

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

**RESPONSE TO QUERIES FROM THE SGX ON THE LATEST RESULTS
ANNOUNCEMENT**

The Board of Directors of Xpress Holdings Ltd (the “**Company**”) (the “**Board**”) refers to the query raised by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 29 March 2016 in relation to the Company’s Results Announcement for the 2nd Quarter ending 31 January 2016 (“2QFY2016”) and appends the requisite replies as follows:

SGX Query:

We note that the Group is in a negative working capital position as at 31 January 2016 and has net cash used in operating activities of approximately \$(1,326,000) for the 6 months period ended 31 January 2016. In this regard, please explain whether the Group is able to meet its short-term obligations as and when they fall due, and to provide reasons for your views.

Company’s response:

According to the management’s internal cash flow projection, the Company will be able to meet the working capital requirements for the next six months. As disclosed in the Company’s 2QFY2016 Results Announcement, the Company is also planning to raise additional capital to strengthen the Group’s cash position and to mitigate any heightened liquidity risk. The capital raising will be via private placement of the Company’s shares to potential investors within the general mandate obtained from the shareholders at the Company’s last Annual General Meeting and/or by the exercise of share warrants by the Board Chairman.

As such, the Board is confident that the Group will be able to meet all of its short-term obligations as and when they fall due.

By Order of the Board

Lim Huan Chiang
Executive Director and Chief Executive Officer
31 March 2016