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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)**

**MAJOR TRANSACTION**

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26 April 2013

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## DEFINITIONS

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

“associates”	the meaning ascribed to it under the Takeovers Code
“Board”	the board of directors of the Company
“CCPS”	the 80 cumulative non-redeemable convertible non-voting perpetual preference shares of S\$1,180,000 each in the share capital of SingXpress issued by SingXpress to Haiyi Holdings Pte Ltd
“Closely Allied Group of Shareholders”	<ol style="list-style-type: none"><li>(1) Heng Fai Master Holdings Limited, which are ultimately owned by a discretionary trust established by Mr. Chan Heng Fai (being a director of the Company) as settlor, is a beneficiary of 1,776,785,806 shares (50.36%) of the Company;</li><li>(2) Prime Star Group Co. Ltd, wholly owned by Ms. Chan Yoke Keow (being a director of the Company), is a beneficiary of 592,039,274 shares (16.78%) of the Company;</li><li>(3) Mr. Chan Heng Fai (the spouse of Ms. Chan Yoke Keow, being a director of the Company) owns 3,124,300 shares (0.09%) of the Company; and</li><li>(4) Ms. Chan Yoke Keow (the spouse of Mr. Chan Heng Fai) owns 220,357,843 shares (6.25%) of the Company.</li></ol>
“Company”	Xpress Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	completion of the Placing
“connected person(s)”	the meaning ascribed to it under the Listing Rules

## DEFINITIONS

“Deemed Disposal”	the issuance of 243,000,000 new SingXpress Shares for S\$3,040,000 pursuant to the subscription agreement dated 30 May 2012, which constituted a deemed disposal of SingXpress and discloseable transaction for the Company. Details of which was disclosed in the announcement of the Company dated 1 June 2012
“Disposal”	the disposal of 200,112,000 SingXpress Shares by XCL from 16 April 2012 to 18 April 2012 through open market, representing approximately 5.98% of the then issued and paid-up capital of SingXpress at an aggregate consideration of approximately S\$4,078,000, which constituted a discloseable transaction for the Company. Details of which was disclosed in the announcement of the Company dated 19 April 2012
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) which is/are not connected person(s) of the Company (as defined in the Listing Rules) and is/are independent of the Company and its connected persons
“Investors”	the 19 Individual, institutional and other professional investors of the Placing Shares procured by the Placing Agent for and on behalf of XCL, which shall be Independent Third Parties
“Latest Practicable Date”	23 April 2013
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the offer by way of private sale of the Placing Shares procured by the Placing Agent to selected investors on the terms and conditions of the Placing Agreement

## DEFINITIONS

“Placing Agent”	Phillip Securities Pte Ltd, holder of a Capital Markets Services licence to deal in securities, fund management, corporate finance, securities financing and custodial services granted by the Monetary Authority of Singapore
“Placing Agreement”	the agreement dated 25 January 2013 entered into between XCL and the Placing Agent in relation to the appointment of the Placing Agent for the Placing
“Placing Shares”	2,550,441,019 SingXpress Shares, legally and beneficially owned by XCL, representing approximately 19.8% of the issued share capital of SingXpress as at the Latest Practicable Date
“S\$”	Singapore dollar(s), the lawful currency of Singapore
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholders”	the holders of Shares
“SingXpress”	SingXpress Land Ltd. (change name to SingHaiyi Group Ltd.), the shares of which are listed on the SGX-ST
“SingXpress Shares”	ordinary share of SingXpress
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the same meaning ascribed to it under the Listing Rules
“XCL”	Xpress Credit Limited, an indirect wholly owned subsidiary of the Company
“%”	per cent.

*In this circular, the exchange rate of S\$1 to HK\$6.33 have been used for reference only.*



**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

26 April 2013

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION**

**INTRODUCTION**

On 25 January 2013, the Company announced that on 25 January 2013, XCL entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has placed out the Placing Shares to Investors for approximately S\$34,431,000 (equivalent to approximately HK\$217,948,000).

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Placing, when aggregate with the Disposal and Deemed Disposal, exceed 25% but less than 100%, the Placing constitutes a major transaction of 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.

## LETTER FROM THE BOARD

### THE PLACING AGREEMENT

Date : 25 January 2013

Parties : (a) XCL; and  
(b) the Placing Agent.

Placing Agent: : Phillip Securities Pte Ltd, as the Placing Agent pursuant to the Placing Agreement.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the Latest Practicable Date, the Placing Agent is an independent third party and not a connected person (as defined under the Listing Rules) of the Company.

Investors : 19 Individual, institutional and other professional investors who are third parties independent of the Company and its connected persons.

Amount of the Placing Shares: : 2,550,441,019 SingXpress Shares.

Placing Price : approximately S\$34,431,000 (approximately HK\$217,948,000), being S\$0.0135 per SingXpress Share.

Commission : Approximately S\$172,000 (approximately HK\$1,090,000), being 0.5% of the aggregate selling amount of the SingXpress Shares sold by the Placing Agent.

The Placing Price was determined by reference to the prevailing market price of SingXpress and the Placing Price of S\$0.0135 per SingXpress Share represents a discount of 10% over the closing price of SingXpress Share of S\$0.015 as at 25 January 2013 and a discount of approximately 15% over the average closing price per SingXpress Share of S\$0.0158 during the last one month up to and including the date of the Placing Agreement. The Placing was completed on 25 January 2013 at S\$0.0135 per SingXpress Share.

### INFORMATION OF SINGXPRESS

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

## LETTER FROM THE BOARD

Based on the audited financial statements of SingXpress, which are prepared in accordance with accounting principles generally accepted in Singapore, the consolidated net profit or loss before and after taxation for the two years ended 31 March 2012 and the consolidated net asset value of SingXpress as at 31 March 2011 and 2012 are as follows:

	<b>For the year ended 31 March</b>	
	<b>2011</b>	<b>2012</b>
	<i>HK\$</i>	<i>HK\$</i>
Net profit before taxation	15,236,000	247,000
Taxation	(4,861,000)	(2,412,000)
Profit (loss) after taxation	10,375,000	(2,165,000)
	<b>As at 31 March</b>	
	<b>2011</b>	<b>2012</b>
	<i>HK\$</i>	<i>HK\$</i>
Net asset value	86,873,000	270,886,000

Based on the unaudited financial statements of SingXpress, the consolidated net asset value of SingXpress as at 30 September 2012 was HK\$372,546,000.

### **REASONS FOR ENTERING INTO THE PLACING AGREEMENT AND USE OF PROCEEDS**

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

The Directors are of the view that the Placing provides an opportunity to generate additional working capital for 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 are of the view that the Placing are in the best interests of the Company and its shareholders as a whole.

Before the Placing, XCL has interest in 2,550,441,019 SingXpress Shares representing about 19.8% of the issued share capital of SingXpress and SingXpress is accounted for as an associate of the Company. The Group does not hold any SingXpress Shares after the Placing and SingXpress ceased to be an associate of the Company.

### **Effects on Earnings, Assets and Liabilities**

The Placing is expected to generate a profit of approximately S\$4,054,000 (approximately HK\$25,661,000) to the Group, which is determined on basis of the difference between the equity attributable to the shareholders of SingXpress as at 30 September 2012 and after adjusting for the conversion of the CCPS in November 2012, which is approximately S\$30,377,000 (approximately HK\$192,287,000) and the aggregate consideration of the Placing.



## LETTER FROM THE BOARD

After the Placing, the Group will receive the proceeds of approximately HK\$216.9 million. The Company intends to use the net sale proceeds from the Placing for the redemption of all outstanding bond of approximately HK\$108.9 million and the remaining balance will be used by the Group for the general working capital. The total assets of the Group will be increased by approximately HK\$25.7 million, being the net effect of increase in bank balance of approximately HK\$217.9 million and decrease in the book value of SingXpress of approximately HK\$192.3 million. The total liabilities of the Group will remain unchanged.

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Placing, when aggregate with the Disposal and Deemed Disposal, exceed 25% but less than 100%, the Placing constitutes a major transaction of 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 Placing Agreement and the transactions thereby contemplated was on 25 January 2013 obtained from a Closely Allied Group of Shareholders who together holding approximately 73.48% 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 Placing 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 Placing Agreement and the transactions thereby contemplated.

### RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole. The Directors (including the independent non-executive Directors) would recommend the Shareholders to vote in favour of the Placing Agreement and the transactions thereby contemplated if a physical Shareholders' meeting was to be held.

### GENERAL

Your attention is also drawn to the additional information set out in the Appendix to this circular.

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

**1. 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.

**2. FINANCIAL INFORMATION ON THE GROUP****(a) Audited Consolidated Financial Statements of the Group**

The audited consolidated financial statements of the Group (i) for the year ended 31 March 2010 is disclosed in the 2010 annual report of the Company published on 29 July 2010, from page 29; (ii) for the year ended 31 March 2011 is disclosed in the 2011 annual report of the Company published on 29 June 2011, from page 52; and (iii) for the year ended 31 March 2012 is disclosed in the 2012 annual report of the Company published on 29 June 2012, from page 58, all of which have been published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the website of the Company ([www.xpressgroup.com](http://www.xpressgroup.com)).

**(b) Working Capital**

The Directors are of the opinion that, taking into account its internal resources and the existing available credit facilities of the Group and upon the completion of Placing Shares, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this circular, in the absence of unforeseeable circumstances.

**(c) Indebtedness**

As at the close of business on 28 February 2013, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group has outstanding borrowings of approximately HK\$259.2 million, comprising mortgage loans of approximately HK\$152.5 million, bank borrowings of approximately HK\$1.1 million, bonds of approximately HK\$105.6 million respectively. The Group's bank borrowings were secured by certain leasehold properties and investment properties of the Group with carrying value of approximately HK\$771.5 million.

On the other hand, bank deposits of approximately HK\$3.2 million were pledged as securities for bank facilities granted to subsidiaries.

A subsidiary of the Company was involved in legal proceedings against it for the alleged breach of agreement for damages which are not quantified. In the opinion of the Directors, it is not practicable at this stage to determine with certainty the outcome of the litigation. Further details of the litigation is set out in section headed "Litigation" in the Appendix of this circular.

Save as aforesaid and apart from the intra-group liabilities, none of the companies in the Group had outstanding at the close of business on 28 February 2013 any mortgages, charges or debentures, loan capital, bank overdraft, loans, debt securities or other similar indebtedness or any hire purchase commitments, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities.

For the purpose of the above indebtedness statement, foreign currency amounts have been translated into Hong Kong dollars at the approximate rates of exchange prevailing at the close of business on 28 February 2013.

Except as disclosed above, the Directors are not aware of any material changes in the Group's indebtedness and contingent liabilities at the close of business on 28 February 2013.

**(d) Financial and Trading Prospects**

The Group recorded a turnover of approximately HK\$81.5 million for the year ended 31 March 2012, representing an increase of approximately 8.2% as compared to the year ended 31 March 2011. The increase in turnover was mainly due to the increase in turnover of the hotels and hospitality division and increase in rental income during the year. The loss attributable to owners of the Company for the year ended 31 March 2012 was approximately HK\$156.4 million as compared to the profit of HK\$45.4 million in 2011.

On 27 November 2012, the Company announced that SingXpress has received a conversion notice from the subscriber on 27 November 2012, to convert all Subscription Shares (as defined in the circular dated 13 September 2012 of the Company) into ordinary shares of SingXpress ("Conversion"). Following the Conversion, the SingXpress shares retained by the Group has been diluted from 52.4% to 19.8%. Accordingly, SingXpress has ceased to be a subsidiary of the Company and is reclassified as an associate of the Group.

On 25 January 2013, the Group announced that XCL entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has placed out the Placing Shares. Before the Placing, XCL has interest in 2,550,441,019 SingXpress Shares representing about 19.8% of the issued share capital of SingXpress. After the Placing, the Group does not hold any SingXpress Shares and SingXpress ceased to be an associate of the Company.

On 28 March 2013, the Company announced that it will redeem all outstanding Bonds with aggregate principal amount of approximately HK\$105.6 million on 30 April 2013 (“Redemption Date”). The aggregate early redemption amount is approximately HK\$108.9 million and will be paid to bondholders on 30 April 2013.

The Company will continue to carry on its current businesses, including property trading and investment, financial services and securities investments and hotel operations. The Company may also explore property development opportunities in Hong Kong and Singapore. While the Company will from time to time reassess its portfolio of businesses and assets, as of the Latest Practicable Date, the Company does not have any specific intentions to acquire and/or dispose of any material company, business or assets.

To the best knowledge of the Directors, there are no material information which may be relevant to the financial and trading prospects of the Group, including the special trade factors or risk which are not mentioned in this circular and which are unlikely to be known or anticipated by the general public, and which could materially affect the profits.

## 3. DISCLOSURE OF INTERESTS

**Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

*Long Positions***(a) Ordinary shares of HK\$0.01 each of the Company**

<b>Name of director</b>	<b>Capacity</b>	<b>Number of issued ordinary shares held</b>	<b>Percentage of the issued share capital of the Company %</b>
Chan Heng Fai	Beneficial owner Held by controlled corporation (Note 1)	3,124,300	0.09
		<u>1,776,785,806</u>	<u>50.36</u>
		<u>1,779,910,106</u>	<u>50.45</u>
Chan Yoke Keow	Beneficial owner Held by controlled corporations (Note 2)	220,357,843	6.25
		<u>592,039,274</u>	<u>16.78</u>
		812,397,117	23.03
Fong Kwok Jen	Beneficial owner	11,927,650	0.34
Chan Tong Wan	Beneficial owner	11,425,522	0.32
Wong Dor Luk, Peter	Beneficial owner	<u>280,000</u>	<u>0.01</u>
		<u><u>2, 615,940,395</u></u>	<u><u>74.15</u></u>

## (b) Share options

Name of director	Date granted	Exercisable period	Exercise price per share HK\$	Number of share options outstanding as at the Latest Practicable Date	Percentage of the issued share capital of the Company
Chan Heng Fai	11.15.2004	11.20.2004 – 5.8.2013	0.1583	123,885,800	3.51
	5.22.2006	5.22.2006 – 5.8.2013	0.1534	49,008,000	1.39
Chan Tong Wan	11.15.2004	11.20.2004 – 5.8.2013	0.1583	15,313,500	0.43
	5.22.2006	5.22.2006 – 5.8.2013	0.1534	5,104,500	0.14
Wong Dor Luk, Peter	11.15.2004	11.20.2004 – 5.8.2013	0.1583	3,062,700	0.09
				<u>196,374,500</u>	<u>5.57</u>

## (c) Bonds of HK\$100 each of the Company

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company %
Chan Heng Fai	Beneficial owner Held by controlled corporation (Note 3)	404,029	38.25
		<u>7,200</u>	<u>0.68</u>
		<u>411,229</u>	<u>38.93</u>
Chan Yoke Keow	Beneficial owner Held by controlled corporation (Note 2)	134,217	12.71
		<u>234,319</u>	<u>22.18</u>
		<u>368,536</u>	<u>34.89</u>
Fong Kwok Jen Chan Tong Wan	Beneficial owner Beneficial owner Held by controlled corporation (Note 4)	1,680	0.16
		4,528	0.43
		<u>60,000</u>	<u>5.68</u>
		<u>64,528</u>	<u>6.11</u>
		<u>845,973</u>	<u>80.09</u>

*Notes:*

1. These shares are owned by Heng Fai Master Holdings Limited, which are ultimately owned by a discretionary trust established by Mr. Chan Heng Fai as settlor.
2. These shares/bonds are owned by Prime Star Group Co. Ltd., in which Mrs. Chan has 100% equity interests.
3. These bonds are owned by Heng Fai Holdings Limited, in which Mr. Chan Heng Fai has 100% equity interests.
4. These bonds are owned by Tango Bay Limited, which are ultimately owned by a discretionary trust established by Mr. Chan Tong Wan as settlor.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of, the Company or any associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

**Substantial Shareholders**

So far as is known to the Directors, as at the Latest Practicable Date, the following persons (other than a Director or the chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company and any other member of the Group:

*(i) The Company*

Name	Nature of interest	Number of shares/underlying shares held	%
Heng Fai Master Holdings Limited	Beneficial owner	1,776,785,806	50.36
Prime Star Group Co., Ltd.	Beneficial owner	592,039,274	16.78

*(ii) Subsidiaries of the Company*

<b>Name of subsidiaries</b>	<b>Name of substantial shareholder</b>	<b>Percentage of shareholding (%)</b>
Japan Xpress Limited	Planet Marketing Communications Inc.	40%
Xpress Finance Limited	MBf Asia Capital Corporation Holdings Limited	18%

Save as disclosed above, the Directors are not aware of any person as at the Latest Practicable Date who is also a director or proposed director is a director or employee of a company which has an interest or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company and any other member of the Group.

**4. LITIGATION**

Actions were brought by Pricerite Stores Limited and CASH Retail Management Group Limited (together referred to as "Pricerite") respectively claiming that a subsidiary of the Company has, among others, divulged confidential information of Pricerite in breach of agreement for damages which are not quantified. The litigation was arises due to the acquisition of such subsidiary by the Group in 2000. In the opinion of the Directors, it is not practicable at this stage to determine with certainty the outcome of the litigation. Further details of the litigation is set out in section headed "The Compromise Agreement" in the Letter from the Board in the circular of the Company dated 8 July 2002. The litigation has been standstill for more than 10 years.

Save as aforesaid, neither the Company nor any of its subsidiaries is engaged in litigation or arbitration of material importance and so far as the Directors are aware, no litigation or claims of material importance are pending or threatened by or against the Company or any of its subsidiaries.



## 5. SERVICE CONTRACTS

Save as set out below, (i) none of the Directors has any existing or proposed service contract with any member of the Group which does not expire or is not terminable by the Group within one year without payment of compensation (other than statutory compensation); and (ii) none of the Directors has any service contracts with the Company or any of its subsidiaries or associated companies in force for Directors which have more than 12 months to run:

On 29 January 2010, a service contract was entered into between the Company and Mr. Chan Heng Fai ("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. After 31 January 2013, the service contract continues from month to month unless written notice is given by either party.

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 the Company 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. Upon the fully conversion of the CCPS as disclosed in the Company's announcement dated 27 November 2012, SingXpress has ceased to be a subsidiary of the Company.

## 6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the directors or their respective associates had any interests in a business which competes or may compete with the businesses of the Group or had any other conflict of interest with the Group.

**7. MATERIAL CONTRACTS**

- (a) On 15 April 2011, Ichi Ni San Enterprises Company Limited, a wholly-owned subsidiary of the Company, entered into sale and purchase agreements with the purchaser, IRT 7 Company Limited to dispose the property situated at 5th Floor Island Place Tower, Island Place, 510 King's Road, North Point, Hong Kong for a consideration of HK\$140.63 million.
- (b) On 31 May 2011, SingXpress Land (Pasir Ris) Pte Ltd, a wholly owned subsidiary of SingXpress and Kay Lim Holdings Pte Ltd have jointly participated in a tender relating to the Singapore public housing sector of the Design, Build and Sell Scheme for the acquisition of the land parcel located at Pasir Ris Central/Pasir Ris Drive 1 for Public Housing Development in Singapore for a purchase price of approximately S\$123.88 million.
- (c) the underwriting agreement dated 6 July 2011 and entered into between the Company and Heng Fai Master Holdings Limited (as the Underwriter) in relation to the proposed issue by the Company of the offer shares by way of open offer to qualifying shareholders on the basis of an assured allotment of three offer shares for every twenty existing Shares held on the record date at the subscription price of HK\$0.11.
- (d) On 14 November 2011, Singapore Service Residence Pte Ltd, an indirect wholly-owned subsidiary of the Company, entered into a conditional option agreement with the purchaser to grant to the purchaser the option to acquire a property situated at No. 239 Arcadia Road, #03-04 The Arcadia, Singapore 289845 at a consideration of S\$6.85 million.
- (e) On 27 January 2012, SingXpress Credit Pte Ltd, an indirect wholly-owned subsidiary of the Company, entered into 5 option agreements with the vendor, BF Twentyeight Pte Ltd, to purchase 5 units situated at #02-19, #02-20, #02-21, #02-22 and #02-23 UB.1, 81 Ubi Avenue 4, Singapore 408830 for an aggregate consideration of approximately S\$3.91 million.
- (f) On 29 February 2012, SingXpress International Pte Ltd., an indirect wholly-owned subsidiary of the Company entered into an agreement with a purchaser to grant to the purchaser the option to acquire the property located at Unit 11 (including portion A & B) on 8 Floor, 200 Jalan Sultan, Textile Centre, Singapore 199018 at a consideration of S\$18,000,000.
- (g) On 26 April 2012, SingXpress Land Ltd entered into a conditional subscription agreement with a subscriber, Mr. Toh Soon Huat for the issuance and subscription of an aggregate of 123,000,000 new ordinary shares in the capital of SingXpress at S\$0.0162 per subscription share for gross proceeds of S\$1,992,600.

- (h) On 11 May 2012, SingXpress Land Ltd submitted a tender for the land parcel at Tampines Central 7/Tampines Avenue 7/Tampines Avenue 9 (the "Land") at the tender price of approximately S\$233.5 million. Following the award of the tender, on 28 June 2012, SingXpress Property Development Pte Ltd ("SPDPL") has entered into a joint venture agreement with Creative Investments Pte Ltd ("CIPL") and Kay Lim Realty Pte Ltd ("KLRPL") for the purpose of owning and developing the Land. The joint venture is represented through Tampines EC Pte Ltd, which is owned as to 30% by SPDPL, 40% as to CIPL and as to 30% by KLRPL.
- (i) On 30 May 2012, SingXpress Land Ltd entered into a conditional subscription agreement with a subscriber, Mr. Chua Swee Wah for the issuance and subscription of 243,000,000 new ordinary shares in the capital of SingXpress at S\$0.0126 per subscription share for gross proceeds of S\$3,061,800.
- (j) On 6 August 2012, SingXpress Land Ltd entered into the subscription agreement with Haiyi Holdings Pte. Ltd in relation to the subscription by Haiyi Holdings Pte. Ltd of an aggregate of 80 new fully paid up non-redeemable, cumulative convertible non-voting perpetual preference shares at S\$1.18 million (approximately HK\$7.3 million) per subscription share for a total subscription price of S\$94.4 million (approximately HK\$585.3 million).
- (k) On 28 September 2012, Hotel Plaza Miyazaki Limited, an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement ("Agreement") with the Purchaser, CS Real Estate Consulting Inc, to dispose the hotel property known as Hotel Plaza Miyazaki situated at 1-1, Kawahara-cho, Miyazaki, Miyazaki 880-0866, Japan at an aggregate consideration of JPY420 million.
- (l) the Placing Agreement.

Save as aforesaid, no material contracts (not being contracts entered into in the ordinary course of business carried on by the Group) have been entered into by any member of the Group within the two years preceding the date of this circular.

## 8. NO MATERIAL CONTRACTS

The Directors confirmed there is no contract or arrangement subsisting at the Latest Practicable Date in which a Director is materially interested and which is significant in relation to the business of the Group.

**9. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Board confirmed that there was no material adverse change in the financial or trading position of the Group since 31 March 2012 (being the date to which the latest published audited consolidated accounts of the Group were made up).

**10. MISCELLANEOUS**

- (a) None of the Directors has, or has had, any direct or indirect interest in any assets which have been acquired, disposed of or leased to, or which are proposed to be acquired, disposed of or leased to, the Company or any of its subsidiaries since 31 March 2012, the date to which the latest published audited financial statements of the Group were made up.
- (b) The registered office of the Company is at 24th Floor, Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong.
- (c) The joint secretaries of the Company are Ms. Chan Suk King, ACA, FCCA, CPA, ACIS, ACS. and Mr. Yuen Ping Man, MBA, FCIS, FCS, MHKSI, MIHRM(HK), MIPS(HK), MCIM, SMHKIM, RFP, CRP.

**11. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong from the date of this circular and up to and including 10 May 2013.

- (a) the memorandum and articles of association of the Company;
- (b) the material contracts (including the Agreement) mentioned under the paragraph headed "Material Contracts" in this Appendix;
- (c) the service contract referred to in the section headed "Service Contracts" in this Appendix;
- (d) the annual reports of the Company for the two years ended 31 March 2012;
- (e) the circulars of the Company dated 2 May 2012, 13 September 2012 and 16 November 2012; and
- (f) this circular.