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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 notice 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, 30 June, 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 and Mr. Wong Tat Keung.

NOTICE OF EXTRAORDINARY GENERAL MEETING

All capitalised terms in this Notice of Extraordinary General Meeting and defined in the circular dated 30 June 2011 (the "Circular") shall, unless otherwise defined herein, bear the respective meanings ascribed thereto in the Circular.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of SingXpress Land Ltd. (the "Company") will be held at Ocean 3 (Function Room), Level 2, Pan Pacific Singapore, 7 Raffles Boulevard, Marina Square, Singapore 039595 on 15 July 2011 at 10:30 a.m. for the purpose of considering and, if thought fit, passing, with or without amendment, the following resolutions:

ORDINARY RESOLUTION 1: THE PROPOSED ADOPTION OF THE "INVESTMENT BANKING" APPROACH FOR LARGER REAL ESTATE PROJECTS

That:

- (A) approval be and is hereby given for the move into larger and varied property development or re-development projects by the Company and/or its subsidiaries ("Group"), and for the Group to be involved in property activities (which can at all times committing the majority of the equity in each of such projects) through a syndication approach (without a need for more broadly generalised 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 ("Investment Banking Approach"), as more particularly described in section 2 of the Circular; and
- (B) the Directors and each of them be and are hereby authorised to do all acts and things as they deem desirable, necessary or expedient to give effect to the matters referred to in this Ordinary Resolution as they may in their absolute discretion deem fit in the best interests of the Company.

ORDINARY RESOLUTION 2: THE PROPOSED PARTICIPATION IN DEVELOPMENT PROJECTS UNDER THE DBSS AND EC SCHEME IN CONNECTION WITH THE PROPOSED "INVESTMENT BANKING" APPROACH

That:

- (A) approval be and is hereby given for the Company (directly and/or through its subsidiaries) to participate in development projects under the Design, Build and Sell Scheme ("DBSS") and the Executive Condominium ("EC") scheme managed by the Housing and Development Board of Singapore, subject to the aggregate size of the project(s) not exceeding S\$300 million; and
- (B) the Company (directly and/or through its subsidiaries) be and is hereby authorised to bid on, from time to time any such development projects under the DBSS and/or EC scheme on such terms and conditions as the directors of the Company ("Directors") deem fit and where relevant, to enter into joint venture or co-investment arrangements for the purposes of, or in connection with, the bidding for such DBSS and/or EC projects, and the Company (directly and/or through its subsidiaries) be and is hereby authorised to sell the units developed under such development projects under the DBSS and/or EC scheme on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all such acts or things as they deem desirable, necessary or expedient to give effect to such to any such development project, subject to the aggregate size of the project(s) not exceeding S\$300 million; and
- (C) the Directors and each of them be and are hereby authorised to do all acts and things as they deem desirable, necessary or expedient to give effect to the matters referred to in this Ordinary Resolution as they may in their absolute discretion deem fit in the best interests of the Company.

ORDINARY RESOLUTION 3: THE PROPOSED ACQUISITION OF EN-BLOC SITES IN CONNECTION WITH THE PROPOSED "INVESTMENT BANKING" APPROACH

That:

- (A) approval be and is hereby given for the Company (directly or through its subsidiaries) to acquire one or more en-bloc sites for holding and/or re-development and to hold and/or sell the units re-developed (all or some only), subject to the total acquisition and/or re-development costs for all these en-bloc sites not exceeding S\$300 million;
- (B) the Company (directly or through its subsidiaries) be and is hereby authorised to purchase or otherwise acquire or re-develop, from time to time any such en-bloc sites on such terms and conditions as the Directors deem fit and where relevant, to enter into joint venture or co-investment arrangements for the purposes of, or in connection with, acquiring, holding and/or re-developing such en-bloc sites, and the Company (directly and/or through its subsidiaries) be and is hereby authorised to hold and/or sell the units re-developed (all or some only) from such en-bloc sites acquired, on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all such acts or things as they deem desirable, necessary or expedient to give effect to such to any such acquisition and/or re-development and/or sale, subject to the total acquisition and/or re-development costs not exceeding S\$300 million; and
- (C) the Directors and each of them be and are hereby authorised to do all acts and things as they deem desirable, necessary or expedient to give effect to the matters referred to in this Ordinary Resolution as they may in their absolute discretion deem fit in the best interests of the Company.

ORDINARY RESOLUTION 4: THE PROPOSED SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

That:

- (A) approval be and is hereby given, for the purposes of Chapter 9 of the listing manual (Section B: Rules of Catalist) ("Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST"), for the Company, its subsidiaries and associated companies that are entities at risk (as defined in Chapter 9 of the Listing Manual of the SGX-ST), or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions described in section 5.5 of the Circular with the Interested Persons, provided that such transactions are made on normal commercial terms, will not be prejudicial to the interests of the Company and its minority shareholders and are in accordance with the review procedures for such Interested Person Transactions (the "IPT Mandate");
- (B) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company; and
- (C) the Directors and each of them be and are hereby authorised to complete and do all such acts and things (including without limitation, executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by the IPT Mandate and/or this Ordinary Resolution.

ORDINARY RESOLUTION 5: THE TENDER AND THE PROPOSED PARTICIPATION IN THE PASIR RIS DBSS PROJECT

That:

- (A) The tender ("Tender") in the sum of approximately S\$123.88 million jointly submitted by the Company (through its wholly-owned subsidiary SingXpress Land (Pasir Ris) Ltd) and Kay Lim Holdings Pte Ltd on 31 May 2011 for the acquisition of the DBSS site located at Pasir Ris Central / Pasir Ris Drive 1 for the purposes of the development of public housing under the DBSS (collectively, the "Pasir Ris DBSS Project") be and is hereby ratified, confirmed and approved;
- (B) Approval is hereby given for the Company's proposed participation in the Pasir Ris DBSS Project; and
- (C) The Directors (or any one of them) be and is hereby authorised to take such steps, make such arrangements, do all such acts and things (including executing all such documents as may be required) and exercise such discretion in connection with, relating to or arising from the Tender, the Company's participation in the Pasir Ris DBSS Project, all transactions contemplated thereunder (including without limitation, entering into joint venture and/or co-investment arrangements with, inter alia, Kay Lim) and/or this resolution as they or he may from time to time deem fit, with such modifications thereto (if any) as they or he may from time to time consider necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Tender, the Company's participation in the Pasir Ris DBSS Project, all the transactions contemplated thereunder and/or this resolution.

ORDINARY RESOLUTION 6: THE PROPOSED GRANT OF SHARE OPTIONS TO MR YEO WEE KIONG

That:

- (A) The Directors be and are hereby empowered to offer and grant to Mr Yeo Wee Kiong for nil consideration, share options ("Options") in 4 tranches to subscribe for an aggregate of up to 20,000,000 new ordinary shares in the capital of the Company ("New Shares"), on the following terms:-
- (i) Tranche 1
- Proposed date of grant of Options: Within 10 days after the EGM subject to shareholders' approval being obtained
 - Exercise price for Options granted: S\$0.035, representing a 40% premium over the last transacted price of the Shares of S\$0.025 as at the date of the Announcement
 - Number of Options granted: 5,000,000
 - Validity period: 5 years from the date of grant
 - Vesting date: Immediate vesting on the date of grant of the options
 - Expiry date: The day immediately preceding the 5th anniversary of the date of grant
- (ii) Tranche 2
- Proposed date of grant of Options: Within 10 days after the EGM subject to shareholders' approval being obtained
 - Exercise price for Options granted: S\$0.040, representing a 60% premium over the last transacted price of the Shares of S\$0.025 as at the date of the Announcement
 - Number of Options granted: 5,000,000
 - Validity period: 5 years from the date of grant
 - Vesting date: Immediate vesting on the date of grant of the options
 - Expiry date: The day immediately preceding the 5th anniversary of the date of grant
- (iii) Tranche 3
- Proposed date of grant of Options: Within 10 days after the EGM subject to shareholders' approval being obtained
 - Exercise price for Options granted: S\$0.035, representing a 40% premium over the last transacted price of the Shares of S\$0.025 as at the date of the Announcement
 - Number of Options granted: 5,000,000
 - Validity period: 5 years from the date of grant
 - Vesting date: 1st anniversary of the date of the grant
 - Expiry date: The day immediately preceding the 5th anniversary of the date of grant
- (iv) Tranche 4
- Proposed date of grant of Options: Within 10 days after the EGM subject to shareholders' approval being obtained
 - Exercise price for Options granted: S\$0.040, representing a 60% premium over the last transacted price of the Shares of S\$0.025 as at the date of the Announcement
 - Number of Options granted: 5,000,000
 - Validity period: 5 years from the date of grant
 - Vesting date: 1st anniversary of the date of the grant
 - Expiry date: The day immediately preceding the 5th anniversary of the date of grant
(See Explanatory Note 1)
- (B) any of the Directors and each of them be and is hereby authorised to do all acts and things (including without limitation, to negotiate, finalise and approve further terms of the Options, and to execute all such documents as may be required) as they deem desirable, necessary or expedient to give effect to the matters referred to in this Ordinary Resolution as may in their absolute discretion deem fit in the best interests of the Company.

ORDINARY RESOLUTION 7: THE PROPOSED APPOINTMENT OF MR YEO WEE KIONG AS NON-EXECUTIVE DIRECTOR AND CHAIRMAN OF THE BOARD OF DIRECTORS OF THE COMPANY

That:

- (A) approval be and is hereby given for the appointment of Mr Yeo Wee Kiong as non-executive director and chairman of the board of directors of the Company for a term of three (3) years beginning 15 July 2011; and
- (B) the Directors and any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the appointments contemplated herein and/or this Ordinary Resolution.

BY ORDER OF THE BOARD

CHAN HENG FAI
Chairman
30 June 2011

Explanatory Note:

- Please refer to section 7 of the Circular for details.

Notes:

- A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
- If the appointer is a corporation, the instrument appointing a proxy must be under seal or the hand of its duly authorised officer or attorney.
- The instrument appointing a proxy must be deposited at the Company's Registered Office not less than 48 hours before the time set for the Extraordinary General Meeting or any postponement or adjournment thereof.

This Notice 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 Notice.

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

The contact person for the Sponsor is Mr. Bernard Lim (Telephone: 65-6221 5590) at 79 Anson Road #15-03 Singapore 079906.

CIRCULAR DATED 30 JUNE 2011

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your issued and fully paid-up ordinary shares in the capital of SingXpress Land Ltd. (the “**Company**”), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the enclosed Proxy Form to the purchaser or transferee, or the stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the SGX Main Board. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “**Sponsor**”) for compliance with the relevant rules of the SGX-ST. The Company’s Sponsor has not independently verified the contents of this Circular. **This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.**

The contact person for the Sponsor is Mr Bernard Lim (Telephone: 65-6221 5590) at 79 Anson Road #15-03 Singapore 079906.



SINGXPRESS LAND LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 198803164K)

CIRCULAR TO SHAREHOLDERS IN RELATION TO

- (A) THE PROPOSED ADOPTION OF THE “INVESTMENT BANKING” APPROACH FOR LARGER REAL ESTATE PROJECTS;**
- (B) THE PROPOSED PARTICIPATION IN DEVELOPMENT PROJECTS UNDER THE DBSS IN CONNECTION WITH THE PROPOSED “INVESTMENT BANKING” APPROACH;**
- (C) THE PROPOSED ACQUISITION OF EN-BLOC SITES IN CONNECTION WITH THE PROPOSED “INVESTMENT BANKING” APPROACH;**
- (D) THE PROPOSED SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS;**
- (E) TO APPROVE, CONFIRM AND RATIFY THE TENDER AND THE PARTICIPATION IN THE DBSS PROJECT AT PASIR RIS CENTRAL / PASIR RIS DRIVE 1;**
- (F) THE PROPOSED GRANT OF SHARE OPTIONS TO MR YEO WEE KIONG; AND**
- (G) THE PROPOSED APPOINTMENT OF MR YEO WEE KIONG AS NON-EXECUTIVE DIRECTOR AND CHAIRMAN OF THE BOARD.**

Independent Financial Adviser to the Independent Directors in relation to the Proposed Shareholders’ Mandate for Interested Person Transactions



NRA CAPITAL PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 199904258C)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	13 July 2011 at 10:30 a.m.
Date and time of Extraordinary General Meeting	:	15 July 2011 at 10:30 a.m.
Place of Extraordinary General Meeting	:	Ocean 3 (Function Room), Level 2, Pan Pacific Singapore, 7 Raffles Boulevard, Marina Square, Singapore 039595

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DEFINITIONS

For the purposes of this Circular, the following definitions apply throughout unless the context requires otherwise:

- “AGM”** : The annual general meeting of the Company
- “Announcement”** : Shall have the meaning ascribed to it in section 1.1 of this Circular
- “Auditors”** : The auditors of the Company for the time being
- “Audit Committee”** : The audit committee of the Company as at the date of this Circular, comprising Messrs Wong Tat Keung, Ong Beng Kheong and Chan Tung Moe
- “Board”** : The board of Directors of the Company as at the date of this Circular
- “Catalist”** : The sponsor-supervised listing platform of the SGX-ST
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular of the Company dated 30 June 2011 to its Shareholders
- “Company”** : SingXpress Land Ltd.
- “Companies Act”** : The Companies Act, Chapter 50 of the statutes of the Republic of Singapore (as may be amended from time to time)
- “Convertible Bonds”** : The S\$16,320,240 in aggregate principal amount of zero coupon convertible bonds due 2014 issued by the Company pursuant to a trust deed dated 9 November 2010 made between the Company as issuer and British and Malayan Trustees Limited as trustee.
- “DBSS”** : Shall have the meaning ascribed to it in section 2.3(d) of this Circular
- “Directors”** : The directors of the Company as at the date of this Circular
- “EC”** : Shall have the meaning ascribed to it in section 2.3(d) of this Circular
- “EGM”** : The extraordinary general meeting of the Company, notice of which is set out on page N-1 of this Circular
- “En-Bloc Acquisitions”** : The proposed acquisition by the Company of 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\$300 million in aggregate, as set out in section 4.2(a) of this Circular
- “EPS”** : Earnings per Share
- “FY2011”** : 15-month financial period from 1 January 2010 to 31 March 2011
- “Group”** : The Company and its subsidiaries
- “HDB”** : The Housing & Development Board

DEFINITIONS

- “IFA”** : NRA Capital Pte. Ltd., the independent financial adviser to the Independent Director in relation to the Interested Person Transactions
- “IFA Letter”** : The IFA’s letter to the Independent Director, annexed to this Circular as Appendix A
- “Independent Director”** : In the context of this Circular, this means the Director who is deemed to be independent of the proposed Interested Person Transactions, namely, Mr Ong Beng Kheong
- “Interested Person”** : The interested person which falls within the IPT Mandate, as set out in section 5.4 of this Circular
- “Interested Person Transactions”** : The categories of transactions with the Interested Person which fall within the IPT Mandate, as set out in section 5.5 of this Circular
- “IPT Mandate”** : The proposed Shareholders’ general mandate to be obtained by the Company at the EGM and on the terms set out in the notice of EGM set out on page N-1 of this Circular and pursuant to Chapter 9 of the Listing Manual, permitting companies within the Group, or any of them, to enter into Interested Person Transactions, provided that such transactions are on an arm’s length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders
- “Kay Lim”** : Kay Lim Holdings Pte Ltd
- “Land”** : Shall have the meaning ascribed to it in section 1.3 of this Circular
- “Latest Practicable Date”** : The latest practicable date prior to the printing of this Circular, being 20 June 2011
- “Listing Manual”** : The listing manual (Section B: Rules of Catalist) of the SGX-ST, as amended or modified from time to time
- “New Shares”** : Shall have the meaning ascribed to it in section 7.3(a) of this Circular
- “Non- Executive Director”** : A director of the Company who holds a non-executive position
- “NTA”** : Net tangible assets
- “Ordinary Resolution(s)”** : The ordinary resolution(s) as set out in the notice of EGM at N-1 of this Circular
- “Pasir Ris DBSS Project”** : Shall have the meaning ascribed to it in section 1.4 of this Circular
- “Securities Accounts”** : Securities accounts maintained by a Depositor with CDP but does not include securities sub-accounts

DEFINITIONS

- “Services”** : Lead or co-lead management services, originating and/or project management services rendered by the Group to co-investors and/or joint venture partners in connection with any real estate pursued by the Group (together with co-investors and/or joint venture partners) as part of the projects to be entered into in connection with the “investment banking” approach
- “SGX-ST”** : Singapore Exchange Securities Trading Limited
- “Shareholders”** : Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors into whose Securities Accounts those Shares are credited. Any reference to Shares held by Shareholders shall include Shares standing to the credit of the respective Shareholders’ Securities Accounts
- “Shares”** : Ordinary shares in the capital of the Company
- “SXLPR”** : SingXpress Land (Pasir Ris) Ltd
- “Tender”** : Shall have the meaning ascribed to it in section 1.3 of this Circular
- “Xpress Group”** : Xpress Group Limited
- “\$” or “S\$” and “cents”** : Singapore dollars and cents respectively, unless otherwise stated
- “%”** : Per centum

The terms "**Depositor**", "**Depository Register**" and "**Depository Agent**" shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the Listing Manual or any modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act or the Listing Manual or such modification thereof, as the case may be.

Any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated.

Unless otherwise indicated, all dollar amounts in this Circular are rounded up or down, as the case may be, to the nearest thousand.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

CAUTIONARY NOTE

All statements contained in this Circular which are not statements of historical facts are or may constitute “forward-looking statements”. Some of these statements can be identified by forward looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would”, “should”, “shall”, “could” and “can” or other similar words. However, these words are not the exclusive means of identifying forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance and/or achievements expressed or implied by such forward-looking statements.

Given the risks and uncertainties that may cause our actual results, performance and/or achievements to be materially different than expected, expressed or implied by the forward-looking statements in this Circular, you are advised not to place any reliance on those statements. Further, the Company disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

SINGXPRESS LAND LTD.
(Company Registration No. 198803164K)
(Incorporated in Singapore)

Board of Directors:

Chan Heng Fai (Group Executive Chairman)
Chan Tong Wan (Executive Director)
Chan Yoke Keow (Non-Executive Director)
Chan Tung Moe (Non-Executive Director)
Wong Tat Keung (Independent Director)
Ong Beng Kheong (Independent Director)

Registered Office:

883 North Bridge Road
#15-04 SouthBank
Singapore 198785

30 June 2011

To: The Shareholders of SingXpress Land Ltd.

Dear Sir/Madam

1. INTRODUCTION

1.1 On 18 April 2011, the Company announced that it would be convening an extraordinary general meeting to seek the approval of Shareholders for:

- (a) the proposed adoption of an “investment banking” approach for larger real estate deals;
- (b) the proposed participation in development projects under the DBSS in connection with the proposed “investment banking” approach subject to the aggregate size of the project(s) not exceeding S\$300 million;
- (c) the proposed acquisition of one or more en-bloc sites for holding and/or re-development in connection with the proposed “investment banking” approach provided that the total acquisition and/or re-development costs for all the en-bloc sites acquired shall not exceed S\$200 million;
- (d) the proposed Shareholders’ mandate for Interested Person Transactions (i) where Xpress Group participates as one of the co-investors or joint venture partners on a proportionate sharing of risks and rewards basis in real estate projects that the Group may lead or co-lead, originate and/or manage, and a management, originator and/or project management fee may be payable by the co-investors or joint venture partners of the projects (including Xpress Group) to the Group on a proportionate basis for the Services rendered; and/or (ii) in connection with Xpress Group providing financing and/or financial support to the Group from time to time, including in connection with any of the Group’s real estate projects;
- (e) the proposed grant of share options to Mr Yeo Wee Kiong to subscribe up to 20 million new Shares; and
- (f) the proposed appointment of Mr Yeo Wee Kiong as a Non-Executive Director and Chairman of the Board for a term of 3 years (in which capacity he shall also act as business adviser to the Group),

(hereinafter referred to as the “**Announcement**”).

1.2 In respect of section 1.1(b) above, further to the Announcement and as set out in section 3.3(a) of this Circular, the Company has included participation in development projects under the EC scheme in connection with the proposed “investment banking” approach as well. In respect of section 1.1(c) above, further to the Announcement and as set out in section 4.3(d) of this Circular, the Company has, as disclosed in the FY2011 results announcement dated 27 May 2011, raised the quantum of the total acquisition and/or re-development costs for all the en-bloc sites acquired such that it shall not exceed S\$300 million.

- 1.3 In connection with the proposals set out in section 1.1 (a) to (d) above, on 2 June 2011, the Company announced (the “**2nd June Announcement**”) that it had, on 31 May 2011, through its wholly-owned subsidiary, SingXpress Land (Pasir Ris) Ltd (“**SXLPRL**”), and its joint-venture partner, Kay Lim Holdings Pte Ltd (“**Kay Lim**”), participated in a tender (“**Tender**”) to acquire a land parcel located at Pasir Ris Central / Pasir Ris Drive 1 (“**Land**”) for the purposes of developing public housing under the DBSS (the acquisition and development shall hereinafter be collectively described as the “**Pasir Ris DBSS Project**”).
- 1.4 As stated in the 2nd June Announcement, the Company would be convening an extraordinary general meeting to seek the approval of Shareholders to participate in the Tender and to pursue the Pasir Ris DBSS Project.
- 1.5 On 3 June 2011, the Company announced that the Tender was successful, and that the Land had been awarded to SXLPRL and Kay Lim.
- 1.6 The purpose of this Circular is (i) to explain the reasons for, and to provide Shareholders with information relating to, the proposals outlined in sections 1.1 and 1.2 to be tabled at the EGM, and (ii) to explain the reasons for, to provide Shareholders with information relating to, and to procure Shareholders’ approval in respect of the submission of the Tender and the Company’s proposed participation in the Pasir Ris DBSS Project.

2. THE PROPOSED “INVESTMENT BANKING” APPROACH FOR LARGER REAL ESTATE PROJECTS

2.1 Background

- (a) Pursuant to a shareholders’ mandate given at a general meeting on 25 August 2006 (“**2006 Mandate**”), the Company had diversified its business into that of properties trading and properties investment.
- (b) In line with this diversification, the Company has, since December 2009, carried on the business of acquiring and/or leasing of small-scale residential properties in Hong Kong. In addition, the Company has acquired an office premise as well as residential properties in Singapore for rental income, with a view to longer term price appreciation. These consist of both freehold and leasehold properties, and include several units in the Southbank, a leasehold apartment/SOHO development which has been developed for dual residential and commercial use. In 2010, the Group also embarked on two property development projects in Singapore at Charlton Road and Balestier. Both projects are situated on freehold sites currently zoned for residential use and were purchased via en-bloc sales.
- (c) The Charlton Road site (“**Charlton Road Property**”) was purchased in mid 2010 through a joint venture with ACT Holdings Pte Ltd as an en-bloc sale of an existing development consisting of 21 old walkup apartments. The Charlton Road Property will be re-developed into 21 quality cluster 2-storey terrace houses with lap pools and underground car parks. The development is scheduled for completion in 2012.
- (d) The Balestier site was purchased in November 2010 as an en-bloc sale of an old tower block known as the Waldorf Mansions (“**Balestier Property**”), and the Group intends to re-develop this into a new condominium block. Re-development is scheduled to commence later this year, and this re-development project will take approximately 2 years to complete.
- (e) The purchases of the Charlton Road Property and the Balestier Property were ratified by Shareholders in extra-ordinary general meetings held on 6 October 2010 and 2 March 2011 respectively.

2.2 Future development

- (a) The Group’s venture into the properties trading and properties investment arena has thus far been conservative, given the restrictions of its capital base. However, in order to truly further the Group’s business in property investment and property development / re-development, the Board recognises the need to move into larger and more varied property development or re-development projects. At the same time, having regard to the large and long term capital

commitment typically required for property development or re-development, the Board acknowledges that it might not be feasible for the Group to provide the majority of the equity required to fund all such projects.

- (b) The Board proposes instead that the Group takes the lead to seek out land sites with property acquisition and development / re-development opportunities, then evaluate the commercial risks and viability of these opportunities, and propose commercial parameters (such as the level of debt and equity) for the acquisition and development / re-development of such sites. Thereafter, the Group will source for co-investors and joint venture partners on such projects, and playing as far as possible a lead or co-lead role for the duration of these projects. The Board likens this to an “investment banking” approach.
- (c) The “investment banking” approach is intended to be broad in nature. The goal is to give the Company every possible option and means to finance projects that it may otherwise feel are too big to consider. This may take the form of, for example, joint ventures, syndication of expenses via securitisation, bank financing, third party loans, structured finance, shareholder loans, the creation of structured products around the projects, and real estate investment trusts.
- (d) In this connection, the Board proposes to engage the assistance of Mr Yeo Wee Kiong as a business adviser for an initial 3-year term. As detailed in section 7 below, Mr Yeo has experience in law, investment banking and private equity, and the Board is of the view that this, together with his extensive business contacts, will allow the Company to tap onto his knowledge and experience in these areas, to help further the “investment banking” approach.

2.3 Rationale

- (a) The Company has a relatively small market capitalisation and modest balance sheet compared to larger property developers. For instance, the tenders for both the Charlton Road Property and the Balestier Property were successfully accepted at approximately S\$21 million each. In comparison, large property developers such as CapitaLand Limited and Keppel Land Limited frequently purchase and re-develop land and properties valued at upwards of or in excess of S\$100 million. Competitors with larger market capitalisation and financial resources would have relative comparative advantages and be better able to utilise these to maximise opportunities in the bullish property market and the growing scale of building projects in Singapore.
- (b) The property price indices for both private residential and office spaces published recently by the Urban Redevelopment Authority have consistently trended upwards¹, and are indicative of further growth ahead, and the Board’s proposal to adopt the “investment banking” approach will give the Group the opportunity to be in a better position to make the most of this expected growth, when the opportunity arises.
- (c) The Board believes that the growing participation of the Company in the property development / re-development market would be consistent with and in furtherance of the objectives of the 2006 Mandate, and that such participation will allow the Company to increase its market capitalisation. In this regard, the Board has reviewed and considered strategic ways to grow the Company’s market capitalisation and the balance sheet of the Company, and determined that the “investment banking” approach described in section 2.2(b) above presents the quickest and a relatively low-risk means of allowing the Company to achieve such objectives.
- (d) The Board currently aims to implement this “investment banking” approach in three (3) areas of property development / re-development:-
 - (i) Participating in the Singapore public housing sector of either (i) the Design, Build and Sell Scheme (“**DBSS**”); or (ii) the executive condominium (“**EC**”) scheme, both of which are managed by the Housing & Development Board (“**HDB**”), by bidding for

¹ Based on quarterly real estate statistics released by the Urban Redevelopment Authority of Singapore on 23 July 2010, 22 October 2010, 28 January 2011 and 25 April 2011.

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DBSS or EC project(s), subject to the aggregate size of the project(s) not exceeding S\$300 million;

- (ii) Sourcing for and acquiring land or existing commercial properties situated on the fringes of the Central Business District in Singapore with a view towards developing new office towers for commercial use; and
 - (iii) Sourcing for and acquiring one or more en-bloc sites for holding and/or re-development provided that the total acquisition and/or re-development costs for all the en-bloc sites will not exceed S\$300 million in aggregate (i.e. increased by S\$100 million, as disclosed in the FY2011 results announcement dated 27 May 2011, the rationale for which is detailed at section 4.3 below).
- (e) For the avoidance of doubt, the mandate to participate in the DBSS and/or EC project(s) in connection with the proposed “investment banking” approach includes the participation of a single DBSS or EC project of up to S\$300 million or several DBSS and/or EC projects with aggregate value of up to S\$300 million. The same applies for participation in the En-Bloc Acquisitions in connection with the proposed “investment banking” approach. The Company’s participation in the DBSS and/or EC project(s) and the En-Bloc Acquisitions under the proposed “investment banking” approach are solely in relation to properties in Singapore.
- (f) The participation in the DBSS projects, EC projects and/or En-Bloc Acquisitions does not involve the issuance of new Shares in the capital of the Company. Should the Company consider issuing new Shares in the Capital of the Company, the Company will take the necessary steps required pursuant to, *inter alia*, the Listing Manual.

2.4 Waiver from Rule 1015 of the Listing Manual

- (a) Based on the relative figures, each of the 2 types of real estate transactions which the Company is seeking the approval of Shareholders to enter into, that is, DBSS and/or EC project(s) with an aggregate size not exceeding S\$300 million and en-bloc acquisitions not exceeding an aggregate of S\$300 million, will constitute very substantial acquisitions within the meaning of Rule 1015 of the Listing Manual.
- (b) Accordingly, as the DBSS project(s) and the En-Bloc Acquisitions represent an expansion of the Company’s existing business in property investment and property development / re-development, the Sponsor has, on behalf of the Company, applied to the SGX-ST to seek a waiver from the requirements of Rule 1015 in relation to the DBSS project(s) and the En-Bloc Acquisitions (“**Waiver Application**”).
- (c) On 1 June 2011, the Directors announced that the SGX-ST has confirmed that it has no objection to the Company’s Waiver Application, subject to:-
- (i) the Company making an announcement that the waiver has been granted, the reasons for seeking the waiver and the conditions; and
 - (ii) shareholders’ approval of the Company’s proposed participation in the DBSS project(s) and En-Bloc Acquisitions at an extraordinary general meeting to be convened.
- (d) As at the Latest Practicable Date, all the above conditions have been satisfied, save for the approval of Shareholders for the transactions. The Company is seeking the approval of Shareholders for the abovementioned transactions at the EGM.
- (e) In respect of the Company’s proposed participation in the EC project(s), the Waiver Application was made pursuant to the Announcement and before the Company decided to include the EC project(s) as one of the development projects which it may undertake in addition to the DBSS project(s), the rationale for which is set out in section 3.3(a) of this Circular. As such, the Company had sought, and had on 21 June 2011, received confirmation from SGX-ST, that the inclusion of the EC project(s) would not affect the Waiver granted by SGX-ST on 1 June 2011. .

(f) The Company's implementation plans are further detailed at sections 3 and 4 below.

3. THE PROPOSED PARTICIPATION IN DEVELOPMENT PROJECTS UNDER THE DBSS AND/OR EC SCHEME IN CONNECTION WITH THE PROPOSED "INVESTMENT BANKING" APPROACH

3.1 Introduction

- (a) The DBSS was introduced by the Ministry for National Development to involve private sector developers in the development of public housing so as to bring about greater innovation in building and design and to offer more housing choices. Under the DBSS, the developer tenders for the land and is involved in designing the flats and their surrounding landscape, constructing the flats and selling the flats directly to eligible flat purchasers (who must be Singapore citizens). Subject to the relevant legislation and rules to preserve the character of public housing and to ensure building quality and safety, developers are granted the freedom to decide on the design, finish, size and unit configuration of the flats, and can sell the flats at a price comparable to those listed on the open market.
- (b) Flats sold under DBSS come with a 99-year lease and will be offered to buyers under similar HDB eligibility conditions as other flats developed by HDB. Upon completion of the building, the developer hands over the entire development site to HDB for lease administration, and to the relevant town council for maintenance of the common area and car parks. Since 2005, HDB has launched the sale of 12 DBSS sites².
- (c) Based on tender prices published by HDB as at 16 March 2011, the tender prices for previous DBSS sites awarded have ranged from S\$52 million to S\$224 million, and each bid has attracted on average, 6 bidders³.
- (d) The EC scheme was introduced by HDB to cater to Singaporeans, especially young graduates and professionals, who can afford more than a HDB flat but find private property to be out of their reach. ECs are developed and sold by private developers, and are comparable in design and facilities to private condominiums.
- (e) EC units also come with a 99-year lease, and are offered to buyers under eligibility conditions and re-sale restrictions determined by HDB. Since 1999, approximately 24 EC projects have been launched⁴.
- (f) Based on tender prices published by HDB as at 15 April 2011, the tender prices for previous EC sites awarded have ranged from S\$50 million to S\$278 million, and each bid has attracted on average, 6 bidders⁵.
- (g) Further to the Announcement, the Board has included the EC project(s) as one of the development projects which the Company may undertake in addition to the DBSS project(s). The rationale for this is set out in section 3.3(a) below.

² Based on List of DBSS Sites Awarded published by the HDB, found at [http://www.hdb.gov.sg/fi10/fi10297p.nsf/ImageView/SITES_SOLD_-_RESIDENTIAL_DBSS/\\$file/DBSSMaster+development+\(16+Mar+2011\).pdf](http://www.hdb.gov.sg/fi10/fi10297p.nsf/ImageView/SITES_SOLD_-_RESIDENTIAL_DBSS/$file/DBSSMaster+development+(16+Mar+2011).pdf)

³ Based on List of DBSS Sites Awarded published by the HDB, found at [http://www.hdb.gov.sg/fi10/fi10297p.nsf/ImageView/SITES_SOLD_-_RESIDENTIAL_DBSS/\\$file/DBSSMaster+development+\(16+Mar+2011\).pdf](http://www.hdb.gov.sg/fi10/fi10297p.nsf/ImageView/SITES_SOLD_-_RESIDENTIAL_DBSS/$file/DBSSMaster+development+(16+Mar+2011).pdf)

⁴ Based on List of EC Sites Awarded published by the HDB, found at [http://www.hdb.gov.sg/fi10/fi10297p.nsf/ImageView/Sites%20Sold%20-%20Residential%20%20-%20EC/\\$file/ECMaster+development\(15+April+2011\).pdf](http://www.hdb.gov.sg/fi10/fi10297p.nsf/ImageView/Sites%20Sold%20-%20Residential%20%20-%20EC/$file/ECMaster+development(15+April+2011).pdf)

⁵ Based on List of EC Sites Awarded published by the HDB, found at [http://www.hdb.gov.sg/fi10/fi10297p.nsf/ImageView/Sites%20Sold%20-%20Residential%20%20-%20EC/\\$file/ECMaster+development\(15+April+2011\).pdf](http://www.hdb.gov.sg/fi10/fi10297p.nsf/ImageView/Sites%20Sold%20-%20Residential%20%20-%20EC/$file/ECMaster+development(15+April+2011).pdf)

3.2 The Company's Plans

- (a) The Company intends to bid, either on its own or with co-investors or joint-venture partners, for development projects under the DBSS and/or EC scheme, subject to the aggregate size of the project(s) not exceeding S\$300 million. The Company had taken into account tender prices of previous DBSS and EC project(s) in arriving at the threshold of S\$300 million.
- (b) The final pro-rata commitment of the Company for these projects and the means of financing such commitments will be notified to Shareholders from time to time, and to the extent that any such commitments amount to transactions requiring the Company to make an announcement or to seek the consent of Shareholders pursuant to the provisions of the Listing Manual, the Company will accordingly comply with such requirements.

3.3 Rationale

- (a) During the National Day Rally on 29 August 2010, it was announced that HDB intends to release more land for tender to supply an additional 3,000 DBSS flats and 4,000 EC units in 2010 and an additional 4,000 DBSS flats and 4,000 EC units in 2011. HDB also announced that the category of first-time purchasers entitled to purchase DBSS flats with a S\$30,000 Central Provident Fund housing grant would be widened to include persons with monthly household incomes of between S\$8,000 – S\$10,000. The Board takes the view that this is likely to have the effect of widening the demand pool for DBSS flats, and given the overall sustained demand for public housing and the fact that the DBSS and the EC scheme are operated under the auspices of the HDB, the Group's intention to venture into DBSS and/or EC projects is a relatively low risk opportunity for the Group to enter into larger scale real-estate projects.
- (b) The size and scale of the DBSS and EC project(s) would also be larger than the property development / re-development projects which the Group has thus far participated in, and the Group's participation in these DBSS and/or EC projects would ideally be achieved through co-investments and joint ventures, in line with the Group's proposed "investment banking" approach.
- (c) The Directors, after having taken into account the tender prices for previous DBSS and EC sites, consider that the threshold of S\$300 million will allow the Company the flexibility to participate in the DBSS and/or EC project(s) and to react promptly, at its discretion, when attractive DBSS and/or EC opportunities arise.

3.4 Financial effects of the Company's participation in DBSS and/or EC projects

- (a) For illustration purposes only and based on the Group's unaudited consolidated financial statements for FY2011, the financial effects of the Company's proposed participation in DBSS and/or EC project(s) on the Group are set out below.
- (b) The analysis below has been prepared solely for illustrative purposes, and does not purport to be indicative of, or a projection of, the results and financial position of the Group after its participation in the DBSS and/or EC project(s).

Net Tangible Asset:

This assumes that the participation in the DBSS and/or EC project(s) was completed on 31 March 2011, that the total capital commitment was S\$300 million, that the development of the DBSS and/or EC project(s) has not commenced and that the DBSS and/or EC project(s) has been funded only by shareholders' loans and debt financing with an interest rate of 4% per annum (the Hong Kong Dollar Prime Rate of 5% was used as a reference point in arriving at the basis of the interest rate of 4%), as the Company cannot predict the level of participation of the other investors in respect of the other methods of financing pursuant to the "investment banking" approach (as detailed in section 2.2(c) above). Based on these assumptions, the effects of the participation in the DBSS and/or EC project(s) on the NTA of the Group are as follows:

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	As at 31 March 2011
NTA before the participation in the DBSS and/or EC project(s) (S\$'000)	13,724
NTA per Share before the participation in the DBSS and/or EC project(s) (cents)	3.61
NTA after the participation in the DBSS and/or EC project(s) (S\$'000)	13,724
NTA per Share after the participation in the DBSS and/or EC project(s) (cents)	3.61

Earnings Per Share:

This assumes that the participation in the DBSS and/or EC project(s) was completed on 1 January 2010, that the development of the DBSS and/or EC project(s) has not commenced and that the participation in the DBSS and/or EC project(s) has been funded only by shareholders' loans and debt financing with an interest rate of 4% per annum (the Hong Kong Dollar Prime Rate of 5% was used as a reference point in arriving at the basis of the interest rate of 4%), as the Company cannot predict the level of participation of the other investors in respect of the other methods of financing pursuant to the "investment banking" approach (as detailed in section 2.2(c) above), and that all borrowing costs are capitalised as the costs of the assets. Based on these assumptions, the effects of the participation in the DBSS and/or EC project(s) on the EPS of the Group are as follows:

	FY2011⁽¹⁾
Earnings attributable to Shareholders (S\$'000)	1,592
Less: Estimated financing costs	(12,000)
Add: Capitalisation of financing costs	12,000
Earnings attributable to Shareholders after the participation in the DBSS and/or EC project(s) (S\$'000)	1,592
EPS before the participation in the DBSS and/or EC project(s) (cents)	0.53
EPS after the participation in the DBSS and/or EC project(s) (cents)	0.53

Note: (1) The diluted consolidated EPS was calculated based on the weighted average number of Shares during FY2011 of 302,113,890 Shares.

Gearing:

This assumes that the participation in the DBSS and/or EC project(s) was completed on 31 March 2011, that the development of the DBSS and/or EC project(s) has not commenced and that the participation in the DBSS and/or project(s) has been funded only by shareholders' loans and debt financing with an interest rate of 4% per annum (the Hong Kong Dollar Prime Rate of 5% was used as a reference point in arriving at the basis of the interest rate of 4%), as the Company cannot predict the level of participation of the other investors in respect of the other methods of financing pursuant to the "investment banking" approach (as detailed in section 2.2(c) above). Based on these assumptions, the effects of the participation in the DBSS and/or EC project(s) on the gearing of the Group are as follows:

	As at 31 March 2011⁽¹⁾
Total net borrowings before the participation in the DBSS and/or EC project(s) (S\$'000)	31,536
Shareholders' equity (S\$'000)	13,724

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	As at 31 March 2011 ⁽¹⁾
Gearing (times)	2.3
Total net borrowings after the participation in the DBSS and/or EC project(s) (S\$'000)	331,536
Shareholders' equity (S\$'000)	13,724
Gearing (times)	24.2

Note: (1) Gearing is computed based on the ratio of total net borrowings to shareholders' equity as at 31 March 2011. Net borrowings consist of total borrowings less cash and cash equivalents.

3.5 **Materiality of the proposed DBSS and/or EC projects**

- (a) The relative figures for the transactions computed on the basis set out in Rule 1006 of the Listing Manual are as follows :-

<u>Rule</u>	<u>Basis</u>	<u>Based on aggregate DBSS and/or EC project value of S\$300 million</u>
Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	N.A
Rule 1006(b)	Net profits attributable to the assets acquired compared with the Group's net profits	N.A.
Rule 1006(c)	Aggregate value of the consideration given, compared with the issuer's market capitalisation	3.226%
Rule 1006(d)	Number of equity securities issued by the issuer as consideration for the acquisition, compared with the number of equity securities previously in issue	N.A.
Rule 1006(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves.	N.A.

3.6 **Conclusion**

- (a) In line with the future business direction of the Company, the Company therefore seeks a shareholders' mandate to allow it to:-
- (i) participate in development projects under the DBSS and/or EC scheme, subject to the aggregate size of the project(s) not exceeding S\$300 million; and
 - (ii) where relevant, to enter into joint venture or co-investment arrangements for the purposes of, or in connection with, the bidding for and participation in such DBSS and/or EC project(s).
- (b) As discussed in section 2.3(c) above, it is anticipated that the Company's participation in the property development / re-development sector with co-investors and joint-venture partners will enhance the market capitalisation of the Company and enable it to better compete in the property development / re-development industry.

4. THE PROPOSED ACQUISITION OF EN-BLOC SITES IN CONNECTION WITH THE PROPOSED “INVESTMENT BANKING” APPROACH

4.1 Introduction

- (a) The legislated criteria for an estate to be sold on an en-bloc basis include the requirement that it must have had its Temporary Occupation Permit issued at least 10 years ago. Given housing development plans over the last decade, there is a higher likelihood that such properties are located in estates which are now mature and well established, where there is likely to be a sustained demand for residential properties, but limited supply of land for such residential development. The only way property developers can access these sites is therefore through en-bloc sales.
- (b) In line with indicators of further growth in the property market and increasing scarcity of land in Singapore, acquisition of en-bloc sites are an attractive means for property developers to develop projects to cater to an existing demand for residential housing in such estates.
- (c) In 2010, 34 en-bloc sales were closed in Singapore, for an aggregate of S\$1.7 billion. As at 12 April 2011, 12 en-bloc sales have been closed in 2011, totalling S\$37.1 million. Analysts have been cited in news reports as anticipating the total number of en-bloc sales for 2011 to beat last year's figures in terms of volume and total value. There have also been suggestions that while the property cooling measures introduced by the Singapore government in January 2011 may result in property developers finding it risky to commit to larger sites, smaller sites put up for en-bloc sales are expected to do well⁶.
- (d) Further to the Announcement, the Company has raised the quantum of the total acquisition and/or re-development costs for all the en-bloc sites which the Company intends to acquire from a sum not exceeding S\$200 million to a sum not exceeding S\$300 million, the rationale for which is set out in section 4.3(d) below.

4.2 The Company's plans

- (a) In line with the indicators of continued further growth in the property market, and the Company's intention to increase its market capitalisation and balance sheet performance, the Company intends to acquire, either on its own or with co-investors or joint venture partners, 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\$300 million in aggregate (“**En-Bloc Acquisitions**”). The Company has taken into account tender prices of previous en-bloc acquisitions (including those of the Group) in arriving at the for the threshold of S\$300 million.
- (b) The final pro-rata commitment of the Company for the En-Bloc Acquisitions and the means of financing such commitments will be notified to shareholders from time to time, and to the extent that any such commitments amount to transactions requiring the Company to make an announcement or to seek the consent of Shareholders pursuant to the provisions of the Listing Manual, the Company will accordingly comply with such requirements.

4.3 Rationale

- (a) As highlighted in section 2.1 above, the Company had in 2010, successfully purchased the Charlton Road Property and the Balestier Property via en-bloc sales. Both properties are being developed, or will be developed, for sale as residential properties. The Company has therefore had prior experience with en-bloc acquisitions.
- (b) A continued push into en-bloc acquisitions and re-development would be consistent with the objectives of the 2006 Mandate. The en-bloc market is increasingly competitive, with buyers ranging from foreign developers to smaller boutique developers and large organisations such as CapitaLand Limited. As such, the Company must therefore increase its market

⁶ All information taken from the article “12 en-bloc sale deals sealed, more in pipeline”, published in The Straits Times, 12 April 2011

capitalisation and financial resources to keep pace with the bullish property market and the growing scale of building projects in Singapore.

- (c) The Company is currently unable to participate in en-bloc acquisitions of a larger scale because of its limited capital base. Adopting the proposed “investment banking” approach described in section 2.2(b) would allow it to tap onto larger equity resources, thereby opening up more en-bloc acquisition opportunities. This will ultimately increase the Company’s market capitalisation.
- (d) The Directors consider that the threshold of S\$300 million will allow the Company greater flexibility to participate in en-bloc acquisitions of a larger scale and to react promptly, at its discretion, when attractive opportunities arise. The aforementioned threshold represents an increase of S\$100 million from the S\$200 million threshold as indicated in the Announcement.

4.4 **Financial effects of larger-scale en-bloc acquisitions and re-development**

- (a) For illustration purposes only and based on the Group’s unaudited consolidated financial statements for FY2011, the financial effects of larger-scale en-bloc acquisitions and re-development on the Group are set out below.
- (b) The analysis below has been prepared solely for illustrative purposes, and does not purport to be indicative or a projection of the results and financial position of the Group after the En-Bloc Acquisitions.

Net Tangible Asset:

This assumes that the En-bloc Acquisitions were completed on 31 March 2011, that the total capital commitment was S\$300 million, that the re-development of the En-bloc Acquisitions has not commenced and that the En-bloc Acquisitions have been funded only by shareholders’ loans and debt financing with an interest rate of 4% per annum (the Hong Kong Dollar Prime Rate of 5% was used as a reference point in arriving at the basis of the interest rate of 4%), as the Company cannot predict the level of participation of the other investors in respect of the other methods of financing pursuant to the “investment banking” approach (as detailed in section 2.2(c) above). Based on these assumptions, the effects of the En-bloc Acquisitions on the NTA of the Group are as follows:

	As at 31 March 2011
NTA before the participation in the En-bloc Acquisitions (S\$’000)	13,724
NTA per Share before the participation in the En-bloc Acquisitions (cents)	3.61
NTA after the participation in the En-bloc Acquisitions (S\$’000)	13,724
NTA per Share after the participation in the En-bloc Acquisitions (cents)	3.61

Earnings Per Share:

This assumes that the En-bloc Acquisitions were completed on 1 January 2010, that the re-development of the En-bloc Acquisitions has not commenced and that the En-bloc Acquisitions have been funded only by shareholders’ loans and debt financing with an interest rate of 4% per annum (the Hong Kong Dollar Prime Rate of 5% was used as a reference point in arriving at the basis of the interest rate of 4%), as the Company cannot predict the level of participation of the other investors in respect of the other methods of financing pursuant to the “investment banking” approach (as detailed in section 2.2(c) above), and that all borrowing costs are capitalised as the costs of the assets. Based on these assumptions, the effects of the En-bloc Acquisitions on the EPS of the Group are as follows:

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	FY2011⁽¹⁾
Earnings attributable to Shareholders (S\$'000)	1,592
Less: Estimated financing costs	(12,000)
Add: Capitalisation of financing costs	12,000
Earnings attributable to Shareholders after the En-bloc Acquisitions (S\$'000)	1,592
EPS before the participation in the En-bloc Acquisitions (cents)	0.53
EPS after the participation in the En-bloc Acquisitions (cents)	0.53

Note: (1) The diluted consolidated EPS was calculated based on the weighted average number of Shares during FY 2011 of 302,113,890 Shares.

Gearing:

This assumes that the En-bloc Acquisitions were completed on 31 March 2011, that the re-development of the En-bloc Acquisitions has not commenced and that the En-bloc Acquisitions have been funded only by shareholders' loans and debt financing with an interest rate of 4% per annum (the Hong Kong Dollar Prime Rate of 5% was used as a reference point in arriving at the basis of the interest rate of 4%), as the Company cannot predict the level of participation of the other investors in respect of the other methods of financing pursuant to the "investment banking" approach (as detailed in section 2.2(c) above). Based on these assumptions, the effects of the En-bloc Acquisitions on the gearing of the Group are as follows:

	As at 31 March 2011⁽¹⁾
Total net borrowings before the En-bloc Acquisitions (S\$'000)	31,536
Shareholders' equity (S\$'000)	13,724
Gearing (times)	2.3
Total net borrowings after the En-bloc Acquisitions (S\$'000)	331,536
Shareholders' equity (S\$'000)	13,724
Gearing (times)	24.2

Note: (1) gearing is computed based on the ratio of total net borrowings to shareholders' equity as at 31 March 2011. Net borrowings consist of total borrowings less cash and cash equivalents.

4.5 Materiality of the En-Bloc Acquisitions

- (a) The relative figures for the transactions computed on the basis set out in Rule 1006 of the Listing Manual are as follows:-

<u>Rule</u>	<u>Basis</u>	<u>Based on aggregate En-bloc acquisition value of S\$300 million</u>
Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	N.A.
Rule 1006(b)	Net profits attributable to the assets acquired compared with the Group's net profits	N.A.
Rule 1006(c)	Aggregate value of the consideration given, compared with the issuer's market capitalisation	3,226%

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<u>Rule</u>	<u>Basis</u>	<u>Based on aggregate En-bloc acquisition value of S\$300 million</u>
Rule 1006(d)	Number of equity securities issued by the issuer as consideration for the acquisition, compared with the number of equity securities previously in issue	N.A.
Rule 1006(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves.	N.A.

4.6 Conclusion

- (a) In line with the future business direction of the Company, the Company therefore seeks a shareholders' mandate to allow it to:-
- (i) acquire one or more en-bloc sites for holding and/or re-development and to hold and/or sell the units re-developed (all or some only), subject to the total acquisition and/or re-development costs for all these en-bloc sites not exceeding S\$300 million; and
 - (ii) where relevant, to enter into joint venture or co-investment arrangements for the purposes of, or in connection with, acquiring, holding and/or re-developing such en-bloc sites.
- (b) As discussed in section 2.3(c) above, it is anticipated that the Company's participation in the property development / re-development sector with co-investors and joint-venture partners will enhance the market capitalisation of the Company and enable it to better compete in the property development / re-development industry.

5. THE PROPOSED SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

5.1 Chapter 9 of the Listing Manual

Under Chapter 9 of the Listing Manual, where a listed company or any of its subsidiaries or associated companies that are defined as an "entity at risk" proposes to enter into a transaction with an "interested person", an immediate announcement or an immediate announcement and shareholders' approval is required in respect of that transaction if its value is equal to, or more than, certain financial thresholds.

Rule 920 of the Listing Manual permits a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons. A general mandate is also subject to annual renewal.

The definitions of certain terms which are used in Chapter 9 of the Listing Manual (such as "entity at risk", "interested person" and "associate") are set out in **Appendix B** of this Circular.

5.2 Rationale for the IPT Mandate

Going forward, it is envisaged that in the ordinary course of their businesses, transactions between the Group and Xpress Group are likely to occur from time to time, especially in connection with the proposed "investment banking" approach (if adopted and as described in section 2.2(b)).

The Directors believe that the proposed IPT Mandate will facilitate Xpress Group's involvement and support for the Group's proposed "investment banking" approach to real estate projects for the following reasons:-

- (a) Xpress Group may participate as one of the co-investors or joint venture partners on a proportionate sharing of risks and rewards basis in real estate projects that the Group may lead or co-lead, originate or manage and a management, originator and/or project management fee may be payable by the co-investors or joint venture partners of the projects (including Xpress Group) to the Group on a proportionate basis for the Services rendered; and
- (b) There could be instances where the Group may require Xpress Group to step in to provide financing and/or financial support to the Group in connection with the Group's real estate projects, and it is proposed that such financing and/or financial support be provided at rates and on conditions no less favourable than those available in the market to the Group. While Xpress Group has been providing financing to the Group on an interest free basis on several of the Group's real estate projects, such interest free concessionary support may not be feasible in future with the increased size of the real estate projects (and corresponding financial cost to be borne by Xpress Group), and Xpress Group may only participate in such real estate projects with a minority stake.

5.3 Benefit to Shareholders

The IPT Mandate will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for, the entry by the Group into such Interested Person Transactions. This will substantially reduce the expenses associated with the convening of general meetings (including the engagement of external advisers and preparation of documents) on an *ad hoc* basis, will improve administrative efficacy considerably, and will allow manpower resources and time to be channelled towards attaining other business objectives available to the Company owing to the time-sensitive nature of the commercial transactions.

The IPT Mandate is intended to facilitate Interested Person Transactions in the ordinary course of business of the Group which are recurrent in nature or necessary for the day-to-day operations of the Group, and may be transacted from time to time with the Interested Persons, provided that they are carried out on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

5.4 Class of Interested Person

The IPT Mandate will apply to Interested Person Transactions (as described in section 5.5 below) which are carried out with Xpress Group.

Xpress Group is a company incorporated in Hong Kong and listed on the Stock Exchange of Hong Kong Limited and is presently engaged in property trading and investment, properties development, financial services and securities investments, including corporate finance, consumer finance and hotel operation. As at the Latest Practicable Date, Xpress Group holds 233,188,000 Shares, representing approximately 62.68% of the issued share capital of the Company, and is a controlling shareholder of the Company. By virtue of this, Xpress Group is an Interested Person for the purposes of Chapter 9 of the Listing Manual.

Notwithstanding that Xpress Group is a controlling shareholder of the Company and that the Group is involved in similar property related business activities as Xpress Group, the Directors consider that there are no potential conflicts of interest between the Company and Xpress Group as they are both listed companies, governed by their respective exchange rules and regulations. Pursuant to the 2006 Mandate, the Company had diversified its business into that of properties trading and properties investment in Hong Kong and Singapore since 2009, while managing its loss-making travel-related business. Going forward, there will be a geographical segregation in the conduct of the businesses of Xpress Group and the Company. Whilst Xpress Group's business is concentrated in Hong Kong, the Company's business of property trading and investment, development and re-development will be focused in Singapore. In addition, Xpress Group has undertaken that it will support the Company in the

manner set out in sections 5.5(a) and (b). Should Xpress Group identify a property investment, development or re-development project in Singapore, it will give the Company a first right of refusal to undertake this investment/project, unless the Directors of the Company who are independent, deem such project to be not in the interests of the Company. Similarly, should the Company identify a property investment, development or re-development project in Hong Kong, it will give Xpress Group a first right of refusal to undertake the investment/project. In the event that such a potential conflict of interest arises, the Directors who are deemed to be interested in the transaction(s) where such potential conflict of interest arises (as provided for in section 5.6 below) will raise it to the Board and will abstain from any decision-making in respect of that transaction(s).

5.5 Nature and Scope of the IPT Mandate

The proposed IPT Mandate will cover transactions involving the Interested Person:-

- (a) where the Group renders the Services to co-investors or joint venture partners for any real estate project (where Xpress Group participates as a co-investor or joint venture partner) and for which a management, originator or project management fee is payable to the Group for the Services rendered to all the co-investors or joint venture partners on a proportionate basis.
- (b) where the Xpress Group provides financing and/or financial support to the Group, which may include (i) Xpress Group extending loans to the Group, and/or (ii) the provision of guarantees, indemnities or securities by Xpress Group in favour of the Group's creditors, in respect of borrowings which are incurred by the Group, whether or not such transactions are in connection with the "investment banking" approach proposed to be undertaken by the Group (as described in section 2.2(b)),

("Interested Person Transactions").

For the avoidance of doubt, there will be no sale or purchase of any assets, undertakings or businesses within the scope of the IPT Mandate. The IPT Mandate will also not cover any transaction by any member of the Group with the Interested Person that is below S\$100,000. Further, transactions with other interested persons (other than the class of Interested Person detailed at section 5.4 above) that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

5.6 Guidelines and Review Procedures for Interested Person Transactions

(a) Review Procedures

Having regard to the nature of the Interested Person Transactions and the criteria in establishing the review procedures which is to ensure that such review procedures are adequate and/or commercially practicable in ensuring that each Interested Person Transaction is carried out on normal commercial terms, is in the interest of the Company and is not prejudicial to the interests of the Company and the minority Shareholders, the review procedures as set out below will be implemented.

- (i) Where the Group participates in the real estate projects as a co-investor or joint venture partner together with the Interested Person as one of the other co-investors or joint venture partners, the participation by all co-investors or joint venture partners shall be on the basis of sharing of risks and rewards of the investment on a proportionate basis.
- (ii) Where the Interested Person is liable to pay its share of the management, originator and/or project management fee chargeable by the Group to all co-investors or joint venture partners for Services rendered:-
 - (aa) the Interested Person's share of the management, originator and/or project management fee shall be proportionate to its equity

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participation in the real estate projects vis-à-vis the participations by the other co-investors or joint venture partners; and

- (bb) the management, originator and/or project management fee chargeable by the Group for the Services shall be reasonable, taking into consideration, amongst others, the synergies and benefits derived by the Group from having the Interested Person as a co-investor or joint venture partner, complexity of issues encountered, time spent, and the fee that the Group would have charged if Services had been provided to a non-Interested Person and ensuring that the fees and other material payment terms and conditions are no more favourable than the terms and conditions of two (2) contemporaneous transactions, provided that, in cases where for any reason, it is impractical or impossible to obtain the terms and conditions of two (2) contemporaneous transactions, the Director / relevant head of the department handling the transaction or the Audit Committee (as the case may be) shall take such necessary steps which would include but is not limited to relying on corroborative inputs from reasonably experienced market practitioners in order to determine that the terms and conditions provided to the Interested Person are fair and reasonable, are no more favourable than terms which would be extended by the Company or members of the Group to an unrelated third party, and are in the commercial interests of the Group; and
- (iii) In relation to Xpress Group providing financing and/or financial support to the Group:-
 - (aa) the extension of loans by Xpress Group should be at rates and on terms and conditions no less favourable than those quoted by two (2) banks in Singapore;
 - (bb) in relation to the provision of guarantees, indemnities or security, such as bank guarantees by Xpress Group in favour of the Group's creditors, commission rates (if any) which are chargeable by Xpress Group for the provision of such guarantees or indemnities, shall be at rates no less favourable than that quoted by two (2) banks in Singapore; and
 - (cc) prior to the entry of the transaction(s) with Xpress Group, contemporaneous quotes shall be obtained (wherever possible or available) from at least two (2) banks in Singapore for loan and commission rates, as the case may be, for an equivalent amount, and for the equivalent period, as the funds to be borrowed or guarantees, indemnities or securities to be issued.

In cases where for any reason, quotations from at least two (2) banks are not received, the Director / relevant head of the department handling the transaction or the Audit Committee (as the case may be) shall take such necessary steps which would include but is not limited to (i) reviewing available recent terms and conditions of comparable transactions and (ii) relying on corroborative inputs from reasonably experienced market practitioners in order to determine that the terms and conditions provided by the Interested Person are fair and reasonable and are no less favourable than terms which would be offered to the Company or members of the Group by unrelated third party financiers.

(b) **Approval Thresholds**

In addition, the following approval procedures will be implemented by the Company:

- (i) the review and approval of a Director / relevant head of the department handling the transaction (with no interest, direct or indirect, in the proposed Interested Person Transaction) is required for any proposed Interested Person Transaction where the value thereof is below three per centum (3%) of the audited NTA (based on the latest audited consolidated accounts) of the Group; and
- (ii) the review and approval of the Audit Committee is required for any proposed Interested Person Transaction where the value thereof is equal to, or above three per centum (3%) of the audited NTA (based on the latest audited consolidated accounts) of the Group. If a member of the Audit Committee has an interest in the transaction to be reviewed by the Audit Committee, he will abstain from any decision-making by the Audit Committee in respect of that transaction, and the review and approval of the transaction will be undertaken by the remaining member(s) of the Audit Committee. The remaining member(s) of the Audit Committee will provide his/their views and the basis for which he/they considers he/they will be able to satisfactorily discharge his/their duties in that respect.

(c) **Register of Interested Person Transactions**

The Company will maintain a register of all Interested Person Transactions carried out with Xpress Group pursuant to the IPT Mandate and shall include all information pertinent to the Interested Person Transactions such as, but not limited to, the nature of the Interested Person Transaction, the amount of the Interested Person Transactions, the basis and rationale for determining the terms of the transaction and supporting evidence and quotations obtained to support such basis, and where relevant, the background and curriculum vitae of the bank or market practitioners.

The register of Interested Person Transactions shall be prepared, maintained and monitored by senior personnel such as the Chief Financial Officer of the Company (who shall not be interested in any of the Interested Person Transactions) who are duly delegated to do so by the Audit Committee. The register of Interested Person Transactions shall be reviewed by the Audit Committee on a semi-annual basis and by the Auditors at least once annually to ascertain that the guidelines and procedures established to monitor Interested Person Transactions have been complied with.

(d) **Reviews by Audit Committee**

The Audit Committee shall review on a semi-annual basis the register of Interested Person Transactions as mentioned in section 5.6(c) above to ascertain that the established review procedures to monitor Interested Person Transactions have been complied with.

If during these semi-annual reviews by the Audit Committee, the Audit Committee is of the view that the established review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Group are conducted, it will take such actions as it deems appropriate and/or institute additional procedures as necessary (such as, where relevant, to obtain a fresh mandate for Interested Person Transactions) to ensure that the mandated Interested Person Transactions will be conducted based on the Group's normal commercial terms and hence, will not be prejudicial to the interests of the Company and its minority Shareholders.

If any member of the Audit Committee has an interest in a transaction, he shall abstain from participating in the review and approval process in relation to that transaction. The remaining member(s) of the Audit Committee undertaking the review and approval will provide his/their views and the basis for which he/they considers he/they will be able to satisfactorily discharge his/their duties in that respect.

5.7 Validity Period of the IPT Mandate

The IPT Mandate will take effect from the passing of Ordinary Resolution 4, and will (unless revoked or varied by the Company in general meeting) continue in force until the next AGM. Approval from the Shareholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM, subject to satisfactory review by the Audit Committee of its continued application to the transactions with the Interested Person.

5.8 Disclosure in the Annual Report

The Company will announce the aggregate value of transactions conducted with the Interested Persons pursuant to the IPT Mandate for the relevant financial periods which the Company is required to report on pursuant to the Listing Manual and within the time required for the announcement of such reports.

Disclosure will also be made in the Company's annual report of the aggregate value of transactions conducted with the Interested Persons pursuant to the IPT Mandate during the financial year, and in the annual reports for subsequent financial years that the IPT Mandate continues in force, in accordance with the requirements of Chapter 9 of the Listing Manual.

The name of the Interested Person and the corresponding aggregate value of the Interested Person Transactions will be presented in the following format:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)

5.9 IFA's Opinion in relation to the IPT Mandate

NRA Capital Pte. Ltd. has been appointed as the independent financial adviser to the Independent Director to opine on whether the guidelines and review procedures for determining the transaction prices of the Interested Person Transactions as set out in section 5.6 of this Circular are sufficient to ensure that the Interested Person Transactions covered under the IPT Mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

NRA Capital Pte. Ltd. is of the opinion that the current guidelines and review procedures for determining the transaction prices of the Interested Person Transactions under the IPT Mandate as set out in section 5 entitled "The Proposed Shareholders' Mandate for Interested Person Transactions" of the Circular, if adhered to and applied properly at all times, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. Their letter dated 30 June 2011 to the Independent Director is reproduced and appended as **Appendix A** of this Circular. Shareholders are advised to read the IFA Letter in full and consider it in the context of this Circular.

5.10 Statement of the Audit Committee

- (a) Mr Wong Tat Keung, being a director of Xpress Group, and Mr Chan Tung Moe, being a director of Xpress Group and the son of Mr Chan Heng Fai and Ms Chan Yoke Keow, and hence an associate of Mr Chan Heng Fai and Ms Chan Yoke Keow, the latter two of whom are Directors, have an interest in the proposed IPT Mandate and have abstained from the Audit Committee's review and determination in relation to the proposed IPT Mandate. As such, for the purposes of the Audit Committee's review and determination in relation to the proposed IPT Mandate, Mr Ong Beng Kheong is the only member of the Audit Committee who is deemed to be independent of, and who has considered, *inter alia*, the terms, the

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rationale and the benefits of the proposed IPT Mandate for the purposes of making the statement in section 5.10(d) below.

- (b) In addition, references to the Audit Committee in the guidelines and review procedures set out at section 5.6 would as at the date of this Circular, owing to the fact that Mr Ong Beng Kheong is the only member of the Audit Committee who is deemed to be independent of the proposed IPT Mandate and the Interested Person Transactions, refer to Mr Ong Beng Kheong alone.
- (c) Nonetheless, the Audit Committee has considered, and is of the view, that Mr Ong Beng Kheong will be able to discharge his duties satisfactorily for the following reasons :-
- (i) all Interested Person Transactions tabled for review by the Audit Committee will be submitted together with all supporting documents relating to, required by and arising out of the various review procedures detailed at section 5.6(a) above;
 - (ii) Mr Ong Beng Kheong has relevant background and experience in the real estate sector;
 - (iii) it is expected that :-
 - (i) nature and frequency of Xpress Group extending loans or providing guarantees, indemnities or security as part of the financing or financial support which Xpress Group may provide in connection with the scope of the IPT Mandate (as detailed in section 5.2 above) would likely be similar to the nature and frequency of such financing and financial support extended by Xpress Group in the previous year; and
 - (ii) Xpress Group is likely to participate in no more than 2 real estate projects which the Company intends to pursue in connection with the proposed "investment banking" approach (detailed in section 2 above);
 - (iv) the following apply to the Audit Committee (including Mr Ong Beng Kheong):-
 - (i) in the event that it is of the view that additional assistance or resources would be required in order for the Audit Committee to properly discharge its duties, the members of the Audit Committee may appoint and seek the advice of independent advisers and/or specialists, to assist the Audit Committee in properly discharging their duties;
 - (ii) the Audit Committee has the discretion to convene an extra-ordinary general meeting for the purposes of seeking the approval of Shareholders in respect of any matters for which the Audit Committee is of the view that it is not in the position to, or is not sufficiently equipped to, approve; and
 - (iii) the Audit Committee is aware of the above, and will be periodically reminded of the same; and
 - (v) the Board of Directors will on an ongoing basis, review the composition of the Audit Committee and will appoint suitably qualified persons as additional members of the Audit Committee, or to replace existing members of the Audit Committee, as and when the need arises.
- (d) Having considered, *inter alia*, the terms, the rationale and the benefits of the IPT Mandate, the Audit Committee (which for the present purposes and for the reasons set out above refers only to Mr Ong Beng Kheong) has reviewed the review procedures as set out in section 5.6 proposed by the Company for determining the pricing and material terms and conditions of the Interested Person Transactions, and read and considered the contents of the IFA Letter, and is satisfied that if applied strictly, the review procedures for the Interested Person Transactions, as well as the semi-annual reviews to be made by the Audit Committee in relation thereto, are sufficient to ensure that the recurrent Interested Person Transactions will

be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

5.11 **IFA Consent**

NRA Capital Pte. Ltd. has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter set out in **Appendix A** and all references thereto in the form and context in which they appear in this Circular, and to act in such capacity in relation to this Circular.

6. APPROVAL FOR THE TENDER AND PARTICIPATION IN THE PASIR RIS DBSS PROJECT

6.1 **Background**

- (a) In connection with the Company's proposals to adopt an "investment banking" approach to property investment and property development / re-development, as well as its plans to bid for development projects under the DBSS (subject to the aggregate size of the project(s) not exceeding S\$300 million), the Company had, through its wholly-owned subsidiary, SXLPR, on 31 May 2011, and jointly with Kay Lim, submitted the Tender to participate in the Pasir Ris DBSS Project.
- (b) SXLPR is a newly incorporated company which the Company had acquired from two of its directors, Mr Chan Heng Fai and Ms Chan Yoke Keow, for the purchase price of S\$2.00. The purchase price was funded through the Group's internal resources.
- (c) As announced by the Company on 3 June 2011, the Tender was successful and the acquisition of the Land has been awarded to SXLPR and Kay Lim.
- (d) SXLPR and Kay Lim intend to incorporate a new joint venture company to participate in the Pasir Ris DBSS Project. This is documented by the heads of agreement dated 26 May 2011 entered into between SXLPR and Kay Lim. Pursuant to the terms of the heads of agreement, it is agreed that SXLPR and Kay Lim shall hold approximately 80% and 20% respectively of the entire issued share capital of the joint-venture company. Accordingly, the risks and rewards of the Pasir Ris DBSS Project will be shared amongst SXLPR and Kay Lim in the same proportion as their equity contributions in the joint venture company.

6.2 **Information on Kay Lim**

- (a) Kay Lim is a private limited company incorporated under the laws of Singapore. Its directors and shareholders are Mr Tng Kay Lim and Ms Tan Gek Eng. It carries on the business of investment holding and building construction and has a good reputation and strong experience in the development of other HDB public housing projects such as ones developed under the build-to-order scheme.

6.3 **Consideration for the Company's Participation in the Pasir Ris DBSS Project**

- (a) The bid for the Tender was approximately S\$123.88 million, representing approximately 1,066% of the Company's market capitalisation.
- (b) The Tender bid was submitted after having taken into account the recent market transacted prices of similar projects under DBSS, and a feasibility study conducted by the Group. The Company has not to date commissioned a valuation report on the Land for the purposes of its proposed participation in the Pasir Ris DBSS Project.
- (c) As at the Latest Practicable Date, the Company has, jointly with Kay Lim, paid to HDB a deposit for the Tender equal to S\$6.80 million.
- (d) The Company anticipates that development costs of the Pasir Ris DBSS Project should not exceed S\$130 million, based on feasibility study conducted by the Group. The total

consideration for the Company's participation in the Pasir Ris DBSS Project therefore should not exceed S\$253.88 million.

6.4 Terms of the Tender

All capitalised terms shall bear the respective meanings ascribed thereto in the Particulars and Conditions of Tender, which forms part of the Tender documents available for inspection at the registered office of the Company in the manner as set out in section 15.

The terms of the draft Building Agreement, the draft Lease, the draft Agency Agreements, the Additional Conditions of Tender, and HDB's Mandatory Public Housing Design and Technical Requirements referred to below are annexed to the Particulars and Conditions of Tender, and are similarly available for inspection at the registered office of the Company in the manner as set out in section 15.

General

- (a) The Successful Tenderer shall be required to undertake at its own cost and expense the residential development of the Land for public housing development⁷.
- (b) At any time on or after the issue of the Temporary Occupation Permit or Certificate of Statutory Completion for the said development, the legal and beneficial interest of the Successful Tenderer in the reversion immediately expectant on the leases of the individual flat units and the entire estate in the common property on the Land shall vest in the HDB for an agreed consideration of S\$1. For this purpose, the Successful Tenderer shall do all acts and things as the HDB may in its absolute discretion require⁸.
- (c) The Successful Tenderer shall be granted a lease of the Land for a term of 103 years on the terms and conditions set out within the draft Building Agreement, the draft Lease, the draft Agency Agreements, the Additional Conditions of Tender, and the HDB's Mandatory Public Housing Design and Technical Requirements, commencing from the date of full payment of land premium by the Successful Tenderer.

Requirement for Controlling Interest where Successful Tenderer Carries out Development

- (d) The Successful Tenderer may with the prior written consent of the HDB, together with one or more individuals or companies, whether as partners in an existing or newly formed partnership or otherwise, carry out the development and sign the (relevant building agreement and agency agreement). In such a case, the Successful Tenderer shall ensure that it holds a controlling interest of a more than 50% share in the Land and the said development and will continue to hold and retain such a share until the date it receives the Temporary Occupation Permit, or the Certificate of Statutory Completion, whichever is earlier⁹.

Payment of Tender Price

- (e) The Successful Tenderer shall pay the tender price by Cashier's Order(s) made payable to the Commissioner of Lands, Singapore Land Authority, to the HDB in the following manner :-
 - (i) (where the payment of the tender deposit or part thereof is made by way of Banker's Guarantee(s) / Insurance Guarantee(s), within 7 days of the date of acceptance of his tender, pay the sum equivalent to the tender deposit;
 - (ii) Within 28 days of the date of acceptance of his tender, pay 25% of the tender price (less the tender deposit); and

⁷ Clause 1.5(a) of the Particulars & Conditions of Tender

⁸ Clause 1.5(e) of the Particulars & Conditions of Tender

⁹ Clause 6.2 of the Particulars & Conditions of Tender

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- (iii) Within 90 days of the date of acceptance of his tender, pay 75% of the tender price¹⁰.

Completion of Project

- (f) The Successful Tenderer shall construct and obtain a single Temporary Occupation Permit for the whole of the said development within 48 months from the date of acceptance of the tender by the HDB¹¹.

Costs and Expenses

- (g) The Successful Tenderer shall forthwith pay on demand :-
- (i) All Singapore Land Authority fees, cost of preparation of plans and subdivision fees and all other costs and expenses incidental thereto or arising therefrom and all stamp duties, registration fees and sealing fees payable in respect of the lease and all other expenses incurred or to be incurred in connection with the preparation, completion and/or registration of, *inter alia*, the Building Agreement and matters incidental thereto or arising therefrom¹².

Non-Assignment, Mortgage, etc

- (h) During the period of the Building Agreement or before the said development is completed, the Successful Tenderer shall not assign demise mortgage or part with the benefit of the said Building Agreement nor shall the Successful Tenderer demise, mortgage, charge, assign, sublet or part with the possession of the Land or any part thereof without the prior written consent of the HDB¹³.

Breach

- (i) If the Successful Tenderer shall for any reason fail to sign the Building Agreement and Agency Agreements within 14 days from the date of payment of the tender price of the Land in full or to observe or perform or fail to ensure the due performance of any of the terms of these Particulars & Conditions of Tender, the HDB may impose such penalties as it deems fit as well as forfeit the tender deposit submitted together with the tender and all other moneys paid under the provisions hereof, which shall thereupon belong to the HDB¹⁴.
- (j) The HDB shall also be entitled to re-possess and re-dispose of the Land and any interest therein in the said development (whether construction thereof has commenced or not) as if the Successful Tenderer has never submitted a tender for the Land¹⁵.

Debarment

- (k) Without prejudice to any right of action or other remedy which the Government and/or HDB may have or any proceedings, civil or criminal which the Government or HDB may decide to initiate to take¹⁶, :-
- (i) The Government and/or the HDB reserve the right to debar the Successful Tenderer from participating in all or any future tenders and auctions of the Ministries and

¹⁰ Clause 9.1 of the Particulars & Conditions of Tender

¹¹ Clause 12.2 of the Particulars & Conditions of Tender

¹² Clause 17.1 of the Particulars & Conditions of Tender

¹³ Clause 19 of the Particulars & Conditions of Tender

¹⁴ Clause 21.1 of the Particulars & Conditions of Tender

¹⁵ Clause 21.2 of the Particulars & Conditions of Tender

¹⁶ Clause 22 of the Particulars & Conditions of Tender

Departments of the Government and Statutory Boards for such period as the Government and/or the HDB may at their discretion determine for any failure on the part of the Successful Tender to observe or perform any of the terms and conditions contained or referred to in these present Particulars & Conditions of Tender, the Building Agreements, Agency Agreements, Lease, the Additional Conditions of Tender (Technical) and HDB's Mandatory Public Housing Design and Technical Requirements, or for giving false information, abandonment or breach of contract; and

- (ii) The Successful Tenderer shall on demand pay such amount as the Government and/or the HDB may determine as compensation for any loss and damage that may be suffered, directly or indirectly, by the Government and/or HDB as a result of any non observance or breach of (this condition) on the part of the Successful Tenderer or its employees or agents.

Indemnity

- (l) The Successful Tenderer shall be solely liable for and shall fully indemnify and keep indemnified the HDB and the Government in respect of all losses, damages, injuries, claims or demands which may arise, whether directly or indirectly under the terms of or in connection with the Building Agreements, Agency Agreements, Lease, the Additional Conditions of Tender (Technical) and HDB's Mandatory Public Housing Design and Technical Requirements¹⁷.

6.5 Financing the Pasir Ris DBSS Project

- (a) Funding for the Pasir Ris DBSS Project shall be contributed by SXLPR and Kay Lim in proportion to their respective interests in the joint-venture company. SXLPR and Kay Lim anticipate that such funding will take the form of equity, shareholders' loans and project financing.
- (b) In this regard, the Company intends to finance its proportionate contribution to the funding through the options and means contemplated by the "investment banking approach" (detailed in section 2.2(c) above), which are likely to be a combination of all or any of the following :-
 - (i) obtaining a bridging loan from its ultimate holding Company, Xpress Group;
 - (ii) internal resources;
 - (iii) corporate banking facilities;
 - (iv) project financing; and
 - (v) such other sources as the Board may from time to time deem expedient or appropriate.

The Company wishes to highlight that should it obtain a bridging loan from Xpress Group such bridging loan is likely to constitute an Interested Person Transaction and fall within the scope of the IPT Mandate which the Company seeks (as detailed in section 5 above). If the proposed IPT Mandate is approved, any bridging loan obtained would be subject to the guidelines and review procedures set out at section 5.6 above.

To the extent that the Company may conduct other capital raising exercises to raise funds for the purposes of its proposed participation in the Pasir Ris DBSS Project, the Company shall make the appropriate announcement(s) and, where relevant, seek Shareholders' approval, in due course. For the avoidance of doubt, Xpress Group's participation in the Pasir Ris DBSS Project will only be by way of providing a bridging loan and guarantees, and barring unforeseen circumstances, Xpress Group will not participate in the development of the Pasir Ris DBSS Project through any other means.

¹⁷ Clause 24 of the Particulars & Conditions of Tender

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6.6 Financial effects of the Company's participation in the Tender and the Pasir Ris DBSS Project

- (a) For illustration purposes only and based on the Group's unaudited consolidated financial statements for FY2011, the financial effects of the Company's participation in the Tender and the Pasir Ris DBSS Project are set out below.
- (b) The analysis below has been prepared solely for illustrative purposes, and does not purport to be indicative or a projection of the results and financial position of the Group after the Tender and the Pasir Ris DBSS Project.

Net Tangible Asset:

This assumes that the Tender and the Pasir Ris DBSS Project were completed on 31 March 2011, that the total capital commitment was S\$123.88 million, that the development of the Tender and the Pasir Ris DBSS Project has not commenced and that the Tender and the Pasir Ris DBSS Project have been funded only by shareholders' loans and debt financing with an interest rate of 4% per annum (the Hong Kong Dollar Prime Rate of 5% was used as a reference point in arriving at the basis of the interest rate of 4%), as the Company cannot predict the level of participation of the other investors in respect of the other methods of financing pursuant to the "investment banking" approach (as detailed in section 2.2(c) above). Based on these assumptions, the effects of the Tender and the Pasir Ris DBSS Project on the NTA of the Group are as follows:

	As at 31 March 2011
NTA before the participation in the Tender and the Pasir Ris DBSS Project (S\$'000)	13,724
NTA per Share before the participation in the Tender and the Pasir Ris DBSS Project (cents)	3.61
NTA after the participation in the Tender and the Pasir Ris DBSS Project (S\$'000)	13,724
NTA per Share after the participation in the Tender and the Pasir Ris DBSS Project (cents)	3.61

Earnings Per Share:

This assumes that the Tender and the Pasir Ris DBSS Project were completed on 1 January 2010, that the re-development of the Tender and the Pasir Ris DBSS Project has not commenced and that the Tender and the Pasir Ris DBSS Project have been funded only by shareholders' loans and debt financing with an interest rate of 4% per annum (the Hong Kong Dollar Prime Rate of 5% was used as a reference point in arriving at the basis of the interest rate of 4%), as the Company cannot predict the level of participation of the other investors in respect of the other methods of financing pursuant to the "investment banking" approach (as detailed in section 2.2(c) above), and that all borrowing costs are capitalised as the costs of the assets. Based on these assumptions, the effects of the Tender and the Pasir Ris DBSS Project on the EPS of the Group are as follows:

	FY2011⁽¹⁾
Earnings attributable to Shareholders (S\$'000)	1,592
Less: Estimated financing costs	(3,964)
Add: Capitalisation of financing costs	3,964
Earnings attributable to Shareholders after the Tender and the Pasir Ris DBSS Project (S\$'000)	1,592
EPS before the participation in the Tender and the Pasir Ris	0.53

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DBSS Project (cents)

EPS after the participation in the Tender and the Pasir Ris
DBSS Project (cents) 0.53

Note: (1) The diluted consolidated EPS was calculated based on the weighted average number of Shares during FY 2011 of 302,113,890 Shares.

Gearing:

This assumes that the Tender and the Pasir Ris DBSS Project were completed on 31 March 2011, that the development of the Tender and the Pasir Ris DBSS Project has not commenced and that the Tender and the Pasir Ris DBSS Project have been funded only by shareholders' loans and debt financing with an interest rate of 4% per annum (the Hong Kong Dollar Prime Rate of 5% was used as a reference point in arriving at the basis of the interest rate of 4%), as the Company cannot predict the level of participation of the other investors in respect of the other methods of financing pursuant to the "investment banking" approach (as detailed in section 2.2(c) above). Based on these assumptions, the effects of the Tender and the Pasir Ris DBSS Project on the gearing of the Group are as follows:

	As at 31 March 2011 ⁽¹⁾
Total net borrowings before the Tender and the Pasir Ris DBSS Project	31,536
Shareholders' equity (S\$'000)	13,724
Gearing (times)	2.3
Total net borrowings after the Tender and the Pasir Ris DBSS Project (S\$'000)	130,640
Shareholders' equity (S\$'000)	13,724
Gearing (times)	9.5

Note: (1) Gearing is computed based on the ratio of total net borrowings to shareholders' equity as at 31 March 2011. Net borrowings consist of total borrowings less cash and cash equivalents.

6.7 Rationale

- (a) Submitting the Tender and participating in the Pasir Ris DBSS Project is consistent with the Company's plans to adopt an "investment banking" approach to property investment and property development / re-development, as well as its plans to bid for development projects under the DBSS, as outlined in sections 2 and 3 above respectively.
- (b) As mentioned in section 3.3 above, as the DBSS is operated under the auspices of the HDB, the Group's intention to venture into DBSS projects is a relatively low risk opportunity for the Group to grow into larger scale real-estate projects.
- (c) In addition, the Board takes the view that the Land presents a good opportunity for the Group's venture into DBSS projects for the following reasons :-
 - (i) The Land has a total site area of approximately 176,400 square feet. The maximum allowable gross floor area is approximately 441,000 square feet, and it is intended that 454 units of public housing, as well as a child care centre, car park, and ancillary facilities be developed on the Land. Based on the List of DBSS Sites Awarded published by the HDB¹⁸, this is one of the largest land parcels which the HDB has opened for tender of DBSS projects;
 - (ii) The Land is located in close proximity to an MRT station, and the Board anticipates that this is likely to result in good demand for the DBSS flats;

¹⁸ See footnote 2, on page 11 above

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- (iii) The terms of the Tender were on normal commercial terms, and were fair and reasonable so far as the Company and the Shareholders are concerned; and
 - (iv) the risks and rewards of the joint venture with Kay Lim would be in proportion to the equity contributions of SXLPRL and Kay Lim in the capital of the joint venture company to be established, which will not be prejudicial to the interests of the Company and/or its minority Shareholders.
- (d) As the tender for the Land was scheduled to close on 31 May 2011, before the date of the EGM, the Board, after having taken into account the recent market transacted prices of similar projects under DBSS, and a feasibility study conducted by the Group, determined that the Company's participation in the Pasir Ris DBSS Project would be in the interests of the Company and its Shareholders, and decided to proceed to submit the Tender.

6.8 Directors and Controlling Shareholders' Interests

- (a) No director or controlling shareholder of the Company has any interest, direct or indirect, in the Tender or the Company's proposed participation in the Pasir Ris DBSS Project.

6.9 Directors' Service Contracts

- (a) There are no directors or controlling shareholders proposed to be appointed to the Company in connection with the Tender or the Company's proposed participation in the Pasir Ris DBSS Project.

6.10 Materiality of the Tender

- (a) The relative figures for the Tender computed on the basis set out in Rule 1006 of the Listing Manual are as follows :-

<u>Rule</u>	<u>Basis</u>	<u>Based on aggregate project value of S\$123.88 million</u>
Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	N.A
Rule 1006(b)	Net profits attributable to the assets acquired compared with the Group's net profits	N.A.
Rule 1006(c)	Aggregate value of the consideration given, compared with the market capitalisation	1,066%
Rule 1006(d)	Number of equity securities issued as consideration for the acquisition, compared with the number of equity securities previously in issue	N.A.
Rule 1006(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the group's proven and probable reserves.	N.A.

- (b) As the relative figure under Rule 1006(c) exceeds 100%, the Tender is considered a very substantial acquisition under Chapter 10 of the Listing Manual. As stated in section 2.4 above, the Company has sought and obtained a waiver from the SGX-ST from the requirements of Rule 1015 in relation to the DBSS project(s), the EC project(s) and the En-Bloc Acquisitions. The Tender falls within the scope of the aforesaid waiver. Pursuant to the conditions to the Waiver Application stipulated by SGX-ST, the Company is only required to seek the approval of the Shareholders for the Tender. Xpress Group Limited, the controlling shareholder of the Company which beneficially owns 233,188,000 Shares, representing approximately 62.68% in the Shares of the Company, has undertaken to vote, and to procure that China Credit Singapore Pte Ltd (a wholly-owned subsidiary of Xpress Group Limited and the holding

company of Xpress Credit Limited) and Xpress Credit Limited (the controlling shareholder of the Company) vote, in favour of the resolution to approve the Acquisition.

- (c) Until the additional terms and conditions applicable to the Pasir Ris DBSS Project are finalised, it will not be possible to ascertain the value of the Pasir Ris DBSS Project and determine the materiality of the Pasir Ris DBSS Project. However, the Company's participation in the Pasir Ris DBSS Project is in pursuance of the Company's plans to bid for development projects under the DBSS, and the value of the Pasir Ris DBSS Project will in any event not exceed the S\$300 million aggregate threshold referred to in section 3 above. Accordingly, the financial effects set out in section 6.6 above may be referred to as a reference point.
- (d) Once the terms and conditions of the Pasir Ris DBSS Project are finalised, the Company will announce additional details of the Pasir Ris DBSS Project, including its value, in due course.

6.11 **Conclusion**

In line with the future business direction of the Company, the Company therefore seeks:-

- (i) Shareholders' ratification, confirmation and approval for the submission of the Tender; and
- (ii) Shareholders' approval for its participation in the Pasir Ris DBSS Project.

7. **THE PROPOSED GRANT OF SHARE OPTIONS TO MR YEO WEE KIONG**

7.1 **Introduction**

As stated in the Announcement and section 2.2(d), the Company intends to engage the assistance of Mr Yeo Wee Kiong ("**Mr Yeo**") as a business adviser for an initial 3-year term to reinforce the new "investment banking approach" (as detailed in section 2.2(b)). In this connection and to align Mr Yeo's interest with the Shareholders, the Company is proposing to grant him share options ("**Options**") for nil consideration as set out below.

7.2 **Rationale**

- (a) As business adviser to the Company, Mr Yeo will not be involved in the day-to-day running of the Company and has no executive functions in the Company. However, he will bring to the Company a wealth of experience in law, investment banking and private equity, corporate governance and business management and will be available to share with the Company where necessary, his knowledge and experience in corporate commercial structures for co-investing and joint ventures. The Company also intends to enlist Mr Yeo's help in developing a pool of potential co-investors and joint venture partners in order to further the Company's intention to further its businesses in the property investment and property development / re-development aspects. A copy of Mr Yeo's curriculum vitae is set out in **Appendix C** to this Circular.
- (b) The Company considers Mr Yeo's contributions and participation in this strategic expansion of its property investment and property development / re-development business to be significant, and believes that the proposed grant of Options to Mr Yeo will align Mr Yeo's interests with that of Shareholders and will serve as an incentive for Mr Yeo to assist the Company to grow in this new endeavour.

7.3 **Terms of the Options**

- (a) For the reasons set out in section 7.2 above, and based on negotiations between the Company and Mr Yeo in relation to his appointment as a business adviser and taking into account Mr Yeo's qualifications, experience and potential contributions to the growth of the Company, it is proposed that approval be given to the Board to grant to Mr Yeo the Options in 4 tranches to subscribe for an aggregate of up to 20,000,000 new Shares in the capital of the

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Company (the “**New Shares**”), representing approximately 5.38% of the total outstanding and issued Shares of the Company as at the Latest Practicable Date, on the following terms:-

(i) Tranche 1

- | | | |
|----|------------------------------------|---|
| 1. | Proposed date of grant of Options | Within 10 days after the EGM subject to shareholders’ approval being obtained |
| 2. | Exercise price for Options granted | S\$0.035, representing a 40% premium over the last transacted price of the Shares of S\$0.025 as at the date of the Announcement] |
| 3. | Number of Options granted | 5,000,000 |
| 4. | Validity period | 5 years from the date of grant |
| 5. | Vesting date | Immediate vesting on the date of grant of the options |
| 6. | Expiry date | The day immediately preceding the 5 th anniversary of the date of grant |

(ii) Tranche 2

- | | | |
|----|------------------------------------|---|
| 1. | Proposed date of grant of Options | Within 10 days after the EGM subject to shareholders’ approval being obtained |
| 2. | Exercise price for Options granted | S\$0.040, representing a 60% premium over the last transacted price of the Shares of S\$0.025 as at the date of the Announcement] |
| 3. | Number of Options granted | 5,000,000 |
| 4. | Validity period | 5 years from the date of grant |
| 5. | Vesting date | Immediate vesting on the date of grant of the options |
| 6. | Expiry date | The day immediately preceding the 5 th anniversary of the date of grant |

(iii) Tranche 3

- | | | |
|----|------------------------------------|---|
| 1. | Proposed date of grant of Options | Within 10 days after the EGM subject to shareholders’ approval being obtained |
| 2. | Exercise price for Options granted | S\$0.035, representing a 40% premium over the last transacted price of the Shares of S\$0.025 as at the date of the Announcement] |
| 3. | Number of Options granted | 5,000,000 |
| 4. | Validity period | 5 years from the date of grant |
| 5. | Vesting date | 1 st anniversary of the date of the grant |
| 6. | Expiry date | The day immediately preceding the 5 th anniversary of the date of grant |

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(iv) Tranche 4

1.	Proposed date of grant of Options	Within 10 days after the EGM subject to shareholders' approval being obtained
2.	Exercise price for Options granted	S\$0.040, representing a 60% premium over the last transacted price of the Shares of S\$0.025 as at the date of the Announcement
3.	Number of Options granted	5,000,000
4.	Validity period	5 years from the date of grant
5.	Vesting date	1 st anniversary of the date of the grant
6.	Expiry date	The day immediately preceding the 5 th anniversary of the date of grant

- (b) The Company shall, as soon as practicable after the exercise of the Options in any of the 4 tranches, allot and issue the relevant New Shares to Mr Yeo, apply to the SGX-ST and any other stock exchange on which the Company's Shares are quoted, for permission to deal in and for quotation of such New Shares. Subject to such consents or other required action of any competent authority under regulations or enactments for the time being in force as may be necessary, the New Shares shall be allotted and issued to Mr Yeo not more than ten (10) market days after the exercise of an Option and within five (5) market days from the date of such allotment, the Company shall despatch to the CDP for the account of Mr Yeo share certificates in respect thereof by ordinary post or such other mode as the Board or CDP may deem fit.
- (c) New Shares which are allotted on the exercise of an Option shall be issued in the name of CDP to be credited to Mr Yeo's securities account with CDP.
- (d) The New Shares shall be subject to all the provisions of the Articles of Association of the Company, and shall rank in full for all entitlements including dividends or other distributions declared or recommended in respect of the then existing issued Shares, the record date for which is on or after the date on which such exercise occurred, and shall in all other respects rank *pari passu* with other Shares then in issue. Any right to exercise the Options shall lapse on the liquidation of the Company.
- (e) The Company had submitted an application to SGX-ST for the listing and quotation of the New Shares on Catalist, and had on 21 June 2011, received in-principle approval from SGX-ST for the listing and quotation of the New Shares on Catalist, subject to, *inter alia*, the condition that Shareholders' approval for the proposed grant of the Options to Mr Yeo is obtained at the EGM. The listing and quotation of the New Shares is not an indication of the merits of the New Shares, the Company, its subsidiaries and their securities.

7.4 Variation of Capital

- (a) In the event of a variation in the share capital of the Company by way of a rights issue, bonus or other capitalisation issues, such as any consolidation, subdivision, or conversion of the share capital of the Company, then:-
- the exercise price in respect of the New Shares comprised in any Option(s) to the extent unexercised; and/or
 - the class and/or number of New Shares comprised in any Option(s) to the extent unexercised and the rights attached thereto,

shall be adjusted by the Company in consultation with, and with the concurrence of, the auditors of the Company in the manner similar to the adjustment of the conversion price of the Convertible Bonds in such an event.

- (b) Upon any adjustment being made, the Company shall notify Mr Yeo (or his personal representatives, where applicable) in writing informing him of the particulars of such adjustment. Any adjustment shall take effect upon such written notification being given.

7.5 Proceeds from the exercise of the Options and Utilisation of Proceeds

- (a) The estimated amount of proceeds from the exercise of the Options (assuming that all Options are exercised) is S\$750,000.
- (b) As and when the Options are exercised, the proceeds arising therefrom may also be applied towards the general working capital of the Company.

7.6 Financial Effects of the Options

- (a) **Potential costs of issuing the Options.** Based on financial reporting standards, no cash outlays would be expended by the Company at the time the Options are issued. However, the Company would recognize an expense in the financial statements based on the fair value of the Options at the grant date. The fair value of the assistance of Mr Yeo as a business adviser for the initial 3-year term received in exchange for the grant of the Options would be recognised as a charge to the income statement over the vesting period of the Options and a corresponding credit to the reserve account. For Options granted, the total amount of the charge over the vesting period is generally measured based on the fair value of each Option granted. This is normally estimated by applying the Option pricing model at the date of the grant. Before the end of the vesting period, at each accounting year end, the estimate of the number of Options that are expected to vest by the vesting date is revised, and the impact of the revised estimate is recognised in the income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to the income statement is made. This accounting treatment has been referred to as the “**modified grant date method**”, as the number of New Shares included in the determination of the expense relating to the assistance of Mr Yeo as a business adviser for the initial 3-year term is adjusted to reflect the actual number of New Shares that eventually vest but no adjustment is made to changes in the fair value of the Shares since the date on which the Options are granted.
- (b) **Share capital.** The Options will result in an increase in the Company’s issued share capital when New Shares are issued pursuant to the exercise of the Options. This will in turn depend on, *inter alia*, the number of Shares comprised in the Options to be granted, the vesting dates under the Options and the exercise price of the Options granted.
- (b) **EPS.** The Options will have a dilutive impact on the Company’s consolidated EPS following the increase in the number of issued Shares to the extent New Shares are issued to Mr Yeo pursuant thereto.
- (c) **NTA.** The issue of the New Shares upon the exercise of the Options will increase the Company’s consolidated NTA by the aggregate of the exercise price for the Option exercised by Mr Yeo. On a per Share basis, the effect of the NTA of the Company is accretive if the price of the Options is above NTA per Share, but dilutive if otherwise.

8. THE PROPOSED APPOINTMENT OF MR YEO WEE KIONG AS NON-EXECUTIVE DIRECTOR AND CHAIRMAN OF THE BOARD

- 8.1 For the reasons set out in section 7.2 above and to further align Mr Yeo’s interest with the Company, the Board has further invited Mr Yeo to be appointed as a Non-Executive Director and the new non-executive Chairman of the Board. The Board believes that Mr Yeo’s acceptance of such appointment is an indication of his commitment to the Company and is therefore seeking shareholders’ approval at the EGM to make such appointment concurrent with the said advisory term of 3 years. Upon the appointment of Mr Yeo as a Non-Executive Director and Chairman of the Board, the current Chairman of the Board, Mr Chan Heng Fai will be re-designated as the managing director of the Company.
- 8.2 The Nominating Committee of the Company has assessed and approved of the proposed appointment of Mr Yeo as Non-Executive Director and Chairman of the Board.

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- 8.3 Mr Yeo, a 56 year old Singapore citizen, whose country of principal residence is Singapore, has had 21 years of practice experience as a corporate finance lawyer. Prior to that, he was an investment banker with N M Rothschild & Sons (Singapore) Limited for 5 years, specialising in capital markets and corporate finance transactions from 1984 to 1989. His first work experience was with the Singapore Economic Development Board in investment promotions from 1980 to 1984.
- 8.4 Mr Yeo holds a Bachelor of Laws, LLB-Hons, from the University of London, a Masters in Business Administration from the National University of Singapore, and a Bachelor of Engineering (First Class Honours) from the National University of Singapore.
- 8.5 A copy of Mr Yeo's full curriculum vitae may be found at **Appendix C** to this Circular.
- 8.6 Mr Yeo does not have any family relationship with any director and/or substantial shareholder of the Company or of any of its principal subsidiaries. Save as otherwise stated herein, Mr Yeo will not be in any position of conflict upon his appointment as a Non-Executive Director and Chairman of the Board.
- 8.7 Save for the interest in Shares that will be held by Mr Yeo in respect of the Options (if approved by Shareholders at the EGM and exercised by Mr Yeo in accordance with its terms, details of which are set out in section 7 above), Mr Yeo does not hold any shares in the Company and the Group.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 9.1 The interests of the Directors in the issued share capital of the Company as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date are set out below.

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Chan Heng Fai ⁽²⁾	-	-	233,188,000	62.68
Chan Tong Wan	-	-	-	-
Chan Yoke Keow ⁽³⁾	-	-	233,188,000	62.68
Chan Tung Moe	-	-	-	-
Wong Tat Keung	-	-	-	-
Ong Beng Kheong	-	-	-	-

Notes:

- (1) Calculated as a percentage of the total number of issued Shares as at the Latest Practicable Date.
- (2) Chan Heng Fai is deemed to have an interest in 233,188,000 Shares by virtue of Section 7 of the Companies Act.
- (3) Chan Yoke Keow is deemed to have an interest in 233,188,000 Shares by virtue of Section 7 of the Companies Act.

- 9.2 The interests of the Substantial Shareholders in the issued share capital of the Company as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below.

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Xpress Credit Limited	233,188,000	62.68	-	-
China Credit Singapore Pte	-	-	233,188,000	62.68

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Ltd ⁽²⁾				
Xpress Group Limited ⁽³⁾	-	-	233,188,000	62.68
Prime Star Group Co Ltd ⁽⁴⁾	-	-	233,188,000	62.68
Chan Heng Fai ⁽⁵⁾	-	-	233,188,000	62.68
Chan Yoke Keow ⁽⁶⁾	-	-	233,188,000	62.68

Notes:

- (1) Calculated as a percentage of the total number of issued Shares as at the Latest Practicable Date.
- (2) China Credit Singapore Pte Ltd ("**CCS**") is the holding company of Xpress Credit Limited ("**XCL**") and CCS is deemed interested in the 233,188,000 Shares held by XCL by virtue of Section 7 of the Companies Act.
- (3) Xpress Group Limited ("**XGL**") is the holding company of CCS and XGL is deemed interested in the 233,188,000 Shares held by XCL by virtue of Section 7 of the Companies Act.
- (4) Prime Star Group Co Ltd ("**PSG**") has a controlling interest in XGL and PSG is deemed interested in the 233,188,000 Shares held by XCL by virtue of Section 7 of the Companies Act.
- (5) Chan Heng Fai has a controlling interest in XGL and is deemed interested in the 233,188,000 Shares held by XCL by virtue of Section 7 of the Companies Act.
- (6) Chan Yoke Keow, the spouse of Chan Heng Fai, is deemed interested in the 233,188,000 Shares held by XCL by virtue of Section 7 of the Companies Act.

10. DIRECTORS' RECOMMENDATIONS

10.1 Proposed Adoption of the "Investment Banking" Approach for Larger Real Estate Projects

Having fully considered the rationale for the proposed adoption of the "investment banking" approach for larger real estate projects as detailed in section 2, the Directors are of the opinion that the proposed adoption of the "investment banking" approach for larger real estate projects is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 1 (relating to the proposed adoption of the "investment banking" approach for larger real estate projects) to be proposed at the EGM.

10.2 Proposed Participation in Development Projects under the DBSS and/or EC scheme in connection with the proposed "Investment Banking" Approach

Having fully considered the rationale for the proposed participation in development projects under the DBSS and/or EC scheme in connection with the proposed "investment banking" approach as detailed in section 3, the Directors are of the opinion that the proposed participation in development projects under the DBSS and/or EC scheme in connection with the proposed "investment banking" approach is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 2 (relating to the proposed participation in development projects under the DBSS and/or EC scheme in connection with the proposed "investment banking" approach) to be proposed at the EGM.

10.3 Proposed Acquisition of En-bloc Sites in connection with the proposed "Investment Banking" Approach

Having fully considered the rationale for the proposed acquisition of en-bloc sites in connection with the proposed "investment banking" approach as set out in section 4, the Directors are of the opinion that the proposed acquisition of en-bloc sites in connection with the proposed "investment banking" approach is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 3 (relating to the proposed acquisition of en-bloc sites for holding and/or re-development in connection with the proposed "investment banking" approach) to be proposed at the EGM.

10.4 Proposed Shareholders Mandate for Interested Person Transactions

Having fully considered the rationale for the proposed IPT Mandate as set out in the section 5.2 of this Circular, and having read and considered the advice of the IFA as set out in the IFA Letter, the Independent Director is of the opinion that the IPT Mandate is in the best interests of the Company. The Independent Director agrees that the review procedures for determining the transaction prices of the Interested Person Transactions as set out in section entitled "The Proposed Shareholders' Mandate for Interested Person Transactions" of the Circular, as well as the semi-annual reviews to be made by the Audit Committee in relation thereto, if adhered to and applied properly at all times, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. Accordingly, the Independent Director recommends that Shareholders vote in favour of Ordinary Resolution 4 relating to the IPT Mandate as set out in the Notice of EGM.

10.5 The Tender and the Proposed Participation in the Pasir Ris DBSS Project

Having fully considered the rationale for the Tender and the proposed participation in the Pasir Ris DBSS Project as detailed in section 6, the Directors are of the opinion that the submission of the Tender was, and the proposed participation in the Pasir Ris DBSS Project is, in the best interests of the Company and the Shareholders as a whole and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 5 (relating to the ratification, confirmation and approval of the Tender and the Company's proposed participation in the Pasir Ris DBSS Project).

10.6 Proposed Grant of the Options to Mr Yeo Wee Kiong

Having fully considered the rationale for the proposed grant of the Options to Mr Yeo Wee Kiong as detailed in section 7, the Directors are of the opinion that the proposed grant of the Options to Mr Yeo Wee Kiong is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 6 (relating to the proposed grant of the Options to Mr Yeo Wee Kiong) to be proposed at the EGM.

10.7 Proposed Appointment of Mr Yeo Wee Kiong as Non-Executive Director and Chairman of the Board

Having fully considered the rationale for the proposed appointment of Mr Yeo Wee Kiong as Non-Executive Director and Chairman of the Board as detailed in section 8, the Directors are of the opinion that the proposed appointment of Mr Yeo Wee Kiong as Non-Executive Director and Chairman of the Board is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 7 (relating to the proposed appointment of Mr Yeo Wee Kiong as Non-Executive Director and Chairman of the Board) to be proposed at the EGM.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are fair and accurate in all material respects as at the date of this Circular and there are no material facts, the omission of which would make any statement in this Circular misleading in any material respect. Where information has been extracted and/or reproduced from published and publicly available sources, the sole responsibility of the Directors has been to ensure that such information is accurately reproduced in this Circular.

12. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page N-1 of this Circular, will be held at Ocean 3 (Function Room), Level 2, Pan Pacific Singapore, 7 Raffles Boulevard, Marina Square, Singapore 039595 on 15 July 2011 at 10:30 a.m. for the purposes of considering and, if thought fit, passing with or without any modification, the Ordinary Resolutions set out in the Notice of EGM.

13. ACTION TO BE TAKEN BY SHAREHOLDERS

- 13.1 **Lodgement of proxies.** Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the proxy form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 883 North Bridge Road, #15-04 SouthBank, Singapore 198785 not less than 48 hours before the time fixed for the EGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the EGM if he wishes to do so.
- 13.2 **Depositors.** A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP as at 48 hours before the EGM.

14. ABSTENTION FROM VOTING

14.1 Proposed Shareholders' Mandate for Interested Person Transactions

Mr Chan Heng Fai is a Director and the controlling shareholder of Xpress Group. Ms Chan Yoke Keow is a Director and also the spouse of Mr Chan Heng Fai. Accordingly, both Mr Chan Heng Fai and Ms Chan Yoke Keow are deemed to have an interest in the Shares held by Xpress Group.

By virtue of the interests held by Xpress Group, Mr Chan Heng Fai and Ms Chan Yoke Keow in the Company, each of Xpress Group, Mr Chan Heng Fai and Ms Chan Yoke Keow is deemed to be interested in the outcome of the approval of the proposed IPT Mandate. Accordingly, each of Xpress Group, Mr Chan Heng Fai and Ms Chan Yoke Keow will abstain, and have each undertaken to ensure that his or her associates will abstain, from voting on Ordinary Resolution 4 in connection with the proposed IPT Mandate herein.

In addition, Mr Chan Tong Wan, Mr Chan Tung Moe and Mr Wong Tat Keung are Directors of the Company, Mr Chan Tong Wan and Mr Wong Tat Keung are directors of Xpress Group, and Mr Chan Tung Moe is the son of Mr Chan Heng Fai and Ms Chan Yoke Keow (and hence an associate of Mr Chan Heng Fai and Ms Chan Yoke Keow). As such, each of Mr Chan Tong Wan, Mr Chan Tung Moe and Mr Wong Tat Keung is deemed to be interested in the outcome of the approval of the proposed IPT Mandate. Accordingly, each of Mr Chan Tong Wan, Mr Chan Tung Moe and Mr Wong Tat Keung will abstain, and have each undertaken to ensure that his associates will abstain, from voting on Ordinary Resolution 4 in connection with the proposed IPT Mandate herein.

Further, each of Xpress Group, Mr Chan Heng Fai, Ms Chan Yoke Keow, Mr Chan Tung Moe, Mr Chan Tong Wan and Mr Wong Tat Keung undertakes to decline to accept appointment as proxies to vote and attend at the forthcoming EGM in respect of Ordinary Resolution 4 relating to the proposed IPT Mandate for other Shareholders unless the Shareholder concerned shall have given specific instructions as to the manner in which his votes are to be cast at the EGM.

15. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 883 North Bridge Road #15-04 SouthBank Singapore 198785 during normal office hours from the date of this Circular up to and including the date of the EGM:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the FY2011 annual report of the Company;

LETTER TO SHAREHOLDERS

- (c) the IFA Letter;
- (d) the Tender documents and the acceptance letter from the HDB; and
- (e) the letter of consent from the IFA.

For and on behalf of
the Board of Directors of SingXpress Land Ltd.

CHAN HENG FAI
Chairman

**APPENDIX A - LETTER FROM THE INDEPENDENT FINANCIAL ADVISER TO THE
INDEPENDENT DIRECTOR**

30 June 2011

To : The Independent Director of SingXpress Land Ltd.
(deemed to be independent in respect of the IPT Mandate)
Mr Ong Beng Kheong

Dear Sirs

THE PROPOSED SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

This letter has been prepared for the use of the Independent Director of SingXpress Land Ltd. (the "**Company**") for the purposes of the proposed adoption of the IPT Mandate, and is to be incorporated into the circular to be sent to Shareholders of the Company (the "**Circular**"). Unless otherwise defined herein, all capitalised terms in this letter shall have the same meanings as defined in the Circular.

The Company is proposing to adopt a mandate (the "**IPT Mandate**") for the Group to enter into a category of transactions with Xpress Group (the "**Interested Person Transactions**") without the prior approval of such transactions by Shareholders at general meeting.

In compliance with the requirements of Chapter 9 of the Listing Manual, NRA Capital Pte. Ltd. ("**NRA Capital**") has been appointed by the Independent Director of the Company as the independent financial adviser to provide an opinion on whether the guidelines and review procedures set out in the IPT Mandate as described in Section 5.6 entitled "Guidelines and Review Procedures for Interested Person Transactions" of the Circular, for determining the transaction prices of the Interested Person Transactions are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

2. TERMS OF REFERENCE

The objective of this letter is to provide an independent opinion, for the purposes of Chapter 9 of the Listing Manual, on whether the guidelines and review procedures set out in the IPT Mandate for determining the transaction prices of the Interested Person Transactions are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

We have not been involved, whether directly or indirectly, in any aspect of the discussions on the scope of the IPT Mandate and the category of the Interested Person Transactions. We have also not been involved in the deliberations leading up to the decision by the Directors to obtain the IPT Mandate or the guidelines and review procedures to be adopted by the Group to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

It is not within our terms of reference, nor have we been requested to evaluate or comment on the merits and/or associated risks, whether legal, commercial, strategic, financial or otherwise, of the Interested Person Transactions or the IPT Mandate and as such, we do not express an opinion thereon. The scope of our appointment does not require us to express, and we do not express, a view on the future growth prospects or earnings potential of the Company or the Group. Such evaluation or comments are and remain the sole responsibility of the Directors although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary and appropriate by us) in arriving at our opinion as set out in this letter.

**APPENDIX A - LETTER FROM THE INDEPENDENT FINANCIAL ADVISER TO THE
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In the course of our review, we have held discussions with the management of the Company (the “**Management**”) and have examined information provided to us by the Company. We have also relied on the information contained in the Circular. We have not independently verified such information furnished by the Directors and the Management or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance. Nevertheless, the Directors and the Management have confirmed to us that, to the best of their knowledge and belief, the information provided to us (whether written or verbal) as well as the information contained in the Circular is true and complete in all material respects, and there is no other material information or fact, the omission of which would cause any of the information contained herein or in the Circular to be inaccurate, incomplete or misleading in any material respect. Whilst care has been exercised in reviewing the information on which we have relied, we have not independently verified the information but nevertheless have made reasonable enquiries and used our judgment in assessing the information as was deemed necessary and have found no reason to doubt the reliability of the information. We have further assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular have been reasonably made after due and careful enquiry. We have not conducted a comprehensive review of the business, operations or financial conditions of the Group.

We are not required to conduct and have not conducted any review of the historical or current Interested Person Transactions carried out by the Group. Accordingly, we do not express any opinion on whether such Interested Person Transactions were or are in compliance with the review procedures set out under the IPT Mandate. The implementation of such review procedures is the responsibility of the Directors.

We are not required or authorised to obtain, and we have not obtained, any quotations or transaction prices or terms from third parties for services similar to those which are to be covered by the IPT Mandate, and therefore are not able to, and did not, compare the Interested Person Transactions with similar transactions with third parties.

Our view as set forth in this letter is based on prevailing market, industry, monetary, regulatory, economic and other applicable conditions, and our analysis of the information provided in the Circular, as well as information made available to us as of the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

Our opinion is solely for the use and benefit of the Independent Director in his deliberation on the IPT Mandate. The recommendation made by the Independent Director shall remain the responsibility of the Independent Director. In preparing this opinion, we have not had regard to specific investment objectives, financial situation, tax position or unique needs and constraints of any Shareholder. As each Shareholder may have different investment objectives and consideration, we would advise the Independent Director to recommend that any individual Shareholder who may require specific advice in relation to his Shares should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser.

Our opinion in relation to the IPT Mandate should be considered in the context of the entirety of this letter and the Circular.

**APPENDIX A - LETTER FROM THE INDEPENDENT FINANCIAL ADVISER TO THE
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3. THE PROPOSED SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

3.1 Background

The Company's ultimate parent company, Xpress Group has been providing support to the Group for some time and such support include providing financing on an interest free basis on several of the Group's projects.

Xpress Group is a company incorporated in Hong Kong and listed on the Stock Exchange of Hong Kong Limited and is presently engaged in property trading and investment, properties development, financial services and securities investments, including corporate finance, consumer finance and hotel operation. As at the Latest Practicable Date, Xpress Group holds approximately 62.68% of the issued share capital of the Company, and is a controlling shareholder of the Company. Accordingly, Xpress Group is an Interested Person for the purposes of Chapter 9 of the Listing Manual.

Going forward, it is envisaged that in the ordinary course of business, transactions between the Group and Xpress Group are likely to occur from time to time, especially in connection with the proposed "investment banking" approach (if adopted and as described in Section 2.2(b) of the Circular). Background information on the proposed "investment banking" approach which the Company proposes to adopt is set out at Section 2 of the Circular.

A general mandate is proposed to be sought for interested person transactions with Xpress Group participating as a partner in any of the Group's real estate project, whether as co-investor, joint venture partner or where Xpress Group provides financing and/or financial support to the Group. Full details of the IPT Mandate can be found in Section 5 of the Circular entitled "The Proposed Shareholders' Mandate for Interested Person Transactions".

3.2 Class of Interested Person

The IPT Mandate will apply to Interested Person Transactions between the Group and Xpress Group.

3.3 Nature and Scope of the IPT Mandate

The proposed IPT Mandate will cover transactions involving the Interested Person:

- (a) where the Group renders the Services to co-investors or joint venture partners for any real estate project (where Xpress Group participates as a co-investor or joint venture partner) and for which a management, originator or project management fee is payable to the Group for the Services rendered to all the co-investors or joint venture partners, on a proportionate basis; and
- (b) where Xpress Group provides financing and/or financial support to the Group, which may include (i) Xpress Group extending loans to the Group, and/or (ii) the provision of guarantees, indemnities or securities by Xpress Group in favour of the Group's creditors, in respect of borrowings which are incurred by the Group, whether or not such transactions are in connection with the "investment banking" approach proposed to be undertaken by the Group.

For the avoidance of doubt, there will be no sale or purchase of any assets, undertakings or businesses within the scope of the IPT Mandate. The IPT Mandate will also not cover any transaction by any member of the Group with Xpress Group that is below S\$100,000. Further, transactions with other interested persons (other than the class of Interested Person detailed at Section 3.2 of this letter) that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

3.4 Rationale for and Benefits of the IPT Mandate

The full text of the Directors' rationale for, and benefits of, the IPT Mandate can be found in Section 5.2 entitled "Rationale for the IPT Mandate" and Section 5.3 entitled "Benefits to Shareholders" of the Circular respectively.

We note, *inter alia*, the following:

- (a) transactions between the Group and Xpress Group are likely to occur from time to time, especially in connection with the proposed "investment banking" approach (if adopted);
- (b) the IPT Mandate will facilitate Xpress Group's involvement and support for the Group's proposed "investment banking" approach to real estate projects as:-
 - (i) Xpress Group may participate as one of the co-investors or joint venture partners on a proportionate sharing of risks and rewards basis in real estate projects that the Group may lead or co-lead, originate or manage and Xpress Group may be paying to the Group its proportionate share of the management fee due to the Group for Services rendered; and
 - (ii) Xpress Group may provide financing and/or financial support to the Group in connection with the Group's real estate projects;
- (c) the IPT Mandate will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for, the entry by the Group into such Interested Person Transactions, thereby substantially reducing the expenses associated with the convening of general meetings (including the engagement of external advisers and preparation of documents) on an *ad hoc* basis, improving administrative efficacy considerably, and allowing manpower resources and time to be channelled towards attaining other business objectives available to the Company owing to the time-sensitive nature of the commercial transactions; and
- (d) the IPT Mandate is intended to facilitate Interested Person Transactions in the ordinary course of business of the Group which are recurrent in nature or necessary for the day to day operations of the Group, and may be transacted from time to time with Xpress Group, provided that they are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

4. GUIDELINES AND REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

The detailed text of the guidelines and review procedures for the Interested Person Transactions can be found in Section 5.6 entitled "Guidelines and Review Procedures for Interested Person Transactions" of the Circular.

We note that the Group proposes to implement the following review procedures to ensure that such review procedures are adequate and/or commercially practicable in ensuring that each Interested Person Transaction is carried out on normal commercial terms, is in the interests of the Company and is not prejudicial to the interests of the Company and its minority Shareholders:

4.1 Participation by Xpress Group as a co-investor or joint venture partner in the Group's real estate projects

Where the Group participates in real estate projects as a co-investor or joint venture partner together with Xpress Group as one of the other co-investors or joint venture partners, the participation by all co-investors or joint venture partners shall be on the basis of sharing risks and rewards of the investment on a proportionate basis.

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4.2 Lead or co-lead management services, originating and/or project management services (“Services”) rendered by the Group to co-investors or joint venture partners in connection with any real estate projects pursued by the Group (together with the co-investors or joint venture partners) in connection with the proposed “investment banking” approach

Where Xpress Group, as one of the co-investors or joint venture partners, is liable to pay its share of the management, originator and/or project management fee chargeable by the Group to all co-investors or joint venture partners for Services rendered:

- (a) Xpress Group’s share of the management, originator and/or project management fee shall be proportionate to its equity participation in the real estate projects vis-à-vis the participations by the other co-investors or joint venture partners; and
- (b) the management, originator and/or project management fee chargeable by the Group for the Services shall be reasonable, taking into consideration, amongst others, the synergies and benefits derived by the Group from having Xpress Group as a co-investor or joint venture partner, complexity of issues encountered, time spent, and the fee that the Group would have charged if the Services had been provided to a non-Interested Person and ensuring that the fees and other material payment terms and conditions are no more favourable than the terms and conditions of two (2) contemporaneous transactions, provided that in cases where for any reason, it is impractical or impossible to obtain the terms and conditions of two (2) contemporaneous transactions, the Director / relevant head of the department handling the transaction or the Audit Committee (as the case may be) shall take such necessary steps which would include but is not limited to relying on corroborative inputs from reasonably experienced market practitioners in order to determine that the terms and conditions provided to Xpress Group are fair and reasonable, are no more favourable than terms which would be extended by the Company or members of the Group to an unrelated third party, and are in the commercial interests of the Group.

4.3 Xpress Group as project financier providing financing and/or financial support to the Group in connection with the Group’s real estate projects

In relation to Xpress Group providing financing and/or financial support to the Group:

- (a) the extension of loans by Xpress Group should be at rates and on terms and conditions no less favourable than those quoted by two (2) banks in Singapore;
- (b) in relation to the provision of guarantees, indemnities or securities, such as bank guarantees by Xpress Group in favour of the Group’s creditors, commission rates (if any) which are chargeable by Xpress Group for the provision of such guarantees or indemnities, shall be at rates no less favourable than that quoted by two (2) banks in Singapore; and
- (c) prior to the entry of the transaction(s) with Xpress Group, contemporaneous quotes shall be obtained (wherever possible or available) from at least two (2) banks in Singapore for loan and commission rates, as the case may be, for an equivalent amount, and for the equivalent period, as the funds to be borrowed or guarantees, indemnities or securities to be issued.

In cases where for any reason, quotations from at least two (2) banks are not received, the Director / relevant head of the department handling the transaction or the Audit Committee (as the case may be) shall take such necessary steps which would include but is not limited to (i) reviewing available recent terms and conditions of comparable transactions and (ii) relying on corroborative inputs from reasonably experienced market practitioners in order to determine that the terms and conditions provided by Xpress Group are fair and reasonable and are no less favourable than terms which would be offered to the Company or members of the Group by unrelated third party financiers.

4.4 Approval Thresholds

The following approval procedures will be implemented by the Company:

- (a) the review and approval of a Director / relevant head of the department handling the transaction (with no interest, direct or indirect, in the proposed Interested Person Transaction) is required for any proposed Interested Person Transaction where the value thereof is below three per centum (3%) of the audited NTA (based on the latest audited consolidated accounts) of the Group; and
- (b) the review and approval of the Audit Committee is required for any proposed Interested Person Transaction where the value thereof is equal to, or above three per centum (3%) of the audited NTA (based on the latest audited consolidated accounts) of the Group. If a member of the Audit Committee has an interest in the transaction to be reviewed by the Audit Committee, he will abstain from any decision-making by the Audit Committee in respect of that transaction, and the review and approval of the transaction will be undertaken by the remaining member(s) of the Audit Committee. The remaining member(s) of the Audit Committee will provide his/their views and the basis for which he/they considers he/they will be able to satisfactorily discharge his/their duties in that respect.

4.5 Register of Interested Person Transactions

The Company will maintain a register of all Interested Person Transactions carried out with Xpress Group pursuant to the IPT Mandate and shall include all information pertinent to the Interested Person Transactions such as, but not limited to, the nature of the Interested Person Transactions, the amount of the Interested Person Transactions, the basis and rationale for determining the terms of the transaction and supporting evidence and quotations obtained to support such basis, and where relevant, the background and curriculum vitae of the bank or market practitioners.

The register of Interested Person Transactions shall be prepared, maintained and monitored by senior personnel such as the Chief Financial Officer of the Company (who shall not be interested in any of the Interested Person Transactions) and who are duly delegated to do so by the Audit Committee. The register of Interested Person Transactions shall be reviewed by the Audit Committee on a semi-annual basis and the Auditors at least once annually, to ascertain that the guidelines and procedures established to monitor Interested Person Transactions have been complied with.

4.6 Reviews by Audit Committee

The Audit Committee shall review on a semi-annual basis the register of Interested Person Transactions as mentioned in Section 4.5 of this letter to ascertain that the established review procedures to monitor Interested Person Transactions have been complied with.

If during these semi-annual reviews by the Audit Committee, the Audit Committee is of the view that the established review procedures as stated have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Group are conducted, it will take such actions as it deems appropriate and/or institute additional procedures as necessary (such as, where relevant, to obtain a fresh mandate for Interested Person Transactions) to ensure that the mandated Interested Person Transactions will be conducted based on the Group's normal commercial terms and hence, will not be prejudicial to the interests of the Company and its minority Shareholders.

If any member of the Audit Committee has an interest in a transaction, he shall abstain from participating in the review and approval process in relation to that transaction. The remaining member(s) of the Audit Committee undertaking the review and approval will provide his/their views and the basis for which he/they considers he/they will be able to satisfactorily discharge his/their duties in that respect.

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5. EVALUATION OF THE REVIEW PROCEDURES IN RELATION TO THE IPT MANDATE

In arriving at our opinion as to whether the guidelines and review procedures for determining the transaction prices of the Interested Person Transactions under the IPT Mandate are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, we have given due consideration to, *inter alia*, the following key factors:

- (a) the Directors' rationale for, and benefits accruing to the Group arising from the IPT Mandate;
- (b) the nature and scope of the IPT Mandate and the class of Interested Person; and
- (c) the guidelines and review procedures under the IPT Mandate, including the role of the Audit Committee in enforcing the IPT Mandate.

6. CONCLUSION

Based on the above considerations and subject to the qualifications and assumptions made herein, we are of the opinion that the current guidelines and review procedures for determining the transaction prices of the Interested Person Transactions under the IPT Mandate as set out in Section 5 entitled "The Proposed Shareholders' Mandate for Interested Person Transactions" of the Circular, if adhered to and applied properly at all times, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

We have prepared this letter for the use of the Independent Director in connection with and for the purposes of his consideration of the IPT Mandate and for inclusion in the Circular. Our opinion should not be relied on as an indication of the merits of the Interested Person Transactions, the Group or the Shares to any potential investor of the Company nor a recommendation to any future Shareholder as to how such Shareholder should vote on the renewal of the IPT Mandate, if any.

Whilst a copy of this letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) the purpose of any matter which does not relate to the IPT Mandate, at any time and in any manner without the prior written consent of NRA Capital in each specific case. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter. Nothing herein shall confer or be deemed or is intended to confer any right of benefit to any third party and the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore and, any amendments thereto shall not apply.

Yours faithfully

Kevin Scully
Executive Chairman
NRA Capital Pte. Ltd.

Vicky Han
Head of Corporate Finance
NRA Capital Pte. Ltd.

1. INTRODUCTION

Chapter 9 of the Listing Manual applies to transactions between a party that is an entity at risk and a counter party that is an interested person. The objective of Chapter 9 of the Listing Manual is to guard against the risk that interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

The aforementioned terms “entity at risk”, “interested person” and “associated companies” as well as other terms used are defined below.

2. MAIN TERMS USED IN CHAPTER 9 OF THE LISTING MANUAL

- (a) An “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual.
- (b) An “**associate**” means:
 - (i) in relation to any director, chief executive officer or controlling shareholder (being an individual):
 - (aa) his immediate family;
 - (bb) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (cc) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.
 - (ii) in relation to a substantial shareholder or a controlling shareholder (being a company), means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- (c) An “**associated company**” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group.
- (d) A “**chief executive officer**” means the the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business of the listed company.
- (e) A “**controlling shareholder**” of a listed company means a person who (i) holds directly or indirectly 15 per cent. or more of the voting rights in the listed company. The SGX-ST may determine that a person who satisfies this section is not a controlling shareholder; or (ii) a person who in fact exercises control over a company.
- (f) An “**entity at risk**” means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has control over the associated company.

- (g) An “**interested person**” means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.
- (h) An “**interested person transaction**” means a transaction between an entity at risk and an interested person.

3. MATERIALITY THRESHOLDS, DISCLOSURE REQUIREMENTS AND SHAREHOLDERS’ APPROVAL

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested persons and are hence excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement and/or shareholders’ approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company’s latest audited consolidated NTA) are reached or exceeded.

Immediate Announcement

An immediate announcement is required where the interested person transaction is of a value equal to, or more than, 3% of the group’s latest audited NTA. Where the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group’s latest audited net tangible assets, the listed company must make an immediate announcement of the latest transaction and all future transactions entered into with the same interested person during that financial year.

Shareholders’ Approval

Shareholders’ approval is required where the interested person transaction is of a value equal to, or more than:

- (a) 5% of the listed group’s latest audited NTA; or
- (b) 5% of the listed group’s latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year.

However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

The above requirements for immediate announcement and/or for shareholders’ approval do not apply to any transaction below S\$100,000.

4. GENERAL MANDATE

Rule 920 permits a listed company to seek a general mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

APPENDIX C - CURRICULUM VITAE OF MR YEO WEE KIONG

Mr Yeo Wee Kiong, a Singapore citizen, the proposed Non-Executive Director and Chairman of the Company, has 21 years of practice experience as a corporate finance lawyer. Prior to that, he was an investment banker with NM Rothschild in Singapore for five years specialising in capital markets and corporate finance transactions between 1984 and 1989. His first work experience was with the Singapore Economic Development Board in investment promotion from 1980 to 1984.

He holds a Bachelor of Engineering (First Class Honours) degree from the University of Singapore, an LLB (Hons) degree from the University of London, and a Masters in Business Administration degree from the National University of Singapore. He currently sits on the board of several public and private companies and is a director of Drew & Napier LLC.

Between 2000 to 2007, he was a director of TIF Venture Pte Ltd, which is a fund-of-funds manager wholly owned by the Economic Development Board of Singapore, and which had managed a US\$1.2 billion fund invested by the Singapore government. Mr Yeo was also a member of the audit committee of EDBI, an investment firm headquartered in Singapore and the corporate investment arm of the Economic Development Board of Singapore.

From 2003 to 2009, Mr Yeo was a director of Ascendas Pte. Ltd., the wholly-owned privatized arm of JTC which is involved in business parks development in Singapore, India, China and Korea. From 2008 to 2009, he was the chairman of the audit committee of Ascendas Pte. Ltd.

On 1 May 2011, Mr Yeo was appointed to the board of directors of Heliconia Capital Management Pte. Ltd, a fund manager wholly-owned by Temasek Holdings and managing a fund of about S\$350 million.

A list of present and past directorships which Mr Yeo Wee Kiong has held is set out below :-

Present Directorships

Bonvests Holdings Limited (Appointed : 01/10/1991)

Ezyhealth Holdings Pte. Ltd. (Appointed : 08/12/2006)

Esmart Holdings Limited (Appointed : 07/01/2011)

Heliconia Capital Management Pte Ltd (Appointed : 01/05/2011)

Integrated Health Plans Pte. Ltd. (Appointed : 15/11/2006)

Kian Ho Bearings Ltd (Appointed : 03/07/2009)

Philip Ventures Enterprise Fund 2 Ltd (Appointed : 13/09/2010)

Raffles Venture (Direct) Pte. Limited (Appointed : 31/07/2009)

Raffles Fund 1 Limited (Appointed : 15/08/2008)

Singapore Institute of Directors (Appointed : 17/11/2008)

SMRT Corporation Ltd (Appointed : 01/09/2010)

SMRT Buses Ltd (Appointed : 15/10/2010)

SMRT Road Holdings Ltd (Appointed : 15/10/2010)

SMRT Trains Ltd (Appointed : 15/10/2010)

Yeo Wee Kiong Law Corporation (dormant)

Past Directorships

AEM Holdings Ltd

Ascendas Pte Ltd

Indofood Agri Resources Ltd.

Keppel Corporation Limited

PCA Technology Limited

Renate Kant Asia Pte. Ltd.

Service Quality (SQ) Centre Pte. Ltd.

SPIB Holdings Pte. Ltd.

TIF Ventures Pte. Ltd.

TUV SUD PSB Pte. Ltd

Wilmar International Limited

OM Holdings Limited

APPENDIX C - CURRICULUM VITAE OF MR YEO WEE KIONG

Mr Yeo Wee Kiong has declared to the Company that, save as disclosed below:-

- (a) at any time during the last 10 years, no application or a petition under any bankruptcy laws of any jurisdiction has been filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;
- (b) at any time during the last 10 years, no application or a petition under any law of any jurisdiction has been filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
- (c) there is no unsatisfied judgment against him;
- (d) he has not been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, nor has he ever been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;
- (e) he has not been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, nor has he ever been the subject of any criminal proceedings (including any pending criminal proceedings of which you are aware) for such breach;
- (f) at any time during the last 10 years, no judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, nor has he been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
- (g) he has not been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
- (h) he has not been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
- (i) he has not been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;
- (j) he has not, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
 - (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; and

APPENDIX C - CURRICULUM VITAE OF MR YEO WEE KIONG

- (k) he has not been the subject of any current or past investigation or disciplinary proceedings, or has he ever been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Disclosure relating to Mr Yeo Wee Kiong

In 1990, Mr Yeo Wee Kiong witnessed the execution of certain documents by a person, dispensing with physical presence as he knew the matter and the signatory. Mr Yeo was fined S\$200 by the Law Society of Singapore, and the documents had to be re-executed and re-witnessed.

NOTICE OF EXTRAORDINARY GENERAL MEETING

SINGXPRESS LAND LTD.

(Company Registration No. 198803164K)
(Incorporated in Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

All capitalised terms in this Notice of Extraordinary General Meeting and defined in the circular dated 30 June 2011 (the "Circular") shall, unless otherwise defined herein, bear the respective meanings ascribed thereto in the Circular.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of SingXpress Land Ltd. (the "**Company**") will be held at Ocean 3 (Function Room), Level 2, Pan Pacific Singapore, 7 Raffles Boulevard, Marina Square, Singapore 039595 on 15 July 2011 at 10:30 a.m. for the purpose of considering and, if thought fit, passing, with or without amendment, the following resolutions:

ORDINARY RESOLUTION 1: THE PROPOSED ADOPTION OF THE "INVESTMENT BANKING" APPROACH FOR LARGER REAL ESTATE PROJECTS

That:

- (A) approval be and is hereby given for the move into larger and varied property development or re-development projects by the Company and/or its subsidiaries ("**Group**"), and for the Group to be involved in property activities (without at all times committing the majority of the equity in each of such projects) through a syndication approach (which can be more broadly generalised 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 ("**Investment Banking Approach**"), as more particularly described in section 2 of the Circular; and
- (B) the Directors and each of them be and are hereby authorised to do all acts and things as they deem desirable, necessary or expedient to give effect to the matters referred to in this Ordinary Resolution as they may in their absolute discretion deem fit in the best interests of the Company.

ORDINARY RESOLUTION 2: THE PROPOSED PARTICIPATION IN DEVELOPMENT PROJECTS UNDER THE DBSS IN CONNECTION WITH THE PROPOSED "INVESTMENT BANKING" APPROACH

That :

- (A) approval be and is hereby given for the Company (directly and/or through its subsidiaries) to participate in development projects under the Design, Build and Sell Scheme ("**DBSS**") and the Executive Condominium ("**EC**") scheme managed by the Housing and Development Board of Singapore, subject to the aggregate size of the project(s) not exceeding S\$300 million; and
- (B) the Company (directly and/or through its subsidiaries) be and is hereby authorised to bid on, from time to time any such development projects under the DBSS and/or EC scheme on such terms and conditions as the directors of the Company ("**Directors**") deem fit and where relevant, to enter into joint venture or co-investment arrangements for the purposes of, or in connection with, the bidding for such DBSS and/or EC projects, and the Company (directly and/or through its subsidiaries) be and is hereby authorised to sell the units developed under such development projects under the DBSS and/or EC scheme on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all such acts or things as they deem desirable, necessary or expedient or give effect to such to any such development project, subject to the aggregate size of the project(s) not exceeding S\$300 million; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (C) the Directors and each of them be and are hereby authorised to do all acts and things as they deem desirable, necessary or expedient to give effect to the matters referred to in this Ordinary Resolution as they may in their absolute discretion deem fit in the best interests of the Company.

ORDINARY RESOLUTION 3: THE PROPOSED ACQUISITION OF EN-BLOC SITES IN CONNECTION WITH THE PROPOSED “INVESTMENT BANKING” APPROACH

That:

- (A) approval be and is hereby given for the Company (directly or through its subsidiaries) to acquire one or more en-bloc sites for holding and/or re-development and to hold and/or sell the units re-developed (all or some only), subject to the total acquisition and/or re-development costs for all these en-bloc sites not exceeding S\$300 million;
- (B) the Company (directly or through its subsidiaries) be and is hereby authorised to purchase or otherwise acquire or re-develop, from time to time any such en-bloc sites on such terms and conditions as the Directors deem fit and where relevant, to enter into joint venture or co-investment arrangements for the purposes of, or in connection with, acquiring, holding and/or re-developing such en-bloc sites, and the Company (directly and/or through its subsidiaries) be and is hereby authorised to hold and/or sell the units re-developed (all or some only) from such en-bloc sites acquired, on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all such acts or things as they deem desirable, necessary or expedient or give effect to such to any such acquisition and/or re-development and/or sale, subject to the total acquisition and/or re-development costs not exceeding S\$300 million; and
- (C) the Directors and each of them be and are hereby authorised to do all acts and things as they deem desirable, necessary or expedient to give effect to the matters referred to in this Ordinary Resolution as they may in their absolute discretion deem fit in the best interests of the Company.

ORDINARY RESOLUTION 4: THE PROPOSED SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS

That:

- (A) approval be and is hereby given, for the purposes of Chapter 9 of the listing manual (Section B: Rules of Catalist) (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), for the Company, its subsidiaries and associated companies that are entities at risk (as defined in Chapter 9 of the Listing Manual of the SGX-ST), or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions described in section 5.5 of the Circular with the Interested Persons, provided that such transactions are made on normal commercial terms, will not be prejudicial to the interests of the Company and its minority shareholders and are in accordance with the review procedures for such Interested Person Transactions (the “**IPT Mandate**”);
- (B) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company; and
- (C) the Directors and each of them be and are hereby authorised to complete and do all such acts and things (including without limitation, executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by the IPT Mandate and/or this Ordinary Resolution.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 5: THE TENDER AND THE PROPOSED PARTICIPATION IN THE PASIR RIS DBSS PROJECT

That:

- (A) The tender ("**Tender**") in the sum of approximately S\$123.88 million jointly submitted by the Company (through its wholly-owned subsidiary SingXpress Land (Pasir Ris) Ltd) and Kay Lim Holdings Pte Ltd on 31 May 2011 for the acquisition of the DBSS site located at Pasir Ris Central / Pasir Ris Drive 1 for the purposes of the development of public housing under the DBSS (collectively, the "**Pasir Ris DBSS Project**") be and is hereby ratified, confirmed and approved;
- (B) Approval is hereby given for the Company's proposed participation in the Pasir Ris DBSS Project; and
- (C) The Directors (or any one of them) be and is hereby authorised to take such steps, make such arrangements, do all such acts and things (including executing all such documents as may be required) and exercise such discretion in connection with, relating to or arising from the Tender, the Company's participation in the Pasir Ris DBSS Project, all transactions contemplated thereunder (including without limitation, entering into joint venture and/or co-investment arrangements with, *inter alia*, Kay Lim) and/or this resolution as they or he may from time to time deem fit, with such modifications thereto (if any) as they or he may from time to time consider necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Tender, the Company's participation in the Pasir Ris DBSS Project, all the transactions contemplated thereunder and/or this resolution.

ORDINARY RESOLUTION 6: THE PROPOSED GRANT OF SHARE OPTIONS TO MR YEO WEE KIONG

That :

- (A) The Directors be and are hereby empowered to offer and grant to Mr Yeo Wee Kiong for nil consideration, share options ("**Options**") in 4 tranches to subscribe for an aggregate of up to 20,000,000 new ordinary shares in the capital of the Company ("**New Shares**"), on the following terms:-

(i) Tranche 1

- | | | |
|----|------------------------------------|--|
| 1. | Proposed date of grant of Options | Within 10 days after the EGM subject to shareholders' approval being obtained |
| 2. | Exercise price for Options granted | S\$0.035, representing a 40% premium over the last transacted price of the Shares of S\$0.025 as at the date of the Announcement |
| 3. | Number of Options granted | 5,000,000 |
| 4. | Validity period | 5 years from the date of grant |
| 5. | Vesting date | Immediate vesting on the date of grant of the options |
| 6. | Expiry date | The day immediately preceding the 5 th anniversary of the date of grant |

NOTICE OF EXTRAORDINARY GENERAL MEETING

(ii) Tranche 2

- | | | |
|----|------------------------------------|---|
| 1. | Proposed date of grant of Options | Within 10 days after the EGM subject to shareholders' approval being obtained |
| 2. | Exercise price for Options granted | S\$0.040, representing a 60% premium over the last transacted price of the Shares of S\$0.025 as at the date of the Announcement] |
| 3. | Number of Options granted | 5,000,000 |
| 4. | Validity period | 5 years from the date of grant |
| 5. | Vesting date | Immediate vesting on the date of grant of the options |
| 6. | Expiry date | The day immediately preceding the 5 th anniversary of the date of grant |

(iii) Tranche 3

- | | | |
|----|------------------------------------|--|
| 1. | Proposed date of grant of Options | Within 10 days after the EGM subject to shareholders' approval being obtained |
| 2. | Exercise price for Options granted | S\$0.035, representing a 40% premium over the last transacted price of the Shares of S\$0.025 as at the date of the Announcement |
| 3. | Number of Options granted | 5,000,000 |
| 4. | Validity period | 5 years from the date of grant |
| 5. | Vesting date | 1 st anniversary of the date of the grant |
| 6. | Expiry date | The day immediately preceding the 5 th anniversary of the date of grant |

(iv) Tranche 4

- | | | |
|----|------------------------------------|--|
| 1. | Proposed date of grant of Options | Within 10 days after the EGM subject to shareholders' approval being obtained |
| 2. | Exercise price for Options granted | S\$0.040, representing a 60% premium over the last transacted price of the Shares of S\$0.025 as at the date of the Announcement |
| 3. | Number of Options granted | 5,000,000 |
| 4. | Validity period | 5 years from the date of grant |
| 5. | Vesting date | 1 st anniversary of the date of the grant |
| 6. | Expiry date | The day immediately preceding the 5 th anniversary of the date of grant |

(See Explanatory Note 1)

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (B) any of the Directors and each of them be and is hereby authorised to do all acts and things (including without limitation, to negotiate, finalise and approve further terms of the Options, and to execute all such documents as may be required) as they deem desirable, necessary or expedient to give effect to the matters referred to in this Ordinary Resolution as may in their absolute discretion deem fit in the best interests of the Company.

ORDINARY RESOLUTION 7: THE PROPOSED APPOINTMENT OF MR YEO WEE KIONG AS NON-EXECUTIVE DIRECTOR AND CHAIRMAN OF THE BOARD OF DIRECTORS OF THE COMPANY

That:

- (A) approval be and is hereby given for the appointment of Mr Yeo Wee Kiong as non-executive director and chairman of the board of directors of the Company for a term of three (3) years beginning 15 July 2011; and
- (B) the Directors and any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the appointments contemplated herein and/or this Ordinary Resolution.

BY ORDER OF THE BOARD

CHAN HENG FAI
Chairman

30 June 2011

Explanatory Note:

1. Please refer to section 7 of the Circular for details.

Notes:

- (1) A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
- (2) If the appointer is a corporation, the instrument appointing a proxy must be under seal or the hand of its duly authorised officer or attorney.
- (3) The instrument appointing a proxy must be deposited at the Company's Registered Office not less than 48 hours before the time set for the Extraordinary General Meeting or any postponement or adjournment thereof.

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PROXY FORM

SINGXPRESS LAND LTD.
(Company Registration No. 198803164K)
(Incorporated in Singapore)

PROXY FORM

EXTRAORDINARY GENERAL MEETING

IMPORTANT

1. For investors who have used their CPF monies to buy **SingXpress Land Ltd.** shares, the **Circular to Shareholders** is forwarded to them at the request of their CPF Agent Banks and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is **not valid for use by CPF investors** and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Extraordinary General Meeting as OBSERVERS must submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format with the Company Secretary, by the time frame specified. (Agent Banks: Please see Note 8 overleaf on required format). Any voting instructions must also be submitted to their Agent Banks within the time frame specified to enable them to vote on the CPF investor's behalf.

I/We _____ (Name) _____ (NRIC No.)

of _____ (Address)

being a shareholder/member of **SINGXPRESS LAND LTD.** (the "**Company**") hereby appoint the following person(s):

Name	Address	NRIC/ Passport Number	Proportion of Shareholding (%)

and/or (delete as appropriate)

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as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Extraordinary General Meeting of the Company to be held at Ocean 3 (Function Room), Level 2, Pan Pacific Singapore, 7 Raffles Boulevard, Marina Square, Singapore 039595 on 15 July 2011 at 10:30 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting.

No.	ORDINARY RESOLUTIONS	For	Against
1.	The proposed adoption of the "investment banking" approach for larger real estate projects		
2.	The proposed participation in development projects under the DBSS and/or EC in connection with the "investment banking" approach subject to the aggregate size of the project(s) not exceeding S\$300 million		
3.	The proposed acquisition of en-bloc site(s) for holding and/or re-development in connection with the "investment banking" approach subject to the total acquisition and/or re-development costs not exceeding S\$300 million		
4.	The proposed shareholders' mandate for interested person transactions		
5.	To approve the tender to acquire the land at Pasir Ris Central / Pasir Ris Drive 1 and the proposed participation in the DBSS Project		
6.	The proposed grant of share options to Mr Yeo Wee Kiong		
7.	The proposed appointment of Mr Yeo Wee Kiong as non-executive director and chairman of the board of directors of the Company		

PROXY FORM

Dated this _____ day of _____ 2011.

Number of Shares held	
-----------------------	--

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

- (1) Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
- (2) A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
- (3) Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- (4) Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Meeting.
- (5) The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 883 North Bridge Road, #15-04 Southbank, Singapore 198785 not less than 48 hours before the time appointed for the Meeting.
- (6) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
- (7) A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
- (8) Agent Banks acting on the request of CPF Investors who wish to attend the Meeting as observers are requested to submit in writing, a list of details of the Investors' names, NRIC/Passport numbers, addresses and numbers of Shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for the Meeting.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

