

XPRESS HOLDINGS LTD
(Incorporated in the Republic of Singapore)
(Company Registration No. 199902058Z)

PROFIT GUIDANCE FOR THE SECOND QUARTER ENDING 31 JANUARY 2016

The Board of Directors (the “**Board**”) of Xpress Holdings Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to advise shareholders that the Group is expected to extend its net loss for the second quarter ending 31 January 2016 (“**2QFY2016**”).

Over the past two years, the Group’s effort on upgrading the infrastructure to keep up with the digitalisation of the printing industry has mainly been confined to our Singapore operations which remained profitable. This was helped by Singapore being an open economy having an abundance of skilled manpower resources. However, the Group’s foreign operations, particularly in the People’s Republic of China, faced a shortage of the required skilled labour to effect such a transformation, in addition to keen competition from digital media providers and country-specific economic factors.

Consequently, the Group’s operations in these geographical regions have continued to experience declining revenues and sustained losses as reported in the recent previous quarters. In order to address the geographical and industry-specific challenges faced by the Group, the Board has adopted a strategy of restructuring the Group’s assets based on a critical analysis of various options.

One option is for the Group to upgrade and transform its equipment to digitalise and upscale the production processes and enhance training in new technical expertise to upgrade our manpower resources. This transformation process requires further investment in capital outlay and highly-skilled human resources which therefore carries high business risks with uncertain investment horizon.

In order to minimise future losses to the Group, the other options are either to sell off or voluntarily liquidate the loss-making subsidiaries. A disposal of these assets will allow the Group to streamline its structure and to reduce its fixed operating costs. It will also enable the Company to free up its resources and capital for allocation to its other profitable operations.

The Company will release further announcements to inform shareholders of the Company’s plans when there are material developments. This profit guidance is based on a preliminary review of the draft management accounts of the Group for 2QFY2016 as at the date of this announcement. Further details of the Group’s financial performance will be disclosed when the Company finalises and announces its unaudited financial results for 2QFY2016 on or before 16 March 2016.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. When in doubt, shareholders and potential investors of the Company are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.

By Order of the Board

Lim Huan Chiang
Executive Director and Chief Executive Officer
15 January 2016