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

DISCLOSABLE TRANSACTION

The Board is pleased to announce that on 30 May 2012 (after trading hours), SingXpress and the Subscriber entered into the Subscription Agreement with the Subscriber for the issuance and subscription of 243,000,000 Subscription Shares at S\$0.0126 per Subscription Share. After the Subscription, the Group's interest in SingXpress will be decreased from 55.16% to 52.40.

The entering into the Subscription Agreement constitutes a deemed disposal of SingXpress for the Company under Rule 14.29 of the Listing Rules. Based on the applicable percentage ratios calculated in accordance with Chapter 14 of the Listing Rules, the entering into the Subscription Agreement constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules, and therefore, it is subject to the notification and announcement requirements under the Listing Rules.

SUBSCRIPTION AGREEMENT

Date : 30 May 2012
Parties : (i) SingXpress Land Ltd ("SingXpress")
(ii) Mr Chua Swee Wah, as the Subscribers

To the best knowledge, information and belief of the Directors having made all reasonable enquires, the Subscriber is a third party independent of the Company and connected persons of the Company.

Subscription of SingXpress Shares

Pursuant to Subscription Agreement, SingXpress agreed to issue 243,000,000 new ordinary shares ("Subscription Shares") in the capital of SingXpress at S\$0.0126 ("Subscription Price") per Subscription Share ("Subscription"). The Subscription Price represents a discount of 10% to the weighted average price of S\$0.014 for trades done on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 30 May 2012 which is the full market day on which the shares of SingXpress ("Shares") were traded on the date the Subscription Agreement was entered into.

The Subscription Shares when issued and fully paid will rank *pari passu* in all respects with the existing Shares. The Subscription Shares to be subscribed by the Subscriber represents approximately 5.26% of the existing issued share capital of SingXpress, and represents approximately 4.99% of the enlarged issued share capital of SingXpress.

The Directors consider the consideration for the Subscription Shares paid by the Subscriber is fair and reasonable and on normal commercial terms and the entering into Subscription Agreement is in the best interest of the Company and its Shareholders as a whole.

Conditions

The Subscription is conditional upon, among others, the following conditions being fulfilled:

- (a) the receipt of a listing and quotation notice from SGX-ST for the admission to, quotation and dealing of the Subscription Shares on the Official List of the SGX-ST being obtained (“Listing Approval”), and if obtained on conditions, such conditions being acceptable to SingXpress and the Subscriber and to the extent that any such conditions are required to be fulfilled on or before the completion date, they are so fulfilled;
- (b) SingXpress complying with the provisions of the Companies Act, the Securities and Futures Act and the Listing Manual Section B: Rules of Catalist of the SGX-ST in respect of the Subscription; and
- (c) the Subscription and the allotment, issue and subscription of the Subscription Shares is not prohibited by any statute, order, rule, regulation, directive or request (whether or not having the force of law) promulgated or issued after the date of the Subscription Agreement by any legislative executive or regulatory body or authority in Singapore, including the SGX-ST and the Securities Industry Council.

Completion shall take place on the date falling three market days after the date the Listing Approval being obtained (“Completion”). Upon Completion, the Group’s interest in SingXpress will be decreased from 55.16% to 52.40%. Accordingly SingXpress will remain as a subsidiary of the Company.

INFORMATION ON THE SUBSCRIBER

The Subscriber is Mr Chua Swee Wah. The Subscriber is a third party independent of the Company and connected persons of the Company. The Subscriber was introduced by Mr Toh Soon Huat, a shareholder of SingXpress, to Mr Chan Heng Fai, the Managing Director of SingXpress and the Managing Chairman of the Company.

The Subscriber expressed his agreement with SingXpress’ current business model and his willingness to subscribe for new shares in SingXpress. In support of his commitment to SingXpress, the Subscriber is agreeable to a 6 months’ moratorium on the Shares to be subscribed by him. Taking into account the above, SingXpress decided to place the Subscription Shares to the Subscriber. No commission or other payment is to be made to Mr Toh Soon Huat or any other party in connection with the Subscriber’ subscription of the Subscription Shares.

INFORMATION ON SINGXPRESS AND THE GROUP

SingXpress is engaged in property development and property trading and investment and treasury investments, whose shares are listed on the SGX-ST.

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

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The net proceeds from the Subscription are approximately S\$3,040,000 (approximately HK\$18,848,000).

Currently, SingXpress is evaluating its overall business strategy and is evaluating a number of business proposals. It is expected that 50% of the net proceeds are intended to be used by SingXpress to enhance its working capital and 50% of the net proceeds are intended to be used by SingXpress to pursue such business opportunities as and when they arise. Pending utilisation, the net proceeds from the Subscription may be deposited with banks and/or financial institutions or invested in short term money markets and/or marketable securities, as the directors of SingXpress may deem appropriate in the interests of SingXpress.

Accordingly, the Directors consider that the entering into this Subscription Agreement is in the best interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

The entering into the Subscription Agreement constitutes a deemed disposal of SingXpress for the Company under Rule 14.29 of the Listing Rules. Based on the applicable percentage ratios calculated in accordance with Chapter 14 of the Listing Rules, the entering into the Subscription Agreement constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules, and therefore, it is subject to the notification and announcement requirements under the Listing Rules.

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

Hong Kong SAR, 1 June, 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.