

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement



OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)

Please refer to the attached announcement on the next page.

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

Hong Kong, 25 August, 2011

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

SINGXPRESS LAND LTD.
(Company Registration No. 198803164K)
(Incorporated in the Republic of Singapore)

ANNOUNCEMENT

PROPOSED RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE OF UP TO 2,997,515,464 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.01 FOR EACH RIGHTS SHARE, ON THE BASIS OF EIGHT (8) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1. INTRODUCTION

1.1 The Board of Directors of SingXpress Land Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) wish to announce that the Company is proposing to undertake a renounceable underwritten rights issue of up to 2,997,515,464¹ new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.01 for each Rights Share (the “**Issue Price**”), on the basis of eight (8) Rights Shares for every one (1) existing Share held by shareholders of the Company (“**Shareholders**”) at a time and date to be determined by the Directors for the purposes of determining the Shareholders’ entitlements under the rights issue (the “**Books Closure Date**”), fractional entitlements to be disregarded (the “**Proposed Rights Issue**”).

1.2 The Proposed Rights Issue is underwritten by Philip Securities Pte Ltd (the “**Underwriter**”).

2. DETAILS OF THE PROPOSED RIGHTS ISSUE

2.1 Purpose

As announced on 3 June 2011 and set out in a circular dated 30 June 2011 to Shareholders, the Company, through its wholly-owned subsidiary SingXpress Land (Pasir Ris) Ltd and jointly with Kay Lim Holdings Pte Ltd, was successful in a tender to acquire a land parcel at Pasir Ris Central/Pasir Ris Drive 1 for developing public housing under the Design, Build and Sell Scheme operated by the Housing Development Board of Singapore (the “**DBSS Project**”). As at the date of this announcement, the total acquisition and development cost for the DBSS Project is estimated at approximately S\$250 million for which the Company shall have to bear S\$200 million. In addition to the DBSS Project, the Company had also embarked on two (2) other property acquisition and redevelopment projects involving Foh Pin Mansion at Charlton Road and Waldorf Mansions at 235 Balestier Road in the 15 months financial period ended 31 March 2011, details of which are set out in our announcements dated 1 July 2010 and 25 November 2010, and our circulars dated 21 September 2010 and 31 January 2011.

In connection with the three (3) real estate projects referred to above (collectively, referred to as the “**Major Projects**”) and other funding requirements of the Company, the Company’s controlling shareholder, Xpress Credit Limited (“**XCL**”, a subsidiary of Xpress Group Limited, a Hong Kong listed company with shareholders’ funds of approximately S\$140 million as at 31 March 2011) had extended to the Company from time to time, interest free

¹ This is based on a total of 372,004,000 existing Shares in the capital of the Company as at the date of this announcement remaining the same as at the Books Closure Date and the full conversion of S\$80,563 of the zero coupon convertible bonds due 2014 issued by the Company (the “**Convertible Bonds**”) into 2,685,433 new Shares on or before the Books Closure Date. Please refer to **Section 2.4** for more details.

loans repayable on demand. Apart from the loans from XCL, the funds required for the Major Projects have substantially been obtained through bank borrowings from financial institutions.

As at the date of this announcement, XCL had extended to the Company interest free loans repayable on demand amounting to approximately S\$32,213,000 (the “**XCL Loan**”). The XCL Loan primarily consists of recent funding provided by XCL for the DBSS Project between May 2011 and August 2011 totalling approximately S\$30,500,000.

2.2 Use of Proceeds

The Company is proposing to undertake the Proposed Rights Issue to raise estimated net proceeds of up to S\$29,415,000² (“**Net Proceeds**”) (assuming that the maximum number of Rights Shares are fully subscribed and after deducting estimated transaction expenses and underwriting commission of approximately S\$560,000).

The Company intends to utilize the Net Proceeds as follows:-

- (a) The sum of S\$18,655,040, to repay part of the XCL Loan provided by XCL to initially fund the investment in the DBSS Project; and
- (b) The balance sum of S\$10,759,960, for working capital requirements relating to the DBSS Project.

XCL has provided an undertaking to the Company that it will subscribe for its rights entitlements. XCL intends to set off any amount of subscription monies that it is liable to pay for the Rights Shares subscribed by it against the amount of the XCL Loan which is outstanding and owing by the Company to it. Further details of XCL’s undertaking are set out in **Section 3** of this announcement.

2.3 Terms of the Proposed Rights Issue

The Proposed Rights Issue will be offered on a renounceable basis to Entitled Shareholders (as defined below) on the basis of eight (8) Rights Shares for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date at the Issue Price, fractional entitlements to be disregarded.

The Rights Shares are payable in full upon acceptance and/or application and will, upon allotment and issue, rank *pari passu* in all respects with the then existing issued and paid up share capital of the Company (“**Shares**”).

Entitled Shareholders will be entitled to participate in the Proposed Rights Issue and receive the Offer Information Statement (as defined in Section 2.6 below) together with the appropriate application forms and accompanying documents at their respective Singapore addresses.

The Issue Price represents a discount of approximately 56.5% to the closing price of S\$0.023 per Share on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 18 August 2011. From 19 August 2011 to 24 August 2011, being the last trading day of the Shares on SGX-ST prior to the date of this announcement, there were no trades done.

² This is based on a total of 2,976,032,000 Rights Shares. Please refer to **Section 2.4**

2.4 Size of the Proposed Rights Issue

As at the date hereof, there are outstanding Convertible Bonds that are convertible into Shares and there are outstanding share options issued by the Company for the subscription of up to 20,000,000 Shares. Save for S\$80,563 of the Convertible Bonds which are convertible into 2,685,433 Shares, XCL, being the holder of the other Convertible Bonds of an aggregate amount of S\$13,239,677, and the holder of the outstanding share options have undertaken not to exercise their respective conversion rights and subscription rights on or before the Books Closure Date.

For illustrative purposes only, based on the Company's issued share capital of 372,004,000 Shares as at the date hereof, up to 2,976,032,000 Rights Shares would be issued. Assuming the full conversion of S\$80,563 of the Convertible Bonds, there will be an additional 21,483,464 Rights Shares issuable under the Proposed Rights Issue. Accordingly, in the event of full subscription, 2,997,515,464 Rights Shares amounting to S\$29,975,154 would be raised.

2.5 Underwriting

The Proposed Rights Issue is fully underwritten by the Underwriter, on the terms and subject to the conditions of the underwriting agreement. In consideration of the Underwriter's agreement to underwrite the Rights Shares, the Company will pay the Underwriter an underwriting commission of 3% of the Issue Price multiplied by the number of Rights Shares less the number of the Undertaken Shares (as defined below). The Underwriter may arrange sub-underwriting for some, all or none of the Rights Shares, other than the Undertaken Shares to be subscribed by XCL as discussed below.

2.6 Other Terms

The terms and conditions of the Proposed Rights Issue are subject to such changes as the Directors deem fit. The final terms and conditions of the Proposed Rights Issue will be contained in the offer information statement to be issued by the Company (the "**Offer Information Statement**") to be lodged by the Company with the Monetary Authority of Singapore, which will be despatched to Entitled Shareholders (as defined below) in due course.

3. IRREVOCABLE UNDERTAKING

3.1 As at the date of this announcement, XCL holds 233,188,000 Shares representing approximately 62.68% of the issued share capital of the Company. XCL has irrevocably and unconditionally undertaken, *inter alia*, to:

- (a) maintain its direct interest in not less than 233,188,000 Shares until the issue of the Rights Shares under the Proposed Rights Issue;
- (b) subscribe for all the 1,865,504,000 Rights Shares that it is entitled to subscribe for under the Proposed Rights Issue ("**Undertaken Shares**") at the Issue Price; and
- (c) vote in favour of all resolutions relating to the Proposed Rights Issue proposed to be passed at the EGM (as defined below).

4. PROPOSED USE OF PROCEEDS

Assuming that all the Rights Shares have been subscribed for by (i) the Entitled Shareholders (as defined below) and/or applied for under the excess applications, and (ii) the full conversion of S\$80,563 of the Convertible Bonds referred to in **Section 2.4** above (the

“**Maximum Subscription Scenario**”), the estimated gross proceeds of the Proposed Rights Issue is approximately S\$29,975,000. Under the Maximum Subscription Scenario, the estimated net proceeds of the Proposed Rights Issue, after deducting estimated expenses of approximately S\$560,000, will amount to approximately S\$29,415,000.

The Company intends to use the entire proceeds from the Proposed Rights Issue for the purposes set out in **Section 2.2**.

The Company will make periodic announcements on the utilisation of the net proceeds from the Proposed Rights Issue as and when such proceeds are materially disbursed and subsequently provide a status report on the specific use of such proceeds and any material deviations therefrom in its annual report.

Pending the deployment of the net proceeds from the Proposed Rights Issue, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purpose on a short-term basis as the Directors may deem appropriate in the interest of the Group.

The Directors are of the reasonable opinion that, after taking into consideration the present bank facilities and the XCL Loan, the working capital available to the Group is sufficient to meet its present requirements. The Proposed Rights Issue for the purposes set out in **Section 2.1** would strengthen the capital base of the Company and reduce the total borrowings of the Group.

The Directors are of the reasonable opinion that, after taking into consideration, the present bank facilities, the XCL Loan and the net proceeds of the Proposed Rights Issue, the working capital available to the Group is sufficient to meet its present requirements.

5. APPROVALS

5.1 The Proposed Rights Issue is subject to, *inter alia*, the following:-

- (a) the approval in-principle from the SGX-ST for the Proposed Rights Issue;
- (b) the approval of the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Official List of the Catalist;
- (c) the approval by the Shareholders of the Proposed Rights Issue at the EGM (as defined below); and
- (d) the lodgement of the Offer Information Statement with the SGX-ST as agent for and on behalf of the Monetary Authority of Singapore.

6. ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE PROPOSED RIGHTS ISSUE

6.1 **Entitled Depositors:** Entitled Depositors are Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with The Central Depository (Pte) Limited (“**CDP**”) are in Singapore as at the Books Closure Date or who have, at least three (3) market days prior to the Books Closure Date provided CDP with addresses in Singapore for the service of notices and documents (“**Entitled Depositors**”).

6.2 **Entitled Scripholders:** Entitled Scripholders are Shareholders whose share certificates are not deposited with CDP and who have tendered to Boardroom Corporate & Advisory Services Pte Ltd (“**Share Registrar**”) valid transfers of their Shares and the certificates

relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) market days prior to the Books Closure Date provided the Share Registrar with addresses in Singapore for the service of notices and documents (“**Entitled Scripholders**”).

- 6.3 **Entitled Shareholders:** The Company proposes to provisionally allot Rights Shares to all Shareholders who are eligible to participate in the Proposed Rights Issue (“**Entitled Shareholders**”), who comprise Entitled Depositors and Entitled Scripholders.
- 6.4 **Provisional Allotments:** Entitled Shareholders will be at liberty to accept, decline or otherwise renounce or trade their provisional allotments of the Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Proposed Rights Issue. Fractional entitlements to the Rights Shares will be disregarded in arriving at the Shareholders’ entitlements and will, together with the provisional allotments which are not taken up for any reason, be aggregated and used to satisfy excess applications (if any), or disposed of or otherwise dealt with in such manner as the Directors, in their absolute discretion, may deem fit for the benefit of the Company. In the allotment of excess Rights Shares, preference will be given to Shareholders for rounding of odd lots, and substantial Shareholders and Directors will rank last in priority.
- 6.5 **Foreign Shareholders:** For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Proposed Rights Issue is only made in Singapore and the Rights Shares will **NOT** be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) market days prior to the Books Closure Date, provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents (“**Foreign Shareholders**”). The offer information statement (“**Offer Information Statement**”) to be issued in relation to and for the purposes of the Proposed Rights Issue and the accompanying documents will not be mailed outside Singapore.
- 6.6 **“Nil-paid” rights:** If it is practicable to do so, arrangements may be made, at the discretion of the Company, for the provisional allotments of Rights Shares, which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares commence. Such sales may, however, only be entered into if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the expenses expected to be incurred. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to the Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by ordinary post, provided that where the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP or their respective officers in connection therewith. Where such provisional allotments of Rights Shares are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP or their respective officers in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

7. EGM

As the number of Rights Shares proposed to be issued is in excess of the limit authorised by the general share issue mandate approved by the Shareholders at its annual general meeting

held on 15 July 2011, the Directors will be seeking the approval of the Shareholders for the Proposed Rights Issue and for the issue of Rights Shares pursuant thereto. The Company will convene an extra-ordinary general meeting (“EGM”) for this purpose and a circular together with the notice of the extra-ordinary general meeting will be despatched to shareholders in due course (the “Circular”).

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed above, none of the Directors and substantial Shareholders has any interest, direct or indirect, in the Proposed Rights Issue (other than through their respective shareholdings in the Company).

9. LISTING AND TRADING

An application will be made to the SGX-ST for permission to deal in, and for the listing of and quotation for the Rights Shares on Catalist, a sponsor-supervised listing platform of the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course. The Offer Information Statement will be lodged with SGX-ST as agent for and on behalf of the Monetary Authority of Singapore and despatched to Entitled Shareholders in due course after approval in-principle of the SGX-ST has been obtained.

10. POSSIBLE ADJUSTMENTS TO THE CONVERTIBLE BONDS AND THE OPTIONS

As a result of the Proposed Rights Issue, the conversion price of the Convertible Bonds, the subscription price and the number of Shares to be issued under the Options may be adjusted in accordance with the respective terms and conditions of the Convertible Bonds and the Options. Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

11. RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

BY ORDER OF THE BOARD

Chan Tong Wan
Executive Director
25 August 2011

This announcement has been prepared by the Company and the contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “Exchange”). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Bernard Lim (Telephone: 65-6221 5590) at 79 Anson Road #15-03 Singapore 079906.