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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Xpress Group Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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XPRESS GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 185)

**GENERAL MANDATES TO ISSUE SECURITIES,
RE-ELECTION OF DIRECTORS,
SINGXPRESS SHARE OPTION SCHEME 2012,
CHANGE OF AUDITORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A letter from the Board is set out on pages 3 to 7 of this circular. A notice convening the annual general meeting of Xpress Group Limited to be held at Club Lusitano, 24th Floor, 16 Ice House Street, Central, Hong Kong on Tuesday, 28 August 2012 at 9:30 a.m. is set out on pages 8 to 10 of this circular. Whether or not you intend to attend the meeting, please complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as possible and in any event no later than 48 hours before the time appointed for the time fixed for holding of the meeting or the adjourned meeting thereof as the case may be. Completion and delivery of the proxy form will not preclude you from attending and voting at the meeting should you so wish.

31 July 2012

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“AGM”	the annual general meeting of the Company to be held on 28 August 2012 at 9:30 a.m.
“Articles”	the Articles of the Company
“Board”	the board of directors of the Company
“Catalist Rules”	the Catalist Rules of the SGX-ST (Section B: Rules of Catalist), as may be amended or modified from time to time
“Committee”	a committee, comprising directors of SingXpress, for the time being duly authorised and appointed by board of directors of SingXpress to administer the SXL SOS 2012
“Company”	Xpress Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of SingXpress to be held on 31 July 2012 at 11:00 a.m.
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general and unconditional mandate proposed under ordinary resolution numbered 4 as set out in the notice of AGM to be granted to the Directors to allot, issue and otherwise deal with Securities
“Latest Practicable Date”	25 July 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information for the purpose of inclusion in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(s)”	option(s) to subscribe for shares of SingXpress granted pursuant to the SXL SOS 2012
“Securities”	shares of any and all classes in the capital of the Company including but not limited to the Shares and other securities carrying a right to subscribe or purchase shares of the Company which the Company may from time to time issue
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share(s)”	share(s) of par value HK\$0.01 each in the capital of the Company
“Share Option Scheme”	the share option scheme of the Company approved by the Shareholders and adopted on 9 May 2003
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SXL” or “SingXpress”	SingXpress Land Ltd, a 52.40% owned subsidiary of the Company listed on SGX-ST
“SXL SOS 2012”	the proposed SingXpress Share Option Scheme 2012
“%”	per cent



XPRESS GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 185)

Executive Directors:

Chan Heng Fai (*Managing Chairman*)
Chan Tong Wan (*Managing Director*)
Chan Yoke Keow

Registered and principal office:

24/F., Wyndham Place,
40-44 Wyndham Street,
Central, Hong Kong

Non-executive Director:

Fong Kwok Jen

Independent non-executive Directors:

Wong Dor Luk, Peter
Wong Tat Keung
Chan King Fai

31 July 2012

*To the Shareholders (and, for information only,
holders of the warrants of the Company)*

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE SECURITIES,
RE-ELECTION OF DIRECTORS,
SINGXPRESS SHARE OPTION SCHEME 2012,
CHANGE OF AUDITORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with the information in respect of resolutions to be proposed at the AGM for (i) the granting of general mandates to the Directors to issue Securities, (ii) the re-election of Directors, (iii) the adoption of the SXL SOS 2012 and (iv) the change of auditors, and other relevant information regarding the AGM.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SECURITIES

At the AGM, an ordinary resolution will be proposed to give the Directors a general and unconditional mandate to issue Securities representing up to 20 per cent of the issued share capital of the Company at the date of passing of the resolution. On the basis of 3,325,337,656 Shares in issue on the Latest Practicable Date, and assuming no further Shares will be issued or repurchased by the Company on or before the AGM, the maximum number of Shares to be issued is 665,067,531. Such authority may only continue in force until the conclusion of the first annual general meeting of the Company following the passing of the ordinary resolution, or revoked or varied by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

The Directors have no immediate plans to exercise the Issue Mandate.

RE-ELECTION OF DIRECTORS

In accordance with Articles 78 and 79 of the Company's Articles of Association, Mr. Chan King Fai shall retire by rotation and, being eligible, offer himself for re-election at the AGM. Mr. Chan Heng Fai offers himself to retire and, be eligible for re-election at the AGM. Brief biographical details are set out in Appendix I to this circular.

The SXL SOS 2012

SingXpress is seeking the approval of its shareholders at the EGM to adopt the SXL SOS 2012.

As SingXpress is a subsidiary of the Company, the SXL SOS 2012 should comply with Chapter 17 of the Listing Rules. The SXL SOS 2012 will commence and take effect only upon its adoption by the shareholders of SingXpress at the EGM as well as the approval by the Shareholders (whichever is the later if they are not obtained in the same date).

Subject to the approval of SingXpress' shareholders in the EGM in respect of the adoption of the SXL SOS 2012 and assuming that the issued share capital of SingXpress remains at 4,867,087,926 shares as at the date of EGM, the maximum number of SingXpress shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the SXL SOS 2012 and any other share option schemes of SingXpress must not in aggregate exceed 730,063,189, representing 15% of the issued share capital of SingXpress as at the date of EGM and SingXpress can grant options to the participants to subscribe for up to 486,708,792 shares, representing 10% of the issued share capital of SingXpress as at the date of EGM.

LETTER FROM THE BOARD

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the SXL SOS 2012 as if they had been granted at the Latest Practicable Date as a number of variables which are crucial for the calculation of the value of the Options have not been determined. Such variables include the exercise price, exercise period, any lock up period and other conditions, if any, that an Option is subject to. Accordingly, the Directors believe that any calculation of value of the Options as at the Latest Practicable Date based on a large number of speculative assumptions would not be meaningful and may be misleading to the Shareholders.

Pursuant to the Catalist Rules, shareholders of SingXpress who are also persons eligible to participate in the SXL SOS 2012 should abstain from voting at the EGM in respect of the resolution relating to the proposed adoption of the SXL SOS 2012 to be proposed at the EGM and should not accept nominations as proxies or otherwise for voting at the EGM in respect of the said resolution unless specific instructions have been given in the proxy instrument on how the shareholders wish their votes to be cast for the resolution to be proposed at the EGM. For the avoidance of doubt, Xpress Credit Limited, a subsidiary of the Company, will abstain and undertake to ensure that its Associates will also abstain from voting on the resolution relating to the proposed adoption of the SXL SOS 2012 at the EGM.

Where the grant of Options to a director, chief executive or substantial shareholder of the Company, or any of their respective associates is subject to Shareholders' approval under rule 17.04(1), the Company will send a circular to the Shareholders and all connected persons of the Company will abstain from voting in favour at such general meeting.

The terms of the SXL SOS 2012 provide that in granting Options under the SXL SOS 2012, the Committee may offer to grant any Options subject to such terms and conditions in relation to the minimum period of the Options to be held and/or the performance criteria to be satisfied before such Options can be exercised and/or any other terms as the Committee may determine in its absolute discretion. The Committee will also have the discretion in determining the subscription price in respect of any Option, provided that the relevant requirements in the Catalist Rules and the Listing Rules are complied with. The Directors are of the view that the flexibility given to the Committee to impose the minimum period for which the Options have to be held and performance targets and other conditions that have to be achieved before the Options can be exercised, will place the Group in a better position to attract human resources that are valuable to the growth and development of the Group as a whole.

An overview of the SXL SOS 2012 is set out in Appendix II to this circular.

Draft copies of the SXL SOS 2012 are available for inspection at the principal office of the Company in Hong Kong at 24th Floor, Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong during normal business hours from 13 August 2012 up to and including 27 August 2012 and at the AGM.

LETTER FROM THE BOARD

CHANGE OF AUDITORS

Lo and Kwong C.P.A. Company Limited (“Lo and Kwong”), the Company’s auditors, will retire at the AGM and will not seek for re-appointment. An ordinary resolution will be proposed at the AGM for appointing ZHONGLEI (HK) CPA Company Limited (“ZHONGLEI”) as the new auditors of the Company to fill the vacancy arising from the retirement of Lo and Kwong, and to hold office until the conclusion of the next annual general meeting of the Company.

The resignation of Lo and Kwong is due to the internal business restructuring between the practices of Lo and Kwong and ZHONGLEI which ZHONGLEI was established in 2009 to provide professional services for the listed companies in Hong Kong or overseas while Lo and Kwong will focus on providing professional service for private company.

On 18 July 2012, Lo and Kwong issued a professional clearance letter to ZHONGLEI which Lo and Kwong confirmed that there are no circumstances surrounding the proposed change of auditors of which it believe ZHONGLEI should be aware of. The Board has confirmed that there are no circumstances in respect of the proposed change of auditors which shall be brought to the attention of Shareholders. The Board and its audit committee have also confirmed that there is no disagreement with Lo and Kwong and the Board has no unresolved issue regarding the change of auditors.

ANNUAL GENERAL MEETING

Set out on pages 8 to 10 is a notice convening the AGM for the purposes of considering and, if thought fit, approving, *inter alia*, the Issue Mandate, re-election of Directors, adoption of the SXL SOS 2012 and the change of auditors.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, no Shareholder have material interest in any resolutions to be proposed at the AGM and accordingly, no Shareholder is required to abstain from voting in the AGM to approve any resolutions.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to be present at the AGM, you are requested to complete the accompanying proxy form and return it at the Company’s registered office in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjourned meeting if you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the AGM in accordance with the Articles of Association. The results of the poll shall be deemed to be the resolution of the general meeting in which the poll was demanded or required and the poll results will be published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.xpressgroup.com) after the AGM.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors believe that the granting of the Issue Mandate, the re-election of the retiring Directors, the adoption of the SXL SOS 2012 and the change of auditors are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of all the resolutions to be proposed at the AGM to give effect to them.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Your attention is drawn to the information set out in Appendices I to II to this circular.

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



XPRESS GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 185)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Xpress Group Limited (the “Company”) will be held at Club Lusitano, 24th Floor, 16 Ice House Street, Central, Hong Kong on Tuesday, 28 August 2012 at 9:30 a.m. for the following purposes:

ORDINARY BUSINESS

- (1) To receive, consider and adopt the audited Financial Statements, the Directors’ Report and the Auditors’ Report of the Company and its subsidiaries for the year ended 31 March 2012.
- (2) To re-elect the retiring Directors and authorise the board of directors of the Company to fix Directors’ fees.
- (3) To consider and approve the appointment of ZHONGLEI (HK) CPA Company Limited as the auditors of the Company and to authorize the board of directors of the Company to fix auditors’ remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification the following as ordinary resolutions:

- (4) **“THAT:**
 - (a) and subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with securities of any and all classes in the share capital of the Company (the “Securities”) including but not limited to the Shares and other securities carrying a right to subscribe or purchase Securities which the Company may from time to time issue and to make or grant any offers, agreements or options (including warrants, bonds, debentures, notes, options or any securities derivative which carry the right to subscribe for or are convertible into shares of the Company) which would or might require

NOTICE OF ANNUAL GENERAL MEETING

the exercise of such powers, be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this Resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) an issue of shares of the Company upon the exercise of subscription or conversion rights under the terms of any warrants, bonds, debentures, notes and any securities derivative of the Company to subscribe for or convert into shares of the Company, or (iii) an issue of shares upon the exercise of options granted under any share option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares in the Company, or (iv) an issue of shares as scrip dividends pursuant to the Articles of Association of the Company from time to time, shall not exceed 20 per cent of the aggregate nominal amount of the issued share capital of the Company as enlarged by the allotment and issue of the new Shares pursuant to the exercise of outstanding warrants at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Ordinance or the Articles of Association of the Company to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company; and

“Rights Issue” means an offer of shares in the share capital of the Company open for a period fixed by the directors of the Company to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the

NOTICE OF ANNUAL GENERAL MEETING

directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory applicable to the Company).”

(5) “**THAT:**

the SingXpress Share Option Scheme 2012 (a copy of which has been produced to this meeting marked “A” and signed by the Chairman of this meeting for the purpose of identification) be and is hereby approved.”

By Order of the Board
Chan Tong Wan
Managing Director

Hong Kong, dated 31 July 2012

Registered office:

24th Floor
Wyndham Place
40–44 Wyndham Street
Central
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority shall be deposited at the registered office of the Company in Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

Stated below is the details of the Directors who will retire and be eligible for re-election at the Annual General Meeting in accordance with the Articles of Association of the Company:

Mr. Chan Heng Fai, aged 67, is the Managing Chairman of the Company. He has been a director of the Company since September 1992. Mr. Chan is responsible for the overall business development of the Group. His experience and expertise are in the finance and banking sectors.

Mr. Chan is the Managing Director of SingXpress Land Ltd., a company listed in Singapore Stock Exchange. Save as disclosed above, Mr. Chan had not held any directorship in listed public companies during the last three years preceding the Latest Practicable Date. Mr. Chan is the spouse of Ms. Chan Yoke Keow, the father of Mr. Chan Tong Wan, both of them are executive directors of the Company and the father of Ms. Chan Sook Jin, Mary-ann and Mr. Chan Tung Moe, senior management of the Company. Save as aforesaid, he has no other relationship with any Directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date and as notified to the Company for the purposes of Part XV of the Securities and Futures Ordinance, Mr. Chan and his associates are beneficially interested in 2,411,262,223 shares, representing 72.50% issued share capital of the Company and a derivative interest in respect of 353,938,800 Shares, which represents Mr. Chan and his associate's entitlement to subscribe for 353,938,800 Shares under the Company's Share Option Scheme and 779,765 units of bonds of HK\$100 each of the Company.

On 29 January 2010, a service contract was entered into between the Company and Mr. Chan for a term of three years commencing from 1 February 2010. The service contract provides for the payment of an annual salary equal to 5.9% of the net assets value of the Company as shown in its consolidated audited accounts at each financial year end. In addition, Mr. Chan is also entitled to receive an accommodation allowance of HK\$30,000 per month. In the event that either party terminate the service contract, the terminated party shall be entitled to receive, and the terminating party shall pay and transfer to the terminated party, as liquidated damages, a lump sum equal to the sum which would have been payable by the Company to Mr. Chan as gross salary (excluding bonus, if applicable), not to exceed 12 months of salary, in respect of the unexpired term of the service contract on the date notice of termination is given.

On 2 February 2010, a service contract was entered into between SingXpress and Mr. Chan for a term of three years commencing from 1 February 2010. The service contract provides for the payment of a monthly salary of S\$30,000. In addition, Mr. Chan is also entitled to receive an accommodation allowance of HK\$30,000 per month. In the event that either party terminate the service contract, the terminated party shall be entitled to receive, and the terminating party shall pay and transfer to the terminated party, as liquidated damages, a lump sum equal to the sum which would have been payable by SingXpress to Mr. Chan as gross salary (excluding bonus, if applicable), in respect of the unexpired term of the service contract on the date notice of termination is given.

Mr. Chan King Fai, aged 42, joined as an independent non-executive Director in August 2011. Mr. Chan is a certified public accountant admitted to practise in Hong Kong. He is a fellow member of Association of Chartered Certified Accountants and associate members of the Hong Kong Institute of Certified Public Accountants, the Taxation Institute of Hong Kong, the Hong Kong Institute of Chartered Secretaries, the Institute of Chartered Secretaries and Administrators and is a Certified Tax Advisor in Hong Kong.

Mr. Chan did not hold any directorships in listed public companies during the past three years. Mr. Chan is not connected with any director, senior management or substantial or controlling shareholders of the Company. He is not interested in any shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

There is no service contract entered into between Mr. Chan and the Company. Mr. Chan has no fixed term of service with the Company but will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company.

Mr. Chan is entitled to an annual director's fee of HK\$96,000. Mr. Chan's director's fee may be reviewed and determined by the Board from time to time subject to an authority being granted by the Shareholders at the Annual General Meeting.

Save as disclosed herewith, there is no other matter that is need to be brought to the attention of holders of securities of the Company and there is no information required to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

A summary of the principal terms of the SXL SOS 2012 is set out below.

For the context under this section only:

- “Act”** : The Companies Act (Chapter 50) of Singapore, as amended and/or supplemented from time to time
- “Associate”** : (a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) 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
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more; and
- (b) 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 thirty per cent. (30%) or more.
- “Associated Company”** : A company in which at least twenty per cent. (20%) but not more than fifty per cent. (50%) of its shares are held by SingXpress or the Group
- “Board” or “Board of Directors”** : The board of directors of SingXpress
- “Catalist Rules”** : The Catalist Rules of the SGX-ST (Section B: Rules of Catalist), as may be amended or modified from time to time
- “CDP”** : The Central Depository (Pte) Limited

“Committee” or “Remuneration Committee”	:	A committee, comprising Directors, for the time being duly authorised and appointed by Board of Directors to administer the New Scheme
“Date of Grant”	:	The date on which an Option is granted, being the date of the letter of offer granting such Option
“Directors”	:	Directors of SingXpress for the time being
“Eligible Persons”	:	The persons who are eligible for selection to participate in the New Scheme
“Exercise Price”	:	The price at which a Participant shall acquire each Scheme Share upon the exercise of an Option
“Group Employees”	:	Confirmed employees of the Group, including the executive directors of SingXpress, who satisfy the eligibility criteria
“Group Executive Director”	:	A director of the Group who performs an executive function
“Group Non-Executive Directors”	:	A director of the Group (including an independent director of SingXpress) who is not a Group Executive Director
“Group”	:	SingXpress and its subsidiaries
“HKSE”	:	The Stock Exchange of Hong Kong Limited
“HKSE Listing Rules”	:	Rules Governing the Listing of Securities on HKSE, as may be amended or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“New Scheme”	:	The SingXpress Share Option Scheme 2012, as amended or modified from time to time
“Option”	:	The right to acquire Scheme Shares granted or to be granted pursuant to the Scheme and for the time being subsisting
“Parent Group”	:	The parent company of SingXpress and the subsidiaries of the parent company of SingXpress

“Parent Group Employees”	:	Confirmed employees of any member of the Parent Group, including the Parent Group Executive Directors, who satisfy the eligibility criteria
“Parent Group Executive Director”	:	A director of any member of the Parent Group who performs an executive function
“Parent Group Non-Executive Director”	:	A director of any member of the Parent Group who is not a Parent Group Executive Director
“Participant”	:	The holder of an Option
“Rules”	:	These rules of the New Scheme, as amended from time to time
“Scheme Shares”	:	New Shares to be issued and/or Treasury Shares to be transferred under the New Scheme
“SGX-ST”	:	Singapore Exchange Securities Trading Limited (including any successor entity or body)
“Shareholders”	:	Registered holders of Shares, except that where CDP is the registered holder, the term “Shareholders” shall, in relation to such Shares, mean the persons whose securities accounts maintained with CDP (excluding securities sub-accounts) are credited with the Shares
“Shares”	:	Issued and fully paid-up ordinary shares in the capital of SingXpress
“SingXpress”	:	SingXpress Land Ltd.
“subsidiary”	:	A company which is for the time being a subsidiary of SingXpress as defined within section 5 of the Act
“Treasury Shares”	:	Shares which were (or are treated as having been) purchased by SingXpress in circumstances in which Section 76H of the Act applies and have been held by SingXpress continuously since the Treasury Shares were so purchased
“XGL”	:	Xpress Group Limited

- “XGL Group” : XGL and its subsidiaries
- “S\$” : Singapore dollars
- “%” or “per cent.” : Per centum or percentage

1. Rationale for the New Scheme

The Scheme is being proposed with the following objectives:

- (a) to align the long-term interests of selected confirmed Group Employees and other Eligible Persons with those of the Shareholders and encourage such persons to contribute greater efforts or assume greater responsibility for the performance of the businesses that they manage or are involved in;
- (b) to motivate such persons towards strategic business objectives;
- (c) to reward such persons with an equity stake in the success of the Group; and
- (d) to make the total compensation package more competitive in order to attract, retain and motivate high calibre executives.

2. Size of the New Scheme

The aggregate number of Shares over which the Committee may grant Options on any date (including the number of Shares which have been and to be issued upon the exercise of the Options in respect of all Options granted under the New Scheme) shall not exceed fifteen per cent. (15%) of the total number of Shares (excluding Treasury Shares) on the day preceding that date (“**Scheme Limit**”), provided that for so long as SingXpress is a subsidiary of XGL and XGL is listed on the HKSE but subject always to the Scheme Limit:

- (a) the aggregate number of new Shares over which the Committee may grant Options on any date, including the number of new Shares which have been issued and to be issued in respect of all Options granted under the New Scheme, shall not exceed ten per cent. (10%) of the total number of issued Shares on the date that the New Scheme is approved by the shareholders of SingXpress in a general meeting or the date that it is approved by the shareholders of XGL in a general meeting, whichever is the later, or such other limit as may be prescribed or permitted by the HKSE from time to time (“**HKSE Listing Rules Limit**”); and
- (b) notwithstanding 2(a) above, but subject to the Scheme Limit, the HKSE Listing Rules Limit may, upon the approval of the shareholders of XGL where required, be exceeded or increased through a refresher in accordance with Rule 17.03(3) of the HKSE Listing Rules (as may be modified from time to time).

So long as SingXpress is a subsidiary of XGL and XGL is listed on the HKSE, the New Scheme is subject to Chapter 17 of the HKSE Listing Rules. Pursuant to the HKSE Listing Rules, there is a requirement that the total number of Shares which may be issued upon the exercise of all Options to be granted under the New Scheme and any other schemes must not exceed ten per cent. (10%) of the relevant class of securities in issue as at the date of approval of the New Scheme. The HKSE Listing Rules further provide that where the shares of the listed issuer or the subsidiary concerned are also listed on another stock exchange, the more onerous requirements shall prevail and be applied in the event of a conflict or inconsistency between the requirements under Chapter 17 of the HKSE Listing Rules and the requirements of the other stock exchange. Accordingly, the size of the New Scheme is subject to the HKSE Listing Rules Limit and the Scheme Limit.

SingXpress shall have the flexibility to deliver Treasury Shares to the Participants upon the exercise of their Options as described in paragraph 9 below. Subject to applicable laws, the Catalist Rules, the HKSE Listing Rules and the Scheme Limit, the number of existing Shares (held in treasury) which may be delivered in settlement of the exercise of Options will not be subject to the HKSE Listing Rules Limit and the limit referred to in paragraph 4 below, as such method of settlement does not involve the issuance of any new Shares.

3. Eligibility

- (a) The persons eligible for selection to participate in the New Scheme are:
 - (i) Group Employees who have attained the age of twenty-one (21) years as at the Date of Grant;
 - (ii) Group Non-Executive Directors;
 - (iii) confirmed employees and directors of an Associated Company which SingXpress has control over, who have attained the age of twenty-one (21) years as at the Date of Grant and hold such rank as may be designated by the Remuneration Committee from time to time;
 - (iv) Parent Group Employees who have attained the age of twenty-one (21) years as at the Date of Grant and who, in the opinion of the Committee, have contributed to the success and development of SingXpress; and
 - (v) Parent Group Non-Executive Directors who, in the opinion of the Committee, have contributed to the success and development of SingXpress.

The participation of Eligible Persons is at the absolute discretion of the Committee. The Committee may at its absolute discretion grant Options to such Eligible Persons as it may determine, and may in its absolute discretion determine the number of Scheme Shares applicable to the Options, taking into account criteria such as the rank and length of service of the Participants, past performance, financial and performance targets and/or contributions criteria set, and the performance of the Company. The Committee may also

in its absolute discretion determine and amend the conditions for granting an Option, which may include any financial and performance targets and/or contributions criteria applicable to such Option and the performance period during which such targets and/or criteria are to be satisfied and/or vesting schedule in relation to the vesting of any Shares comprised in such Option.

Every Option shall be granted subject to the condition that no Scheme Shares shall be issued or transferred pursuant to the exercise of an Option if such issue or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country. In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and of no effect and the relevant Participant shall have no claim whatsoever against the Company.

4. Maximum Entitlement for each Participant

Under the Rules, for so long as SingXpress is a subsidiary of XGL and XGL is listed on the HKSE, subject to such amendments as may be made pursuant to the New Scheme, the total number of new Shares issued and to be issued upon exercise of the Options granted to any Participant (including both exercised and outstanding Options) in any twelve (12)-month period shall not exceed one per cent. (1%) (or such other percentage as may be prescribed or permitted by the HKSE from time to time) of the total number of issued Shares immediately before such grant. Where any grant of Options to a Participant would result in the Shares issued and to be issued on exercise of all Options granted and to be granted to such Participant (including exercised, cancelled and outstanding Options) in the twelve (12)-month period up to and including the date of such grant exceeding one per cent. (1%) of the total number of issued Shares, such grant shall be approved by the shareholders of XGL in a general meeting in accordance with the HKSE Listing Rules, with such Participant and his associates (as defined in the Rules) abstaining from voting. To the extent the exercise of any Options granted to a Participant is satisfied by the transfer of existing Shares, such Options and number of existing Shares shall not be subject to or taken into account for purposes of such limit.

5. Grant of Options

Options may be granted at any time during the duration of the New Scheme, provided that no Options shall be granted:

- (a) during the periods commencing one (1) month before the announcement of the Group's annual or half-yearly results or two (2) weeks before the announcement of the quarterly results, as the case may be, and ending on the date of announcement of such results or during such other closed periods of SingXpress as the Directors may approve; and
- (b) at any time after any matter of an exceptional nature involving unpublished price sensitive information has arisen or has been the subject of a decision, until after such price sensitive information has been publicly announced.

6. Acceptance of Options

The procedure for accepting an Option is set out in the Rules, which provide that the grant of an Option must be accepted by the Participant within thirty (30) days from the Date of Grant accompanied by payment of S\$1.00 as consideration for such grant. The Participant may accept or refuse the whole or part of the offer, but if only part of the offer is accepted, the Participant shall accept the offer in multiples of 1,000 Scheme Shares. If the grant of an Option is not accepted in the foregoing manner, such offer shall, upon the expiry of the thirty (30)-day period, automatically lapse and become null, void and of no effect.

7. Option Exercise Period

Subject to such conditions as may be applicable to such Option, an Option shall be exercisable during an option exercise period determined and notified by the Committee to the Participant, such period being:

- (a) in the case of Options granted to a Group Employee or a Parent Group Employee, a period commencing on the date after the first anniversary of the Date of Grant, and ending on a date not later than ten (10) years after the Date of Grant; and
- (b) in the case of Options granted to a Participant other than an Group Employee or a Parent Group Employee, a period commencing on the date after the first anniversary of the Date of Grant, and ending on a date not later than five (5) years after the Date of Grant.

8. Exercise Price

Subject to any adjustments, the exercise price for each Share on the exercise of an Option shall be fixed by the Committee at a price not less than the higher of (i) the closing price of the Shares on the Date of Grant, which must be a trading day; and (ii) the five (5)-day weighted average market price of the Shares immediately prior to the relevant Date of Grant of such Option for which there was trading in the Shares.

9. Delivery of Scheme Shares upon Exercise of Options

Outstanding Options which have been exercised may be satisfied at the discretion of the Committee by:

- (a) the allotment and issue of new Shares;
- (b) the transfer of Treasury Shares to the Participants; or
- (c) a combination of both new Shares and Treasury Shares.

In determining whether to issue new Shares or to deliver Treasury Shares to Participants on the exercise of their Options, factors such as the prevailing market price of the Shares, funding considerations and dilutive effects on the share capital of SingXpress and the cost to SingXpress of either issuing New Shares or purchasing existing Shares would be taken into consideration.

10. Treasury Shares

Following amendments to the Companies Act, a company is permitted to repurchase its shares out of profits and/or capital of the company and to hold repurchased shares as treasury shares. Where shares are held as treasury shares, a company may at any time, *inter alia*, transfer such shares for the purposes of or pursuant to an employees' share option scheme.

SingXpress proposes to adopt a share purchase mandate for Shareholders' approval at the extraordinary general meeting of SingXpress to be held on 31 July 2012 at 11:00 a.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of SingXpress to be held on the same day and at the same venue, for which a separate notification will be given to Shareholders). In the event that the share purchase mandate is approved, SingXpress will have the flexibility of transferring any Treasury Shares held to satisfy the exercise of Options granted under the New Scheme.

11. Rights of Shares Acquired

The Scheme Shares, when issued and/or transferred, shall be subject to the provisions of the Memorandum and Articles of Association of SingXpress, and shall rank *pari passu* in all respects with the then existing issued Shares, save for any dividend or other distribution declared or recommended in respect of the then existing issued Shares, the record date for which is on or before the date upon which such issue and/or transfer takes place.

12. Transferability of Options

The Option is personal to the Participant and shall not be transferred, charged, pledged, assigned or otherwise disposed of by the Participant, in whole or in part, except with the prior written approval of the Committee.

13. Termination of Options

Special provisions in the New Scheme dealing with the lapsing or earlier exercise of Options in certain circumstances, including but not limited to the following: (a) the termination of the Participant's employment in the Group; (b) the misconduct or bankruptcy of the Participant; (c) the death of the Participant; (d) a take-over of SingXpress; or (e) the winding-up of SingXpress are set out in the Rules.

Upon the commencement of winding-up of SingXpress, any unexercised Options shall lapse and be null and void and be of no further force and effect.

14. Variation of Capital

The New Scheme provides that if there is a variation in the issued share capital of SingXpress (whether by way of a capitalisation of profits or reserves or rights issue, capital reduction, sub-division or consolidation of Shares or distribution), the exercise price for the Scheme Shares, class and/or number of Scheme Shares comprised in an Option to the extent unexercised or over which additional Options may be granted, shall be adjusted in such manner as the Committee may determine to be appropriate and (except in relation to a capitalisation issue) upon the written confirmation of the auditors of SingXpress (acting only as experts and not as arbitrators) that in their opinion such adjustment is fair and reasonable. Notwithstanding anything herein, no adjustment shall be made (other than on a capitalisation issue) unless upon written confirmation by the auditors of SingXpress that such adjustments is fair and reasonable in accordance with the Rules. No adjustment may be made in such a way that a Participant will receive a benefit that a Shareholder does not receive. For so long as SingXpress is a subsidiary of XGL and the shares of XGL remain listed on the HKSE, no adjustment shall be made if the variation in the issued share capital of SingXpress is by way of distribution.

The New Scheme also provides that certain events will not be considered as events requiring adjustment, such as the issue of Shares as consideration for an acquisition or a private placement of Shares or any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by SingXpress by way of market purchase(s) effected on the SGX-Catalist pursuant to a share purchase mandate (or any renewal thereof) or any increase in the number of issued Shares as a consequence of the exercise of options or other convertible issued from time to time by SingXpress entitling holders thereof to subscribe for new Shares in the capital of SingXpress.

15. Alteration of New Scheme

The New Scheme may be altered by resolution of the Committee, provided that (a) no alteration shall alter materially and adversely the rights attaching to any Options granted prior to the alteration except with the approval of the Participants who, if they exercised their Options in full, would become entitled to not less than half ($\frac{1}{2}$) in number of all the Scheme Shares; (b) no alteration shall be made except in compliance with the Catalist Rules; (c) no alteration shall be made to certain Rules of the New Scheme to the advantage of Participants except with the prior sanction of SingXpress in a general meeting; and (d) for so long as SingXpress is a subsidiary of XGL and the shares of XGL remain listed on the HKSE, no alteration shall be made without the prior approval of the shareholders of XGL if such approval is required pursuant to the HKSE Listing Rules and that the amended terms of the New Scheme or the Options must comply with Chapter 17 of the HKSE Listing Rules.

16. Duration of New Scheme

The New Scheme shall continue in force at the discretion of the Committee subject to a maximum period of ten (10) years commencing from the day on which the New Scheme is approved by Shareholders in a general meeting or the day on which it is approved by the shareholders of XGL in a general meeting, whichever is the later.

17. Termination of New Scheme

Subject to any relevant approvals which may be required, the New Scheme may be terminated at any time by SingXpress by resolution in general meeting, or by the Directors, or by the Committee, and in such event, no further Options will be offered under the New Scheme.

The expiry or termination of the New Scheme shall not affect Options (including related Option Exercise Periods) which have been granted and accepted, but remain unexercised (whether fully or partially) at the expiry or termination of the New Scheme.

18. Cancellation of Options

All Options granted but not exercised upon the expiry of the Option Exercise Period shall be cancelled by SingXpress. Where SingXpress cancels Options and issues new Options to the same Participant, the issue of such new Options may only be made with available unissued Options (and for this purpose, the cancelled Options shall be excluded in the calculation of the available unissued Options).

19. Administration of New Scheme

The New Scheme shall be administered by the Committee, comprising Directors for the time being duly authorised and appointed by the Board of Directors to administer the New Scheme. A member of the Committee shall not participate in any deliberation or decision in respect of Options to be granted to or held by him.