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XPRESS GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 185)

Overseas Regulatory Announcement

This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the attached announcement of SingXpress Land Ltd, which is listed on the Singapore Exchange Securities Trading Limited and a 62.68% owned subsidiary of Xpress Group Limited.

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

Hong Kong, 18 April, 2011

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. Joao Paulo Da Roza and Mr. Wong Tat Keung.

SINGXPRESS LAND LTD

Registration No. 198803164K

SingXpress Land Ltd (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”), 62.68% owned and controlled by its parent Xpress Group Limited (the “**Xpress Group**”) (which is listed in Hong Kong), has in recent years pursued various activities in the property sector in Singapore and in a limited extent in Hong Kong.

Current Core Businesses

In Singapore, the Company has acquired an office premise and residential properties for rental income with a view to longer term price appreciation, both freehold and leasehold properties. These include several units in the Southbank, a leasehold apartment/SOHO development for dual uses as residences or offices.

The Group has also embarked on two property development projects. The first is a freehold site at Charlton Road, which was purchased in mid 2010 as an en-bloc sale of 21 old walkup apartments which the Group has formed a 80:20 joint venture to redevelop into 21 quality cluster 3 storeys terrace houses with lap pools and underground car-parks. This development is scheduled for completion in 2012. The second is a freehold site in Balestier, which was purchased in November 2010 as an en-bloc sale of an old tower block known as the Waldorf Mansions which the Group would on its own redevelop into a new condominium block for sale. This re-development is tentatively scheduled to commence later this year and would take an estimated 2 years to complete.

In Hong Kong, since December 2009, the Group has been investing in a portfolio of small one or two bedroom(s) residential properties in Hong Kong, strategically located near MTR stations, which generate rental incomes.

Expansion Strategy To Core Business

So far, the Group has engaged in modest property activities as the board of directors of the Company (the “**Board**”) recognises the constraints of its current capital base. However, the Board recognises the need to move into larger and varied development or redevelopment projects.

The Group seeks to be involved in more property activities, but without at all times committing the majority of the equity in each of such projects. So, one strategy for the Group is to have a syndication approach (which can be more broadly generalized as an “investment banking” approach) where the Group takes a lead to seek out land sites or property opportunities, a lead to set the commercial parameters (including the level of debt

and equity) and then bring in co-investors and joint venture partners on such projects, playing as far as possible a lead or co-lead role for the duration of such projects.

Some New Areas

The Board is in the process of looking at several new areas for property activities apart from its current strategy of pursuing the purchase of land under small scale en-bloc sale of old residential sites.

One new area is in the Singapore public housing sector of the Design, Build and Sell Scheme (“DBSS”) managed by the Housing and Development Board. Under the DBSS, successful bidders design and build such DBSS flats for sale to Singapore citizens. The Company sees the DBSS as a lower risk opportunity for the Group to grow into larger scale real-estate projects. Moreover, as they are large, such DBSS requires substantial equity and funding, which lends itself to the co-investors and joint ventures approach. The Company will be seeking shareholders’ approval to bid on such DBSS projects. Other new areas may include the sourcing of land on the fringes of the Central Business District to syndicate a new office tower development as the Company sees an opportunity in quality strata titled offices.

Drawing on the Support Of Its Parent

The parent company in Hong Kong, Xpress Group, has been providing support to the Group for some time. For instance, the parent company has provided financing on an interest free basis on several of the Group’s projects.

Going forward, under the “investment banking” approach, the Company can also look to its parent for greater degree of involvement as co-investor or joint venture partner or for greater involvement as project financier.

The Company will be seeking from Shareholders a general mandate on interested person transactions to facilitate such involvement by its parent, the Xpress group because of:

- (i) the likelihood of participation by the Xpress Group, on an increasing scale in underlying projects that the Company may lead or co-lead as co-investor or joint venture partner;
- (ii) the possible role of the Xpress Group to take a co-lead role to syndicate co-investors or joint venture partners from Hong Kong where the Xpress Group has its base;
- (iii) while it is still in the interest of the Xpress Group as a parent to provide interest free support, such interest free concessionary support is expected to be limited because :

- (a) the parent company may in turn have to incur interest costs which it has to pass down to the Company as and when the sums involved become large or protracted ; and
- (b) the parent company would have to charge interest for financing support to underlying projects which the Company (as a result of bringing in co-investors or joint venture partners) only has a modest minority participation.

Therefore seeking a general mandate as soon as possible would facilitate such roles by the parent Xpress Group and which the Group in Singapore can then leverage on. It must also be borne in mind that the parent Xpress Group is listed on the Stock Exchange of Hong Kong Limited and such general mandate is also welcomed by governance requirements in Hong Kong when assistance and participation by the parent goes beyond the current levels.

Proposed Engagement of Mr Yeo Wee Kiong

To reinforce the new approach as set out above, the Company is also proposing to engage the assistance of Mr Yeo Wee Kiong as a business adviser for an initial 3-year term.

With his varied experience in law, investment banking and private equity together with his extensive business contacts, Mr. Yeo will be available as and when necessary to share with the Company his knowledge and experience in corporate commercial structures for co-investing and joint ventures. He will also be available to assist the Company in developing a pool of potential co-investors and joint venture partners. The Company proposes to align Mr Yeo's interest with shareholders by granting him share options as set out below. A copy of Mr. Yeo's curriculum vitae will be enclosed in the circular to be dispatched to Shareholders together with the notice convening an extra-ordinary general meeting to approve the said options.

The share options to Mr. Yeo are to subscribe for an aggregate of up to 20 million new shares in the Company (the "**New Shares**"), the 20 million New Shares representing approximately 5.38 % of the total outstanding and issued shares of the Company as at the date of this announcement. The share options are in 4 tranches set out below:

- (i) Options over 5 million New Shares, vested on the date of grant, with an exercise price per New Share of S\$0.035, being a 40% premium above the last transacted price of the Shares of S\$0.025 as at the date of this announcement ("**Last Transacted Price**");

- (ii) Options over 5 million New Shares, vested on the date of grant, with an exercise price per New Share of S\$0.040, being a 60% premium above the Last Transacted Price;
- (iii) Options over 5 million New Shares, to be vested on the 1st anniversary of the date of grant, with an exercise price per New Share of S\$0.035, being a 40% premium above the Last Transacted Price; and
- (iv) Options over 5 million New Shares, to be vested on the 1st anniversary of the date of grant, with an exercise price per New Share of S\$0.040, being a 60% premium above the Last Transacted Price.

To further align Mr Yeo's interest and as an indication of his commitment, the Board has further invited Mr Yeo to be appointed as a non-executive director and to be the new non-executive Chairman of the Board. To make such board appointment concurrent with the said advisory term of 3 years, the Board will be seeking shareholders approval at the coming EGM to vote to appoint Mr. Yeo as such. As the new chairman, Mr Yeo would be concurrently carrying out his advisory services as aforesaid in addition to discharging the customary duties of a non-executive director and as Chairman of the Board.

Upon Mr. Yeo's appointment as the non-executive Chairman of the Board, Mr. Chan Heng Fai, the current Chairman of the Board, will be re-designated as the Managing Director of the Company.

EXTRA-ORDINARY GENERAL MEETING TO BE CONVENED

The Company will be convening an extra-ordinary meeting (**EGM**) to seek the approval of Shareholders on, *inter alia*, the following matters:

- (i) the Company's general direction in undertaking an "investment banking" approach to engage in larger real estate deals with participations from co-investors and joint venture partners;
- (ii) in connection with (i), the Group to participate in development projects under the DBSS subject to the aggregate size of the project(s) not exceeding S\$300 million;
- (iii) in connection with (i) , the Group to acquire one or more en-bloc sites for holding and/or re-development provided that the total acquisition and/or re-development costs for all these en-bloc sites shall not exceed S\$200 million;

- (iv) a general mandate for interested person transactions in connection with Xpress Group, a controlling shareholder, participating as a partner in any of the Company's real estate project, whether as co-investor, joint venture partner or as project financier (in whole or in part);
- (v) the grant to Mr. Yeo Wee Kiong of share options to subscribe for up to 20 million new shares in the Company; and
- (vi) the appointment of Mr. Yeo Wee Kiong, as non-executive director of the Board for a 3-year term (in which capacity he shall also assume chairmanship of the Board and act as business adviser to the Group).

A circular together with the notice of EGM will be sent to Shareholders in due course.

As at the date of this announcement, Xpress Group through its subsidiary holds approximately 62.68% shareholding interest in the Company and is the parent company of the Company.

BY ORDER OF THE BOARD

Chan Tong Wan
Executive Director
18 April 2011

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited, for compliance with the relevant rules of the Exchange. The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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