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MAJOR TRANSACTION DISPOSAL OF PROPERTY

On 29 February, 2012, the Vendor entered into the Agreement with the Purchaser to grant to the Purchaser the option to acquire the Property at a consideration of S\$18,000,000 (approximately HK\$111,600,000).

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal are greater than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and consequently are subject to notification, publication and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Written approval of the execution and performance of the Agreement and the transactions thereby contemplated was on 29 February 2012 obtained from a Closely Allied Group of Shareholders who together holding approximately 73.46% of the current issued share capital of the Company. As no shareholders of the Company are required to abstain from voting at a general meeting to approve the Agreement and the transaction thereby contemplated, the written approval of the Closely Allied Group of Shareholders has been accepted under the Listing Rules in lieu of a majority vote at a general meeting of the Company to approve the Agreement and the transactions thereby contemplated.

A circular containing, among others things, details of the Disposal and other disclosure requirements under the Listing Rules will be dispatched to the Shareholders on or before 31 May 2012.

SingXpress International Pte Ltd, an indirect wholly-owned subsidiary of Xpress Group Limited ("Company"), entered into a conditional option agreement ("Agreement") with the Purchaser to grant to the Purchaser the option to acquire a property situated at 200 Jalan Sultan #08-11 Textile Centre, Singapore 199018 ("Property") at a consideration of S\$18,000,000 (approximately HK\$111,600,000) ("Disposal").

THE PROPERTY

Date of the Agreement:	29 February 2012
Vendor:	SingXpress International Pte Ltd., an indirect wholly-owned subsidiary of the Company
Purchaser:	A company which is and whose beneficial owners are, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, third parties independent of the Company and connected persons of the Company. The purchaser's principal activities were engaged in the manufacture and repair of construction machinery and parts and in building construction.
Property:	200 Jalan Sultan #08-11 Textile Centre, Singapore 199018
Option money:	S\$180,000 (approximately HK\$1,116,000) was paid by the Purchaser upon signing of the Agreement
Sale price:	S\$18,000,000 (approximately HK\$111,600,000) payable in cash
Date of completion:	on or before 23 May 2012
Condition for completion:	subject to the exercise of the right on the Agreement on or before 14 March, 2012 and conditional on good title and satisfactory reply to legal requisitions to the usual Government Departments and Land Transport Authorities of Singapore

Upon exercise of the right on the Agreement, the Purchaser shall pay S\$800,000 (approximately HK\$4,960,000) (including the Option money) to the Vendor and the balance of the Sale price shall be paid at the date of completion.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company and its subsidiaries ("Group") is engaged in property development and property trading and investment, treasury investments and hotel operation.

The Property has a total gross floor area of approximately 25,876 sq. ft. and is currently being rented out to 2 tenants under 2 tenancy agreements; one expiring on 20 May 2015 and the other expiring on 31 December 2013 for an aggregate monthly rent of approximately S\$99,449 (approximately HK\$617,000).

The terms of the Agreement and the sale price for the Property have been determined after arm's length negotiations between the parties by reference to the recent transaction of the similar type of units in the property market. No independent valuation was carried out for the Property. The Directors are of the view that the Disposal are in the interest of the Group and the terms of Disposal in the Agreement are in normal commercial terms, which are fair and reasonable and in the interests of the shareholders of the Company as a whole as it provides an opportunity to the Company in realizing its asset to improve its working capital. If the option is exercised, it is estimated that a loss on disposal of

approximately S\$8,577,000 (approximately HK\$53,177,000) will be recorded by the Group. If the conditions of the Agreement cannot be fulfilled on or before 14 March 2012, the option money will be forfeited to the Vendor and the option will be expire and shall be null and void and neither party shall have any claims against the others.

The proceeds received upon completion of the Disposal will be used as working capital of the Group.

GENERAL

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal are greater than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and consequently are subject to notification, publication and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Written approval of the execution and performance of the Agreement and the transactions thereby contemplated was on 15 April 2011 obtained from Mr. Chan Heng Fai and Ms. Chan Yoke Keow, a closely allied group of Shareholders who together holding approximately 73.46% of the current issued share capital of the Company. As no shareholders of the Company are required to abstain from voting at a general meeting to approve the Agreement and the transactions thereby contemplated, the written approval of the closely allied group of Shareholders has been accepted under the Listing Rules in lieu of a majority vote at a general meeting of the Company to approve the Agreement and the transactions thereby contemplated.

A circular containing, among others things, details of the Disposal and other disclosure requirements under the Listing Rules will be dispatched to the Shareholders on or before 31 May 2012 as the Company expects it would take approximately 3 months for the preparation and finalization of the Circular including, among others, to compile indebtedness statement, working capital statement of the Group.

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

Hong Kong SAR, 29 February, 2012

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