

XPRESS HOLDINGS LTD
Registration No. 1999025058Z
(Incorporated in Singapore)

**RESPONSE TO SGX IN RELATION TO XPRESS HOLDINGS LTD'S (THE "COMPANY")
ANNOUNCEMENT ON FULL YEAR RESULTS.**

The Board of Directors wishes to inform investors that the SGX has raised a question regarding the Company's full year results and the Company's response to the query is as follows:-

Query from SGX:

"We note that the Group's Available-for-sale financial assets amounted to \$16.6m as at 31 July 2009. As this represented a material increase of \$16.3m over the balance of \$0.3m as at 31 July 2009, please provide reasons to explain the increase and to provide details on the nature of such financial assets."

Response by Company:

The increase in the Group's Available-for-sale financial assets arises from the application of accounting policies in compliance with accounting standards.

The Group had previously owned 30% of Shenzhen Jiaxinda Printing Co., Ltd ("JXD"), an associated company. The Group sold 10.1 percentage points of the 30% owned, or about 33.67% of the original stake, leaving the Group with ownership of 19.9% of JXD. As a result, and in compliance with FRS 28, JXD ceased to be an associated company and became an investment. Accordingly, the remaining 19.9% equity stake in JXD amounting to \$4.1 million was transferred to, and classified as, Available-for-sale financial assets.

In accordance with FRS 39, this \$4.1 million Available-for-sale financial asset has to be carried at fair value. Using the latest market price, being the last transacted sale price, as a basis for fair valuing JXD, the Group was required to uplift the \$4.1 million investment transferred to Available-for-sale financial assets to \$16.6 million. The exercise created a gain on revaluation of \$12.5 million which, in compliance with the Group's accounting policy, was taken to Revaluation Reserve under Shareholders Equity. This meant that none of the gain on revaluation was taken as a profit to the Group's consolidated income statement.

Thereafter, and specifically as at 31 July 2009, the investment in JXD was carried at \$16.6 million in the Group's and Company's books as Available-for-sale financial assets.

By Order of the Board

POH ENG SENG
Chief Executive Officer
29 September 2009