(14)	(21.4%)

Note 3 Other operating expenses include the following:

Note	3 MONTHS ENDED		
	31 Oct 2015	31 Oct 2014	Increase / (decrease)
	\$'000	\$'000	%
Marketing expenses	(40)	(56)	(28.6%)
Operating lease expense - office, factories and warehouses	(250)	(382)	(34.6%)

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

Note 4 Income tax comprises the following:

Note	3 MONTHS ENDED		
	31 Oct 2015	31 Oct 2014	Increase / (decrease)
	\$'000	\$'000	%
Current tax- current year	-	-	N.M.
Current tax- prior years	30	-	N.M.
	30	-	

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		
	31 Oct 2015	31 Oct 2014	Increase/ Decrease
	\$'000	\$'000	%
Net (loss)/profit for the period	(190)	126	N.M.
Other comprehensive income:			
Translation differences relating to financial statements of foreign subsidiaries	(452)	(614)	(26.4%)
Translation differences arising on monetary items forming part of net investments in foreign operations	(300)	442	N.M.
Other comprehensive income for the period	(752)	(172)	337.2%
Total comprehensive income for the period	(942)	(46)	1947.8%
Total comprehensive income attributable to:			
Equity holders of the parent	(940)	(46)	1943.5%
Non-controlling interests	(2)	3	N.M.
Total comprehensive income for the period	(942)	(43)	2090.7%

(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 Oct 2015	31 Jul 2015	31 Oct 2015	31 Jul 2015
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Plant and equipment	7,887	8,269	138	149
Investments in subsidiaries	-	-	4,000	4,000
	<u>7,887</u>	<u>8,269</u>	<u>4,138</u>	<u>4,149</u>
Current assets				
Inventories	1,472	1,363	-	-
Trade receivables	5,554	4,973	-	16
Other receivables	1,728	1,872	317	160
Non-trade amount due from subsidiaries	-	-	7,160	5,726
Cash and cash equivalents	862	3,690	143	2,785
	<u>9,616</u>	<u>11,898</u>	<u>7,620</u>	<u>8,687</u>
Total assets	<u>17,503</u>	<u>20,167</u>	<u>11,758</u>	<u>12,836</u>
Equity attributable to equity holders of the parent				
Share capital	125,033	125,033	125,033	125,033
Other reserves	(10,043)	(9,291)	706	706
Accumulated losses	(107,484)	(107,296)	(118,984)	(118,871)
	<u>7,506</u>	<u>8,446</u>	<u>6,755</u>	<u>6,868</u>
Non-controlling interests	178	180	-	-
Total equity	<u>7,684</u>	<u>8,626</u>	<u>6,755</u>	<u>6,868</u>
Non-current liabilities				
Obligations under finance lease	576	549	110	83
Deferred tax liabilities	-	-	-	-
	<u>576</u>	<u>549</u>	<u>110</u>	<u>83</u>
Current liabilities				
Trade and other payables	8,104	9,261	2,496	3,650
Trade amount due to subsidiaries	-	-	39	39
Non-trade amount due to subsidiaries	-	-	2,325	2,134
Interest-bearing borrowings	548	1,099	-	-
Obligations under finance lease	569	610	33	62
Current tax payable	22	22	-	-
	<u>9,243</u>	<u>10,992</u>	<u>4,893</u>	<u>5,885</u>
Total liabilities	<u>9,819</u>	<u>11,541</u>	<u>5,003</u>	<u>5,968</u>
Total equity and liabilities	<u>17,503</u>	<u>20,167</u>	<u>11,758</u>	<u>12,836</u>

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 October 2015		As at 31 July 2015	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
569	548	1,160	549

Amount repayable after one year

As at 31 October 2015		As at 31 July 2015	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
576	-	549	-

Details of any collateral:

Secured borrowings at 31 October 2015 mainly refer to the following:

- Finance lease liabilities amounting to S\$1.15 million that are secured by the respective motor vehicles and machinery purchased under finance leases.
- Bank overdraft of \$0.55 million that were secured by fixed deposits of S\$0.54 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	
	3 Months Ended	
	31 Oct 2015	31 Oct 2014
	\$'000	\$'000
Operating activities		
(Loss)/Profit before taxation	(220)	126
Adjustments for:		
Interest expense	2 11	14
Depreciation of plant and equipment	275	267
Gain on disposal of plant and equipment, net	-	(450)
Operating profit before working capital changes	66	(43)
Changes in working capital:		
Inventories	(109)	(66)
Trade and other receivables	(437)	(893)
Trade and other payables	(1,157)	898
Cash generated from operations	(1,637)	(104)
Income tax refund	30	-
Cash flows used in operating activities	(1,607)	(104)
Investing activities		
Purchase of plant and equipment	(45)	(312)
Proceeds from disposal of plant and equipment, net	-	450
Cash flows (used in)/ generated from investing activities	(45)	138
Financing activities		
Interest paid	(11)	(14)
Repayment of finance lease instalments	(14)	(36)
Repayments of borrowings	-	(172)
Cash flows used in from financing activities	(25)	(222)
Foreign currency translation adjustments	(600)	158
Net decrease in cash and cash equivalents	(2,277)	(30)
Cash and cash equivalents at beginning of the period	2,053	(1,255)
Cash and cash equivalents at end of the period	(224)	(1,285)

A

Explanatory notes to the consolidated cash flow statement

Note A. Cash and cash equivalents comprise the following:

	31 Oct 2015	31 Oct 2014
	\$'000	\$'000
Cash at bank and in hand	322	446
Fixed deposits	540	-
Cash and cash equivalents	862	446
Bank overdrafts (secured)	(546)	(1,191)
Fixed deposits pledged	(540)	(540)
Cash and cash equivalents in the cash flow statement	(224)	(1,285)

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	Currency translation reserve \$'000	Share option reserve \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 August 2014	117,908	(10,948)	706	(107,610)	56	183	239
Total comprehensive income for the period	-	(172)	-	126	(46)	3	(43)
At 31 October 2014	117,908	(11,120)	706	(107,484)	10	186	196
At 1 August 2015	125,033	(9,997)	706	(107,296)	8,446	180	8,626
Total comprehensive income for the period	-	(752)	-	(188)	(940)	(2)	(942)
At 31 October 2015	125,033	(10,749)	706	(107,484)	7,506	178	7,684

Statement of Changes in Equity for the Company

Attributable to equity holders of the Company

	Share capital \$'000	Share option reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 1 August 2014	117,908	706	(117,965)	649
Total comprehensive income for the period	-	-	333	333
At 31 October 2014	117,908	706	(117,632)	982
At 1 August 2015	125,033	706	(118,871)	6,868
Total comprehensive income for the period	-	-	(113)	(113)
At 31 October 2015	125,033	706	(118,984)	6,755

- 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 movements in the Company's share capital for the financial period ended 31 October 2015.

Share Options

The Company has a share option scheme known as Xpress Holdings Executives' Share Option Scheme 2001 (the "Option Scheme") which was approved by members of the Company at the Extraordinary General Meeting held on 25 June 2001. The Option Scheme expired in July 2010 without being renewed.

At 31 October 2015, there were 3,900,000 (31 October 2014: 8,500,000) outstanding share options which would entitle the holders to subscribe for a total of 3,900,000 ordinary shares of the Company (31 October 2014: 3,900,000) at a weighted average exercise price of S\$0.15 (31 October 2014: S\$0.114) per share. The last of these outstanding share options would lapse or expire should they remain unexercised by 28 February 2017.

- 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 October 2015 was 3,547,927,123 (31 October 2014: 2,447,927,123). There were no treasury shares held by the Company at 31 October 2015.

- 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**

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 July 2015.

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 applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the year ended 31 July 2015, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 August 2015.

Financial Reporting Standards ("FRS") which became effective for the Group's financial period beginning 1 August 2015 are:

Amendments to FRS 19 Defined Benefit Plans: Employee Contributions
Improvements to FRSs (January 2014)
Improvements to FRSs (February 2014)

The Group does not expect any significant financial impact on the financial statements from the adoption of these amendments to FRSs.

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	
	Three Months (3 Months)	
	31 Oct 2015	31 Oct 2014
6(a) Based on the weighted average number of ordinary shares on issue	(0.0050)	0.0050
Weighted average number of ordinary shares (in million)	3,547.93	2,447.92
6(b) On a fully diluted basis	(0.0050)	0.0050
Weighted average number of ordinary shares (in million)	3,547.93	2,447.92

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 Oct 2015	31 Oct 2014	31 Oct 2015	31 Oct 2014
Net asset value per ordinary share based on issued share capital at the end of the financial period / year (in cents)	0.22	0.008	0.19	0.040

Net asset value per ordinary share as at 31 October 2015 is calculated based on the existing issued share capital of 3,547,927,123 ordinary shares outstanding as at 31 October 2015 (31 October 2014: 2,447,927,123).

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	Three-Month (3 Months Ended)			
	31 Oct 15 S\$'mil	31 Oct 14 S\$'mil	+ / (-) S\$'mil	+ / (-) %
Printing revenue	1.88	2.40	(0.52)	(21.7%)
Other Revenue	-	0.10	(0.10)	NM
Total Revenue	1.88	2.50	(0.62)	(24.8%)

Overview

For 1Q2016, the Group recorded Printing Revenue of S\$1.88 million, which was S\$0.52 million (21.7%) lower than the S\$2.40 million achieved in 1Q2015 mainly due to lower revenue contribution from our local and overseas operations.

The intense competition amidst a shrinking market has continued in the Singapore and China markets. At the same time, new technologies from the digital print segment replaced a significant portion of the demand in the traditional offset printing segment.

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

In 1Q2016, the cost of raw materials and consumables such as paper, films and plates decreased by 29.2% to S\$0.48 million compared to S\$0.68 million in 1Q2015, which is in line with the lower Revenue.

Other income

Other income was S\$0.08 million in 1Q2016 was lower than the S\$0.49 million recorded in 1Q2015 mainly due to the absence of the gain on the sale of plant and equipment in 1Q2015.

Foreign currency gain

The Group recorded an exchange gain of S\$0.2 million in 1Q2016, compared with S\$0.44 million in 1Q2015.

This was mainly attributable to the translation of trade receivables and payables that are denominated in foreign currencies which had appreciated in value.

Staff costs

Staff costs for 1Q2016 was S\$1.13 million, 17% lower than the S\$1.36 million in 1Q2015, mainly due to lower staff strengths for the Group's entities.

Depreciation

Depreciation charges for 1Q2016 were comparable with that recorded for 1Q2015.

Other operating expenses

Other operating expenses were lower in 1Q2016 compared to 1Q2015 mainly due to lower rental expenses for the Singapore plant and lower legal fees incurred.

Taxation

Taxation was not significant for the Group as the profitable companies within the Group had tax losses from prior years available for set off against the current year's taxable income. The taxation for 1Q2016 was a tax refund in relation to a prior year.

STATEMENT OF FINANCIAL POSITION

Property, plant and equipment

The Group's plant and equipment of S\$7.9 million was lower by \$0.4 million at the end of 1Q2016 compared to S\$8.3 million at the end of FY2015, mainly due to the 1Q2016's depreciation charge.

Inventory

The inventory as at 31 October 2015 increased by S\$0.1 million compared to 31 July 2015 mainly due to increase in paper inventory in 1Q2016.

Trade and other receivables

Trade receivables increased by S\$0.55 million from S\$5.0 million as at 31 July 2015 to S\$5.55 million as at 31 October 2015 mainly due to uncollected receivable for sales mainly relating to 1Q2016.

Other receivables decreased by S\$0.14 million from S\$1.87 million as at 31 July 2015 to S\$1.73 million as at 31 October 2015 mainly due to settlement of deposits on lease expiry.

Trade and other payables

Trade and other payables decreased from S\$9.2 million as at 31 July 2015 to S\$8.1 million as at 31 October 2015 mainly due to repayment of long and outstanding liabilities using the proceeds from the Company's share placement exercise in July 2015.

Borrowings

Interest-bearing borrowings decreased by approximately S\$0.55 million from S\$1.1 million as at 31 July 2015 to S\$0.55 million as at 31 October 2015 mainly due to a redemption of bank overdraft using the proceeds from the Company's share placement exercise in July 2015.

REVIEW OF CASH FLOWS

In 1Q2016, the cash and cash equivalents decreased by S\$2.3 million mainly due to changes in working capital as shown under the cash flows used in operating activities.

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 and transformation facing the print industry and will leverage on the Group's strength in delivering speed, reliability and quality as a competitive advantage over our competitors. At the same time, the Board has instructed management to review the Group's operations with a view to restructuring any geographical segment that is not expected to generate any meaningful profit contribution to the Group in the longer term. The Board's strategy is to consolidate the Group's core strengths and meanwhile, look for new investments that can diversify revenue streams.

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 and shares placement

- a) Further to the announcement made on 29 September 2015, 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 disclosed in the Offer Information Statement dated 14 October 2013 as follows:

Purpose	Amount Allocated (\$ '000)	Reallocated amount (\$ '000)	Amount Utilised (\$ '000)	Balance (\$ '000)
1. Repayment of existing debts	3,980	-	(3,980)	-
2. Business development and expansion	6,800	(3,666)	(3,134)	-
3. General working capital purpose	2,038	3,666	(5,194)	510
	12,818	-	(12,308)	510

- b) Further to the announcement on 29 September 2015, the Board wishes to provide a further update on the use of proceeds from the shares placement as disclosed in the Circular to shareholders of the Company dated 24 June 2015 as at the date of this announcement, as follows:

Use of Proceeds	Amount Allocated (S\$'000)	Amount Utilised (S\$'000)	Reallocated Amount (S\$'000)	Balance (S\$'000)
Loans from financial institutions	1,958	1,668	(290)	-
Other claims by creditors	1,578	1,217	(361)	-
Claims from landlord	913	568	(345)	-
Repayment of Loan from Investor	1,080	1,097	17	-
Working capital requirements	1,471	2,725	1,254	-
- Rental of office premises	84	84	-	-
- IRAS	186	186	-	-
- Outstanding salaries	459	459	-	-
- Outstanding professional fees	32	32	-	-
- Outstanding Directors' fee	200	200	-	-
- Trade creditors	510	1,764	1,254	-
Professional and administrative fees in relation to the Placement	700	282	(275)	143
TOTAL	7,700	6,671	-	143

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 October 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lim Huan Chiang
Executive Director and CEO
15 December 2015