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XPRESS GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 185)

FORMATION OF A JOINT VENTURE

On 28 June 2012, SPDPL has entered into a JV Agreement with CIPL and KLRPL for the purpose of owning and developing the Land. The joint venture is represented through the JVC, which is owned as to 30% by SPDPL, 40% as to CIPL and as to 30% by KLRPL.

Mr. Tng is a director of SingXpress Kaylim Pte Ltd, an indirect 80% owned subsidiary of SingXpress. The remaining 20% of SingXpress Kaylim Pte Ltd is held by Kay Lim. Mr. Tng (together with his associate) has beneficially interest in Kay Lim and thus a connected person of the Company under the Listing Rules.

The entering into the JV Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and therefore is subject to the independent shareholders' approval requirement, announcement and reporting requirements under the Listing Rules.

Written approval of the execution and performance of the JV Agreement, the transactions thereby contemplated and the Possible Economic Transfer was on 28 June 2012 obtained from the Closely Allied Group of Shareholders who together holding approximately 70.45% 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 JV 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 JV Agreement, the transactions thereby contemplated and the Possible Economic Transfer.

A circular containing, among others things, details of the JV Agreement and other disclosure requirements under the Listing Rules will be dispatched to the Shareholders on or before 31 August 2012.

Further to the announcement made on 11 May 2012 in relation to the joint tender for the land parcel at Tampines Central 7/Tampines Avenue 7/Tampines Avenue 9, the Board is pleased to announce that on 28 June 2012, SPDPL has entered into a JV Agreement with CIPL and KLRPL for the purpose of owning and developing the Land. The joint venture is represented through the JVC, which is owned as to 30% by SPDPL, 40% as to CIPL and as to 30% by KLRPL.

THE JV AGREEMENT

Date: 28 June 2012

Parties: (1) SPDPL;
(2) CIPL; and
(3) KLRPL.

Scope of Business of the JVC

The joint venture has been formed for the purpose of owning and developing the Land. SPDPL, CIPL and KLRPL hold 30%, 40% and 30% interest in the JVC respectively.

Registered Capital

The registered capital of the JVC shall be S\$1,000,000 (approximately HK\$6,200,000). Each of SPDPL, CIPL and KLRPL will contribute S\$300,000 (approximately HK\$1,860,000), S\$400,000 (approximately HK\$2,480,000) and S\$300,000 (approximately HK\$1,860,000) in cash in proportion to their respective equity interests in the JVC.

Such amount of registered capital is determined after arm's length negotiations between SPDPL, CIPL and KLRPL.

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

Apart from the capital contribution, the Project costs for the development of the Land by the JVC will be funded by shareholders' loans from SPDPL, CIPL and KLRPL on a several and pro rata basis by reference to their respective interest in the JVC and project financing as deemed appropriate by the board of the JVC from time to time, in accordance with the payment obligations of the costs of the Land to the HDB and the construction schedule of the Land.

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

Upon making the capital contributions to the JVC, SPDPL, CIPL and KLRPL hold 30% 40% and 30% interest in the JVC respectively. The JVC will be classified as an associate of the Company in the accounts of the Group. The investment cost in the JVC will be recorded at cost in the Group's balance sheet and the post-acquisition results of the JVC will be equity accounted for in the Group's financial statements. The JVC will be an associate of the Company.

Board Composition of the JVC

The JVC shall comprise five directors, SPDPL, CIPL and KLRPL shall respectively appoint 2 directors, 2 directors and 1 director onto the boards of the JVC.

REASONS FOR ENTERING INTO THE JV AGREEMENT

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

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

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

Kay Lim is a private limited company incorporated in Singapore. It is mainly engaged in investment holding and building constructions. It carries on the business of investment holding and building construction and has a good reputation and strong experience in the development of other HDB public housing projects such as ones developed under the build-to-order scheme.

The formation of the JVC and the development of the Land are consistent with the core business strategies of the Group and are a continuation of the Group's principal activity in property development in Singapore with other business partners. The Project is undertaken pursuant to the approval from shareholders of SingXpress at the extraordinary general meeting held on 15 July 2011 in relation to the proposed participation in development projects under the DBSS and/or EC scheme in connection with the proposed "Investment Banking" approach which is essentially a syndication approach whereby the Group takes the lead to seek out land sites with property acquisition and development/re-development opportunities, then evaluate the commercial risks and viability of these opportunities, and propose commercial parameters (such as the level of debt and equity) for the acquisition and development/re-development

of such sites. Thereafter, the Group will source for co-investors and joint venture partners on such projects, and playing as far as possible a lead or co-lead role for the duration of these projects. Consistent with our investment-banking approach to property development, the Group may seek third party co-investing participation in SPDPL's economic interest in the JVC (the "Possible Economic Transfer"). The Possible Economic Transfer, should it materialize, will not have any material impact to the assets and liabilities of the Group.

The JVC will engage in a single purpose for the development of the Land which is of a revenue nature in the ordinary and usual course of business of the Company. The JV Agreement has contained clause(s) to the effect that the JVC may not, without its partners' unanimous consent, change the nature or scope of its business or enter into any transactions which are not on an arm's length basis. None of the Directors have a material interest in the joint venture arrangement, nor are they required to abstain from voting in the relevant board resolutions. The Directors (including the independent non-executive directors) confirmed that the formation of the JVC is conducted in the Company's ordinary and usual course of business and believe that the terms of the JV Agreement was negotiated on an arm's length basis and on normal commercial terms and are fair and reasonable and in the interest of the Shareholders and the Company as a whole.

LISTING RULES REQUIREMENT

Mr. Tng is a director of SingXpress Kaylim Pte Ltd, an indirect 80% owned subsidiary of SingXpress. The remaining 20% of SingXpress Kaylim Pte Ltd is held by Kay Lim. Mr. Tng (together with his associate) has beneficially interest in Kay Lim and thus a connected person of the Company under the Listing Rules.

The entering into the JV Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and therefore is subject to the independent shareholders' approval requirement, announcement and reporting requirements under the Listing Rules.

Written approval of the execution and performance of the JV Agreement, the transactions thereby contemplated and the Possible Economic Transfer was on 28 June 2012 obtained from the Closely Allied Group of Shareholders who together holding approximately 70.45% 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 JV Agreement, the transactions thereby contemplated and the Possible Economic Transfer, 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 JV Agreement, the transactions thereby contemplated and the Possible Economic Transfer.

A circular containing, among others things, details of the JV Agreement and other disclosure requirements under the Listing Rules will be dispatched to the Shareholders on or before 31 August 2012 as the Company expects it would take approximately 2 months for the preparation and finalization of the Circular including, among others, a letter from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders.

DEFINITIONS

“Amara”	Amara Holdings Ltd, a company incorporated in Singapore with limited liability, the shares of which are listed on the SGX-ST
“associate”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of the Directors
“CIPL”	Creative Investments Pte Ltd, a wholly owned subsidiary of Amara
“Closely Allied Group of Shareholders”	<ol style="list-style-type: none">(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 1,435,755,806 shares (46.36%) of the Company;(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 (19.12%) of the Company;(3) Mr. Chan Heng Fai (the spouse of Ms. Chan Yoke Keow, being a director of the Company) owns 3,124,300 shares (0.10%) of the Company; and(4) Ms. Chan Yoke Keow (the spouse of Mr. Chan Heng Fai) owns 150,936,643 shares (4.87%) of the Company
“Company”	Xpress Group Limited, a company incorporated in Hong Kong with limited liability and whose Shares are listed on the main board of the Stock Exchange
“DBSS”	the Singapore public housing sector of the Design, Build and Sell Scheme
“Director(s)”	the director(s) of the Company
“EC Scheme”	Executive Condominiums (EC) which is managed by the HDB
“Group”	the Company and its subsidiaries from time to time

“HDB”	Housing Development Board in Singapore
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“JV Agreement”	A shareholders’ agreement amongst SPDPL, CIPL and KLRPL entered into on 28 June 2012 relating to the affairs of the JVC
“JVC”	Tampines EC Pte Ltd, a company incorporated in Singapore with limited liability on 21 May 2012, which is 30%, 40% and 30% owned by SPDPL, CIPL and KLRPL respectively
“Kay Lim”	Kay Lim Holdings Ltd, a company incorporated in Singapore with limited liability and owned by Mr. Tng and his associate
“KLRPL”	Kay Lim Realty Pte Ltd, a 90% owned subsidiary of Kay Lim
“Land”	the land parcel at Tampines Central 7/Tampines Avenue 7/Tampines Avenue 9 in Singapore
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tng”	Mr. Tng Kay Lim, a director of SKLPL
“Project”	the acquisition of the Land by the JVC and its development into an Executive Condominium for sale
“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)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)

“SingXpress”	SingXpress Land Ltd, an indirect 52.40% owned subsidiary of the Company, the shares of which are listed on the SGX-ST
“SKLPL”	SingXpress Kaylim Pte Ltd, an indirect 80% owned subsidiary of SingXpress
“SPDPL”	SingXpress Property Development Pte Ltd, a wholly owned subsidiary of SingXpress
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the same meaning ascribed to it under the Listing Rules
“%”	per cent.

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

Hong Kong SAR, 3 July 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.