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XPRESS GROUP LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 185)

**ANNOUNCEMENT UNDER RULE 13.09(1) OF THE LISTING RULES
AND RESUMPTION OF TRADING**

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited.

The boards of directors of Xpress Group Limited (the "Company") wishes to announce that SingXpress Land Ltd ("SingXpress"), an indirect 56.66% owned subsidiary of the Company has on 10 May 2012 submitted a tender for the land parcel at Tampines Central 7/ Tampines Avenue 7/ Tampines Avenue 9. The Company is pleased to announce that based on the provisional tender results received from the Housing & Development Board in Singapore (the "HDB"), SingXpress Property Development Pte Ltd ("SingXpress"), a subsidiary of SingXpress, together with Kay Lim Realty Pte Ltd, a subsidiary of Kay Lim Holdings Pte Ltd ("Kay Lim") and Creative Investments Pte Ltd, a subsidiary of Amara Holdings Limited ("Amara"), was among 6 tenders for the land parcel located at Tampines Central 7/ Tampines Avenue 7/ Tampines Avenue 9 (the "Land"). At the tender price of approximately S\$233.5 million (approximately HK\$1,447.9 million) for the development of an Executive Condominium (the "Project") the team is the highest bidder and is approximately 1.2% higher than the next higher bidder.

THE JOINT VENTURE

Following the award of the above tender, SingXpress together with its partners will form a joint venture company ("JVC") in Singapore to undertake the development of the Project.

Principal Activity

The joint venture will be formed for the purpose of owning and developing the Land. After the subscription, SingXpress, Amara and Kay Lim will hold 30%, 40% and 30% interest in the JVC respectively. According to the arrangements of the joint venture, SingXpress, Amara and Kay Lim shall respectively appoint 2 directors, 2 directors and 1 director onto the boards of the JVC. Accordingly, the JVC will be classified as an associate of the Company in the accounts of the Group. The investment cost in the JVC will be recorded at cost in the Group's balance sheet and the post-acquisition results of the JVC will be equity accounted for in the Group's financial statements.

Funding

The Project Costs for the development of the Land by the JVC will be funded by shareholders' loans from SingXpress, Amara and Kay Lim on a several and pro rata basis by reference to their respective interest in the JVC and project financing as deemed appropriate by the board of the JVC from time to time, in accordance with the payment obligations of the costs of the Land to the HDB and the construction schedule of the Land.

The Group intends to finance its portion of the funding requirements by internal resources, existing corporate banking facilities and project financing or from other sources as deemed appropriate by its board from time to time. If the Board deems it appropriate to conduct other capital raising exercises to support this Project, the Company will make further announcement(s) in due course.

Profit Sharing

It has been agreed that any profit derived from the development of the Land will be ultimately shared by SingXpress, Amara and Kay Lim pro-rated on a 30:40:30 basis.

DEVELOPMENT OF THE LAND

The Land covers a total site area of approximately 20,750.5 square meter. The permissible total gross floor area for construction is approximately 58,101 square meter. It is intended that the Land will be developed into executive condominium with full fledged club-house, amenity facilities and car park spaces. The main contractor in respect of the development of the Land will be Kay Lim (or a company nominated by Kay Lim). The Project is expected to be completed by 2016.

The Project Costs, being the total capital commitment of SingXpress, Amara and Kay Lim in respect of the formation of the JVC for the development of the Land, is estimated to be approximately S\$440 million to S\$500 million (approximately HK\$2,728 million to HK\$3,100 million), of which SingXpress is expected to contribute approximately S\$132 million to S\$150 million (approximately HK\$818.4 million to HK\$930 million), representing its 30% interest in the JVC.

REASONS FOR THE JOINT VENTURE

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

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").

Amara which, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, is engaged in hotels, building construction and property development, specialty restaurants and food services, whose shares are listed on the Singapore Stock Exchange and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Kay Lim is a private limited company incorporated in Singapore. It is mainly engaged in investment holding and building constructions. 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. Mr. Tng Kay Lim, a director of SingXpress Kaylim Pte Ltd (“SXKL”), an indirect 80% owned subsidiary of SingXpress, has beneficially interest in Kay Lim.

The formation of the JVC and the development of the Land are consistent with the core business strategies of the Group and are a continuation of the Group's principal activity in property development in Singapore with other business partners. The JVC will engage in a single purpose for the development of the Land which is of a revenue nature in the ordinary and usual course of business of the Company. The joint venture agreement will contains clause(s) to the effect that the JVC may not, without its partners’ unanimous consent, change the nature or scope of its business or enter into any transactions which are not on an arm’s length basis. None of the Directors have a material interest in the joint venture arrangement, nor are they required to abstain from voting in the relevant board resolutions. The Directors (including the independent non-executive directors) confirmed that the formation of the JVC is conducted in the Company’s ordinary and usual course of business and believe that the terms of the formation of the JVC is on an arm’s length basis and on normal commercial terms and are fair and reasonable and in the interest of the shareholders of the Company as a whole.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares and bonds of the Company was suspended with effect from 9:00 a.m. on 11 May 2012 pending the release of this announcement. Application will be made by the Company to the Stock Exchange for the resumption of trading in the shares and bonds of the Company from 9:00 a.m. on Monday, 14 May 2012.

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

Hong Kong SAR, 11 May, 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.