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## **XPRESS GROUP LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 185)**

### **MAJOR TRANSACTION**

On 25 January 2013, XCL entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has placed out the Placing Shares to Investors for approximately S\$34,431,000 (approximately HK\$217,948,000).

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Placing, when aggregate with the Disposal and Deemed Disposal, exceed 25% but less than 100%, the Placing constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and consequently are subject to notification, publication and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Written approval of the execution and performance of the Placing Agreement and the transactions thereby contemplated was on 25 January 2013 obtained from a Closely Allied Group of Shareholders who together holding approximately 73.73% of the current issued share capital of the Company. As no shareholders of the Company are required to abstain from voting at a general meeting to approve the Placing Agreement and the transaction thereby contemplated, the written approval of the Closely Allied Group of Shareholders has been accepted under the Listing Rules in lieu of a majority vote at a general meeting of the Company to approve the Placing Agreement and the transactions thereby contemplated.

A circular containing, among others things, details of the Placing and other disclosure requirements under the Listing Rules will be dispatched to the Shareholders on or before 26 April 2013.

On 25 January 2013, XCL entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has placed out the Placing Shares to Investors for approximately S\$34,431,000 (approximately HK\$217,948,000). The Placing Agent has used all reasonable endeavours to ensure that such investors shall be third parties independent of and not connected to the Company and the Directors, chief executive or substantial Shareholders (as defined under the Listing Rules) of the Company, any of its subsidiaries or their respective associates.

## THE PLACING AGREEMENT

Date	:	25 January 2013
Parties	:	(a) XCL; and (b) the Placing Agent.
Placing Agent	:	Phillip Securities Pte Ltd, as the Placing Agent pursuant to the Placing Agreement
		To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, the Placing Agent is an independent third party and not a connected person (as defined under the Listing Rules) of the Company
Investors	:	19 Individual, institutional and other professional investors who are third parties independent of and not connected to the Company and the Directors, chief executive or substantial Shareholders (as defined under the Listing Rules) of the Company, any of its subsidiaries or their respective associates
Amount of the Placing Shares	:	2,550,441,019 SingXpress Shares
Placing Price	:	approximately S\$34,431,000 (approximately HK\$217,948,000), being S\$0.0135 per SingXpress Share
Commission	:	Approximately S\$172,000 (approximately HK\$1,090,000), being 0.5% of the aggregate selling amount of the SingXpress Shares sold by the Placing Agent

The Placing Price of S\$0.0135 per SingXpress Share represents a discount of 10% over the closing price of SingXpress Share of S\$0.015 as at 25 January 2013 and a discount of approximately 15% over the average closing price per SingXpress Share of S\$0.0159 during the last one month up to and including the date of the Placing Agreement.

## REASONS FOR ENTERING INTO THE PLACING AGREEMENT AND USE OF PROCEEDS

XCL is engaged in investment holdings. The Group is principally engaged in property development and property trading and investments, treasury investments and hotel operation.

The Placing is expected to generate a profit of approximately S\$4,054,000 (approximately HK\$25,661,000) to the Group, which is determined on basis of the difference between the equity attributable to the shareholders of SingXpress as at 30 September 2012 and after adjusting for the conversion of the convertible perpetual preference shares of SingXpress in November 2012, which is approximately S\$30,377,000 (approximately HK\$192,287,000) and the aggregate consideration of the Placing.

The Directors are of the view that the Placing provides an opportunity to generate additional working capital for the Group. It also allows the Company to be in a position to capture future opportunities in the property development business as and when they arise. Accordingly, the Directors are of the view that the Placing are in the best interests of the Company and its shareholders as a whole.

Before the Placing, XCL has interest in 2,550,441,019 SingXpress Shares representing about 19.8% of the issued share capital of SingXpress and SingXpress is accounted for as an associate of the Company. The Group does not hold any SingXpress Shares after the Placing and SingXpress ceased to be an associate of the Company.

## INFORMATION OF SINGXPRESS

SingXpress is engaged in property development and property trading and investment and treasury investments, whose shares are listed on the SGX-ST.

Based on the audited financial statements of SingXpress, which are prepared in accordance with accounting principles generally accepted in Singapore, the consolidated net profit or loss before and after taxation for the two years ended 31 March 2012 and the consolidated net asset value of SingXpress as at 31 March 2011 and 2012 are as follows:

	<b>For the year ended 31 March</b>	
	<b>2011</b>	<b>2012</b>
	<b>HK\$'</b>	<b>HK\$'</b>
Net profit before taxation	15,236,000	<b>247,000</b>
Taxation	(4,861,000)	<b>(2,412,000)</b>
Profit (loss) after taxation	10,375,000	<b>(2,165,000)</b>
	<b>As at 31 March</b>	
	<b>2011</b>	<b>2012</b>
	<b>HK\$'</b>	<b>HK\$'</b>
Net asset value	86,873,000	<b>270,886,000</b>

## LISTING RULES IMPLICATIONS

Reference is made to the announcements of the Company dated 19 April 2012 and 1 June 2012 in relation to the Disposal and Deemed Disposal. The Placing when aggregate with the Disposal and Deemed Disposal, constitute a major transaction for the Company under the Listing Rules, since the applicable percentage ratios (as set out in the Listing Rules) are more than 25% but less than 100%.

Written approval of the execution and performance of the Placing Agreement and the transactions thereby contemplated was on 25 January 2013 obtained from a Closely Allied Group of Shareholders who together holding approximately 73.73% of the current issued share capital of the Company. As no shareholders of the Company are required to abstain from voting at a general meeting to approve the Placing Agreement and the transactions thereby contemplated, the written approval of the Closely Allied Group of Shareholders has been accepted under the Listing Rules in lieu of a majority vote at a general meeting of the Company to approve the Placing Agreement and the transactions thereby contemplated.

A circular containing, among others things, details of the Placing and other disclosure requirements under the Listing Rules will be dispatched to the Shareholders on or before 26 April 2013 as the Company expects it would take approximately 3 months for the preparation and finalization of the Circular including, among others, to compile indebtedness statement, working capital statement of the Group.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

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| “associates”                           | the meaning ascribed to it under the Takeovers Code   |
| “Board”                                | the board of directors of the Company   |
| “Closely Allied Group of Shareholders” | <ol style="list-style-type: none"><li>(1) Heng Fai Master Holdings Limited, which are ultimately owned by a discretionary trust established by Mr. Chan Heng Fai (being a director of the Company) as settlor, is a beneficiary of 1,776,785,806 shares (50.53%) of the Company;</li><li>(2) Prime Star Group Co. Ltd, wholly owned by Ms. Chan Yoke Keow (being a director of the Company), is a beneficiary of 592,039,274 shares (16.84%) of the Company;</li><li>(3) Mr. Chan Heng Fai (the spouse of Ms. Chan Yoke Keow, being a director of the Company) owns 3,124,300 shares (0.09%) of the Company; and</li><li>(4) Ms. Chan Yoke Keow (the spouse of Mr. Chan Heng Fai) owns 220,357,843 shares (6.27%) of the Company.</li></ol> |

“Company”	Xpress Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	completion of the Placing
“connected person(s)”	the meaning ascribed to it under the Listing Rules
“Deemed Disposal”	the issuance of 243,000,000 new SingXpress Shares for S\$3,040,000 pursuant to the subscription agreement dated 30 May 2012, which constituted a deemed disposal of SingXpress and discloseable transaction for the Company. Details of which was disclosed in the announcement of the Company dated 1 June 2012
“Disposal”	the disposal of 200,112,000 SingXpress Shares by XCL from 16 April 2012 to 18 April 2012 through open market, representing approximately 5.98% of the then issued and paid-up capital of SingXpress at an aggregate consideration of approximately S\$4,078,000, which constituted a discloseable transaction for the Company. Details of which was disclosed in the announcement of the Company dated 19 April 2012
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) which is/are not connected person(s) of the Company (as defined in the Listing Rules) and is/are independent of the Company and its connected persons
“Investors”	the 19 Individual, institutional and other professional investors of the Placing Shares procured by the Placing Agent for and on behalf of XCL, which shall be Independent Third Parties
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the offer by way of private sale of the Placing Shares procured by the Placing Agent to selected investors on the terms and conditions of the Placing Agreement
“Placing Agent”	Phillip Securities Pte Ltd, holder of a Capital Markets Services licence to deal in securities, fund management, corporate finance, securities financing and custodial services granted by the Monetary Authority of Singapore

“Placing Agreement”	the agreement dated 25 January 2013 entered into between XCL and the Placing Agent in relation to the appointment of the Placing Agent for the Placing
“Placing Shares”	2,550,441,019 SingXpress Shares, legally and beneficially owned by XCL, representing approximately 19.8% of the issued share capital of SingXpress as at the date of this announcement
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shareholders”	the holders of Shares
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“SingXpress”	SingXpress Land Ltd., the shares of which are listed on the SGX-ST
“SingXpress Shares”	ordinary share of SingXpress
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“XCL”	Xpress Credit Limited, an indirect wholly owned subsidiary of the Company
“%”	per cent.

By Order of the Board  
**Xpress Group Limited**  
**Chan Tong Wan**  
*Managing Director*

Hong Kong SAR, 25 January, 2013

*As at the date of this announcement, the Board comprises of the executive directors Mr. Chan Heng Fai, Mr. Chan Tong Wan, Ms. Chan Yoke Keow and non-executive director Mr. Fong Kwok Jen as well as independent non-executive directors Mr. Wong Dor Luk, Peter, Mr. Wong Tat Keung and Mr. Chan King Fai.*