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XPRESS GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 185)

DISCLOSEABLE TRANSACTION

XCL disposed 200,112,000 Shares of SingXpress at an average price of approximately S\$0.0204 per Share through open market, representing approximately 5.98% of the issued and paid-up capital of SingXpress at an aggregate consideration of approximately S\$4,078,000 (approximately HK\$25,081,000).

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Disposal exceed 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from shareholders' approval requirement under the Listing Rules.

THE DISPOSAL

The Board of Directors ("Board") of Xpress Group Limited ("Company") wishes to inform that Xpress Credit Limited ("XCL"), an indirect wholly-owned subsidiary of the Company had from 16 April 2012 to 18 April 2012 disposed 200,112,000 ordinary shares of SingXpress Land Ltd ("SingXpress"), at an average price of approximately S\$0.0204 per Share through open market, representing approximately 5.98% of the issued and paid-up capital of SingXpress ("Share") at an aggregate consideration of approximately S\$4,078,000 (approximately HK\$25,081,000) ("Disposal").

CONSIDERATION

The Consideration for the Disposal was based on the prevailing market price of SingXpress at the time of disposal.

INFORMATION OF SINGXPRESS

SingXpress is engaged in property development and property trading and investment and treasury investments, whose shares are listed on the Singapore Exchange Securities Trading Limited.

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

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

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

In early June 2011, SingXpress announced its third site through SingXpress Kaylim Pte Ltd, a joint-venture in which SingXpress holds 80% and Kay Lim Holdings Pte Ltd the remaining 20%. SingXpress successfully bid for a major public housing project under the Singapore HDB's DBSS. SingXpress' winning bid was approximately S\$123.9 million (approximately HK\$780.6 million) for the 176,400 sq. ft. site near the Pasir Ris MRT station and White Sands Shopping Centre at Pasir Ris Central/Pasir Ris Drive 1. With a maximum allowable gross floor area of approximately 441,000 sq. ft., we will build 447 designer homes with a child care centre, car parks and ancillary features.

REASONS FOR THE DISPOSAL

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 Disposal is expected to generate a profit of approximately S\$1,444,000 (approximately HK\$8,880,000) to the Group, which is determined on basis of the difference between the equity attributable to the shareholders of SingXpress as at 30 September 2011 and after adjusting for the rights issue of SingXpress completed in November 2011, which is approximately S\$2,634,000 (approximately HK\$16,201,000) and the aggregate consideration of the Disposal.

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

Before the Disposal, XCL has interest in 1,880,192,000 Shares representing about 56.16% of the issued share capital of SingXpress and S\$13,239,677 in aggregate principal amount of the convertible bonds due 2014 of SingXpress (“Convertible Bonds”) and SingXpress is accounted for as a subsidiary of the Company.

On 18 April 2012, 573,414,422 new shares of SingXpress were allotted to XCL upon conversion a principal amount of S\$6,600,000 Convertible Bonds (“Conversion”).

Immediate after the Disposal and Conversion, the Group holds 2,253,494,422 Shares, representing approximately 57.43% of the existing issued share capital of SingXpress and S\$6,639,677 in aggregate principal amount of the Convertible Bonds and SingXpress will remain as a subsidiary of the Company.

If the Group further disposes SingXpress shares either through the open market or by way of placing and if the future disposal aggregated with the Disposal constitutes a major transaction for the Company under the Listing Rules, the Company will make further announcements as and when appropriate.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Disposal exceed 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from shareholders’ approval requirement under the Listing Rules.

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

Hong Kong SAR, 19 April, 2012

As at the date of this announcement, the Board comprises of the executive directors Mr. Chan Heng Fai, Mr. Chan Tong Wan, Ms. Chan Yoke Keow and non-executive director Mr. Fong Kwok Jen as well as independent non-executive directors Mr. Wong Dor Luk, Peter, Mr. Wong Tat Keung and Mr. Chan King Fai.