

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



**XPRESS GROUP LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 185)**

**POTENTIAL VERY SUBSTANTIAL DISPOSAL  
ISSUE OF CUMULATIVE CONVERTIBLE  
NON-VOTING PERPETUAL PREFERENCE SHARES  
BY A SUBSIDIARY**

A notice convening the Extraordinary General Meeting to be held at Club Lusitano, 24th Floor, 16 Ice House Street, Central, Hong Kong, on Friday, 28 September, 2012 at 9:30 a.m. is set out on page EGM-1 of this circular. Form of proxy for use in the Extraordinary General Meeting is enclosed. Whether or not you propose to attend the Extraordinary General Meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the registered office of the Company at 24th Floor, Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting and any adjournment thereof, should you so desire.

13 September, 2012

# CONTENTS

|  | <i>Page</i> |
|--|-------------|
| <b>Definitions</b> .....   | 1           |
| <b>Letter from the Board</b>   |             |
| Introduction .....   | 4           |
| The Subscription Agreement .....   | 5           |
| Conditions Precedent .....   | 9           |
| The Conversion .....   | 10          |
| Information of the Group and SingXpress .....  | 11          |
| Information of the Subscriber .....  | 13          |
| Reasons for the Subscription .....   | 15          |
| Financial Impact of the Subscription .....   | 16          |
| Proposed Use of Proceeds .....   | 17          |
| Listing Rules Implications .....   | 17          |
| EGM .....  | 18          |
| Recommendations .....  | 18          |
| Additional Information .....   | 18          |
| <b>Appendix I – Financial Information on the SingXpress Group</b> .....                          | I-1         |
| <b>Appendix II – Additional Information on the Remaining Group<br/>and the Group</b> .....       | II-1        |
| <b>Appendix III – Unaudited Pro Forma Financial Information of<br/>the Remaining Group</b> ..... | III-1       |
| <b>Appendix IV – Property Valuation</b> .....  | IV-1        |
| <b>Appendix V – General Information</b> .....  | V-1         |
| <b>Notice of Extraordinary General Meeting</b> .....   | EGM-1       |

## DEFINITIONS

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

|                     |   |
|---------------------|---|
| “associate”         | has the meaning ascribed to it under the Listing Rules  |
| “Board”             | the board of Directors  |
| “Business Day”      | a day (other than a Saturday or Sunday) on which banks in Singapore are open for business   |
| “Company”           | Xpress Group Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange   |
| “Completion”        | completion of the Subscription contemplated under the Subscription Agreement  |
| “Completion Date”   | The date of Completion  |
| “Conversion”        | the exercise of the conversion rights under the Subscription Agreement to convert the Subscription Shares into the SingXpress Shares at conversion ratio of 100,000,000 Conversion Shares for every Subscription Share  |
| “Conversion Shares” | SingXpress Shares falling to be issued upon the Conversion  |
| “Deemed Disposal”   | the deemed disposal of a very substantial interest of SingXpress arising by virtue of the Subscription and the conversion of the Subscription Shares resulting the Group’s interest in SingXpress be diluted from 52.4% to 19.8%  |
| “Directors”         | the directors of the Company  |
| “EGM”               | the extraordinary general meeting of the Company to be convened and held at Club Lusitano, 24th Floor, 16 Ice House Street, Central, Hong Kong, on Friday, 28 September, 2012 at 9:30 a.m. to consider and, if thought fit, approve the Subscription and the transactions contemplated under the Subscription Agreement by the Shareholders |
| “Group”             | the Company and its subsidiaries  |

## DEFINITIONS

|                           |  |
|---------------------------|--|
| “Hong Kong”               | the Hong Kong Special Administrative Region of The People’s Republic of China  |
| “Latest Practicable Date” | 7 September 2012   |
| “Listing Rules”           | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “Remaining Group”         | the Group, excluding SingXpress Group upon completion of the Deemed Disposal   |
| “SFO”                     | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)  |
| “SGX-ST”                  | Singapore Exchange Securities Trading Limited  |
| “Shareholders”            | holders of the Shares  |
| “Share(s)”                | ordinary share(s) of HK\$0.01 each in the issued share capital of the Company  |
| “SingXpress”              | SingXpress Land Ltd., an indirect 52.4% owned subsidiary of the Company, the shares of which are listed on the SGX-ST  |
| “SingXpress EGM”          | the extraordinary general meeting of SingXpress to be convened and held to consider and, if thought fit, approve the Subscription Agreement and the transactions contemplated thereunder |
| “SingXpress Group”        | SingXpress and its subsidiaries  |
| “SingXpress Properties”   | The various properties held by SingXpress Group located in Hong Kong and Singapore. Details of the properties is set out in Appendix IV to this circular                                 |
| “SingXpress Share(s)”     | ordinary share(s) of no par value in the issued share capital of SingXpress  |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited  |
| “Subscriber”              | Haiyi Holdings Pte. Ltd, a company incorporated in Singapore   |
| “Subscription”            | the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement   |

## DEFINITIONS

|                                  |   |
|----------------------------------|---|
| “Subscription Agreement”         | the conditional subscription agreement dated 6 August 2012 and entered into between SingXpress and the Subscriber in relation to the Subscription   |
| “Subscription Share(s)”          | new non-redeemable, cumulative convertible non-voting perpetual preference shares of S\$1,180,000 each in the share capital of SingXpress to be issued pursuant to the Subscription Agreement |
| “substantial shareholders”       | has the same meaning ascribed to it under the Listing Rules   |
| “TOP”                            | temporary occupation permit   |
| “Valuer”                         | Avista Valuation Advisory Limited, an independent property valuer in Hong Kong;   |
| “Xpress Credit Limited” or “XCL” | An indirect wholly owned subsidiary of the Company, which hold 52.4% of the issued share capital of SingXpress  |
| “HK\$”                           | Hong Kong dollars, the lawful currency of Hong Kong   |
| “S\$”                            | Singapore dollars, the lawful currency of the Singapore   |
| “US\$”                           | United States dollars, the lawful currency of the United States of America  |

*In this circular, the exchange rate of S\$1 to HK\$6.20 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

13 September 2012

*To the Shareholders*

Dear Sir or Madam,

**POTENTIAL VERY SUBSTANTIAL DISPOSAL  
ISSUE OF CUMULATIVE CONVERTIBLE  
NON-VOTING PERPETUAL PREFERENCE SHARES  
BY A SUBSIDIARY**

**INTRODUCTION**

On 10 August 2012, the Company announced that on 6 August 2012, SingXpress entered into the Subscription Agreement with the Subscriber in relation to the subscription by the Subscriber of an aggregate of 80 new fully paid up Subscription 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). The Subscription price will be fully satisfied by the Subscriber in cash.

The entering into the Subscription Agreement constitutes a potential very substantial disposal for the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to provide you further information of the Subscription and to give you notice of the EGM at which resolution to approve the Subscription Agreement and the transactions contemplated thereunder will be proposed to seek your approval.

## LETTER FROM THE BOARD

### THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement, the Subscription, the Subscription Shares and the Conversion Shares are summarised below:

|   |   |  |
|---|---|--|
| Date of Subscription Agreement                            | : | 6 August 2012  |
| Subscription Shares                                       | : | Non-Redeemable, cumulative convertible non-voting perpetual preference shares  |
| Issuer  | : | SingXpress Land Ltd.   |
| Subscriber  | : | Haiyi Holdings Pte. Ltd  |
| Total purchased consideration for the Subscription Shares | : | S\$94,400,000  |
| Form of the Subscription Shares                           | : | 80 cumulative convertible non-voting perpetual preference shares will be issued in registered form.  |
| Status and subordination of the Subscription Shares       | : | The Subscription Shares shall, with regards to participation in profits, rank <i>pari passu</i> with all other shares in the capital of SingXpress to the extent that such other shares are expressed to rank <i>pari passu</i> with the Subscription Shares and in priority to the SingXpress Shares. |
| Issue price   | : | S\$1,180,000 in respect of each of the Subscription Shares   |
| Maturity date   | : | There is no maturity date  |
| Dividends   | : | 3% per annum, cumulative and payable, at the sole and absolute discretion of the board of director of SingXpress.  |

## LETTER FROM THE BOARD

In the event of the commencement of any dissolution or winding up of SingXpress, all outstanding Subscription Shares that have not been converted shall be mandatorily and automatically converted or deemed to be converted into Conversion Shares at the conversion ratio below and all cumulative unpaid dividends shall be deemed to have been declared and payable on the day immediately prior to the date of commencement of dissolution or winding up of SingXpress (“Mandatory Conversion Date”).

- Conversion ratio : 100,000,000 Conversion Shares for every 1 of the Subscription Share (translates to a conversion price of S\$0.0118 per SingXpress Share). There shall not be any adjustments to the conversion ratio in any circumstances (including, in the event of rights, bonus or other capitalisation issues of SingXpress including share consolidation and subdivision).
- Conversion Shares : A maximum of 8,000,000,000 Conversion Shares will be issued by SingXpress upon the full conversion of the Subscription Shares, representing (i) approximately 164.4% of the entire issued share capital of SingXpress as at the date of this circular; and (ii) approximately 62.2% of the entire issued share capital of SingXpress as enlarged by the Subscription.
- Status of the Conversion Shares : The Conversion Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing SingXpress Shares, save for any dividends, rights, allotments or other distributions, the record date for which precedes (a) in respect of the Holder’s or SingXpress’ voluntary conversion rights, the 15th day after the date of the written conversion notice, or (b) the Mandatory Conversion Date, as the case may be.
- Moratorium period : The Subscriber shall not, within the first 6 months after the date of completion of the issue of the Subscription Shares sell, offer to sell, or otherwise dispose of (i) any of the Subscription Shares; and (ii) any of the Conversion Shares.

## LETTER FROM THE BOARD

- Holder's voluntary conversion rights : The Subscription Shares are convertible at any time after the date of issue ("Issue Date") by the holders of the Subscription Shares giving written notice to SingXpress to convert any or all units of the Subscription Shares. Conversion shall be deemed to take effect at 5 p.m. on the 15th day after the date of the written notice.
- SingXpress' voluntary conversion rights : The Subscription Shares are convertible at any time after the Issue Date by SingXpress giving written notice to the person registered on the register of members holding Subscription Shares ("Holder") to convert any or all units of the Subscription Shares. In exercise of its right of conversion of the Subscription Shares, SingXpress shall be entitled to and shall have full discretion to, decide to convert one, more or all of the Subscription Shares in issue and also which of the Subscription Shares held by the relevant Holder(s) will be converted into Conversion Shares. Conversion shall be deemed to take effect at 5 p.m. on the 15th day after the date of the written notice.
- Mandatory conversion : In the event of the commencement of any dissolution or winding up of SingXpress, all outstanding Subscription Shares that have not been converted shall be mandatorily and automatically converted or deemed to be converted into Conversion Shares on the Mandatory Conversion Date.
- Dividend Stopper : In the event any Dividend is not paid in full (whether or not declared by the board of SingXpress), SingXpress shall not declare or pay any dividends or other distributions in respect of, or (if permitted) repurchase or redeem, its shares or any other security or obligation of SingXpress ranking junior to the Subscription Shares.
- Transferability : Subject to the moratorium period above, the Subscription Shares are freely transferable. The transferor shall remain the holder of the Subscription Shares until the name of the transferee is entered in the register of members of SingXpress in respect thereof.

## LETTER FROM THE BOARD

- No redemption : The Subscription Shares is not redeemable by the Holders or SingXpress. No Holder has a right to, or may, require SingXpress to redeem any Subscription Shares. SingXpress shall not be entitled to redeem the Subscription Shares.
- Voting : Holders will not be entitled to vote at any meetings of SingXpress. Holders shall be entitled to attend class meetings of the Holders and general meeting of SingXpress.
- No Listing : No application will be made for the listing of the Subscription Shares on the SGX-ST or other stock exchange.
- Subscriber's warranty and undertaking : The Subscriber undertakes, and shall procure the transferee of any Subscription Shares to undertake, to conduct a general offer for the SingXpress Shares in the event that the Subscriber or transferee triggers a mandatory offer obligation under Rule 14 of the Singapore Code on Takeovers and Mergers and the Subscriber represents that it has the necessary and sufficient financial resources to meet with its obligations under the Subscription Agreement, including the financial resources to discharge the mandatory general offer obligation.
- The Subscriber represents to SingXpress that the Subscriber and its directors and shareholders have not, for a period of six (6) months prior to the date of the Subscription Agreement, dealt in or acquired any interests in the securities of SingXpress, and the Subscriber undertakes to SingXpress that the Subscriber and its directors and shareholders shall not, prior to the date of Completion, deal in or acquire any interests in the securities of SingXpress.
- Governing law : Laws of Singapore

## LETTER FROM THE BOARD

### CONDITIONS PRECEDENT

Completion of the Subscription is conditional upon the fulfillment of the following conditions:

- (a) the approval by the shareholders of the Company and/or SingXpress, if required, of the Subscription Agreement (and the transactions and matters contemplated thereunder), the issue and allotment of the Subscription Shares and the Subscription, including but not limited to the amendment of the memorandum and articles of association of SingXpress to provide for the rights, benefits and entitlements of the Subscription Shares;
- (b) the approval of all regulatory authorities in Singapore and in Hong Kong, including but not limited to the SGX-ST and Securities Industry Council, the Stock Exchange, of the Subscription Agreement (and the transactions and matters contemplated thereunder) and the Subscription, if required; and where such approval is subject to conditions, such conditions being satisfactory to SingXpress in its sole and absolute discretion;
- (c) the receipt of a listing and quotation notice from SGX-ST for the admission to, quotation and dealing of the Conversion Shares on the Catalist of the SGX-ST being obtained, and if obtained on conditions, such conditions being acceptable to SingXpress and the Subscriber and to the extent that any such conditions are required to be fulfilled on or before the Completion Date, they are so fulfilled; and
- (d) the written undertakings of Xpress Credit Limited to the Subscriber and SingXpress in maintaining up to and including the date of the SingXpress EGM, an aggregate interest in not less than 52% of the total number of outstanding SingXpress Shares as at the date of the Subscription Agreement, and in exercising the voting rights in respect of those SingXpress Shares at the SingXpress EGM to vote in favour of the shareholders' resolutions required by SingXpress to be passed.

If any of the conditions set forth is not satisfied within 12 months from the date of the Subscription Agreement or such other date as the parties may agree in writing, the Subscription Agreement shall cease and determine thereafter and none of the parties shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise.

The Subscriber may, upon such terms as they think fit, waive compliance with the condition contained in (d) above and any condition so waived shall be deemed to have been satisfied.

## LETTER FROM THE BOARD

### THE CONVERSION

Each Subscription Share can be converted to 100,000,000 Conversion Shares. The Holder will not be required to pay any consideration when it exercises conversion rights of the Subscription Shares. The conversion terms translates to a conversion price of S\$0.0118 per SingXpress Share ("Conversion Price") and it represents:

- (a) a discount of approximately 15.7% over the weighted average price per SingXpress Share of S\$0.014 as at 3 August 2012, being the full market day immediate before a trading halt of SingXpress Shares on 6 August 2012 ("Last Trading Day");
- (b) a discount of approximately 11.3% over the volume weighted average price per SingXpress Share of S\$0.0133 during the last one month up to and including the Last Trading Day;
- (c) a discount of approximately 11.9% over the volume weighted average price per SingXpress Share of S\$0.0134 during the last three months up to and including the Last Trading Day;
- (d) a discount of approximately 14.5% over the volume weighted average price per SingXpress Share of S\$0.0138 during the last six months up to and including the Last Trading Day;
- (e) a discount of approximately 21.3% over the closing price per SingXpress Share of S\$0.015 as at the Latest Practicable Day;
- (f) a discount of approximately 6.3% over the net asset value per SingXpress Share as at 31 March 2012; and
- (g) a premium of approximately 4.4% over the net asset value per SingXpress Share as at 31 March 2012 after adjusting the conversion of convertible bonds due 2014 and the two share placements of SingXpress in April and May 2012.

The issue price at par value of the Subscription Shares and the Conversion Price was determined after arm's length negotiation between SingXpress and the Subscriber after taken into account (i) the SingXpress' voluntary conversion rights which is immediately exercisable after Completion, (ii) the recent market conditions and prevailing market price of SingXpress Shares, (iii) the future prospects of SingXpress having regards to the benefits that the Subscription and the potential business opportunities that may bring to SingXpress.

The Directors consider that the terms of the Subscription, including the issue price, are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Board also aware that there shall not be any adjustments to the conversion ratio in any circumstances including share consolidation. SingXpress is not required to consolidate its shares under relevant rules and regulations in Singapore and presently it does not has any intention to consolidate its

## LETTER FROM THE BOARD

shares. In the event of an attempt to consolidate the SingXpress Shares, SingXpress will seek opinions from its legal advisor and its continuing sponsor. Such exercise would require SingXpress independent shareholders and regulatory approval and any person interested in the exercise would be required to abstain from voting on such a resolution. As XCL and the independent shareholders have the liberty to vote, should they consider such exercise will injurious their interests, they can vote against the share consolidation, the Directors are of the opinion that the interests of the Shareholders will remain safeguarded from such an event.

Assuming the Subscription Shares are fully converted into the Conversion Shares, a total of 8,000,000,000 Conversion Shares will be issued and based on the total number of issued SingXpress Shares as at the date of this circular, the Subscriber will hold in aggregate approximately 62.2% of the share capital of SingXpress as enlarged by the issue of the Conversion Shares. If three or more units of the Subscription Shares are converted by the holders, the SingXpress Shares retained by the Group will be diluted from 52.4% to below 50% (with minimum of 19.8%), accordingly SingXpress will ceased to be a subsidiary of the Company and will be reclassified to an associate of the Group.

### INFORMATION OF THE GROUP AND SINGXPRESS

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

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</b> |                        |
|----------------------------------|---------------------------|------------------------|
|                                  | <b>31 March</b>           |                        |
|                                  | <b>2011</b>               | <b>2012</b>            |
|                                  | <i>HK\$</i>               | <i>HK\$</i>            |
| Net profit before taxation       | 14,924,000                | 242,000                |
| Taxation                         | <u>(4,762,000)</u>        | <u>(2,362,000)</u>     |
| <br>(Loss) profit after taxation | <br><u>10,162,000</u>     | <br><u>(2,120,000)</u> |
|                                  |                           |                        |
|                                  | <b>As at 31 March</b>     |                        |
|                                  | <b>2011</b>               | <b>2012</b>            |
|                                  | <i>HK\$</i>               | <i>HK\$</i>            |
| Net asset value                  | <u>83,229,000</u>         | <u>265,323,000</u>     |

## LETTER FROM THE BOARD

### Development Projects Status

The Group presently has four property development projects in Singapore.

The first site on Charlton Road is a freehold cluster housing development of 21 units in Singapore's Kovan precinct which sits on 34,154 square-foot freehold plot (the former Foh Pin Mansions) acquired en bloc in 2010 for S\$21.4 million 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 three-storey cluster terrace houses with lap pool and underground car park upon completion estimated to be in 2014. The total commitment of the acquisition and redevelopment of this project is approximately S\$41 million (approximately HK\$254.2 million) and the estimated pro-rata commitment of SingXpress is S\$32.8 million (approximately HK\$203.4 million). The project is being funded by internal resources, bank borrowings and funding received from the presales. The bank borrowings are repayable 6 months from the date of TOP or 31 December 2013, whichever is earlier. The project has sold-out via pre-sales recording aggregate sales value of S\$59.6 million, or an average price of S\$2.84 million per unit. Presently this project is under construction.

The second site on Balestier Road was purchased for S\$21 million (approximately HK\$132.3 million) in November 2010. Formerly known as Waldorf Mansions, this freehold site will be redeveloped into a modern 20-storey, 50 freehold apartment edifice nestled within the vicinity of convenience, pleasure, and necessities. The total commitment of the acquisition and redevelopment of this project is approximately S\$40 million (approximately HK\$248 million). The project is presently being funded through internal resources and bank borrowings. The bank borrowings are repayable 6 months from the date of TOP or 30 April 2015, whichever is earlier. Presently this project is in the process of obtaining building permission.

The third site at Pasir Ris Central/Pasir Ris Drive 1 is a public housing development under the Housing & Development Board's Design, Build and Sell Scheme ("DBSS"). The site was won via tender at a price of approximately S\$123.9 million (approximately HK\$768.1 million) in June 2011 through SingXpress KayLim Pte. Ltd, a joint-venture in which SingXpress holds 80% and Kay Lim Holdings Pte Ltd the remaining 20%. The total commitment of the acquisition and development of this project is approximately S\$244 million (approximately HK\$1,512.8 million). The project is being funded by internal resources, bank borrowings and funding received from the presales. The development comprising of 447 design-centric three to five-room units located adjacent to Pasir Ris MRT has made its mark on the public housing sector with its modern contemporary design and facade. The project has begun the sales process and thus far has sold over 100 units. The project is under construction and is expected to be completed in 2015.

The fourth site at Tampines Central 7/Tampines Avenue 7/Tampines Avenue 9 is a public housing development under Housing & Development Board's Executive Condominium scheme ("EC") which was purchased for approximately S\$233.5 million (approximately HK\$1,447.7 million) in May 2012 through a joint-venture vehicle, Tampines EC Pte. Ltd. The joint-venture partners behind this land tender are (i) Creative Investments Pte Ltd, a wholly owned subsidiary of SGX-listed Amara Holdings Limited

## LETTER FROM THE BOARD

(40%), (ii) Kay Lim Realty Pte Ltd, a 90% owned subsidiary of Kay Lim Holdings Pte Ltd (30%) and (iii) SingXpress Property Development Pte Ltd (“SPDPL”), a wholly owned subsidiary of SingXpress (30%). The total commitment of the acquisition and development of this project is approximately S\$440 million (approximately HK\$2,728 million). The project is presently being funded through internal resources and bank borrowings. The bank borrowings are repayable within 48 months from the date of drawdown or 6 months from the date of issuance of the TOP or 30 September 2016, whichever is the earliest. Presently this project is in the process of obtaining building permission.

Consistent with the Group’s investment banking approach to property development, the Group is actively pursuing third party co-investing participation in SPDPL’s economic interest in Tampines EC Pte. Ltd. (the “Possible Economic Transfer”). Presently the Group may syndicate an estimated two-third of SPDPL’s economic interest in Tampines EC Pte. Ltd. to independent third party or parties with reference to the investment amount in SPDPL by the Group. The Company currently does not have any plan and timetable for a definite sale and purchase agreement to be concluded in respect of the Possible Economic Transfer and will follow the applicable requirement under the Listing Rules when the terms of the Possible Economic Transfer have been finalized.

### INFORMATION OF THE SUBSCRIBER

The Subscriber is Haiyi Holdings Pte. Ltd. Haiyi is a company incorporated in Singapore. It is principally engaged in international trade, financial investments and investment holdings. The current shareholders and directors of Haiyi comprises Mr. Tang Yigang (“Mr. Tang”) and his wife and they collectively own the entire interest in Haiyi. As at the date of this circular, Haiyi and Mr Tang does not have own any Shares in SingXpress.

To the Directors’ best knowledge, information and belief having made all reasonable enquiry, the Subscriber and its ultimate beneficial owners are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

Mr. Tang is a Singapore permanent resident. He is a wealthy, a savvy and successful investor who has been able to rapidly seize investment opportunities in complex markets. Through his investment in four major companies, he is currently involved in various business activities, including retail, food processing, investment property, property development and construction and hotel operations in the United States, China and Singapore.

In 2003, Mr. Tang invested S\$100 million to set up Haiyi Holdings Pte Ltd in Singapore and currently serves as its CEO. Its major subsidiary, New Port Duty Free Pte Ltd ([www.newport.com.sg](http://www.newport.com.sg)), is a leading ship chandler and trading company in Singapore with an extensive distribution network for duty-free goods.

## LETTER FROM THE BOARD

Mr Tang's other investments include:

**1. American Pacific International Capital, Inc.(website: [www.apicincus.com](http://www.apicincus.com))**

Since 2002, Mr. Tang is Chairman of American Pacific International Capital, Inc. ("APIC"), which is 100% owned by him and his wife. In mid-2007, APIC acquired all the assets of Shantou Zhong Xing Oil & Fat Company Ltd and set up Guangdong Huamei Oil & Fat Company Ltd which now processes 500,000 tons of soybean annually, and is the largest edible oil production and processing facility in East Guangdong.

A year later, APIC acquired KOIN Tower, a landmark A-Class office building in Portland, Oregon, with over 400,000 square feet of leasable space, for US\$50 million. He later led APIC's acquisition of five hotels and related property assets for a US\$50 million. The five hotels have a total of 515 rooms and combined annual revenue of about US\$20 million. APIC also has residential real estate development elsewhere in Oregon and in San Francisco.

In 2009, Mr. Tang, through APIC, invested RMB40 million in a joint venture with Shantou Haiyi Investment (Group) Company Limited to develop and operate Ocean Panorama, a five-star 200-room hotel with residential condominiums in Shantou, China. (website: [www.haiyi-hotels.com](http://www.haiyi-hotels.com)).

**2. Shantou Haiyi Investment (Group) Company Ltd**

In 1994, Mr. Tang invested about RMB80 million to incorporate Shantou Hefa (Group) Company Limited (renamed as Shantou Haiyi Investment (Group) Company Limited). Serving as Mr. Tang's investment holding company in China, its businesses cover industrial investments, industrial and residential real estate developments and sales of construction and decoration materials. It also has interests in R&D and production of new bio-medicines, air purifiers and health supplements.

**3. Chaoan Haibao Development and Construction Co., Ltd.**

In 2010, Mr. Tang, through Shantou Haiyi Investment (Group) Company Limited, set up Chaoan Haibao Development and Construction Co., Ltd. to develop Guangdong Chaoan Industrial Park which covers 1,000 acres land and is currently valued at approximately RMB4 billion.

Mr Tang, a long time former business associate of our Managing Chairman, Mr Chan Heng Fai ("Mr Chan"), was recently re-introduced to Mr Chan and expressed interest in participating in the investment banking approach to property of SingXpress. Haiyi is keen to establish a foothold in the Singapore real estate market and based on its review of SingXpress Group's business, management team and track record, decided to entered into the Subscription Agreement with SingXpress. Following the investment in the Subscription Shares, Haiyi and Mr Tang currently do not intend to make changes to the management team of SingXpress and currently have no plans for any material changes to

## LETTER FROM THE BOARD

be made to the business of SingXpress (including the injection of any assets and businesses). Further, Haiyi and Mr. Tang currently have no plans for any materials changes to be made to (a) the deployment of the fixed assets of SingXpress, and/or (b) the employment of the employees of SingXpress, other than in the ordinary course of business. However, the Subscriber reserves the rights as shareholder to make changes in the future to the above, subject to compliance with all applicable rules and regulations. The Subscriber has confirmed to SingXpress that it is subscribing for the Subscription Shares for its own account.

### REASONS FOR THE SUBSCRIPTION

At the extraordinary general meeting of SingXpress held on 15 July 2011, the shareholders of SingXpress approved, among other things, the adoption of the “Investment Banking” approach for larger real estate projects of SingXpress and the proposed participation in development projects under the DBSS and/or EC scheme, subject to the aggregate size of the project(s) not exceeding S\$300 million (approximately HK\$1,860 million) contributable by the Group. 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.

The Board believes that the Subscription Agreement will raise significant amount of subscription monies from the issue of the Subscription Shares and this will strengthen the balance sheet of the Group and allow SingXpress to take a quantum leap in the execution of its investment banking approach for larger property projects. The subscription monies will also provide additional cash resources for the Group to fund its property development, investments and capital expenditure. The Board believes that Haiyi and Mr Tang’s interest in participating in the Singapore real estate market, and specifically in SingXpress’ investment banking approach for larger real estate project, is in-line with and complementary to the goals of the Group. It is expected that this will significantly contribute to the success of the Group through strategic input and the opening of a new network of contacts to the Group, leading to the acceleration of the Group’s ability to carry out its business model.

The Board also consider that the terms of the Subscription Agreement, including the subscription price, the perpetual and non-redeemable nature and the conversion price which were negotiated on an arm’s length basis and agreed on normal commercial terms between the parties involved, to be fair and reasonable based on the current market conditions and in the interests of SingXpress, the Company and the Shareholders as a whole.

## LETTER FROM THE BOARD

### FINANCIAL IMPACT OF THE SUBSCRIPTION

For illustration only, the expected accounting loss on the Deemed Disposal of the SingXpress interests is approximately HK\$8.6 million, calculated as follows:

| <b>Calculation of loss on Deemed Disposal:</b>   | <i>HK\$'000</i>       |
|--|-----------------------|
| Recognition of interests in SingXpress Group retained by the Remaining Group immediately after the issue and conversion of cumulative convertible non-voting perpetual preference shares and classified as an associate  | 152,300               |
| Net assets of SingXpress Group attributable to owners of the Remaining Group as at 31 March 2012 (being net assets of SingXpress Group as at 31 March 2012 of approximately HK\$264.7 million less carrying amount of non-controlling interests of approximately HK\$99.5 million) | (165,233)             |
| Reclassification adjustment on the convertible bonds issued by SingXpress to the Remaining Group as available-for-sale financial assets  | 79,299                |
| Reclassification adjustment on the elimination of liability component of convertible bonds issued by SingXpress to the Remaining Group   | <u>(55,638)</u>       |
| Estimated gain on Deemed Disposal before transaction costs and release of attributable reserves  | 10,728                |
| Reclassification adjustment on the elimination of equity component of convertible bonds issued by SingXpress to the Remaining Group  | (31,206)              |
| The release of translation reserve in relation to the interest in the SingXpress Group disposed of   | <u>11,857</u>         |
| Estimated loss on Deemed Disposal before transaction costs   | <u><u>(8,621)</u></u> |

Following Completion, the Group's interest in SingXpress will remain unchanged and SingXpress will remain as a subsidiary of the Company. If three or more units of the Subscription Shares are converted by the holders, the Group's interest in SingXpress will fall below 50%, and SingXpress will be reclassified from a subsidiary to an associate of the Group.

## LETTER FROM THE BOARD

Based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix III to this circular, the effect of the Deemed Disposal on the earnings and assets and liabilities of the Group are as follows:

- (a) the Group's total assets would decrease by approximately HK\$1,009 million from approximately HK\$2,259 million to approximately HK\$1,250 million and the Group's total liabilities would decrease by approximately HK\$918 million from approximately HK\$1,398 million to approximately HK\$480 million as if the Deemed Disposal had been completed on 31 March 2012; and
- (b) the Group's loss attributable to owners of the Company for the year ended 31 March 2012 would increase from approximately HK\$156 million to approximately HK\$195 million.

### PROPOSED USE OF PROCEEDS

The net proceeds to be raised pursuant to the Subscription are approximately S\$94,200,000 (approximately HK\$584 million). SingXpress currently intends to utilise the proceeds of the Subscription as follows:

- (i) Approximately S\$10 million (approximately HK\$62 million) will be used for the 4 existing property development projects in Singapore, namely Charlton, DBSS, Waldorf and Tampines EC. The demand and quantum of allocation of proceeds to these projects will depend on future contingencies and any unused proceeds will be reallocated for new property development projects of SingXpress;
- (ii) Approximately S\$37.2 million (approximately HK\$230.6 million) will be used for the new property development projects of SingXpress. SingXpress has not yet identified any new property development projects; and
- (iii) Approximately S\$47 million (approximately HK\$291.4 million) will be used for SingXpress' working capital, including the repayment of bank borrowings and the loans extended by its controlling shareholder, Xpress Credit Limited to SingXpress from time to time.

### LISTING RULES IMPLICATIONS

Upon Completion and assuming full conversion of the Subscription Shares, the Group's interest in SingXpress will be diluted from 52.4% to 19.8%. The entering into the Subscription Agreement constitutes a deemed disposal of SingXpress for the Company under Rule 14.29 of the Listing Rules. Based on the applicable percentage ratios calculated in accordance with Chapter 14 of the Listing Rules, the entering into the Subscription Agreement constitutes a potential very substantial disposal for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

No Shareholder is required to abstain from voting in respect of any resolution that would be proposed to approve the Subscription Agreement and the transactions contemplated thereunder at the EGM.

## LETTER FROM THE BOARD

### EGM

Set out on page EGM-1 is a notice convening the EGM to be held at Club Lusitano, 24th Floor, 16 Ice House Street, Central, Hong Kong, on Friday, 28 September, 2012 at 9:30 a.m. at which ordinary resolutions will be proposed to consider and, if thought fit, approve the Subscription and the transactions contemplated thereunder.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the registered office of the Company at 24th Floor, Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. Voting on the proposed resolution at the EGM will be taken by poll.

### RECOMMENDATIONS

The Directors consider that the terms of the Subscription are fair and reasonable and are in the interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Subscription, the Subscription Agreement and the transactions contemplated.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices of this circular and the notice of the EGM.

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

## **1.      SUMMARY OF FINANCIAL INFORMATION OF SINGXPRESS GROUP**

Set out below are the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of SingXpress Group for each of the period/year ended 31 December 2009, 31 March 2011 and 31 March 2012, and the consolidated statements of financial position of SingXpress Group as at 31 December 2009, 31 March 2011 and 31 March 2012.

The financial information of SingXpress Group for the period/year ended 31 December 2009, 31 March 2011 and 31 March 2012 have been reviewed by the auditor of the Company, ZHONGLEI (HK) CPA Company Limited in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. Based on their review, nothing has come to their attention that causes them to believe that the financial information of SingXpress Group is not prepared, in all material respects, in accordance with the accounting policies adopted by the Group in its annual consolidated financial statements for the respective Relevant Periods (as defined in Note 2 to the financial information on SingXpress Group in Appendix I to the circular) and on the basis of preparation set out in Note 2 to the financial information on SingXpress Group.

**CONSOLIDATED INCOME STATEMENT**

*For the period/year ended 31 December 2009, 31 March 2011 and 31 March 2012*

|  | 1/1/2009<br>to<br>31/12/2009<br>S\$'000 | 1/1/2010<br>to<br>31/3/2011<br>S\$'000 | 1/4/2011<br>to<br>31/3/2012<br>S\$'000 |
|--|---|--|--|
| Revenue  | 394                                     | 2,949                                  | 888                                    |
| Cost of sales  | —                                       | (2,267)                                | —                                      |
| <b>Gross profit</b>  | <b>394</b>                              | <b>682</b>                             | <b>888</b>                             |
| Other operating income   | 70                                      | 1,146                                  | 119                                    |
| Fair value loss on financial assets<br>at fair value through profit or<br>loss | (45)                                    | (145)                                  | (1)                                    |
| Fair value gain on investment<br>properties                                    | —                                       | 3,424                                  | 2,321                                  |
| Administrative expenses  | (793)                                   | (2,203)                                | (1,869)                                |
| <b>Profit from operations</b>  | <b>(374)</b>                            | <b>2,904</b>                           | <b>1,458</b>                           |
| Finance costs  | —                                       | (497)                                  | (1,419)                                |
| <b>Profit before income tax</b>  | <b>(374)</b>                            | <b>2,407</b>                           | <b>39</b>                              |
| Income tax expense   | (1)                                     | (768)                                  | (381)                                  |
| <b>(Loss) profit from continuing<br/>operations</b>                            | <b>(375)</b>                            | <b>1,639</b>                           | <b>(342)</b>                           |
| <b>Discontinued operation</b>  |   |  |  |
| Loss from a discontinued<br>operation  | (862)                                   | (47)                                   | —                                      |
| <b>Total (loss) profit for the<br/>year/period</b>                             | <b>(1,237)</b>                          | <b>1,592</b>                           | <b>(342)</b>                           |
| <b>(Loss) profit attributable to:</b>  |   |  |  |
| <b>Equity holders of the Company</b>   | <b>(1,237)</b>                          | <b>1,592</b>                           | <b>(338)</b>                           |
| <b>Non-controlling interests</b>   | <b>—</b>                                | <b>—</b>                               | <b>(4)</b>                             |
|  | <b>(1,237)</b>                          | <b>1,592</b>                           | <b>(342)</b>                           |

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

*For the period/year ended 31 December 2009, 31 March 2011 and 31 March 2012*

|   | 1/1/2009<br>to<br>31/12/2009<br>S\$'000 | 1/1/2010<br>to<br>31/3/2011<br>S\$'000 | 1/4/2011<br>to<br>31/3/2012<br>S\$'000 |
|---|---|--|--|
| <b>Total (loss) profit for the year/period</b>  | <u>(1,237)</u>                          | <u>1,592</u>                           | <u>(342)</u>                           |
| <b>Other comprehensive (loss) income:</b>   |   |  |  |
| Currency translation differences arising from consolidation                               | <u>253</u>                              | <u>107</u>                             | <u>(16)</u>                            |
| <b>Other comprehensive (loss) income – net of tax</b>                                     | <u>253</u>                              | <u>107</u>                             | <u>(16)</u>                            |
| <b>Total comprehensive (loss) income for the year/period attributable to shareholders</b> | <u>(984)</u>                            | <u>1,699</u>                           | <u>(358)</u>                           |
| <b>Total comprehensive (loss) income attributable to:</b>                                 |   |  |  |
| Equity holders of the Company   | <u>(984)</u>                            | <u>1,699</u>                           | <u>(354)</u>                           |
| Non-controlling interests   | <u>–</u>                                | <u>–</u>                               | <u>(4)</u>                             |
|   | <u><b>(984)</b></u>                     | <u><b>1,699</b></u>                    | <u><b>(358)</b></u>                    |

|                   |  |
|-------------------|--|
| <b>APPENDIX I</b> | <b>FINANCIAL INFORMATION ON THE SINGXPRESS GROUP</b> |
|-------------------|--|

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

*As at 31 December 2009, 31 March 2011 and 31 March 2012*

|  | 31/12/2009 | 31/3/2011 | 31/3/2012 |
|--|------------|-----------|-----------|
|  | S\$'000    | S\$'000   | S\$'000   |
| <b>ASSETS</b>  |            |           |           |
| <b>Current assets</b>                                    |            |           |           |
| Cash and cash equivalents                                | 3,508      | 4,387     | 13,989    |
| Trade and other receivables,<br>deposits and prepayments | 437        | 2,297     | 398       |
| Amounts due from related<br>companies                    | –          | 178       | –         |
| Financial assets at fair value<br>through profit or loss | 3,380      | 3         | 2         |
| Properties under development                             | –          | 23,061    | 178,072   |
|  | 7,325      | 29,926    | 192,461   |
| <b>Non-current assets</b>                                |            |           |           |
| Investment properties                                    | –          | 23,565    | 26,157    |
| Property, plant and equipment                            | 27         | 88        | 257       |
|  | 27         | 23,653    | 26,414    |
| <b>Total assets</b>                                      | 7,352      | 53,579    | 218,875   |
| <b>LIABILITIES</b>                                       |            |           |           |
| <b>Current liabilities</b>                               |            |           |           |
| Trade and other payables                                 | 1,974      | 647       | 12,148    |
| Amount due to non-controlling<br>equity holders          | –          | –         | 10,966    |
| Amount due to a related<br>company                       | 1,738      | 2,541     | 17,933    |
| Borrowings   | –          | 736       | 804       |
|  | 3,712      | 3,924     | 41,851    |

|            |  |
|------------|--|
| APPENDIX I | <b>FINANCIAL INFORMATION ON THE SINGXPRESS GROUP</b> |
|------------|--|

|   | 31/12/2009 | 31/3/2011 | 31/3/2012 |
|---|------------|-----------|-----------|
|   | S\$'000    | S\$'000   | S\$'000   |
| <b>Non-current liabilities</b>  |            |           |           |
| Borrowings  | –          | 35,187    | 133,108   |
| Deferred taxation   | –          | 744       | 1,122     |
|   | –          | 35,931    | 134,230   |
| <b>Total liabilities</b>  | 3,712      | 39,855    | 176,081   |
| <b>NET ASSETS</b>   | 3,640      | 13,724    | 42,794    |
| <b>EQUITY</b>   |            |           |           |
| <b>Capital and reserves attributable to equity holders of the Company</b> |            |           |           |
| Share capital   | 21,974     | 24,974    | 54,202    |
| Accumulated losses  | (18,626)   | (17,034)  | (17,372)  |
| Other reserves  | 292        | 5,484     | 5,468     |
|   | 3,640      | 13,424    | 42,298    |
| <b>Non-controlling interests</b>  | –          | 300       | 496       |
| <b>Total equity</b>   | 3,640      | 13,724    | 42,794    |

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

*For the period/year ended 31 December 2009, 31 March 2011 and 31 March 2012*

|  | Attributable to equity holders of the Company |                    |                      |                              |                                       |              |                           |               |
|--|---|--------------------|----------------------|------------------------------|---------------------------------------|--------------|---------------------------|---------------|
|  | Share capital                                 | Accumulated losses | Share option reserve | Currency translation reserve | Equity component of convertible bonds | Total        | Non-controlling interests | Total equity  |
|  | S\$'000                                       | S\$'000            | S\$'000              | S\$'000                      | S\$'000                               | S\$'000      | S\$'000                   | S\$'000       |
| Balance as at 1 January 2009                                 | 21,974  | (17,471)           | 82                   | 39                           | -                                     | 121          | -                         | 4,624         |
| Transfer to reserves upon cancellation of share option       | -   | 82                 | (82)                 | -                            | -                                     | (82)         | -                         | -             |
| Total comprehensive income                                   | -   | (1,237)            | -                    | 253                          | -                                     | 253          | -                         | (984)         |
| Balance as at 1 January 2010                                 | 21,974  | (18,626)           | -                    | 292                          | -                                     | 292          | -                         | 3,640         |
| Convertible bonds – equity component                         | -   | -                  | -                    | -                            | 6,402                                 | 6,402        | -                         | 6,402         |
| Conversion of convertible bonds                              | 3,000   | -                  | -                    | -                            | (1,317)                               | (1,317)      | -                         | 1,683         |
| Cash contribution from minority shareholders of a subsidiary | -   | -                  | -                    | -                            | -                                     | -            | 300                       | 300           |
| Total comprehensive income                                   | -   | 1,592              | -                    | 107                          | -                                     | 107          | -                         | 1,699         |
| Balance as at 31 March 2011                                  | 24,974  | (17,034)           | -                    | 399                          | 5,085                                 | 5,484        | 300                       | 13,724        |
| Issuance of new shares                                       | 29,228  | -                  | -                    | -                            | -                                     | -            | -                         | 29,228        |
| Cash contribution from minority shareholders of a subsidiary | -   | -                  | -                    | -                            | -                                     | -            | 200                       | 200           |
| Total comprehensive loss                                     | -   | (338)              | -                    | (16)                         | -                                     | (16)         | (4)                       | (358)         |
| Balance as at 31 March 2012                                  | <u>54,202</u>                                 | <u>(17,372)</u>    | <u>-</u>             | <u>383</u>                   | <u>5,085</u>                          | <u>5,468</u> | <u>496</u>                | <u>42,794</u> |

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

*For the period/year ended 31 December 2009, 31 March 2011 and 31 March 2012*

|  | 1/1/2009<br>to<br>31/12/2009<br>S\$'000 | 1/1/2010<br>to<br>31/3/2011<br>S\$'000 | 1/4/2011<br>to<br>31/3/2012<br>S\$'000 |
|--|---|--|--|
| Cash flows from operating activities   |   |  |  |
| Profit before income tax   | (374)                                   | 2,407                                  | 39                                     |
| Loss for the period from discontinued operation before tax                     | (862)                                   | (47)                                   | –                                      |
| Adjustments for:   |   |  |  |
| Depreciation   | 61                                      | 28                                     | 43                                     |
| Loss on disposal of plant and equipment  | 5                                       | –                                      | –                                      |
| Fair value loss on financial assets held at fair value through profit and loss | 119                                     | 145                                    | 1                                      |
| Gain on reclassification of properties   | –                                       | (983)                                  | –                                      |
| Loss on disposal of subsidiaries   | 22                                      | –                                      | –                                      |
| Allowance for impairment of trade receivables                                  | 58                                      | –                                      | –                                      |
| Net fair value gain on revaluation of investment properties                    | –                                       | (3,424)                                | (2,321)                                |
| Interest expenses  | –                                       | 117                                    | 1,418                                  |
| Interest income  | (395)                                   | (44)                                   | (6)                                    |
| Unrealised currency translation loss   | 229                                     | –                                      | –                                      |
|  | (1,137)                                 | (1,801)                                | (826)                                  |
| Change in working capital, net of effects from:                                |   |  |  |
| Trade and other receivable   | 489                                     | (2,038)                                | 1,899                                  |
| Financial assets at fair value through profit or loss                          | (3,477)                                 | 3,232                                  | –                                      |
| Development properties   | –                                       | (23,061)                               | (155,011)                              |
| Trade and other payables   | 1,215                                   | (524)                                  | 11,501                                 |
|  | (2,910)                                 | (24,192)                               | (142,437)                              |
| Cash used in operations  | (2,910)                                 | (24,192)                               | (142,437)                              |
| Interest received  | 395                                     | 44                                     | 6                                      |
| Income tax paid  | (22)                                    | (6)                                    | –                                      |
|  | (2,537)                                 | (24,154)                               | (142,431)                              |
| Net cash used in operating activities  | (2,537)                                 | (24,154)                               | (142,431)                              |

|            |   |
|------------|---|
| APPENDIX I | FINANCIAL INFORMATION ON THE SINGXPRESS GROUP |
|------------|---|

|   | 1/1/2009<br>to<br>31/12/2009<br>S\$'000 | 1/1/2010<br>to<br>31/3/2011<br>S\$'000 | 1/4/2011<br>to<br>31/3/2012<br>S\$'000 |
|---|---|--|--|
| Cash flows from investing activities                            |   |  |  |
| Additions to investment properties                              | –                                       | (19,158)                               | (299)                                  |
| Disposal of available-for-sale financial assets                 | 137                                     | –                                      | –                                      |
| Additions to properties, plant and equipment                    | (18)                                    | (89)                                   | (212)                                  |
| Net cash outflow on disposal of subsidiaries                    | <u>(629)</u>                            | <u>–</u>                               | <u>–</u>                               |
| Net cash used in investing activities                           | <u><u>(510)</u></u>                     | <u><u>(19,247)</u></u>                 | <u><u>(511)</u></u>                    |
| Cash flows from financing activities                            |   |  |  |
| Proceeds from bank borrowings                                   | –                                       | 28,069                                 | 96,777                                 |
| Proceeds from issuance of convertible bonds                     | –                                       | 15,939                                 | –                                      |
| Interest paid   | –                                       | (117)                                  | (206)                                  |
| Amount due to a related party                                   | –                                       | –                                      | 15,392                                 |
| Amount due from a related party                                 | –                                       | –                                      | 178                                    |
| Amount due to non-controlling equity holders of subsidiaries    | –                                       | –                                      | 10,966                                 |
| Proceeds from right issue                                       | –                                       | –                                      | 29,228                                 |
| Cash contribution from minority shareholders of a subsidiary    | <u>–</u>                                | <u>300</u>                             | <u>200</u>                             |
| Net cash provided by financing activities                       | <u><u>–</u></u>                         | <u><u>44,191</u></u>                   | <u><u>152,535</u></u>                  |
| Net increase in cash and cash equivalents                       | (3,047)                                 | 790                                    | 9,593                                  |
| Cash and cash equivalents at beginning of financial year/period | 6,555                                   | 3,508                                  | 4,387                                  |
| Effect of foreign exchange rate changes, net                    | <u>–</u>                                | <u>89</u>                              | <u>9</u>                               |
| Cash and cash equivalents at end of financial year/period       | <u><u>3,508</u></u>                     | <u><u>4,387</u></u>                    | <u><u>13,989</u></u>                   |

**NOTES TO THE FINANCIAL INFORMATION**

*For the period/year ended 31 December 2009, 31 March 2011 and 31 March 2012*

**1. GENERAL**

On 6 August 2012, SingXpress entered into a conditional agreement to allot a total of 80 Subscription Shares. The Subscription constitutes a deemed very substantial disposal by the Company whose percentage interest in the issued capital of SingXpress will be diluted from approximately 52.4% to approximately 19.8%.

The financial information is presented in Singapore dollars, the currency of the primary economic environment in which SingXpress Group operates (the functional currency of SingXpress).

**2. BASIS OF PREPARATION**

The financial information of SingXpress Group has been prepared in accordance with paragraph 68(2)(a)(i) of Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and solely for the purposes of inclusion in the circular to be issued by the Company in connection with the Deemed Disposal.

The financial information has been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values. The amounts included in the financial information for the period/year ended 31 December 2009, 31 March 2011 and 31 March 2012 (the ‘Relevant Periods’) have been prepared using the same accounting policies adopted by Group in the preparation of consolidated financial statements of the Group for the respective years in the Relevant Periods, which conform with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

The consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the Relevant Periods include the results and cash flows of SingXpress Group for the period/year ended 31 December 2009, 31 March 2011 and 31 March 2012. The consolidated statements of financial position as at 31 December 2009, 31 March 2011 and 2012 include the assets and liabilities of SingXpress Group as at the end of those reporting periods.

**3. BORROWINGS**

|                                | 31/12/2009     | 31/3/2011      | 31/3/2012      |
|--------------------------------|----------------|----------------|----------------|
|                                | <i>S\$'000</i> | <i>S\$'000</i> | <i>S\$'000</i> |
| <b>Current liabilities</b>     |                |                |                |
| Finance lease                  | –              | 736            | 804            |
| Bank borrowing                 | –              | –              | –              |
| Convertible note               | –              | –              | –              |
|                                | <hr/>          | <hr/>          | <hr/>          |
|                                | –              | 736            | 804            |
|                                | <hr/>          | <hr/>          | <hr/>          |
| <b>Non-current liabilities</b> |                |                |                |
| Finance lease                  | –              | 11,333         | 11,028         |
| Bank borrowing                 | –              | 16,000         | 113,014        |
| Convertible note               | –              | 7,854          | 9,066          |
|                                | <hr/>          | <hr/>          | <hr/>          |
|                                | –              | 35,187         | 133,108        |
|                                | <hr/>          | <hr/>          | <hr/>          |
| <b>Total borrowings</b>        | <hr/> <hr/>    | <hr/> <hr/>    | <hr/> <hr/>    |
|                                | –              | 35,923         | 133,912        |

## 1. FINANCIAL INFORMATION ON 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)).

## 2. INDEBTEDNESS

As at the close of business on 31 July 2012, 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\$1,103.3 million, comprising mortgage loans of approximately HK\$259.4 million, bank borrowings of approximately HK\$738.0 million, bonds and convertible bonds of approximately HK\$105.6 million and HK\$0.3 million respectively. The Group's bank borrowings were secured by certain leasehold properties, investment properties and property under development for sale of the Group with carrying value of approximately HK\$2,030.1 million.

On the other hand, bank deposits of approximately HK\$3.1 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 Appendix V in 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 31 July 2012 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 31 July 2012.

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 31 July 2012.

**3. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2012, being the date to which the latest audited consolidated financial statements of the Group were made up.

**4. WORKING CAPITAL STATEMENT**

After taking into account the financial resources available to the Group, including the internally generated funds, the available banking facilities and the proceeds from the Subscription, the Directors are of the opinion that the Group will have sufficient working capital for its present requirements for at least the next 12 months from the date of this circular, in the absence of unforeseeable circumstances.

**5. PROPERTY INTERESTS AND PROPERTY VALUATION**

The Valuer has valued the SingXpress Properties as at 31 July 2012 and is of the opinion that the value of the SingXpress Properties as at such date was an amount of approximately HK\$1,350.6 million. The full text of the valuation report is set out in Appendix IV to this circular.

The statement below shows the reconciliation of aggregate amounts of SingXpress Properties as reflected on the audited financial statement as at 31 March 2012 with the valuation of the SingXpress Properties as at 31 July 2012 as set out in Appendix IV to this circular.

|   | <b>Hong Kong<br/>Properties</b><br><i>HK\$'000</i> | <b>Singapore<br/>Properties</b><br><i>S\$'000</i> |
|---|--|---|
| Net book value of property interest of<br>the Company as at 31 March 2012 |  |   |
| Investment properties   | 74,580   | 14,079  |
| Properties under development for sale                                     | –  | 178,072   |
|   | <hr/>  | <hr/>   |
|   | 74,580   | 192,151   |
| Valuation surplus (unaudited)   | 2,155  | 14,158  |
|   | <hr/>  | <hr/>   |
| Valuation of properties as at 31 July 2012                                | <b>76,735</b>                                      | <b>206,309</b>                                    |
|   | <hr/> <hr/>  | <hr/> <hr/>                                       |

## 6. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

Given that following the Subscription, Haiyi and Mr Tang currently do not intend to make changes to the management team of SingXpress and currently have no plans for any material changes to be made to the business of SingXpress (including the injection of any assets and business). Further Haiyi and Mr. Tang currently have no plans for any material changes to be made to (a) the deployment of the fixed assets of SingXpress, and/or (b) the employment of the employees of SingXpress Group, other than in the ordinary course of business. However, Haiyi reserves the rights as shareholder of SingXpress to make changes in the future to the above, subject to compliance with all applicable rules and regulations. Given that the principal activities of the Remaining Group following the Deemed Disposal will remain the same as the Group's principal activities, the Directors do not foresee any substantial change in the Remaining Group's business. The Remaining Group is principally engaged in property development, property trading and investments, treasury investments and hotel operation. The Remaining Group will continue to focus on the property related businesses, especially in Hong Kong and Singapore.

The Remaining Group is optimistic that Haiyi and Mr Tang's interest in participating in SingXpress' investment banking approach for real estate project, is in-line with and complementary to the goals of the Group. It is expected that this will significantly contribute to the success of the Group through strategic input and the opening of a new network of contacts to the Group, leading to the acceleration of the Group's ability to carry out its business model.

## 7. FURTHER FINANCIAL INFORMATION ON THE REMAINING GROUP

### For the year ended 31 March 2012

#### (i) Liquidity and financial resources

Assuming that the Deemed Disposal had taken place on 31 March 2012, the shareholders' equity of the Remaining Group, including the loss incurred during the year ended 31 March 2012, share of result of SingXpress Group and loss on the Deemed Disposal, would be approximately HK\$769.4 million.

The Remaining Group's borrowings as at 31 March 2012 would be approximately HK\$355.6 million, out of which, approximately HK\$151.2 million would be repayable within 12 months. The outstanding borrowings comprised secured bank loans of HK\$249.4 million and unsecured bank overdraft of HK\$0.6 million and non-convertible bonds of HK\$105.6 million. The borrowings which is at fixed interest rate amounted to HK\$117.7 million.

The outstanding bank loans were mainly secured by the investment properties, land and buildings, prepaid lease payments, financial assets at fair value through profit or loss and bank deposits of the Remaining Group with an aggregate carrying value of approximately HK\$745.0 million as at 31 March 2012. The Remaining Group's gearing ratio as at 31 March 2012 would be approximately 0.26 times, which was calculated based on total borrowings of HK\$355.6 million less bank balances and cash and pledged bank deposits of HK\$33.1 million divided by the total assets of the Remaining Group of HK\$1,252.1 million.

The Remaining Group's cash and cash equivalent as at 31 March 2012 would be approximately HK\$29.4 million, majority of which are held in US dollars, Singapore dollars, Hong Kong dollars and Japanese Yen.

**(ii) Business Review**

The Remaining Group recorded a turnover of approximately HK\$76.1 million for the year ended 31 March 2012 which was mainly attributed by two hotels in Japan under the hotel and hospitality division, namely Hotel Plaza Miyazaki and Aizuya of approximately HK\$42.4 million and rental income from the investment properties (such as Textile Centre, SouthBank, Dakota Residences etc) of approximately HK\$26.8 million. The loss attributable to owners of the Remaining Group for the year ended 31 March 2012 was approximately HK\$194.5 million which was mainly attributed by the impairment loss and the loss on disposal of marketable securities of HK\$21.9 million and fair value loss on revaluation and disposal of investment properties of HK\$86.9 million. Finance costs of HK\$22.0 million mainly represented interests on bank borrowings and non-convertible bonds of the Company.

**(iii) Capital structure**

During the year ended 31 March 2012, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's Shares, save for the issue of new Shares by the Company as follows:

- (a) the issue of 396,125,406 new Shares at an subscription price of HK\$0.11 pursuant to an open offer on the basis of three offer shares for every twenty existing shares, with net proceeds of approximately HK\$43.6 million.
- (b) the issue of 60,000,000 new Shares at an aggregate price of HK\$8,040,000 pursuant to the exercise of Share Options granted under the share option scheme of the Company.

**(iv) Material acquisition or disposal of subsidiaries or associates**

During the year ended 31 March 2012, the Remaining Group entered into a sale and purchase agreement to dispose of a property situated in Hong Kong for a consideration of HK\$140.6 million and a property situated in Singapore for a consideration of approximately S\$6.9 million.

**(v) Staff**

As at 31 March 2012, the Remaining Group had approximately 100 employees. The Remaining Group provides competitive salaries, benefits and incentives including provident fund schemes and medical insurance schemes for its staff. In addition, the Remaining Group has adopted a share option scheme under which options may be granted to eligible employees of the Remaining Group entitling them to subscribe for Shares.

For the year ended 31 March 2012, there is no significant change in the remuneration policies, bonus, share options scheme and training schemes for the Remaining Group.

**(vi) Exposure to fluctuations in exchange rates and any related hedges**

Substantially all the revenues, expenses, assets and liabilities are denominated in Singapore dollars, Hong Kong dollars, US dollars, Canadian dollars and Japanese Yen. Due to the currency peg of the Hong Kong dollar to the US dollar, the exchange rate between these two currencies has remained stable and thus no hedging or other alternatives have been implemented by the Remaining Group. Going forward, the Remaining Group may formulate a foreign currency hedging policy to provide a reasonable margin of safety in its exposure in Japanese Yen and Singapore dollars transactions, assets and liabilities.

**(vii) Contingent liabilities**

As at 31 March 2012, save as disclosed in the section headed "Litigation" as set out in Appendix V to this circular, the Group and the Remaining Group had no material contingent liabilities.

**For the year ended 31 March 2011****(i) Liquidity and financial resources**

The Remaining Group's borrowings as at 31 March 2011 would be approximately HK\$562.9 million, out of which, approximately HK\$298.7 million would be repayable within 12 months. The outstanding borrowings comprised secured bank loans of HK\$370.8 million and unsecured bank overdraft of HK\$86.5 million and non-convertible bonds of HK\$105.6 million. The borrowings which is at fixed interest rate amounted to HK\$128.5 million.

The outstanding bank loans were mainly secured by the investment properties, land and buildings, prepaid lease payments, financial assets at fair value through profit or loss and bank deposits of the Remaining Group with an aggregate carrying value of approximately HK\$1,244.4 million as at 31 March 2011. The Remaining Group's gearing ratio as at 31 March 2011 would be approximately 0.25

times, which was calculated based on total borrowings of HK\$562.9 million less bank balances and cash and pledged bank deposits of HK\$165.5 million divided by the total assets of the Remaining Group of HK\$1,607.6 million.

The Remaining Group's cash and cash equivalent as at 31 March 2011 would be approximately HK\$71.5 million, majority of which are held in US dollars, Singapore dollars, Hong Kong dollars and Japanese Yen.

**(ii) Business Review**

During the period, the Remaining Group recorded a turnover of approximately HK\$74.0 million for the year ended 31 March 2011 which was mainly attributed by Hotel Plaza Miyazaki and Aizuya of approximately HK\$40.4 million and property investment of approximately HK\$25.0 million. The profit attributable to owners of the Remaining Group for the year ended 31 March 2011 was approximately HK\$41.6 million which was mainly attributed by the gain on disposal of marketable securities of HK\$17.7 million and fair value gain on revaluation of investment properties of HK\$122.0 million. Finance costs of HK\$6.1 million mainly represented interests on bank borrowings.

**(iii) Capital structure**

During the year ended 31 March 2011, there was no change in the share capital of the Company and neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's Shares.

**(iv) Material acquisition or disposal of subsidiaries or associates**

During the year ended 31 March 2011, the Remaining Group:

- (a) entered into a sale and purchase agreement to dispose a property situated in Canada for a consideration of C\$3 million.
- (b) entered into sale and purchase agreements to acquire 8 properties situated in Singapore for an aggregate consideration of approximately S\$15.9 million.
- (c) increased its equity interest in SingXpress from approximately 33% to 63%.

**(v) Staff**

As at 31 March 2011, the Remaining Group had approximately 105 employees. The Remaining Group provides competitive salaries, benefits and incentives including provident fund schemes and medical insurance schemes for its staff. In addition, the Remaining Group has adopted a share option scheme under which options may be granted to eligible employees of the Remaining Group entitling them to subscribe for Shares.

For the year ended 31 March 2011, there is no significant change in the remuneration policies, bonus, share options scheme and training schemes for the Remaining Group.

**(vi) Exposure to fluctuations in exchange rates and any related hedges**

Substantially all the revenues, expenses, assets and liabilities are denominated in Singapore dollars, Hong Kong dollars, US dollars, Canadian dollars and Japanese Yen. Due to the currency peg of the Hong Kong dollar to the US dollar, the exchange rate between these two currencies has remained stable and thus no hedging or other alternatives have been implemented by the Remaining Group. Going forward, the Remaining Group may formulate a foreign currency hedging policy to provide a reasonable margin of safety in its exposure in Japanese Yen and Singapore dollars transactions, assets and liabilities.

**(vii) Contingent liabilities**

As at 31 March 2011, save as disclosed in the section headed "Litigation" as set out in Appendix V to this circular, the Group and the Remaining Group had no material contingent liabilities.

**For the year ended 31 March 2010**

**(i) Liquidity and financial resources**

The Remaining Group's borrowings as at 31 March 2010 would be approximately HK\$183.8 million, out of which, approximately HK\$136.7 million would be repayable within 12 months. The outstanding borrowings comprised secured bank loans of HK\$175.5 million and unsecured bank overdraft of HK\$8.3 million. The borrowings which is at fixed interest rate amounted to HK\$22.9 million.

The outstanding bank loans were mainly secured by the investment properties, land and buildings, prepaid lease payments, financial assets at fair value through profit or loss and bank deposits of the Remaining Group with an aggregate carrying value of approximately HK\$835.3 million as at 31 March 2010. The Remaining Group's gearing ratio as at 31 March 2010 would be approximately 0.04 times, which was calculated based on total borrowings of HK\$183.8 million less bank balances and cash and pledged bank deposits of HK\$137.3 million divided by the total assets of the Remaining Group of HK\$1,138.8 million.

The Remaining Group's cash and cash equivalent as at 31 March 2010 would be approximately HK\$125.6 million, majority of which are held in US dollars, Singapore dollars, Hong Kong dollars and Japanese Yen.

**(ii) Business Review**

The Remaining Group recorded a turnover of approximately HK\$77.0 million for the year ended 31 March 2010 which was mainly attributed by Hotel Plaza Miyazaki and Aizuya of approximately HK\$45.0 million and property investment of approximately HK\$15.0 million. The profit attributable to owners of the Remaining Group for the year ended 31 March 2010 was approximately HK\$191.0 million which was mainly attributed by the fair value gain and gain on disposal of marketable securities of HK\$36.7 million and fair value gain on revaluation of investment properties of HK\$190.1 million. Finance costs of HK\$4.4 million mainly represented interests on bank borrowings.

**(iii) Capital structure**

During the year ended 31 March 2010, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's Shares, save for the issue of new Shares by the Company as follows:

- (a) the issue of 1,430,359 new Shares at an aggregate price of approximately HK\$129,000 pursuant to the exercise of warrants at HK\$0.09 per Share.
- (b) the issue of 133,376,200 new Shares at an aggregate price of approximately HK\$19,077,000 pursuant to the exercise of Share Options granted under the share option scheme of the Company.
- (c) the issue of 367,424,668 new Shares at an subscription price of HK\$0.05 pursuant to an open offer on the basis of one offer share for every five existing shares, with net proceeds of approximately HK\$18.4 million.
- (d) the issue of 301,481,481 new Shares at an issue price of HK\$0.135 per share for an aggregate amount of approximately HK\$40.7 million as the consideration for the acquisition of 100% share capital of Expats Residences Pte Ltd together with a loan due to Mr. Chan.

**(iv) Material acquisition or disposal of subsidiaries or associates**

During the year ended 31 March 2010, the Remaining Group:

- (a) entered into sale and purchase agreements to acquire two properties situated at Wyndham Place, Hong Kong for the consideration of HK\$24 million and approximately HK\$32.0 million respectively.
- (b) entered into sale and purchase agreements to acquire two properties situated in Singapore for an aggregate consideration of S\$2.65 million.

- (c) disposed its entire interests in Novena Holdings Limited, a Singapore based listed company known as a consumer lifestyle player in furniture and beauty products.
- (d) entered into a sale and purchase agreement for the purchase of the 100% equity interest in Expats Residences Pte Ltd, a property investment company incorporated in Singapore, and the shareholder loan at an aggregate consideration of HK\$40.7 million which was satisfied by the issuance of approximately 301.5 million shares of the Company.
- (e) entered into a sale and purchase agreement to dispose a property situated in Canada for an aggregate consideration of CAD3 million.

**(v) Staff**

As at 31 March 2010, the Remaining Group had approximately 122 employees. The Remaining Group provides competitive salaries, benefits and incentives including provident fund schemes and medical insurance schemes for its staff. In addition, the Remaining Group has adopted a share option scheme under which options may be granted to eligible employees of the Remaining Group entitling them to subscribe for Shares.

For the year ended 31 March 2010, there is no significant change in the remuneration policies, bonus, share options scheme and training schemes for the Remaining Group.

**(vi) Exposure to fluctuations in exchange rates and any related hedges**

Substantially all the revenues, expenses, assets and liabilities are denominated in Singapore dollars, Hong Kong dollars, US dollars, Canadian dollars and Japanese Yen. Due to the currency peg of the Hong Kong dollar to the US dollar, the exchange rate between these two currencies has remained stable and thus no hedging or other alternatives have been implemented by the Remaining Group. Going forward, the Remaining Group may formulate a foreign currency hedging policy to provide a reasonable margin of safety in its exposure in Japanese Yen and Singapore dollars transactions, assets and liabilities.

**(vii) Contingent liabilities**

As at 31 March 2010, save as disclosed in the section headed "Litigation" as set out in Appendix V to this circular, the Group and the Remaining Group had no material contingent liabilities.

**Outlook**

Despite the uncertainty surrounding the Eurozone debt crisis and the additional buyer's stamp duty weighing on sentiment, we believe that the Singapore property market will continue to remain attractive due to the home ownership programme, political stability and low interest rate environment. Moreover, strong interest in recent property launches in Singapore show that there is liquidity in the markets. The Board believe that its focus on public housing and smaller private residential developments in Singapore will continue to position the Group well in the market.

**A. ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**

中磊 ( 香港 ) 會計師事務所有限公司  
ZHONGLEI (HK) CPA Company Limited

**The Board of Directors**

Xpress Group Limited  
24th Floor  
Wyndham Place  
40-44 Wyndham Street  
Central, Hong Kong

Dear Sirs/Madams,

We report on the unaudited pro forma financial information of Xpress Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") and excluding SingXpress Land Ltd ("SingXpress") and its subsidiaries (hereinafter collectively referred to as the "SingXpress Group") (the "Remaining Group"), as set out under the heading of "Unaudited Pro Forma Financial Information of the Remaining Group" in Appendix III of the circular dated 13 September 2012 (the "Circular"), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the potential very substantial disposal, in which SingXpress, an indirectly 52.4% owned subsidiary of the Company, entered into the subscription agreement with Haiyi Holdings Pte. Ltd (the "Subscriber") in relation to the subscription by the Subscriber of an aggregate of 80 new fully paid subscription shares at S\$1.18 million per subscription share for a total subscription price of S\$94.4 million, that might have affected on the financial information presented. The basis of preparation of the unaudited pro forma financial information is set out on page III-4 of the Circular.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND  
REPORTING ACCOUNTANTS**

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion solely to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

#### **BASIS OF OPINION**

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the directors of the Company. This engagement did not involve independent examination of any underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma financial information is for illustrative purposes only, based on the judgments and assumptions of the directors of the Company, and, because of its hypothetical nature, it does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

- the financial position of the Remaining Group as at 31 March 2012 or any future date; or
- the results and cash flows of the Remaining Group for the year ended 31 March 2012 or any future period.

## OPINION

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group so far as such policies related to the transactions; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

**ZHONGLEI (HK) CPA Company Limited**

*Certified Public Accountants (Practising)*

**Ho Yiu Hang, Ricky**

Practising Certificate Number: P05494

Suites 313–317, 3/F., Shui On Centre

6–8 Harbour Road, Wan Chai

Hong Kong

13 September 2012

**B. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP****Introduction**

The unaudited pro forma financial information of the Remaining Group has been prepared to illustrate the effect of the potential very substantial disposal, in which SingXpress, an indirectly 52.4% owned subsidiary of the Company, entered into the subscription agreement with the Subscriber in relation to the subscription by the Subscriber of an aggregate of 80 new fully paid subscription shares at S\$1.18 million per subscription share for a total subscription price of S\$94.4 million, that might have affected on the financial information presented. The entering into the subscription agreement constitutes a deemed disposal of SingXpress for the Company under Rule 14.29 of the Listing Rules (the “Deemed Disposal”).

The unaudited pro forma financial information of the Remaining Group as at 31 March 2012 is prepared based on the audited consolidated statement of financial position of the Group as at 31 March 2012, the audited consolidated income statement and audited consolidated statement of cash flows of the Group for the year ended 31 March 2012 extracted from the audited consolidated financial statements of the Group and the financial information of SingXpress Group set out in Appendix I to this Circular after giving effect to the pro forma adjustments relating to the Deemed Disposals that are

- (i) directly attributable to the transaction; and
- (ii) factually supportable.

The unaudited pro forma financial information should be read in conjunction with the historical financial information of the Group and other financial information included elsewhere in this Circular. The unaudited pro forma financial information of the Remaining Group does not take into account of any trading or other transactions subsequent to the date of the financial statements included in the unaudited pro forma financial information of the Remaining Group. The unaudited pro forma financial information has been prepared by the directors of the Company for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Remaining Group as at 31 March 2012 or any future date had the Deemed Disposal been completed on 31 March 2012 or the results and cash flows of the Remaining Group for the year ended 31 March 2012 or for any future period had the Deemed Disposal been completed on 1 April 2011.

## Unaudited Pro Forma Consolidated Income Statement

|   | <b>The Group</b> | <b>Pro forma adjustments</b> |                 | <b>The</b>         |
|---|------------------|------------------------------|-----------------|--------------------|
|   | <b>Year</b>      |                              |                 | <b>Remaining</b>   |
|   | <b>ended</b>     |                              |                 | <b>Group</b>       |
|   | <b>31 March</b>  |                              |                 | <b>Year</b>        |
|   | <b>2012</b>      |                              |                 | <b>ended</b>       |
|   | <i>(Audited)</i> |                              |                 | <b>31 March</b>    |
|   | <i>HK\$'000</i>  | <i>HK\$'000</i>              | <i>HK\$'000</i> | <i>2012</i>        |
|   | <i>Note (a)</i>  | <i>Note (e)</i>              | <i>Note (f)</i> | <i>(Unaudited)</i> |
|   |                  |                              |                 | <i>HK\$'000</i>    |
| <b>Revenue</b>  | 81,529           | (5,417)                      |                 | 76,112             |
| Cost of sales   | <u>(8,946)</u>   |                              |                 | <u>(8,946)</u>     |
| <b>Gross profit</b>   | 72,583           |                              |                 | 67,166             |
| Other operating income  | 4,408            | (726)                        | 1,246           | 4,928              |
| Loss on disposal of financial assets at fair value through profit or loss | (12,892)         |                              |                 | (12,892)           |
| Fair value loss on financial assets at fair value through profit or loss  | (9,044)          | 6                            |                 | (9,038)            |
| Fair value loss on revaluation of investment properties, net              | (63,722)         | (14,159)                     |                 | (77,881)           |
| Loss on disposal of investment properties                                 | (9,034)          |                              |                 | (9,034)            |
| Administrative expenses   | <u>(144,875)</u> | 11,402                       | (573)           | <u>(134,046)</u>   |
| <b>Loss from operations</b>   | (162,576)        |                              |                 | (170,797)          |
| Finance costs   | (23,317)         | 8,657                        | (7,343)         | (22,003)           |
| Share of results of associates  | 1,095            |                              | (58)            | 1,037              |
| Loss on Deemed Disposal of SingXpress                                     | <u>–</u>         |                              | (32,553)        | <u>(32,553)</u>    |
| <b>Loss before income tax</b>   | (184,798)        |                              |                 | (224,316)          |
| Income tax credits  | <u>27,471</u>    | 2,324                        |                 | <u>29,795</u>      |
| <b>Loss for the year</b>  | <u>(157,327)</u> |                              |                 | <u>(194,521)</u>   |
| <b>Loss for the year attributable to:</b>                                 |                  |                              |                 |                    |
| Owners of the Company   | (156,421)        | 2,062                        | (40,162)        | (194,521)          |
| Non-controlling interests   | <u>(906)</u>     | 25                           | 881             | <u>–</u>           |
|   | <u>(157,327)</u> |                              |                 | <u>(194,521)</u>   |

## Unaudited Pro Forma Consolidated Statement of Financial Position

|  | The Group<br>As at<br>31 March<br>2012<br><i>(Audited)</i><br>HK\$'000<br><i>Note (a)</i> | Pro forma adjustments       |                             |                             |                  | The<br>Remaining<br>Group<br>As at<br>31 March<br>2012<br><i>(Unaudited)</i><br>HK\$'000 |
|--|---|-----------------------------|-----------------------------|-----------------------------|------------------|--|
|  |   | HK\$'000<br><i>Note (b)</i> | HK\$'000<br><i>Note (c)</i> | HK\$'000<br><i>Note (d)</i> |                  |  |
| <b>NON-CURRENT ASSETS</b>                                |   |                             |                             |                             |                  |  |
| Property, plant and equipment                            | 57,703  | (1,587)                     |                             |                             | 56,116           |  |
| Prepaid lease payments                                   | 21,953  |                             |                             |                             | 21,953           |  |
| Investment properties                                    | 908,383   | (161,514)                   |                             |                             | 746,869          |  |
| Interests in associates                                  | 3,246   | (3)                         | 152,300                     |                             | 155,543          |  |
| Available-for-sale financial<br>assets                   | 1,463   |                             | 79,299                      |                             | 80,762           |  |
| Goodwill   | 10,544  |                             |                             |                             | 10,544           |  |
| Pledged bank deposits                                    | 3,116   |                             |                             |                             | 3,116            |  |
|  | <u>1,006,408</u>  |                             |                             |                             | <u>1,074,903</u> |  |
| <b>CURRENT ASSETS</b>                                    |   |                             |                             |                             |                  |  |
| Inventories  | 464   |                             |                             |                             | 464              |  |
| Properties under development<br>for sale                 | 1,099,541   | (1,099,541)                 |                             |                             | -                |  |
| Trade and other receivables,<br>deposits and prepayments | 18,837  | (2,407)                     |                             |                             | 16,430           |  |
| Loan receivables   | 617   |                             |                             |                             | 617              |  |
| Financial assets at fair value<br>through profit or loss | 16,453  | (9)                         |                             |                             | 16,444           |  |
| Amounts due from associates                              | 185   |                             |                             | 110,605                     | 110,790          |  |
| Bank balances and cash                                   | 116,333   | (86,380)                    |                             |                             | 29,953           |  |
|  | <u>1,252,430</u>  |                             |                             |                             | <u>174,698</u>   |  |

|  | The Group        |                       |          |          | The              |
|--|------------------|-----------------------|----------|----------|------------------|
|  | As at            | Pro forma adjustments |          |          | Remaining        |
|  | 31 March         |                       |          |          | Group            |
|  | 2012             |                       |          |          | As at            |
|  | (Audited)        |                       |          |          | 31 March         |
|  | HK\$'000         | HK\$'000              | HK\$'000 | HK\$'000 | 2012             |
|  | Note (a)         | Note (b)              | Note (c) | Note (d) | (Unaudited)      |
|  |                  |                       |          |          | HK\$'000         |
| <b>CURRENT LIABILITIES</b>                       |                  |                       |          |          |                  |
| Trade and other payables and<br>accruals         | 87,328           | (71,123)              |          |          | 16,205           |
| Bank overdraft                                   | 515              |                       |          |          | 515              |
| Borrowings                                       | 155,543          | (4,830)               |          |          | 150,713          |
| Obligations under a finance<br>lease             | 108              | (108)                 |          |          | –                |
| Tax payables                                     | 22,676           |                       |          |          | 22,676           |
| Amounts due to the Remaining<br>Group            | –                | (110,605)             |          | 110,605  | –                |
| Amounts due to<br>non-controlling interests      | 67,714           | (67,714)              |          |          | –                |
| Amounts due to associates                        | 478              | (478)                 |          |          | –                |
| Amount due to a director                         | 28,294           |                       |          |          | 28,294           |
|  | <u>362,656</u>   |                       |          |          | <u>218,403</u>   |
| <b>NET CURRENT ASSETS<br/>(LIABILITIES)</b>      | <u>889,774</u>   |                       |          |          | <u>(43,705)</u>  |
| <b>TOTAL ASSETS LESS<br/>CURRENT LIABILITIES</b> | <u>1,896,182</u> |                       |          |          | <u>1,031,198</u> |

|   | The Group        |                       |          |             | The            |
|---|------------------|-----------------------|----------|-------------|----------------|
|   | As at            |                       |          |             | Remaining      |
|   | 31 March         |                       |          |             | Group          |
|   | 2012             | Pro forma adjustments |          |             | As at          |
| (Audited)                                       |                  |                       |          | 31 March    |                |
| HK\$'000  | HK\$'000         | HK\$'000              | HK\$'000 | 2012        |                |
| Note (a)  | Note (b)         | Note (c)              | Note (d) | (Unaudited) |                |
|   |                  |                       |          | HK\$'000    |                |
| <b>NON-CURRENT LIABILITIES</b>                  |                  |                       |          |             |                |
| Borrowings                                      | 863,944          | (765,218)             |          |             | 98,726         |
| Obligations under a finance<br>lease            | 641              | (641)                 |          |             | -              |
| Deferred taxation                               | 64,376           | (6,925)               |          |             | 57,451         |
| Convertible bonds                               | 339              | (55,977)              | 55,638   |             | -              |
| Non-convertible bonds                           | 105,633          |                       |          |             | 105,633        |
|   | <u>1,034,933</u> |                       |          |             | <u>261,810</u> |
| <b>NET ASSETS</b>                               | <u>861,249</u>   |                       |          |             | <u>769,388</u> |
| <b>CAPITAL AND RESERVES</b>                     |                  |                       |          |             |                |
| Share capital                                   | 30,970           |                       |          |             | 30,970         |
| Reserves  | 727,690          |                       | 10,728   |             | 738,418        |
| Equity attributable to owners<br>of the Company | 758,660          |                       |          |             | 769,388        |
| Non-controlling interests                       | 102,589          | (3,065)               | (99,524) |             | -              |
| <b>TOTAL EQUITY</b>                             | <u>861,249</u>   |                       |          |             | <u>769,388</u> |

## Unaudited Pro Forma Consolidated Statement of Cash Flows

|   | The Group  |                       |                      | The  |
|---|--|-----------------------|----------------------|--|
|   | Year ended<br>31 March<br>2012<br><i>(Audited)</i><br>HK\$'000<br>Note (a) | Pro forma adjustments |                      | Remaining<br>Group<br>Year ended<br>31 March<br>2012<br><i>(Unaudited)</i><br>HK\$'000 |
|   |  | HK\$'000<br>Note (g)  | HK\$'000<br>Note (h) |  |
| <b>NET CASH (USED IN) FROM<br/>OPERATING ACTIVITIES</b> | <u>(733,527)</u>   | 811,757               |                      | <u>78,230</u>  |
| <b>INVESTING ACTIVITIES</b>                             |  |                       |                      |  |
| Decrease in available-for-sale<br>financial assets      | 1  |                       |                      | 1  |
| Decrease in pledged bank<br>deposits                    | 4,376  |                       |                      | 4,376  |
| Purchase of property, plant and<br>equipment            | (2,049)  | 1,309                 |                      | (740)  |
| Purchase of investment properties                       | (1,825)  | 1,825                 |                      | -  |
| Proceeds from disposal of<br>investment properties      | 179,978  |                       |                      | 179,978  |
| Purchase of additional interests in<br>subsidiaries     | (1,265)  |                       | 1,265                | -  |
| Amount paid for share cancelled<br>by subsidiary        | 4,764  |                       |                      | 4,764  |
| Interest received                                       | 1,082  |                       |                      | 1,082  |
| Investment in associate                                 | -  |                       | (119,014)            | <u>(119,014)</u>   |
| <b>NET CASH FROM INVESTING<br/>ACTIVITIES</b>           | <u>185,062</u>   |                       |                      | <u>70,447</u>  |

|   | The Group<br>Year ended<br>31 March<br>2012<br><i>(Audited)</i><br>HK\$'000<br>Note (a) | Pro forma adjustments |                      | The<br>Remaining<br>Group<br>Year ended<br>31 March<br>2012<br><i>(Unaudited)</i><br>HK\$'000 |
|---|---|-----------------------|----------------------|---|
|   |   | HK\$'000<br>Note (g)  | HK\$'000<br>Note (h) |   |
| <b>FINANCING ACTIVITIES</b>   |   |                       |                      |   |
| Repayment of borrowings   | (201,359)   |                       |                      | (201,359)   |
| New borrowings raised   | 676,588   | (596,820)             |                      | 79,768  |
| Inception of obligations under a<br>finance lease                   | 827   | (827)                 |                      | –   |
| Repayment of obligations under a<br>finance lease                   | (78)  | 78                    |                      | –   |
| Capital contribution by<br>non-controlling interests                | 1,235   | (1,235)               |                      | –   |
| Net proceeds from open offer  | 43,575  |                       |                      | 43,575  |
| Proceeds from issue of shares<br>upon exercise of share options     | 8,040   |                       |                      | 8,040   |
| Proceeds from issue of right issue<br>by subsidiary                 | 62,725  | (180,474)             | 117,749              | –   |
| Interest paid   | (23,271)  | 1,272                 |                      | (21,999)  |
| Advance to SingXpress   | –   | (96,140)              |                      | (96,140)  |
|   | <u>          </u>   |                       |                      | <u>          </u>   |
| <b>NET CASH FROM (USED IN)<br/>FINANCING ACTIVITIES</b>             | <u>568,282</u>  |                       |                      | <u>(188,115)</u>  |
| <b>NET INCREASE (DECREASE)<br/>IN CASH AND CASH<br/>EQUIVALENTS</b> |   |                       |                      |   |
|   | 19,817  | (59,255)              |                      | (39,438)  |
| <b>CASH AND CASH<br/>EQUIVALENTS AT<br/>BEGINNING OF THE YEAR</b>   | 98,585  | (27,088)              |                      | 71,497  |
| <b>EFFECT OF FOREIGN<br/>EXCHANGE RATE CHANGES,<br/>NET</b>         | <u>(2,584)</u>  | (37)                  |                      | <u>(2,621)</u>  |
| <b>CASH AND CASH<br/>EQUIVALENTS AT END OF<br/>THE YEAR</b>         | <u>115,818</u>  |                       |                      | <u>29,438</u>   |

## Notes:

- a. The amounts are extracted from the audited consolidated statement of financial position of the Group as at 31 March 2012, the audited consolidated income statement and the audited consolidated statement of cash flows of the Group for the year ended 31 March 2012 included in the published annual report of the Company for the year ended 31 March 2012 ("2012 Annual Report"). The 2012 Annual Report can be accessed on the website of the Company and the Stock Exchange.
- b. The adjustments reflect the de-consolidation of the assets and liabilities of SingXpress Group included in the consolidated financial statement of the Group as at 31 March 2012 as if the Deemed Disposal had been completed on 31 March 2012.
- c. The adjustment reflects the resulting estimated loss on Deemed Disposal as if the Deemed Disposal had taken place on 31 March 2012. Calculation of loss on Deemed Disposal is as follow:

|  | <i>HK\$'000</i>       |
|--|-----------------------|
| Recognition of interests in SingXpress Group retained by the Remaining Group immediately after the issue and conversion of cumulative convertible non-voting perpetual preference shares and classified as an associate (Remark i)   | 152,300               |
| Net assets of SingXpress Group attributable to owners of the Remaining Group as at 31 March 2012 (being net assets of SingXpress Group as at 31 March 2012 of approximately HK\$264.7 million less carrying amount of non-controlling interests of approximately HK\$99.5 million) | (165,233)             |
| Reclassification adjustment on the convertible bonds issued by SingXpress to the Remaining Group as available-for-sale financial assets (Remark ii)  | 79,299                |
| Reclassification adjustment on the elimination of liability component of convertible bonds issued by SingXpress to the Remaining Group (Remark ii)   | <u>(55,638)</u>       |
| Estimated gain on Deemed Disposal before transaction costs and release of attributable reserves (Remark iii and iv)  | 10,728                |
| Reclassification adjustment on the elimination of equity component of convertible bonds issued by SingXpress to the Remaining Group (Remark ii)  | (31,206)              |
| The release of translation reserve in relation to the interest in SingXpress Group disposed of   | <u>11,857</u>         |
| Estimated loss on Deemed Disposal before transaction costs (Remark iii and iv)   | <u><u>(8,621)</u></u> |

## Remarks:

|  |                       |
|--|-----------------------|
| i) Pro forma net asset value of SingXpress Group as at 31 March 2012 immediately after the issue of cumulative convertible non-voting perpetual preference shares: | <i>S\$'000</i>        |
| Net asset value of SingXpress Group as at 31 March 2012 as set out in Appendix I to this Circular  | 42,794                |
| Total purchased consideration received by SingXpress Group for the Subscription Shares as mentioned in this Circular   | <u>94,400</u>         |
| Pro forma net asset value of SingXpress Group as at 31 March 2012 immediately after the issue of cumulative convertible non-voting perpetual preference shares     | <u><u>137,194</u></u> |

Pro forma number of shares held by the Remaining Group as at 31 March 2012 immediately after the issue of cumulative convertible non-voting perpetual preference shares:

|  | <b>Number of shares</b>      |
|--|------------------------------|
| Number of shares of SingXpress as at 31 March 2012 as set out in Appendix I to this circular   | 3,348,108,000                |
| Number of shares will be issued by SingXpress upon the conversion of cumulative convertible non-voting perpetual preferences shares                                      | <u>8,000,000,000</u>         |
| Pro forma number of shares of SingXpress as at 31 March 2012 immediately after the issue and conversion of cumulative convertible non-voting perpetual preference shares | <u><u>11,348,108,000</u></u> |

Pro forma number of shares held by the Remaining Group as at 31 March 2012 immediately after the issue of cumulative convertible non-voting perpetual preference shares:

|  | <b>Number of shares</b> |
|--|-------------------------|
| Number of shares held by the Remaining Group as at 31 March 2012 and held by the Remaining Group as at 31 March 2012 immediately after the issue and conversion of cumulative convertible non-voting perpetual preference shares | <u>2,040,192,000</u>    |
| Pro forma shareholding held by the Remaining Group as at 31 March 2012 immediately after the issue and conversion of cumulative convertible non-voting perpetual preference shares   | <u><u>17.98%</u></u>    |

Interests in SingXpress Group retained by the Remaining Group immediately after the issue and conversion of cumulative convertible non-voting perpetual preference shares of approximately S\$24,667,000 (equivalent to approximately HK\$152,300,000) is equal to the pro forma net asset value of SingXpress Group as at 31 March 2012 immediately after the issue of cumulative convertible non-voting perpetual preference shares of approximately S\$137,194,000 multiply by the pro forma shareholding held by the Remaining Group as at 31 March 2012 immediately after the issue and conversion of cumulative convertible non-voting perpetual preference shares of approximately 17.98%.

Although the pro forma shareholding held by the Remaining Group as at 31 March 2012 immediately after the issue of cumulative convertible non-voting perpetual preference shares is of approximately 17.98%, for the purpose of this unaudited pro forma financial information, it is assumed that the Remaining Group has significant influence over SingXpress subsequent to the completion of the Deemed Disposal. An assessment of whether the Remaining Group has significant influence over SingXpress will be carried out after the Deemed Disposal, based on the relevant facts and circumstances on and after the Deemed Disposal.

- ii) It represents reclassification adjustment of approximately S\$12,842,487 (equivalent to approximately HK\$79,299,000) of principal amount of convertible bonds of S\$13,239,677 at 97% issued by SingXpress held by the Remaining Group at 31 March 2012 as mentioned in Note 33 of the 2012 Annual Report as available-for-sale financial assets and elimination of liability and equity component of convertible bonds issued by SingXpress to the Remaining Group. For the purpose of this unaudited pro forma financial information of the Remaining Group, the fair values of the available-for-sale financial assets are assumed to be equal to their carrying amounts as at 31 March 2012.

- iii) Since the actual carrying amounts of the assets and liabilities of SingXpress Group on completion of the Deemed Disposal will be different from the amounts used in the preparation of the unaudited pro forma financial information, the actual gain or loss on the Deemed Disposal may be significantly different from the estimated amount shown above.
- iv) The Group held 2,040,192,000 shares of SingXpress (representing approximately 60.94% of the issued share capital of SingXpress) at 31 March 2012. Subsequent to 31 March 2012 and up to the Latest Practicable Date, SingXpress has i) completed the placement of 123,000,000 and 243,000,000 new ordinary shares (collectively known as the "Placement"). For the details of Placement, please refer to the Company's announcement dated 17 May 2012 and 19 June 2012 respectively. In addition, convertible bonds of SingXpress of approximately S\$13,271,000 has been converted into 1,152,979,926 ordinary shares (the "Conversion") subsequent to 31 March 2012 and up to the Latest Practicable Date. After the Placement and the Conversion, the Group held 2,550,441,019 shares of SingXpress (representing approximately 52.4% of the issued share capital of SingXpress) at the Latest Practicable Date. For the purpose of this unaudited pro forma financial information, it has not considered the effect of the Placement and Conversion subsequent to 31 March 2012 and up to the Latest Practicable Date.
- d. The adjustment reflects the reclassification adjustment in amount due from SingXpress Group as an associate as if the Deemed Disposal had taken place on 31 March 2012.
- e. The adjustments reflect the de-consolidation of the results of SingXpress Group for the year ended 31 March 2012 assuming that the Deemed Disposal had taken place on 1 April 2011.
- f. The adjustments represent the reinstatement of the transactions between the Remaining Group and SingXpress Group for the year ended 31 March 2012, assuming the Deemed Disposal had taken place on 1 April 2011. The transactions including management fee income/expenses received from/paid to SingXpress Group by the Remaining Group and effective interest expenses on convertible bonds incurred by SingXpress Group to the Remaining Group.

The adjustment also represent share of 2.79% result for the SingXpress Group of approximately HK\$58,000 (equivalent to approximately S\$9,500) by the Remaining Group for the year ended 31 March 2012, assuming the Deemed Disposal had taken place on 1 April 2011. By referencing to the financial information on SingXpress Group as set out in Appendix I to this Circular, SingXpress Group's loss for the year ended 31 March 2012 is approximately S\$342,000.

If the Deemed Disposal has been completed on 1 April 2011, the Remaining Group would not have any results attributable to non-controlling interests.

In addition, the adjustment reflects the resulting estimated loss on Deemed Disposal as if the deemed disposal had taken place on 1 April 2011. Calculation of loss on Deemed Disposal is as follow:

|  | <i>HK\$'000</i>        |
|--|------------------------|
| Recognition of interests in SingXpress Group retained by the Remaining Group immediately after the issue and conversion of cumulative convertible non-voting perpetual preference shares and classified as an associate on 1 April 2011 (Remark i)                               | 18,403                 |
| Net assets of SingXpress Group attributable to owners of the Remaining Group as at 1 April 2011 (being net assets of SingXpress Group as at 1 April 2011 of approximately HK\$84.7 million less carrying amount of non-controlling interests of approximately HK\$30.92 million) | (53,778)               |
| Reclassification adjustment on the convertible bonds issued by SingXpress to the Remaining Group as available-for-sale financial assets (Remark ii)  | 79,254                 |
| Reclassification adjustment on the elimination of liability component of convertible bonds issued by SingXpress to the Remaining Group (Remark ii)   | <u>(48,179)</u>        |
| Estimated loss on Deemed Disposal before transaction costs and release of attributable reserves (Remark iii and iv)  | (4,300)                |
| Reclassification adjustment on the elimination of equity component of convertible bonds issued by SingXpress to the Remaining Group (Remark ii)  | (31,206)               |
| The release of translation reserve in relation to the interest in the SingXpress Group disposed of   | <u>2,953</u>           |
| Estimated loss on Deemed Disposal before transaction costs (Remark iii and iv)   | <u><u>(32,553)</u></u> |

Remarks:

|   |                       |
|---|-----------------------|
| i) Pro forma net asset value of SingXpress Group as at 1 April 2011 immediately after the issue of cumulative convertible non-voting perpetual preference shares: | <i>S\$'000</i>        |
| Net asset value of SingXpress Group as at 1 April 2011 as set out in Appendix I to this Circular  | 13,724                |
| Total purchased consideration received by SingXpress Group for the Subscription Shares as mentioned in this Circular  | <u>94,400</u>         |
| Pro forma net asset value of SingXpress Group as at 1 April 2011 immediately after the issue of cumulative convertible non-voting perpetual preference shares     | <u><u>108,124</u></u> |

Pro forma number of shares held by the Remaining Group as at 1 April 2011 immediately after the issue of cumulative convertible non-voting perpetual preference shares:

|   | <b>Number of<br/>shares</b> |
|---|-----------------------------|
| Number of shares of SingXpress Group as at 1 April 2011 as set out in Appendix I to this Circular   | 372,004,000                 |
| Number of shares will be issued by SingXpress Group upon the conversion of cumulative convertible non-voting perpetual preferences shares                                     | <u>8,000,000,000</u>        |
| Pro forma number of shares of SingXpress Group as at 1 April 2011 immediately after the issue and conversion of cumulative convertible non-voting perpetual preference shares | <u><u>8,372,004,000</u></u> |

Pro forma number of shares held by the Remaining Group as at 1 April 2011 immediately after the issue of cumulative convertible non-voting perpetual preference shares:

|   | <b>Number of<br/>shares</b> |
|---|-----------------------------|
| Number of shares held by the Remaining Group as at 1 April 2011 immediately after the issue and conversion of cumulative convertible non-voting perpetual preference shares       | <u><u>233,188,000</u></u>   |
| Pro forma shareholding held by the Remaining Group as at 1 April 2011 immediately after the issue and conversion of cumulative convertible non-voting perpetual preference shares | <u><u>2.79%</u></u>         |

Interests in SingXpress Group retained by the Remaining Group immediately after the issue and conversion of cumulative convertible non-voting perpetual preference shares of approximately S\$3,017,000 (equivalent to approximately HK\$18,403,000) is equal to the pro forma net asset value of SingXpress Group as at 31 March 2011 immediately after the issue of cumulative convertible non-voting perpetual preference shares of approximately S\$108,124,000 multiply by the pro forma shareholding held by the Remaining Group as at 1 April 2011 immediately after the issue and conversion of cumulative convertible non-voting perpetual preference shares of approximately 2.79%.

Although the pro forma shareholding held by the Remaining Group as at 1 April 2011 immediately after the issue and conversion of cumulative convertible non-voting perpetual preference shares is of approximately 2.79%, for the purpose of this unaudited pro forma financial information, it is assumed that the Remaining Group has significant influence over SingXpress subsequent to the completion of the Deemed Disposal. An assessment of whether the Remaining Group has significant influence over SingXpress will be carried out after the Deemed Disposal, based on the relevant facts and circumstances on and after the Deemed Disposal.

- ii) It represents reclassification adjustment of approximately S\$12,842,487 (equivalent to approximately HK\$79,254,000) of principal amount of convertible bonds of S\$13,239,677 at 97% issued by SingXpress held by the Remaining Group at 1 April 2011 as mentioned in Note 33 of the 2012 Annual Report as available-for-sale financial assets and elimination of liability and equity component of convertible bonds issued by SingXpress to the Remaining Group. For the purpose of this unaudited pro forma financial information of the Remaining Group, the fair values of the available-for-sale financial assets are assumed to be equal to their carrying amounts as at 1 April 2011.

- iii) Since the actual carrying amounts of the assets and liabilities of SingXpress Group on completion of the Deemed Disposal will be different from the amounts used in the preparation of the unaudited pro forma financial information, the actual gain or loss on the Deemed Disposal may be significantly different from the estimated amount shown above.
- iv) The Group held 233,188,000 shares of SingXpress (representing approximately 62.68% of the issued share capital of SingXpress) at 1 April 2011. Subsequent to 1 April 2011 and up to the Latest Practicable Date, SingXpress has i) completed a right issue of 2,976,104,000 new ordinary shares (“Right Issues”), ii) completed the placement of 123,000,000 and 243,000,000 new ordinary shares (collectively known as the “Placement”). For the details of Right Issues and Placement, please refer to the Company’s announcement dated 25 August 2011, 17 May 2012 and 19 June 2012 respectively. In addition, convertible bonds of SingXpress of approximately S\$13,271,000 has been converted into 1,152,979,926 ordinary shares (the “Conversion”) subsequent to 31 March 2012 and up to the Latest Practicable Date. For the purpose of this unaudited pro forma financial information, it has not considered the effect of the Right Issues, Placement and Conversion or other transactions subsequent to 1 April 2011 and up to the Latest Practicable Date.
- g. The adjustments reflect the exclusion of the cash flows of SingXpress Group for the year ended 31 March 2012 assuming that the Deemed Disposal had taken place on 1 April 2011.
- h. The adjustments represent the reinstatement of the transactions between the Remaining Group and SingXpress Group for the year ended 31 March 2012 in relation of acquisition of additional interests in SingXpress by Remaining Group of approximately HK\$1,265,000 and subscription of new SingXpress shares pursuant to the rights issue of SingXpress approximately HK\$117,749,000, assuming the Deemed Disposal had taken place on 1 April 2011.
- i. No adjustments have been made to reflect any trading result or other transactions of the Group entered into subsequent to 31 March 2012.

*The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this circular received from Avista Valuation Advisory Limited, an independent valuer, in connection with its valuation as at 31 July 2012 of the property interest of the Group.*



Suite 807, 8th Floor, AXA Centre, 151 Gloucester Road,  
Wan Chai, Hong Kong

TEL : (852) 3907 0680      FAX : (852) 3914 6388

info@avaval.com

www.avaval.com

13 September 2012

The Board of Directors  
**Xpress Group Limited**  
24/F., Wyndham Place  
40–44 Wyndham Street  
Central  
Hong Kong

Dear Sirs,

We were instructed by Xpress Group Limited (the “Company”) to value various properties held by SingXpress Land Ltd. (the “SingXpress”), an indirect 52.4% owned subsidiary of the Company and its subsidiaries (hereinafter referred to as the “SingXpress Group”) (the “Group”) (the “Property” as hereinafter defined) located in Hong Kong and Singapore, we confirm that we have carried out inspections made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital values of the Property as at 31 July 2011 (the “Date of Valuation”).

The valuation is our opinion of market values which in accordance with the Valuation Standards on Properties of the Hong Kong Institute of Surveyors is defined as “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion”.

In valuing the property interests, we have complied with the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and all the requirements contained in the HKIS Valuation Standard on Properties (1st Edition 2005) published by the Hong Kong Institute of Surveyors and the International Valuation Standards published by the International Valuation Standards Council.

Our valuation has been made on the assumption that the owner sells the property interests in the open market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the value of the property interests. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property interests and no forced sale situation in any manner is assumed in our valuation.

We have valued the property interests in Group I and II by income approach by taking into account the net rental income of the properties derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the market value at an appropriate capitalisation rate. Where appropriate, reference has also been made to the comparable sale transactions as available in the relevant market.

In valuing the property interests in Group III which are currently under development, we have assumed that they will be developed and completed in accordance with the latest development proposal provided to us by the Group. In arriving at our opinion of value, we have adopted the direct comparison approach by making reference to comparable sales evidence as available in the relevant market and have also taken into account the accrued construction cost and professional fees relevant to the stage of construction as at the date of valuation and the remainder of the cost and fees expected to be incurred for completing the development.

We have valued the property interests in Group IV and V by direct comparison approach assuming sale of the property interest in its existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market.

We have been provided with copies of various title documents, tenancy agreements, sales and purchase agreements and other documents relating to property interests and have caused searches to be made at the local Land Registry in relation to the property interests located in different countries. However, we have not examined the original documents and assumed that the copies of the documents obtained are consistent with their originals.

We have relied a very considerable extent on the information given to us by the Company in the course of valuation.

We have no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also been advised by the Company that no material factors have been omitted from the information to reach an informed view and we have no reason to suspect that any material information has been withheld.

Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us and are therefore only approximations. No on-site measurements have been made to verify their correctness. We have been advised by the Company that no material factors have been omitted from the information supplied to reach an informed view, and have no reason to suspect that any material information has been withheld.

We have inspected the exterior and, where possible, the interior of the properties unless we have been otherwise instructed. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services. We have also assumed that there was not any material change of the property in between date of our inspection and the valuation date.

All properties located in Hong Kong were last inspected by Sr Oswald W. Y. Au, Assistant Vice President of Avista Valuation Advisory Limited during the period of 6 to 10 August 2012.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In accordance with our standard practice, we must state that this report is for the use only of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents.

Wherever the content of this report is extracted and translated from the relevant documents supplied in Chinese context and there are discrepancies in wordings, those parts of the original documents will take prevalent.

Unless otherwise stated, all monetary amounts stated in this report are in Hong Kong Dollars (HK\$) or respective foreign currencies.

The summary of values is stated as below and the valuation certificates are hereby enclosed for your attention.

Yours faithfully,  
For and on behalf of  
**Avista Valuation Advisory Limited**  
**Sr Oswald W Y Au**  
*MHKIS AAPI MSc(RE)*  
*Registered Professional Surveyor (GP)*  
*Assistant Vice President*

*Note:* Mr. Oswald W Y Au holds a Master 's Degree of Science in Real Estate from the University of Hong Kong. He is also a member of Hong Kong Institute of Surveyors (General Practice) and Associate Member of Australian Property Institute. In addition, he is a Registered Professional Surveyor (General Practice) registered with Surveyors Registration Board. He has about 5 years' experience in the valuation of properties in the PRC and 8 years of property valuation experience in Hong Kong, the U.S., Canada, East and Southeast Asia including Singapore.

## SUMMARY OF VALUES

## Group I – Property interests held for investment by the Group in Hong Kong

| No. | Property  | Capital value<br>in existing<br>state as at<br>31 July 2012 | Interest<br>attributable<br>to the<br>Group | Capital value<br>attributable to<br>the Group as at<br>31 July 2012 |
|-----|---|---|---|---|
| 1.  | 4 Nos. of Residential Units<br>Amoy Gardens<br>No. 77 Ngau Tau Kok Road<br>Kowloon Bay<br>Kowloon<br>Hong Kong                            | HK\$11,460,000  | 52.4%                                       | 6,005,000   |
| 2.  | 5 Nos. of Residential Units<br>Parkland Villas<br>No. 1 Tuen On Lane<br>Tuen Mun<br>New Territories<br>Hong Kong                          | HK\$11,240,000  | 52.4%                                       | 5,890,000   |
| 3.  | 4 Nos. of Residential Units<br>Beneville<br>No. 18 Tuen Kwai Road<br>Tuen Mun<br>New Territories<br>Hong Kong                             | HK\$9,750,000   | 52.4%                                       | 5,109,000   |
| 4.  | 2 Nos. of Residential Units<br>Affluence Garden<br>(PSPS 10B)<br>No. 33 Tsing Chung Koon Road<br>Tuen Mun<br>New Territories<br>Hong Kong | HK\$3,290,000   | 52.4%                                       | 1,724,000   |
| 5.  | 9 Nos. of Residential Units<br>Tsuen Wan Centre<br>Nos. 88–105 Tsuen King Circuit<br>Tsuen Wan<br>New Territories<br>Hong Kong            | HK\$18,770,000  | 52.4%                                       | 9,835,000   |

| No. Property   | Capital value<br>in existing<br>state as at<br>31 July 2012 | Interest<br>attributable<br>to the<br>Group | Capital value<br>attributable to<br>the Group as at<br>31 July 2012 |
|--|---|---|---|
| 6. Flat E on 15th Floor<br>Block A<br>Tsuen Tak Gardens<br>No. 208 Tsuen King Circuit<br>Tsuen Wan<br>New Territories<br>Hong Kong           | HK\$1,930,000   | 52.4%                                       | 1,011,000   |
| 7. Flat G8 on 29th Floor<br>Block G<br>Tak Bo Garden<br>No. 3 Ngau Tau Kok Road<br>Kowloon Bay<br>Kowloon<br>Hong Kong                       | HK\$2,070,000   | 52.4%                                       | 1,085,000   |
| 8. Flat H on 18th Floor<br>Block B<br>Shaukiwan Centre<br>No. 7 Factory Street<br>Shau Kei Wan<br>Hong Kong                                  | HK\$2,730,000   | 52.4%                                       | 1,431,000   |
| 9. Flat C on 10th Floor with<br>Balcony and<br>Utility Platform<br>The Platinum<br>No. 76A Fa Yuen Street<br>Mongkok<br>Kowloon<br>Hong Kong | HK\$2,240,000   | 52.4%                                       | 1,174,000   |
| 10. Flat H on 11th Floor<br>Tower 8<br>Tai Hing Gardens Phase II<br>No. 8 Ho Hing Circuit<br>Tuen Mun<br>New Territories                     | HK\$1,960,000   | 52.4%                                       | 1,027,000   |
| <b>Total (HK\$):</b>   | <b>HK\$65,440,000</b>                                       |   | <b>HK\$34,291,000</b>   |

## Group II – Property interests held for investment by the Group in Singapore

| No. Property  | Capital value<br>in existing<br>state as at<br>31 July 2012 | Interest<br>attributable<br>to the<br>Group | Capital value<br>attributable to<br>the Group as at<br>31 July 2012 |
|---|---|---|---|
| 11. No. 883 North Bridge<br>Road 5 Nos. of Home<br>Office Units Southbank<br>Singapore 198785 | S\$11,269,000   | 52.4%                                       | S\$5,905,000  |
| 12. No. 8 Eu Tong Sen Street<br>#23-81 The Centre<br>Singapore 059818                         | S\$2,810,000  | 52.4%                                       | S\$1,472,000  |
| <b>Total (S\$):</b>   | <b><u>S\$14,079,000</u></b>                                 |   | <b><u>S\$7,377,000</u></b>  |

## Group III – Property interests held under development by the Group in Singapore

| No. Property   | Capital value in<br>existing state as<br>at 31 July 2012 | Interest<br>attributable<br>to the<br>Group | Capital value<br>attributable to<br>the Group as at<br>31 July 2012 |
|--|--|---|---|
| 13. Charlton Residences<br>No. 1 Charlton Road<br>Singapore 539548 | S\$34,000,000  | 41.92%                                      | S\$14,253,000   |
| <b>Total (S\$):</b>  | <b><u>S\$34,000,000</u></b>                              |   | <b><u>S\$14,253,000</u></b>   |

## Group IV – Property interests held for future development by the Group in Singapore

| No. Property  | Capital value in existing state as at 31 July 2012 | Interest attributable to the Group | Capital value attributable to the Group as at 31 July 2012 |
|---|--|------------------------------------|--|
| 14. A parcel of land located at No. 235 Balestier Road, Singapore 239699                    | S\$23,030,000                                      | 47.16%                             | S\$10,861,000  |
| 15. A parcel of land located at Pasir Ris Drive 1, Pasir Ris Central, Singapore             | S\$135,200,000                                     | 41.92%                             | S\$56,676,000  |
| 16. A parcel of land located at Tampines Central 7/ Tampines Avenue 7/ Tampines 9 Singapore | No Commercial Value                                | 15.72%                             | No Commercial Value  |
|   | Total (S\$):                                       |                                    |  |
|   | S\$158,230,000                                     |                                    | S\$67,537,000  |

## Group V – Property interests contracted to be sold by the Group in Hong Kong

| No. Property   | Capital value in existing state as at 31 July 2012 | Interest attributable to the Group | Capital value attributable to the Group as at 31 July 2012 |
|--|--|------------------------------------|--|
| 17. 2 Nos. of Residential Units<br>Parkland Villas<br>No. 1 Tuen On Lane<br>Tuen Mun<br>New Territories<br>Hong Kong                 | HK\$4,640,000                                      | 52.4%                              | 2,431,000  |
| 18. Flat H on 25th Floor of<br>Block 5<br>Beneville<br>No. 18 Tuen Kwai Road<br>Tuen Mun<br>New Territories<br>Hong Kong             | HK\$2,565,000                                      | 52.4%                              | 1,344,000  |
| 19. 2 Nos. of Residential Units<br>Tsuen Wan Centre<br>No. 88–105<br>Tsuen King Circuit<br>Tsuen Wan<br>New Territories<br>Hong Kong | HK\$4,090,000                                      | 52.4%                              | 2,143,000  |
| <b>Total (HK\$):</b>   | <b>HK\$11,295,000</b>                              |                                    | <b>HK\$5,918,000</b>                                       |

## VALUATION CERTIFICATE

## Group I – Property interests held for investment by the Group in Hong Kong

| No. | Property  | Description and tenure   | Particulars of occupancy   | Capital value in existing state as at 31 July 2012<br>HK\$                  |
|-----|---|--|--|---|
| 1.  | 4 Nos. of Residential Units<br>Amoy Gardens<br>No. 77 Ngau Tau Kok Road<br>Kowloon Bay Kowloon<br>Hong Kong | The property comprises 4 residential units on various floor levels and blocks of Amoy Gardens completed in between the period of 1981 to 1985.   | The property was leased to different independent 3rd parties for residential use purposes. | 11,460,000<br><br>(52.4% interest attributable to the Group: HK\$6,005,000) |
|     | Share of the Lot: (please refer to notes)   | The property has a total gross floor area of approximately 1,821 sq.ft. (169 sq.m.).   |  |   |
|     |   | The property is held by the Government under different type of leases for different terms and conditions and thereafter statutorily extended until 30 June 2047 without premium but subject to a payment of Government Rent which equals to 3% of the rateable value for the time being of the property per annum. |  |   |

*Notes:*

1. Flat No. 4 on 31st Floor of Block H, Phase IIA, Amoy Gardens:
  - i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10033102290067 dated 22 March 2010 for a consideration of HK\$2,080,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to Leung Siu Yin, an independent 3rd party for a term of 2 years commencing from 12 May 2012 and expiring on 11 May 2014 at a monthly rent of HK\$9,000 inclusive of management fee, Government Rent and Rates.
  - iii. 20/24,356th share of Sub-Section 2 of Section F, Section B of Sub-Section 2 of Section D, Section A of Sub-Section 3 of Section D and Sub-Section 4 of Section 4 of Section D of New Kowloon Inland Lot No. 53 and Section C, Sub-Section 1 of Section B and Section A of New Kowloon Inland Lot No. 1482 and Extension Thereto.
  - iv. The gross floor area of this unit is approximately of 484 sq.ft. (45 sq.m.).
2. Flat No. 3 on 34th Floor of Block I, Phase IIA, Amoy Gardens:
  - i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10052601120061 dated 5 May 2010 for a consideration of HK\$2,185,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to Wong Kwan Ying, an independent 3rd party for a term of 2 years commencing from 1 December 2011 and expiring on 30 November 2013 at a monthly rent of HK\$8,700 inclusive of management fee, Government Rent and Rates.

- iii. 20/24,356th share of Sub-Section 2 of Section F, Section B of Sub-Section 2 of Section D, Section A of Sub-Section 3 of Section D and Sub-Section 4 of Section 4 of Section D of New Kowloon Inland Lot No. 53 and Section C, Sub-Section 1 of Section B and Section A of New Kowloon Inland Lot No. 1482 and Extension Thereto.
  - iv. The gross floor area of this unit is approximately of 484 sq.ft. (45 sq.m.).
3. Flat No. 3 on 28th Floor of Block D, Phase I, Amoy Gardens:
- i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10070601900053 dated 18 June 2010 for a consideration of HK\$2,090,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to Chun Kwok Cheung, an independent 3rd party for a term of 2 years commencing from 2 September 2011 and expiring on 1 September 2013 at a monthly rent of HK\$8,350 inclusive of management fee, Government Rent and Rates.
  - iii. 20/43,700th share of Section E, Sub-Section 1 of Section D, Section A of Sub-Section 2 of Section D and Sub-Section 1 of Section F of New Kowloon Inland Lot No. 53.
  - iv. The gross floor area of this unit is approximately of 482 sq.ft. (45 sq.m.).
4. Flat No. 7 on 6th Floor of Block L, Phase III, Amoy Gardens:
- i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 11010400910038 dated 20 December 2010 for a consideration of HK\$1,850,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to Kong Siu Wah, an independent 3rd party for a term of 2 years commencing from 21 June 2012 and expiring on 20 June 2014 at a monthly rent of HK\$7,800 inclusive of management fee, Government Rent and Rates.
  - iii. 13/29,000th share of Section G, The Remaining Portion of Section F, The Remaining Portion of Sub-Section 2 and 3 of Section D and the Remaining Portion of New Kowloon Inland Lot No. 53 and The Remaining Portion of Section B and The Remaining Portion of New Kowloon Inland Lot No. 1482 and the Extension Thereto and Section B and The Remaining Portion of New Kowloon Inland Lot No. 2660.
  - iv. The gross floor area of this unit is approximately of 371 sq.ft. (34 sq.m.).
  - v. According to Hong Kong Rating and Valuation Department, the index which measures the average price of small to medium size residential properties records a 7.65% rise from 184.2 (Q1,2012) to 198.3 (Q2,2012).

## VALUATION CERTIFICATE

| No. | Property  | Description and tenure   | Particulars of occupancy   | Capital value in existing state as at 31 July 2012<br>HK\$                  |
|-----|---|--|--|---|
| 2.  | 5 Nos. of Residential Units<br>Parkland Villas<br>No. 1 Tuen On Lane<br>Tuen Mun<br>New Territories<br>Hong Kong<br><br>660/275,000th shares of The<br>Remaining Portion of Tuen<br>Mun Town Lot<br>No. 377 | The property comprises 5 residential units on various floor levels and blocks of Parkland Villas completed in about 2000.<br><br>The property has a total gross floor area of approximately 2,781 sq.ft. (259 sq.m.).<br><br>The property is held by the Government under New Grant No. 3121 commencing from 6 September 1994 to 30 June 2047. | The property was leased to different independent 3rd parties for residential use purposes. | 11,240,000<br><br>(52.4% interest attributable to the Group: HK\$5,890,000) |

*Notes:*

1. Flat A on 23th Floor of Block 1, Phase I, Parkland Villas:
  - i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10051002790010 dated 30 April 2010 for a consideration of HK\$1,500,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to Suen Wai Hong, an independent 3rd party for a term of 2 years commencing from 17 August 2011 and expiring on 16 August 2013 at a monthly rent of HK\$6,300 inclusive of management fee, Government Rent and Rates.
  - iii. The gross floor area of this unit is approximately of 548 sq.ft. (51 sq.m.).
2. Flat B on 9th Floor of Block 8, Phase II, Parkland Villas:
  - i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10052701140017 dated 12th May 2010 for a consideration of HK\$1,520,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to Chow Chi Choi/Chan Oi Yee, an independent 3rd party for a term of 2 years commencing from 1 December 2011 and expiring on 30 November 2013 at a monthly rent of HK\$6,500 inclusive of management fee, Government Rent and Rates.
  - iii. The gross floor area of this unit is approximately of 555 sq.ft. (52 sq.m.).
3. Flat H on 15th Floor of Block 1, Phase I, Parkland Villas:
  - i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 11012801750048 dated 11 January 2011 for a consideration of HK\$1,825,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to Yip Ka Man, an independent 3rd party for a term of 2 years commencing from 21 February 2012 and expiring on 20 February 2014 at a monthly rent of HK\$6,300 inclusive of management fee, Government Rent and Rates.
  - iii. The gross floor area of this unit is approximately of 548 sq.ft. (51 sq.m.).

4. Flat A on 2nd Floor of Block 8, Phase II, Parkland Villas:
  - i. The registered owner of the property is Singxpress Properties Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 11030301870073 dated 17 February 2011 for a consideration of HK\$1,685,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to Yau San San, an independent 3rd party for a term of 2 years commencing from 10 December 2011 and expiring on 9 December 2013 at a monthly rent of HK\$6,800 inclusive of management fee, Government Rent and Rates.
  - iii. The gross floor area of this unit is approximately of 566 sq.ft. (53 sq.m.).
5. Flat H on 15th Floor of Block 9, Phase II, Parkland Villas:
  - i. The registered owner of the property is Singxpress Properties Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 11041201010045 dated 23 March 2011 for a consideration of HK\$1,795,000.
  - ii. The property was in vacant possession as at the Date of Valuation, in fact, a new tenancy agreement has been signed on 1 August 2012, was leased to Tang Meijiao, an independent 3rd party for a term of 2 years commencing from 15 August 2012 and expiring on 14 August 2014 at a monthly rent of HK\$7,300 inclusive of management fee, Government Rent and Rates.
  - iii. The gross floor area of this unit is approximately of 564 sq.ft. (52 sq.m.).
6. According to Hong Kong Rating and Valuation Department, the index which measures the average price of small to medium size residential properties records a 7.65% rise from 184.2 (Q1,2012) to 198.3 (Q2,2012).

## VALUATION CERTIFICATE

| No. | Property  | Description and tenure  | Particulars of occupancy   | Capital value in existing state as at 31 July 2012<br>HK\$                    |
|-----|---|---|--|---|
| 3.  | 4 Nos. of Residential Units<br>Beneville<br>No. 18 Tuen Kwai Road<br>Tuen Mun<br>New Territories<br>Hong Kong<br><br>3,128/639,793th shares of<br>Tuen Man Town Lot No. 399 | The property comprises 4 residential units on various floor levels and blocks of Beneville completed in about 2004.<br><br>The property has a gross floor area of approximately 2,304 sq.ft. (215 sq.m.).<br><br>The property is held by the Government under New Grant No. 3433 for a term of 50 years commencing from 1 March 2002. | The property was leased to different independent 3rd parties for residential use purposes. | 9,750,000<br><br>(52.4% interest attributable to the Group:<br>HK\$5,109,000) |

*Notes:*

1. Flat H on 15th Floor of Block 5, Beneville:
  - i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10051102010092 dated 23 April 2010 for a consideration of HK\$1,700,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to Wong Ha/Huang Zhiyong, an independent 3rd party for a term of 2 years commencing from 8 October 2011 and expiring on 7 October 2013 at a monthly rent of HK\$7,350 inclusive of management fee, Government Rent and Rates.
  - iii. The gross floor area of this unit is approximately of 578 sq.ft. (54 sq.m.).
2. Flat A on 15th Floor of Block 1, Beneville:
  - i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10092000780020 dated 31 January 2010 for a consideration of HK\$1,830,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to Lo Kwong Yung, an independent 3rd party for a term of 2 years commencing from 15 January 2011 and expiring on 14 January 2013 at a monthly rent of HK\$7,200 inclusive of management fee, Government Rent and Rates.
  - iii. The gross floor area of this unit is approximately of 577 sq.ft. (54 sq.m.).
3. Flat C on 6th Floor of Block 3, Beneville:
  - i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10071501450072 dated 18 June 2010 for a consideration of HK\$1,700,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to 錢燦飛, an independent 3rd party for a term of 2 years commencing from 4 August 2011 and expiring on 3 August 2013 at a monthly rent of HK\$7,300 inclusive of management fee, Government Rent and Rates.
  - iii. The gross floor area of this unit is approximately of 571 sq.ft. (53 sq.m.).

4. Flat E on 23th Floor of Block 3, Beneville:
  - i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 11042700970035 dated 31 March 2011 for a consideration of HK\$2,043,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to Chan Chun Yin, an independent 3rd party for a term of 2 years commencing from 1 June 2011 and expiring on 31 May 2013 at a monthly rent of HK\$7,300 inclusive of management fee, Government Rent and Rates.
  - iii. The gross floor area of this unit is approximately of 578 sq.ft. (54 sq.m.).
5. According to Hong Kong Rating and Valuation Department, the index which measures the average price of small to medium size residential properties records a 7.65% rise from 184.2 (Q1,2012) to 198.3 (Q2,2012).

## VALUATION CERTIFICATE

| No. | Property   | Description and tenure  | Particulars of occupancy   | Capital value in existing state as at 31 July 2012<br>HK\$                 |
|-----|--|---|--|--|
| 4.  | 2 Nos. of Residential Units<br>Affluence Garden (PSPS 10B)<br>No. 33 Tsing Chung Koon Road<br>Tuen Mun<br>New Territories<br>Hong Kong<br><br>84/113,080th<br>share of<br>Tuen Mun Town<br>Lot No. 246 | The property comprises 2 residential units on various floor levels and blocks of Affluence Garden completed in about 1989.<br><br>The property has a gross floor area of approximately 1,015 sq.ft. (94 sq.m.).<br><br>The property is held by the Government under New Grant No. 2776 commencing from 9 February 1987 to 30 June 2047. | The property was leased to different independent 3rd parties for residential use purposes. | 3,290,000<br><br>(52.4% interest attributable to the Group: HK\$1,724,000) |

*Notes:*

1. Unit J on 35th Floor of Block 4 (Pacific House), Affluence Garden:
  - i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10061001030015 dated 28 May 2010 for a consideration of HK\$1,098,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to Lam Chi Keung, an independent 3rd party for a term of 2 years commencing from 8 March 2012 and expiring on 7 March 2014 at a monthly rent of HK \$5,300 inclusive of management fee, Government Rent and Rates.
  - iii. The gross floor area of this unit is approximately of 482 sq.ft. (45 sq.m.).
2. Unit A on 4th Floor of Block 1 (Prosperland House), Affluence Garden:
  - i. The registered owner of the property is Singxpress Properties Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 11042001420049 dated 29 March 2011 for a consideration of HK\$1,388,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to Cheung Kit Ming, an independent 3rd party for a term of 2 years commencing from 28 July 2012 and expiring on 27 July 2014 at a monthly rent of HK\$6,300 inclusive of management fee, Government Rent and Rates.
  - iii. The gross floor area of this unit is approximately of 533 sq.ft. (49 sq.m.).
3. According to Hong Kong Rating and Valuation Department, the index which measures the average price of small to medium size residential properties records a 7.65% rise from 184.2 (Q1,2012) to 198.3 (Q2,2012).

## VALUATION CERTIFICATE

| No. | Property   | Description and tenure   | Particulars of occupancy   | Capital value in existing state as at 31 July 2012<br>HK\$                  |
|-----|--|--|--|---|
| 5.  | 9 Nos. of Residential Units<br>Tsuen Wan Centre<br>Nos. 88–105 Tsuen King Circuit<br>Tsuen Wan<br>New Territories<br>Hong Kong | The property comprises 9 residential units on various floor levels and blocks of Tsuen Wan Centre completed in between the period of 1980 to 1981.   | The property was leased to different independent 3rd parties for residential use purposes. | 18,770,000<br><br>(52.4% interest attributable to the Group: HK\$9,835,000) |
|     | Share of the Lot: (please refer to notes)  | The property has a gross floor area of approximately 3,942 sq.ft. (366 sq.m.).   |  |   |
|     |  | The property is held by the Government under New Grant No. 5026 for a lease term of 99 years commencing from 1 July 1898 and thereafter statutorily extended until 30 June 2047 without premium but subject to a payment of Government Rent which equals to 3% of the rateable value for the time being of the property per annum. |  |   |

*Notes:*

1. Flat G on 22nd Floor of Block 3 (Hangchow House) Tsuen Wan Centre:
  - i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10062301620036 dated 8 June 2010 for a consideration of HK\$1,475,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to Yung Siu Wai, an independent 3rd party for a term of 2 years commencing from 24 September 2011 and expiring on 23 September 2013 at a monthly rent of HK\$7,350 inclusive of management fee, Government Rent and Rates.
  - iii. 23/55,500th share of Section B, D, F and G of Tsuen Wan Town Lot No. 220.
  - iv. The gross floor area of this unit is approximately of 486 sq.ft. (45 sq.m.).
2. Flat D on 15th Floor of Block 4 (Soochow House) Tsuen Wan Centre:
  - i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10070201410039 dated 15 June 2010 for a consideration of HK\$1,318,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to Chu Ping Yung, an independent 3rd party for a term of 2 years commencing from 1 September 2011 and expiring on 31 August 2013 at a monthly rent of HK\$6,300 inclusive of management fee, Government Rent and Rates.
  - iii. 19/55,500th share of Section B, D, F and G of Tsuen Wan Town Lot No. 220.
  - iv. The gross floor area of this unit is approximately of 413 sq.ft. (38 sq.m.).

- v. Pursuant to the Sales & Purchase Agreement dated 4 August 2012, the property has been contracted to be sold by SingXpress to Chan Sze Ming, an independent 3rd party for a consideration of HK\$2,098,000 and the completion date will be held on 4 October 2012.
3. Flat B on 24th Floor of Block 17 (Taiyuan House) Tsuen Wan Centre:
- i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10061801070040 dated 3 June 2010 for a consideration of HK\$1,568,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to Napoles, Baltazai Plafino, an independent 3rd party for a term of 2 years commencing from 3 August 2011 and expiring on 2 August 2013 at a monthly rent of HK\$8,000 inclusive of management fee, Government Rent and Rates.
  - iii. 7/20,000th share of Section A, C, E and the Remaining Portion of Tsuen Wan Town Lot No. 220.
  - iv. The gross floor area of this unit is approximately of 490 sq.ft. (46 sq.m.).
4. Flat A on 29th Floor of Block 12 (Hangyang House) Tsuen Wan Centre:
- i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10062200920040 dated 1 June 2010 for a consideration of HK\$1,518,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to Wong Ka Hung, Dennis, an independent 3rd party for a term of 2 years commencing from 11 December 2011 and expiring on 10 December 2013 at a monthly rent of HK\$7,400 inclusive of management fee, Government Rent and Rates.
  - iii. 6/20,000th share of Section A, C, E and the Remaining Portion of Tsuen Wan Town Lot No. 220.
  - iv. The gross floor area of this unit is approximately of 404 sq.ft. (38 sq.m.).
5. Flat H on 21st Floor of Block 6 (Chungking House) Tsuen Wan Centre:
- i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10062401270049 dated 10 June 2010 for a consideration of HK\$1,380,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to Lo Wai Mun, an independent 3rd party for a term of 2 years commencing from 15 August 2011 and expiring on 14 August 2013 at a monthly rent of HK\$6,650 inclusive of management fee, Government Rent and Rates.
  - iii. 19/55,500th share of Section B, D, F and G of Tsuen Wan Town Lot No. 220.
  - iv. The gross floor area of this unit is approximately of 413 sq.ft. (38 sq.m.).
6. Flat A on 27th Floor of Block 3 (Hangchow House) Tsuen Wan Centre:
- i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10071300760037 dated 14 June 2010 for a consideration of HK\$1,368,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to Ho Chung, an independent 3rd party for a term of 2 years commencing from 25 December 2011 and expiring on 24 December 2013 at a monthly rent of HK\$6,400 inclusive of management fee, Government Rent and Rates.
  - iii. 19/55,500th share of Section B, D, F and G of Tsuen Wan Town Lot No. 220.

- iv. The gross floor area of this unit is approximately of 413 sq.ft. (38 sq.m.).
7. Flat H on 17th Floor of Block 3 (Hangchow House) Tsuen Wan Centre:
  - i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10072001240098 dated 23 June 2010 for a consideration of HK\$1,325,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to Chan Man Yi, Judy, an independent 3rd party for a term of 2 years commencing from 1 January 2012 and expiring on 31 December 2013 at a monthly rent of HK\$7,100 inclusive of management fee, Government Rent and Rates.
  - iii. 19/55,500th share of Section B, D, F and G of Tsuen Wan Town Lot No. 220.
  - iv. The gross floor area of this unit is approximately of 413 sq.ft. (38 sq.m.).
8. Flat G on 14th Floor of Block 18 (Tsinan House) Tsuen Wan Centre:
  - i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10071501450011 dated 30 June 2010 for a consideration of HK\$1,520,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to 劉偉民, an independent 3rd party for a term of 2 years commencing from 1 January 2012 and expiring on 31 December 2013 at a monthly rent of HK\$6,350 inclusive of management fee, Government Rent and Rates.
  - iii. 7/20,000th share of Section A, C and E and the Remaining Portion of Tsuen Wan Town Lot No. 220.
  - iv. The gross floor area of this unit is approximately of 490 sq.ft. (46 sq.m.).
9. Flat D (Include the Roof) on 33rd Floor of Block 14 (Chengdu House) Tsuen Wan Centre:
  - i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10071601790020 dated 2 July 2010 for a consideration of HK\$1,500,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to Wong Shuk Yee, an independent 3rd party which commencing from 30 December 2011 and expiring on 29 November 2013 at a monthly rent of HK\$7,100 inclusive of management fee, Government Rent and Rates.
  - iii. 7/20,000th share of Section A, C and E and the Remaining Portion of Tsuen Wan Town Lot No. 220.
  - iv. The gross floor area of this unit is approximately of 420 sq.ft. (39 sq.m.).
10. According to Hong Kong Rating and Valuation Department, the index which measures the average price of small to medium size residential properties records a 7.65% rise from 184.2 (Q1,2012) to 198.3 (Q2,2012).

## VALUATION CERTIFICATE

| No. | Property   | Description and tenure  | Particulars of occupancy  | Capital value in existing state as at 31 July 2012<br>HK\$                 |
|-----|--|---|---|--|
| 6.  | Flat E on 15th Floor Block A<br>Tsuen Tak Gardnes<br>No. 208 Tsuen King Circuit<br>Tsuen Wan<br>New Territories<br>Hong Kong | The property comprises one of the eight residential units on the 15th floor of a 31-storey residential building completed in about 1986.<br><br>The property has a gross floor area of approximately 427 sq.ft. (40 sq.m.).<br><br>The property is held by the Government under New Grant No. 6276 for a lease term of 99 years commencing from 1 July 1898 and thereafter statutorily extended until 30 June 2047 without premium but subject to a payment of Government Rent which equals to 3% of the rateable value for the time being of the property per annum. | The property was leased to an independent 3rd party for residential use purposes. | 1,930,000<br><br>(52.4% interest attributable to the Group: HK\$1,011,000) |
|     | 22/31,100th share of Tsuen Wan Town Lot No. 297  |   |   |  |

*Notes:*

1. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10072800790058 dated 30 June 2010 for a consideration of HK\$1,360,000.
2. Pursuant to the tenancy agreement, the property was leased to Wang Yi, an independent 3rd party for a term of 2 years commencing from 10 January 2011 and expiring on 9 January 2013 at a monthly rent of HK\$6,600 inclusive of Government rates and management fee.
3. According to Hong Kong Rating and Valuation Department, the index which measures the average price of small to medium size residential properties records a 7.65% rise from 184.2 (Q1,2012) to 198.3 (Q2,2012).

## VALUATION CERTIFICATE

| No. | Property   | Description and tenure  | Particulars of occupancy  | Capital value in existing state as at 31 July 2012<br>HK\$                 |
|-----|--|---|---|--|
| 7.  | Flat G8 on 29th Floor Block G Tak Bo Garden<br>No. 3 Ngau Tau Kok Road<br>Kowloon Bay<br>Kowloon<br>Hong Kong<br><br>35/122,000th share of Section A and the Remaining Portion of New Kowloon Inland Lot No. 2695 and New Kowloon Inland Lot No. 1969 and the Remaining Portion of New Kowloon Inland Lot No. 2699 and the Extension Thereto | The property comprises one of the eight residential units on the 29th floor of a 35-storey residential building completed in about 1984.<br><br>The property has a gross floor area of approximately 343 sq.ft. (32 sq.m.).<br><br>The property is held by the Government under Government Lease and Condition of Sale Nos. 3930 and 3948 for a lease term of 75 years renewed for a further term of 24 years commencing from 1 July 1898 and thereafter statutorily extended until 30 June 2047 without premium but subject to a payment of Government Rent which equals to 3% of the rateable value for the time being of the property per annum. | The property was leased to an independent 3rd party for residential use purposes. | 2,070,000<br><br>(52.4% interest attributable to the Group: HK\$1,085,000) |

*Notes:*

1. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10070601900024 dated 8 June 2010 for a consideration of HK\$1,363,000.
2. Pursuant to the tenancy agreement, the property was leased to Lam Chi Chuen, an independent 3rd party for a term of 2 years from 15 November 2011 to 14 November 2013 at a monthly rent of HK\$6,600 inclusive of management fee, Government Rent and Rates.
3. According to Hong Kong Rating and Valuation Department, the index which measures the average price of small to medium size residential properties records a 7.65% rise from 184.2 (Q1,2012) to 198.3 (Q2,2012).

## VALUATION CERTIFICATE

| No. | Property   | Description and tenure   | Particulars of occupancy  | Capital value in existing state as at 31 July 2012<br>HK\$                 |
|-----|--|--|---|--|
| 8.  | Flat H on 18th Floor<br>Block B Shaukiwan Centre<br>No. 7 Factory Street<br>Shau Kei Wan<br>Hong Kong  | The property comprises one of the eight residential units on the 18th floor of a 22-storey residential building completed in about 1982. | The property was leased to an independent 3rd party for residential use purposes.   | 2,730,000<br><br>(52.4% interest attributable to the Group: HK\$1,431,000) |
|     | 8/6,224th share of the Remaining Portion of Sub-Section 1 of Section A, Sub-Section 2 of Section A and the Remaining Portion of Section A of Shaukiwan Lot No. 104 | The property has a gross floor area of approximately 378 sq.ft. (35 sq.m.).  | The property is held by the Government under Government Lease for a lease term of 999 years commencing from 3 January 1860. |  |

*Notes:*

1. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10071201250044 dated 15 June 2010 for a consideration of HK\$1,852,200.
2. Pursuant to the tenancy agreement, the property was leased to Chan Wai Hong, an independent 3rd party for a term of 2 years commencing from 10 October 2011 to 9 October 2013 at a monthly rent of HK\$8,400 inclusive of management fee, Government Rent and Rates.
3. According to Hong Kong Rating and Valuation Department, the index which measures the average price of small to medium size residential properties records a 7.65% rise from 184.2 (Q1,2012) to 198.3 (Q2,2012).

## VALUATION CERTIFICATE

| No. | Property   | Description and tenure   | Particulars of occupancy  | Capital value in existing state as at 31 July 2012<br>HK\$                    |
|-----|--|--|---|---|
| 9.  | Flat C on 10th Floor with Balcony and Utility Platform<br>The Platinum<br>No. 76A Fa Yuen Street<br>Mongkok<br>Kowloon Hong Kong<br><br>21/3,000th share of the Remaining<br>Portion of Kowloon<br>Inland Lot No. 3102 | The property comprises one of the four residential units on the 20th floor of a 18-storey residential building completed in about 2004.<br><br>The property has a gross floor area of approximately 347 sq.ft. (32 sq.m.).<br><br>The property is held by the Government under Government Lease for a lease term of 75 years renewed for a further term of 75 years commencing from 24 March 1923. | The property was leased to an independent 3rd party for residential use purposes. | 2,240,000<br><br>(52.4% interest attributable to the Group:<br>HK\$1,174,000) |

*Notes:*

1. The registered owner of the property is Singxpress Properties Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 11040400770031 dated 15 March 2011 for a consideration of HK\$1,950,000.
2. Pursuant to the tenancy agreement, the property was leased to To Yuk Yin, an independent 3rd party for a term of 2 years commencing from 1 November 2011 and expiring on 31 October 2013 at a monthly rent of HK\$7,750 inclusive of management fee, Government Rent and Rates.
3. According to Hong Kong Rating and Valuation Department, the index which measures the average price of small to medium size residential properties records a 7.65% rise from 184.2 (Q1,2012) to 198.3 (Q2,2012).

## VALUATION CERTIFICATE

| No. | Property   | Description and tenure  | Particulars of occupancy  | Capital value in existing state as at 31 July 2012<br>HK\$                    |
|-----|--|---|---|---|
| 10. | Flat H on 11th Floor Tower 8<br>Tai Hing Gardens<br>Phase II<br>No. 8 Ho Hing Circuit<br>Tuen Mun<br>New Territories<br><br>47/168,000th share of the<br>Remaining Portion of Tuen<br>Mun Town Lot No. 310 | <p>The property comprises one of the eight residential units on the 11th floor of a 34-storey residential building completed in about 1994.</p> <p>The property has a gross floor area of approximately 535 sq.ft. (50 sq.m.).</p> <p>The property is held by the Government under Government Lease for a lease term of 99 years commencing from 1 July 1898.</p> | The property was leased to an independent 3rd party for residential use purposes. | 1,960,000<br><br>(52.4% interest attributable to the Group:<br>HK\$1,027,000) |

*Notes:*

- The registered owner of the property is Singxpress Properties Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 11051801750036 dated 15 March 2011 for a consideration of HK\$1,795,000.
- Pursuant to the tenancy agreement, the property was leased to Cheung Ching Lim, an independent 3rd party for a term of 2 years commencing from 25 August 2011 and expiring on 24 August 2013 at a monthly rent of HK\$6,750 inclusive of management fee, Government Rent and Rates.
- According to Hong Kong Rating and Valuation Department, the index which measures the average price of small to medium size residential properties records a 7.65% rise from 184.2 (Q1,2012) to 198.3 (Q2,2012).

## VALUATION CERTIFICATE

## Group II – Property interests held for investment by the Group in Singapore

| No. | Property  | Description and tenure  | Particulars of occupancy  | Capital value in existing state as at 31 July 2012<br>S\$                           |
|-----|---|---|---|---|
| 11. | No.883 North Bridge Road<br>5 Nos. of Home Office Units<br>on Various Floor Southbank<br>Singapore 198785 | The property comprises 5 nos.<br>of home office units on various<br>floor levels of a 20-storey home<br>office building completed in<br>about 2010.<br><br>As advised by the Group, the<br>property has a lettable area of<br>approximately 6,028 sq.ft. (560<br>sq.m.) and the breakdown of<br>areas are set out in below (see<br>Note).<br><br>The property is held by the<br>Singapore Government under<br>leasehold for a lease term of 99<br>years commencing from 27<br>January 2006. | The occupancy<br>statuses are set<br>out in below (see<br>Notes). | 11,269,000<br><br>(52.4% interest<br>attributable to<br>the Group:<br>S\$5,905,000) |

*Notes:*

1. No. 883 North Bridge Road, #07-01, Singapore 198785
  - i. The registered owner of the property is Singxpress Capital Pte. Ltd. (an indirect wholly-owned subsidiary of SingXpress).
  - ii. Pursuant to the tenancy agreement, the property was leased to Dodwell & Co, an independent 3rd party for a term of 2 years commencing from 1 October 2011 and expiring on 30 September 2013 at a monthly rent of S\$4,996.90 inclusive of maintenance charges and GST.
  - iii. The lettable area of this unit is approximately 110 sq.m..
2. No. 883 North Bridge Road, #07-02, Singapore 198785
  - i. The registered owner of the property is Singxpress Capital Pte. Ltd. (an indirect wholly-owned subsidiary of SingXpress).
  - ii. Pursuant to the tenancy agreement, the property was leased to Dodwell & Co, an independent 3rd party for a term of 2 years commencing from 1 October 2011 and expiring on 30 September 2013 at a monthly rent of S\$4,996.90 inclusive of maintenance charges and GST.
  - iii. The lettable area of this unit is approximately 82 sq.m..

3. No. 883 North Bridge Road, #09-01, Singapore 198785
  - i. The registered owner of the property is Singxpress Capital Pte. Ltd. (an indirect wholly-owned subsidiary of SingXpress).
  - ii. Pursuant to the tenancy agreement, the property was leased to Okilabs Pte Ltd, an independent 3rd party for a term of 2 years commencing from 15 March 2011 and expiring on 14 March 2013 at a monthly rent of S\$4,672.90 inclusive of service charges but exclusive of GST.
  - iii. The lettable area of this unit is approximately 110 sq.m..
4. No. 883 North Bridge Road, #09-05, Singapore 198785
  - i. The registered owner of the property is Singxpress Capital Pte. Ltd. (an indirect wholly-owned subsidiary of SingXpress).
  - ii. Pursuant to the tenancy agreement, the property was leased to Erideon Private Ltd, an independent 3rd party for a term of 2 years commencing from 1 November 2011 and expiring on 31 October 2013 at a monthly rent of S\$6,700.00 inclusive of maintenance charges/service fees and prevailing GST.
  - iii. The lettable area of this unit is approximately 148 sq.m..
5. No. 883 North Bridge Road, #17-01, Singapore 198785
  - i. The registered owner of the property is Singxpress Capital Pte. Ltd. (an indirect wholly-owned subsidiary of SingXpress).
  - ii. Pursuant to the tenancy agreement, the property was leased to Imaginings Pte Ltd, an independent 3rd party for a term of 3 years commencing from 1 May 2011 and expiring on 30 April 2014 at a monthly rent of S\$6,150.00 inclusive of maintenance charges but exclusive of GST.
  - iii. The lettable area of this unit is approximately 110 sq.m..
6. The property was last inspected by Raymond C.C. Chan – Curtin University of Technology, Sydney, Bachelor of Commerce, assistant valuer of Avista Valuation Advisory Limited on 13 July 2012.
7. According to Singapore Urban Redevelopment Authority, the index which measures the average price of offices is almost unmoved. It ranges from 125.7 (Q1,2012) to 124.5 (Q2,2012).

## VALUATION CERTIFICATE

| No. | Property  | Description and tenure  | Particulars of occupancy  | Capital value in existing state as at 31 July 2012<br>S\$                    |
|-----|---|---|---|--|
| 12. | No. 8 Eu Tong Sen Street<br>#23-81<br>The Centre Singapore 059818 | <p>The property comprises an office unit on 23rd Floor of an office building completed in about 2007.</p> <p>The property has a lettable area of approximately 111 sq.m. (1,194.80 sq.ft.).</p> <p>The property is held by the Singapore Government under leasehold for a lease term of 99 years commencing from 21 January 2001.</p> | The property was leased to an independent 3rd party for office use purpose. | 2,810,000<br><br>(52.4% interest attributable to the Group:<br>S\$1,472,000) |

*Notes:*

- The registered owner of the property is Singxpress Capital Pte. Ltd. (an indirect wholly-owned subsidiary of SingXpress).
- Pursuant to the tenancy agreement, the property was leased to Global Intelligence Alliance Asia-Pacific Pte Ltd, an independent 3rd party for a term of 1 year from 21 June 2012 to 20 June 2013 at a monthly rent of S\$10,616.80 inclusive of maintenance charges but exclusive of GST.
- The property was last inspected by Raymond C.C. Chan – Curtin University of Technology, Sydney, Bachelor of Commerce, assistant valuer of Avista Valuation Advisory Limited on 13 July 2012.
- According to Singapore Urban Redevelopment Authority, the index which measures the average price of offices is almost unmoved. It ranges from 125.7 (Q1,2012) to 124.5 (Q2,2012).

## VALUATION CERTIFICATE

## Group III – Property interests held under development by the Group in Singapore

| No. | Property   | Description and tenure  | Particular of occupancy                       | Capital value in existing state as at 31 July 2012<br>S\$                       |
|-----|--|---|---|---|
| 13. | Charlton Residences<br>No. 1 Charlton Road,<br>Singapore 539548<br><br>(Land Lot No. MK22-3283C) | The property comprises a parcel of land with a total site area of approximately 3,173 sq.m. and the basement floor level which was being constructed thereon as at the date of valuation.<br><br>As advised by the Group that the property is to be completed in October 2013. Upon completion, the property will be developed into cluster house type residential development with 21 strata units, the total gross floor area of approximately 5,756 sq.m.<br><br>The total construction cost is estimated to be approximately S\$13,000,000, of which S\$2,880,000 had been paid as at the date of valuation.<br><br>The land lot of property is currently held under a freehold interest. | The property is currently under construction. | 34,000,000<br><br>(41.92% interest attributable to the Group:<br>S\$14,253,000) |

*Notes:*

1. The registered owner of the property is Charlton Residences Pte Ltd., a JV Company 80% owned by SingXpress Land Ltd and 20% owned by ACT Seaview Homes Pte Ltd.
2. The transaction of property has been completed with the consideration of S\$21,400,000.
3. The capital value of the property, as if completed as at the date of valuation under the development proposals as described above and which can be freely transferred in the market, would be S\$59,600,000.
4. As advised by the Group that 100% of the property with a total gross floor area of approximately 5,765 sq.m. have been pre-sold to various third parties for a total consideration of S\$59,600,000 but have not been handed over to the purchasers. In arriving at our opinion of the capital value of the property, we have taken into account the contracted prices of the pre-sold units.
5. Pursuant to the Master Plan 2008 published by Urban Redevelopment Authority of Singapore Government, the subject lot has been planned for 3-storey mixed landed of residential use.
6. The property was last inspected by Raymond C.C. Chan – Curtin University of Technology, Sydney, Bachelor of Commerce, assistant valuer of Avista Valuation Advisory Limited on 13 July 2012.
7. According to Singapore Urban Redevelopment Authority, the index which measures the average price of similar Singapore residential properties comparable to the properties being appraised is slightly increased from 198.1 (Q1,2012) to 199.0 (Q2,2012).

## VALUATION CERTIFICATE

## Group IV – Property interests held for future development by the Group in Singapore

| No. | Property   | Description and tenure   | Particular of occupancy                                    | Capital value in existing state as at 31 July 2012<br>S\$                    |
|-----|--|--|--|--|
| 14. | A parcel of land located at No. 235 Balestier Road, Singapore 239699<br><br>(Land Lot No. 99T-TS-29) | <p>The property comprises a parcel of land with a total site area of approximately 1,057.6 sq.m. which is planned to be developed.</p> <p>A 20-storey apartment with 50 residential units development (namely called Singxpress Mansions) is planned to be constructed thereon.</p> <p>As advised by the Group that the development is scheduled to be commenced in March 2013 and completed in November 2015. Upon completion, the development will have a total gross floor area of approximately 2,961 sq.m..</p> <p>The total construction cost is estimated to be approximately S\$14,000,000.</p> <p>The land lot of property is currently held under a freehold interest.</p> | As at the date of valuation, the property was a bare land. | 23,030,000<br><br>(47.16% interest attributable to the Group: S\$10,861,000) |

*Notes:*

- The registered owner of the property is Corporate Residence Pte Ltd., 90% owned by SingXpress Land Ltd.
- The transaction of property has been completed with the consideration of S\$21,000,000.
- As informed by the Company, the property is currently under design stage, therefore, the gross floor area of approximately 31,874 sq.m. will be subjected to the final plan of approval.
- Pursuant to the Master Plan 2008 published by Urban Redevelopment Authority of Singapore Government, the subject lot has been planned for residential uses with 2.8 max plot ratio and 36-storey building height restriction.
- The property was last inspected by Raymond C.C. Chan – Curtin University of Technology, Sydney, Bachelor of Commerce, assistant valuer of Avista Valuation Advisory Limited on 13 July 2012.
- According to Singapore Urban Redevelopment Authority, the index which measures the average price of similar Singapore residential properties comparable to the properties being appraised is slightly increased from 198.1 (Q1,2012) to 199.0 (Q2,2012).

## VALUATION CERTIFICATE

| No. | Property  | Description and tenure   | Particular of occupancy                                    | Capital value in existing state as at 31 July 2012<br>S\$                     |
|-----|---|--|--|---|
| 15. | A parcel of land located at Pasir Ris Drive 1, Pasir Ris Central, Singapore<br><br>(Land Lot No. 2838T) | <p>The property comprises a parcel of land with a total site area of approximately 16,388.2sq.m. which is planned to be developed.</p> <p>As proposed residential public housing development under the DBSS Project planned to be constructed thereon.</p> <p>As advised by the Group that the development is scheduled to be commenced in October 2012 and completed in October 2015.</p> <p>The total construction cost is estimated to be approximately S\$87,500,000.</p> <p>The land lot is held under Republic of Singapore Lease No. 28158 (the "Lease") for term of 103 years from 31 August 2011.</p> | As at the date of valuation, the property was a bare land. | 135,200,000<br><br>(41.92% interest attributable to the Group: S\$56,676,000) |

*Notes:*

1. The registered owner of the property is SingXpress Kaylim Pte Ltd., a JV Company 80% owned by SingXpress Land (Pasir Ris) Ltd. (a wholly owned subsidiary of SingXpress Land Ltd.) and 20% owned by Kay Lim Holdings Pte. Ltd.
2. The transaction of property has been completed with the consideration of S\$123,880,000.
3. Pursuant to the Lease, there are few main clauses under the terms and conditions of the DBSS Project:
  - i. The property shall be developed in accordance with the prevailing planning act;
  - ii. The DBSS Project completion period shall be within 48 months from the date of acceptance of tender; and
  - iii. A permissible total gross floor area not exceeding 40,970 sq.m. but not less than 36,873 sq.m. (the "allowable GFA") shall be inclusive of 1. a child-care centre with a total gross floor area of 500 sq.m.; 2. all facilities ancillary to the development; and 3. a car park with 439 car park lots and 63 motorcycle lots.
4. As informed by the Company, the property is currently under design stage, therefore, the gross floor area of only in approximate and will be subjected to the final plan of approval.
5. Pursuant to the Master Plan 2008 published by Urban Redevelopment Authority of Singapore Government, the subject lot has been planned for residential uses only.

6. The property was last inspected by Raymond C.C. Chan, assistant valuer of Avista Valuation Advisory limited on 13 July 2012.
7. The definition of the capitalized terms on the above paragraph as follows:
  - i. DBSS Project – the jointly participated in a tender bid relating to the Singapore public housing sector of the DBSS for the Acquisition of the Land under the DBSS; and
  - ii. DBSS – the Singapore public housing sector of the Design, Build and Sell Scheme.
8. The property was last inspected by Raymond C.C. Chan – Curtin University of Technology, Sydney, Bachelor of Commerce, assistant valuer of Avista Valuation Advisory Limited on 13 July 2012.
9. According to Singapore Urban Redevelopment Authority, the index which measures the average price of similar Singapore residential properties comparable to the properties being appraised is slightly increased from 198.1 (Q1,2012) to 199.0 (Q2,2012).

## VALUATION CERTIFICATE

| No. | Property   | Description and tenure  | Particular of occupancy                                     | Capital value in existing state as 31 July 2012<br>S\$ |
|-----|--|---|---|--|
| 16. | A parcel of land located at Tampines Central 7/<br>Tampines Avenue 7/<br>Tampines Avenue 9<br>Singapore<br>(the "Land")<br><br>(Land Lot No. 2911V/MK29) | <p>The property comprises a parcel of land which located at the junction of Tampines Central 7, Tampines Avenue 7 and Tampines Avenue 9 within Tampines with a total site area of approximately 20,750.5 sq.m.</p> <p>As advised by the Group that a proposed residential public housing development under the EC Project will be developed on the property with a maximum total gross floor area of approximately 58,101.4 sq.m. and the estimated cost construction is approximately S\$140,000,000, subject to the final approval of the development plan by the Government.</p> <p>The property will be held under a lease term of 99 years which is subject to the terms and conditions to be set out by the Singapore Government.</p> | As at the dates of valuation, the property was a bare land. | No commercial value                                    |

*Notes:*

1. According to the information provided by the Group that on 10 May 2012, SPDPL, CIPL and KLRPL have jointly participated in a tender relating to the EC Project and received the provisional tender results on the same date. The property has been awarded to SPDPL, CIPL and KLRPL on 14 May 2012. The acquisition price (the "Price") for the property is S\$233,525,655. SPDPL, CIPL and KLRPL will participate in the joint acquisition and development of the EC Project through the JV Company.
  - i. SPDPL is a wholly owned subsidiary of SingXpress Land Ltd which is an indirect 52.40% owned subsidiary of the Company, the shares of which are listed on the SGX-ST.
  - ii. CIPL is an independent third party.
  - iii. KLRPL is a 90% owned subsidiary of Kay Lim Holdings Ltd which is a company incorporated in Singapore with limited liability and owned by Mr. Tng who is a director of SKLPL is an indirect 80% owned subsidiary of SingXpress Land Ltd.

2. Pursuant to the tender document prepared by the Singapore Housing & Development Board (the "Tender Document") that the permitted use of the property is for residential purposes for Public Housing Development in the Republic of Singapore under the Executive Condominium Housing Scheme Act (Cap 99A) 1997 Revised Edition and the regulations thereunder, as outlined on the Certified Plan No. 85312.
3. Pursuant to the Tender Document, there are few main clauses under the terms and conditions of the EC Project:
  - i. The said Land shall be developed in accordance with plans approved or to be approved by the Competent Authority under the prevailing edition of the Planning Act (Chapter 232) for the purpose of Executive Condominium Housing Development;
  - ii. The EC Project completion period shall be within 48 months from the date of acceptance of tender;
  - iii. A permissible total gross floor area not exceeding 58,101.4 sq.m. but not less than 52,291.26 sq.m. (the "allowable GFA"); and
  - iv. Based on the site area of 20,750.5 sq.m., the permissible Gross Plot Ratio shall not exceed 2.8.
  - v. The Successful Tenderer or the approved developer may be required to divert some existing utility services such as pipes, cables, etc including, drains (opened or concealed), and the cost of such diversion (if any) shall be borne by the Successful Tenderer or the approved developer and shall be paid by him forthwith on demand to the Public Utilities Board, PowerGrid Ltd or other relevant competent authorities.
  - vi. The proposed development shall be subjected to a technical height control of 53m to 63m AMSL, as shown indicatively in the Control Plan.
4. As at the date of valuation, the property has not been assigned to the Group and thus the title of the property has not been vested in the Group. Therefore, we have attributed no commercial value to the property. However, for reference purpose, we are of the opinion that the capital value of the property as at the dates of valuation would be S\$240,530,000 (15.72% interest attributable to the Group: S\$37,811,316), on condition that the property is assuming the relevant title certificates have been obtained by the Group and the Group is entitled to freely transfer, lease, mortgage or otherwise dispose of the property.
5. Pursuant to the payment terms of the Tender Document, the entire amount of the Price is required to be paid in accordance with the following schedule:
  - i. Tender Deposit, being S\$11,701,590 paid at submission of the Tender;
  - ii. S\$46,679,823.75, being 25% of the Price (less Tender Deposit) to be paid within twenty-eight (28) days of the date of acceptance of the tender; and
  - iii. S\$175,144,241.25, being 75% of the Price to be paid within ninety (90) days of the date of acceptance of the tender.
6. Pursuant to the Amendments to Master Plan 2008 published by Urban Redevelopment Authority of Singapore Government, the subject lot has been planned from Reserve Site to Residential Zone (approved on 23 May 2012).
7. The property was last inspected by Raymond C. C. Chan – Curtin University of Technology, Sydney, Bachelor of Commerce assistant valuer of Avista Valuation Advisory Limited on 13 July 2012.
8. We have confirmed with the Company that there was no material difference between the dates of valuation and the date of inspection.

9. The definition of the capitalized terms on the above paragraph as follows:
- i. Competent Authority – Included but not limited to Singapore Housing & Development Board (HDB) and all related authorities.
  - ii. Public Utilities Board (PUB) – A statutory board of the Ministry of the Environment and Water Resources under the Government of Singapore. PUB was set up to ensure the supply of water in Singapore.
  - iii. PowerGrid Ltd. – A member of Singapore Power Group, manages Singapore’s electricity and gas transmission and distribution networks. It uses cutting-edge technology to deliver highly reliable and efficient energy supply to industrial, commercial and residential customers.
  - iv. Control Plan – Special & Detailed Controls Plans, Building Height Plan and Areas with special height controls are depicted on the plan controls by the Urban Redevelopment Authority, Singapore.
10. Market information:
- (i) According to the Singapore Urban Redevelopment Authority publication of Property Market Information 2nd quarter 2012, the vacancy rate of the Executive Condominiums was only 0.4%, the lowest figures appears since 2nd quarter of 2010.
  - (ii) According to Singapore Urban Redevelopment Authority, the index of the private non-landed residential sector which measures the average price of private non-landed residential apartment and condominium, is slightly increased from 198.1 (Q1,2012) to 199.0 (Q2,2012).

## VALUATION CERTIFICATE

## Group V – Property interests contracted to be sold by the Group in Hong Kong

| No. | Property   | Description and tenure   | Particulars of occupancy   | Capital value in existing state as at 31 July 2012<br>HK\$                    |
|-----|--|--|--|---|
| 17. | 2 Nos. of Residential Units<br>Parkland Villas<br>No. 1 Tuen On Lane<br>Tuen Mun<br>New Territories<br>Hong Kong<br><br>263/275,000th shares of<br>The Remaining Portion of<br>Tuen Mun Town Lot No. 377 | The property comprises 2 residential units on various floor levels and blocks of Parkland Villas completed in about 2000.<br><br>The property has a total gross floor area of approximately 1,100 sq.ft. (102 sq.m.).<br><br>The property is held by the Government under New Grant No. 3121 commencing from 6 September 1994 to 30 June 2047. | The property was leased to different independent 3rd parties for residential use purposes. | 4,640,000<br><br>(52.4% interest attributable to the Group:<br>HK\$2,431,000) |

## Notes:

1. Flat A on 16th Floor of Block 9, Phase II, Parkland Villas:
  - a. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10050702760013 dated 28 April 2010 for a consideration of HK\$1,525,000.
  - b. Pursuant to the tenancy agreement, the property was leased to Kwok Kin Shing, an independent 3rd party for a term of 2 years commencing from 1 August 2011 and expiring on 31 July 2013 at a monthly rent of HK\$6,300 inclusive of management fee, Government Rent and Rates.
  - c. The gross floor area of this unit is approximately of 564 sq.ft. (52 sq.m.).
  - d. Pursuant to the Sales & Purchase Agreement dated 9 July 2012, the property has been contracted to be sold by SingXpress to Lin Rang Hong, an independent 3rd party for a consideration of HK\$2,360,000 and the completion date will be held on 18 October 2012.
2. Flat H on 13th Floor of Block 4, Phase I, Parkland Villas:
  - a. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10081300990059 dated 30 July 2010 for a consideration of HK\$1,478,000.
  - b. Pursuant to the tenancy agreement, the property was leased to Law Tak Tsun Vincent, an independent 3rd party for a term of 2 years commencing from 16 July 2011 and expiring on 15 July 2013 at a monthly rent of HK\$6,500 inclusive of management fee, Government Rent and Rates.
  - c. The gross floor area of this unit is approximately of 536 sq.ft. (50 sq.m.).
  - d. Pursuant to the Sales & Purchase Agreement dated 14 July 2012, the property has been contracted to be sold by SingXpress to Li Po Shan/Leung Kin Lok, an independent 3rd party for a consideration of HK\$2,280,000 and the completion date will be held on 9 October 2012.
3. According to Hong Kong Rating and Valuation Department, the index which measures the average price of small to medium size residential properties records a 7.65% rise from 184.2 (Q1,2012) to 198.3 (Q2,2012).

## VALUATION CERTIFICATE

| No. | Property  | Description and tenure  | Particulars of occupancy  | Capital value in existing state as at 31 July 2012<br>HK\$                 |
|-----|---|---|---|--|
| 18. | Flat H on 25th Floor of Block 5 Beneville<br>No. 18 Tuen Kwai Road<br>Tuen Mun<br>New Territories<br>Hong Kong<br><br>3,910/639,793th shares of Tuen Man Town Lot No. 399 | The property comprises one residential unit on 25th floor level of Block 5 of Beneville completed in about 2004.<br><br>The property has a gross floor area of approximately 578 sq.ft. (54 sq.m.).<br><br>The property is held by the Government under New Grant No. 3433 for a term of 50 years commencing from 1 March 2002. | The property was lease to different independent 3rd parties for residential use purposes. | 2,565,000<br><br>(52.4% interest attributable to the Group: HK\$1,344,000) |

*Notes:*

- The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10062301620011 dated 28 May 2010 for a consideration of HK\$1,790,000.
- Pursuant to the tenancy agreement, the property was leased to Leung Ka Man, an independent 3rd party for a term of 2 years commencing from 8 July 2011 and expiring on 7 July 2013 at a monthly rent of HK\$7,300 inclusive of management fee, Government Rent and Rates.
- The gross floor area of this unit is approximately of 578 sq.ft. (54 sq.m.).
- Pursuant to the Sales & Purchase Agreement dated 6 July 2012, the property has been contracted to be sold by SingXpress to 劉倚平, an independent 3rd party for a consideration of HK\$2,565,000 and the completion date will be held on 6 September 2012.
- According to Hong Kong Rating and Valuation Department, the index which measures the average price of small to medium size residential properties records a 7.65% rise from 184.2 (Q1,2012) to 198.3 (Q2,2012).

## VALUATION CERTIFICATE

| No. | Property  | Description and tenure   | Particulars of occupancy   | Capital value in existing state as at 31 July 2012<br>HK\$             |
|-----|---|--|--|--|
| 19. | 2 Nos. of Residential Units<br>Tsuen Wan Centre<br>Nos. 88-105<br>Tsuen King Circuit<br>Tsuen Wan<br>New Territories<br>Hong Kong | <p>The property comprises 2 residential units on various floor levels and blocks of Tsuen Wan Centre completed in between the period of 1980 to 1981.</p> <p>The property has a gross floor area of approximately 808 sq.ft. (76 sq.m.).</p> <p>The property is held by the Government under New Grant No. 5026 for a lease term of 99 years commencing from 1 July 1898 and thereafter statutorily extended until 30 June 2047 without premium but subject to a payment of Government Rent which equals to 3% of the rateable value for the time being of the property per annum.</p> | The property was leased to different independent 3rd parties for residential use purposes. | 4,090,000<br>(52.4% interest attributable to the Group: HK\$2,143,000) |

*Notes:*

1. Flat F on 6th Floor of Block 18 (Tsinan House) Tsuen Wan Centre:
  - i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No. 10080400770042 dated 9 July 2010 for a consideration of HK\$1,280,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to To Fung Kuen, an independent 3rd party for a term of 2 years commencing from 7 January 2012 and expiring on 6 January 2014 at a monthly rent of HK\$6,300 inclusive of management fee, Government Rent and Rates.
  - iii. 6/20,000th share of Section A, C, E and the Remaining Portion of Tsuen Wan Town Lot No. 220.
  - iv. The gross floor area of this unit is approximately of 404 sq.ft. (38 sq.m.).
  - v. Pursuant to the Sales & Purchase Agreement dated 28 July 2012, the property has been contracted to be sold by SingXpress to Wong Wai Kin, Winny, and independent 3rd party for a consideration of HK\$2,010,000 and the completion date will be held on 3 October 2012.
2. Flat C on 7th Floor of Block 17 (Taiyuan House) Tsuen Wan Centre:
  - i. The registered owner of the property is Sansui Resorts Limited (a wholly-owned subsidiary of SingXpress) vide Memorial No.10070900740028 dated 10 June 2010 for a consideration of HK\$1,368,000.
  - ii. Pursuant to the tenancy agreement, the property was leased to Chan Pui Man, Peony, an independent 3rd party for a term of 2 years commencing from 1 November 2011 and expiring on 31 October 2013 at a monthly rent of HK\$6,300 inclusive of management fee, Government Rent and Rates.

- iii. 6/20,000th share of Section A, C, E and the Remaining Portion of Tsuen Wan Town Lot No. 220.
  - iv. The gross floor area of this unit is approximately of 404 sq.ft. (38 sq.m.).
  - v. Pursuant to the Sales & Purchase Agreement dated 28 July 2012, the property has been contracted to be sold by SingXpress to Wong Yuk Lun/Wong Yuk Fong, and independent 3rd party for a consideration of HK\$2,080,000 and the completion date will be held on 28 September 2012.
3. According to Hong Kong Rating and Valuation Department, the index which measures the average price of small to medium size residential properties records a 7.65% rise from 184.2 (Q1,2012) to 198.3 (Q2,2012).

**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. DISCLOSURE OF INTERESTS****Directors' interests in Shares**

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**

| Name of director       | Capacity   | Number of issued ordinary shares held | Percentage of the issued share capital of the Company % |
|------------------------|--|---------------------------------------|---|
| Chan Heng Fai          | Beneficial owner<br>Held by controlled corporation<br>(Note 1) | 3,124,300                             | 0.09  |
|                        |  | <u>1,776,785,806</u>                  | <u>50.67</u>  |
|                        |  | <u>1,779,910,106</u>                  | <u>50.76</u>  |
| Chan Yoke Keow         | Beneficial owner<br>Held by controlled corporations (Note 2)   | 220,357,843                           | 6.28  |
|                        |  | <u>592,039,274</u>                    | <u>16.88</u>  |
|                        |  | <u>812,397,117</u>                    | <u>23.16</u>  |
| Fong Kwok Jen          | Beneficial owner   | 7,333,600                             | 0.21  |
| Chan Tong Wan          | Beneficial owner   | 11,425,522                            | 0.33  |
| Wong Dor Luk,<br>Peter | Beneficial owner   | <u>280,000</u>                        | <u>0.01</u>   |
|                        |  | <u><u>2,611,346,345</u></u>           | <u><u>74.47</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   | 3.53  |
|                     | 5.22.2006    | 5.22.2006 - 5.8.2013  | 0.1534                        | 49,008,000  | 1.40  |
| Chan Tong Wan       | 11.15.2004   | 11.20.2004 - 5.8.2013 | 0.1583                        | 15,313,500  | 0.44  |
|                     | 5.22.2006    | 5.22.2006 - 5.8.2013  | 0.1534                        | 5,104,500   | 0.15  |
| Fong Kwok Jen       | 11.15.2004   | 11.20.2004 - 5.8.2013 | 0.1583                        | 4,594,050   | 0.13  |
| Wong Dor Luk, Peter | 11.15.2004   | 11.20.2004 - 5.8.2013 | 0.1583                        | <u>3,062,700</u>  | <u>0.09</u>   |
|                     |              |                       |                               | <u><u>200,968,550</u></u>   | <u><u>5.74</u></u>                                    |

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

| Name of director | Capacity  | Number of<br>issued<br>ordinary<br>shares held | Percentage<br>of the issued<br>share capital<br>of the<br>Company<br>% |
|------------------|---|--|--|
| Chan Heng Fai    | Beneficial owner<br>Held by controlled<br>corporation ( <i>Note 3</i> ) | 404,029  | 38.25  |
|                  |   | 7,200  | 0.68   |
|                  |   | <u>411,229</u>                                 | <u>38.93</u>   |
| Chan Yoke Keow   | Beneficial owner<br>Held by controlled<br>corporation ( <i>Note 2</i> ) | 134,217  | 12.71  |
|                  |   | 234,319  | 22.18  |
|                  |   | <u>368,536</u>                                 | <u>34.89</u>   |
| Fong Kwok Jen    | Beneficial owner  | 1,680  | 0.16   |
| Chan Tong Wan    | Beneficial owner<br>Held by controlled<br>corporation ( <i>Note 4</i> ) | 4,528  | 0.43   |
|                  |   | 60,000   | 5.68   |
|                  |   | <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 Ms. Chan Yoke Keow 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/<br>underlying shares held | %     |
|----------------------------------|--------------------|---|-------|
| Heng Fai Master Holdings Limited | Beneficial owner   | 1,776,785,806                               | 50.67 |
| Prime Star Group Co., Ltd.       | Beneficial owner   | 592,039,274                                 | 16.88 |

(ii) *Subsidiaries of the Company*

| Name of subsidiaries        | Name of substantial shareholder               | Percentage of shareholding (%) |
|-----------------------------|---|--------------------------------|
| Japan Xpress Limited        | Planet Marketing Communications Inc.          | 40%                            |
| Xpress Finance Limited      | MBf Asia Capital Corporation Holdings Limited | 18%                            |
| Charlton Residences Pte Ltd | ACT Holdings Pte Ltd                          | 20%                            |
| SingXpress KayLim Pte Ltd   | Kay Lim Holdings Pte Ltd                      | 20%                            |

Save as disclosed above, the Directors are not aware of any person as at the Latest Practicable Date who had 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.

### 3. 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 July 8, 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.

### 4. 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 January 29, 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 February 1, 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 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.

## 5. 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.

## 6. MATERIAL CONTRACTS

- (a) On 24 November, 2010, Corporate Residence Pte Ltd, an indirect wholly owned subsidiary of the Company, has received the acceptance letter relating to the successful tender for the acquisition of the existing block of 16 residential units located in 235 Balestier Road, Waldorf Mansions, Singapore 329699 at a price of S\$21,000,000 (approximately HK\$124,530,000) for the purpose of holding or for redevelopment.
- (b) 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.
- (c) 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.
- (d) 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.

- (e) 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.
- (f) 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.
- (g) 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.
- (h) 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.
- (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) The Subscription 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.

## 7. 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.

**8. 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).

**9. EXPERTS AND CONSENTS**

The following are the qualifications of the experts who have given reports, which are contained in this circular:

| <b>Name</b>                          | <b>Qualification</b>   |
|--------------------------------------|--|
| ZHONGLEI (HK) CPA<br>Company Limited | Certified Public Accountants   |
| Avista Valuation Advisory<br>Limited | an independent professional property valuer<br>(collectively, the "Experts") |

As at the Latest Practicable Date, the Experts did not have any direct or indirect shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group and did not have any interest, direct or indirect, in any assets which had been, since 31 March 2012, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

Each of the Experts has given and has not withdrawn their respective written consent to the issue of this circular with the inclusion herein of their reports and references to their name in the form and context in which they are included.

**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 March 31, 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, Zoe ACA, FCCA, CPA, ACIS, ACS and Mr. Yuen Ping Man, MBA, FCIS, FCS, MHKSI, MIHRM(HK), MIPS(HK), MCIM, SMHKIM, RFP.

**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 28 September 2012.

- (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 property valuation report and the written consents referred to in the paragraph headed "Expert and consent" in this appendix;
- (e) the report from ZHONGLEI (HK) CPA Company Limited on the unaudited pro forma financial information of the Remaining Group, the text of which is set out in Appendix III of this circular;
- (f) the annual reports of the Company for the two years ended March 31, 2012;
- (g) the letter of consent referred to in the paragraph headed "Experts and Consent" in this appendix;
- (h) the financial information on SingXpress Group, the text of which is set out in Appendix I of this circular;
- (i) the unaudited pro forma financial information of the Remaining Group, the text of which is set out in Appendix III of this circular;
- (j) the circular of the Company dated 2 May 2012 and this circular.



**XPRESS GROUP LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 185)**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “EGM”) of the shareholders of Xpress Group Limited (the “Company”) will be held at Club Lusitano, 24th Floor, 16 Ice House Street, Central, Hong Kong on Friday, 28 September, 2012 at 9:30 a.m. for the purpose of considering and, if thought fit, passing the following resolution, with or without amendment, as an ordinary resolution of the Company:

**ORDINARY RESOLUTION**

**“THAT:**

- (a) the entry into the Subscription Agreement (as defined in the circular of the Company dated 13 September 2012 (the “Circular”)), a copy of which has been produced to this meeting marked “A” and signed by the chairman of this meeting for identification purpose, and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
- (b) the deemed disposal of a very substantial interest of the Company in SingXpress Land Ltd as referred to in the Circular (the “Deemed Disposal”) be and is hereby approved;
- (c) any one director of the Company be and is hereby authorised for and on behalf of the Company to exercise, perfect and deliver all such documents and to do all such acts and things and any two directors or any director and the company secretary of the Company be and are hereby authorised to affix the Company’s seal to all such documents and deliver the same as deeds of the Company, in any such case as may be necessary or desirable to implement or give effect to the Subscription Agreement and the Deemed Disposal and any ancillary agreements or documents contemplated thereunder (including without limitation, the execution of any deeds and/or documents and the

## NOTICE OF EXTRAORDINARY GENERAL MEETING

exercise or enforcement of any right thereunder) and to make and agree to such variation, amendments or waivers of matters relating thereto as he, in his absolute discretion, may consider to be desirable, appropriate or necessary and in the interests of the Company.”

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

Hong Kong, dated 13 September 2012

*Registered office:*

24/F., 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.