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CONNECTED TRANSACTION

On 13 April, 2012, the Vendor has sold, and the Purchaser has purchased 160 million shares of SingXpress through married trade in the open market, representing approximately 4.78% of the issued and paid-up capital of SingXpress at a consideration of S\$2,880,000 (approximately HK\$17,712,000).

The Purchaser (together with his associate) holds 20% of SXKL, and is a director of SXKL. Accordingly, the Purchaser is a substantial shareholder of SXKL and hence a connected person of the Company and the Disposal constitutes a connected transaction for the Company under Listing Rule.

As all the applicable percentage ratios in respect of the Disposal are less than 5%, the Disposal is subject to the reporting and announcement requirements and is exempt from independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

THE DISPOSAL

On 13 April, 2012, Xpress Credit Limited ("Vendor"), an indirect wholly-owned subsidiary of Xpress Group Limited ("Company"), has sold, and Mr. Tng Kay Lim ("Purchaser") has purchased 160 million shares of SingXpress Land Ltd ("SingXpress") ("Sale Shares") at a price of S\$0.018 per Sale Share through married trade in the open market, representing approximately 4.78% of the issued and paid-up capital of SingXpress ("Share") at a consideration of S\$2,880,000 (approximately HK\$17,712,000) ("Disposal").

CONSIDERATION

The Consideration for the Disposal of the Sale Shares is S\$2,880,000 (approximately HK\$ 17,712,000). The consideration has been determined after arm's length negotiation between the Vendor and the Purchaser and the unit price of S\$0.018 represents (i) a discount of approximately 21.7% to the closing price of S\$0.023 per Sale Share quoted on the Singapore Stock Exchange on 13 April 2012 (the "Last Trading Day"); (ii) a discount of 10.0% to the

average closing price of S\$0.02 per Sale Share for the last five full trading days up to and including the Last Trading Day; and (iii) a discount of approximately 1.1% to the average closing price of S\$0.0182 per Share for the last ten full trading days up to and including the Last Trading Day.

INFORMATION OF SINGXPRESS

SingXpress is engaged in property development and property trading and investment and treasury investments, whose shares are listed on the Singapore Exchange Securities Trading Limited (“Singapore Stock Exchange”). As at the date of this announcement, Xpress Credit Limited (“XCL”), a wholly owned subsidiary of the Company, has interest in 2,040,192,000 Shares representing about 60.94% of the existing issued share capital of SingXpress and S\$13,239,677 in aggregate principal amount of the convertible bonds due 2014 of SingXpress and is accounted for as a subsidiary of the Company.

SingXpress has embarked on three development projects in Singapore, two are freehold properties which were purchased under a collective (en bloc) sales and the third project is a major public housing project under the Singapore Housing Development Board’s (“HDB”) Design, Build and Sell Scheme (“DBSS”) for the 176,400 sq. ft. of the land.

The first is a site on Charlton Road purchased for S\$21.4 million in mid-2010 through Charlton Residences Pte Ltd, a joint-venture in which SingXpress holds 80% and ACT Holdings Pte Ltd the remaining 20%. The site of the 21 walk-up apartments will be redeveloped into 21 luxury quality three-storey houses with lap pool, club house and gym and underground carpark for estimated completion in 2013.

The second site in Balestier was purchased for S\$21 million in November 2010. Formerly known as Waldorf Mansions, the old tower block will be redeveloped in 2013 into a new condominium block for completion by 2014.

In early June 2011, SingXpress announced its third site. SingXpress successfully bid for a major public housing project under the Singapore HDB’s DBSS. SingXpress’ winning bid was approximately S\$123.9 million (approximately HK\$780.6 million) for the 176,400 sq. ft. site near the Pasir Ris MRT station and White Sands Shopping Centre at Pasir Ris Central/Pasir Ris Drive 1. With a maximum allowable gross floor area of approximately 441,000 sq. ft., it is intended to build up to 454 units Designers Home for HDB with a child care centre, car parks and ancillary.

INFORMATION OF THE PURCHASER

The Purchaser (together with his associate) holds 20% of SingXpress Kaylim Pte Ltd (“SXKL”), an indirect 80% owned subsidiary of SingXpress and is a director of SXKL. Accordingly, the Purchaser is a substantial shareholder of SXKL and hence a connected person of the Company and the Disposal constitutes a connected transaction for the Company under Listing Rule.

REASONS FOR THE DISPOSAL

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

The Disposal is expected to generate a profit of approximately S\$774,000 (approximately HK\$4,758,000) to the Group, which is determined on basis of the difference between the equity attributable to the shareholders of SingXpress as at 30 September 2011 and after adjusting for the rights issue of SingXpress completed in November 2011, which is approximately S\$2,106,000 (approximately HK\$12,954,000) and the aggregate consideration of the Disposal.

The Directors are of the view that the Disposal provides an opportunity to generate additional working capital to the Group. It also allows the Company to be in a position to capture future opportunities in the property development business as and when they arise. Accordingly, the Directors, including the independent non-executive Directors, are of the view that the Disposal are in normal commercial terms, which are fair and reasonable and in the interests of the shareholders of the Company as a whole.

None of the Directors have a material interest in the Disposal, nor are they required to abstain from voting in the relevant board resolutions.

After the Disposal, the Group holds 1,880,192,000 Shares, representing approximately 56.16% of the existing issued share capital of SingXpress and SingXpress will remain as a subsidiary of the Company.

IMPLICATION OF THE LISTING RULES

As the Purchaser (together with his associate) holds 20% of SXKL, and is a director of SXKL. Accordingly, the Purchaser is a substantial shareholder of SXKL and hence a connected person of the Company and the Disposal constitutes a connected transaction for the Company under Listing Rule.

As all the applicable percentage ratios in respect of the Disposal are less than 5%, the Disposal is subject to the reporting and announcement requirements and is exempt from independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

The Group does not have any other prior transactions or relationship with the Purchaser and his associates which required aggregation with the transactions contemplated under the Disposal pursuant to Rule 14A.25 of the Listing Rules.

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

Hong Kong SAR, 13 April, 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.