

XPRESS HOLDINGS LTD
(Incorporated in the Republic of Singapore)
(Company Registration No. 199902058Z)

MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED ACQUISITION OF 70% OF THE ENTIRE ISSUED SHARE CAPITAL OF AMPLIFY ME PTE. LTD.

1. INTRODUCTION

The board of directors ("**Directors**" or the "**Board**") of Xpress Holdings Ltd ("**Company**", together with its subsidiaries, "**Group**") wishes to announce that the Company, had on 16 May 2016 entered into a memorandum of understanding ("**MOU**") with Mr Shaun Lee Hong Wei ("**Vendor**") in respect of the Company's (or its nominee company's) potential acquisition of 14,000 ordinary shares ("**Target Shares**") representing 70% of the entire issued share capital of Amplify Me Pte. Ltd. ("**Target Company**") from the Vendor ("**Proposed Acquisition**") for a consideration of S\$1 million.

The Company and the Vendor ("**Parties**") agree that the MOU is intended to set out the main heads of agreement between the Parties in relation to the Proposed Acquisition and is not legally binding on the Parties save for certain specified clauses (relating to *inter alia* the period of exclusivity) which shall be legally binding on the Parties.

The Proposed Acquisition will be subject to the terms and conditions as set out in the definitive agreements, including a sale and purchase agreement ("**Sale and Purchase Agreement**") to be entered into between the relevant parties.

2. INFORMATION ON THE TARGET COMPANY AND THE VENDOR

The Target Company, a private company incorporated in Singapore on 25 September 2013, is principally engaged in the development of e-commerce applications and web portals (including social networking sites).

As at the date of this announcement, the Vendor does not have any shareholding interests (direct or indirect) in the Company, and is not related to any of the Company's Directors, chief executive officer, or controlling shareholder, or their respective associates.

3. RATIONALE FOR THE PROPOSED ACQUISITION

The current core business of the Group includes the provision of a complete spectrum of integrated print solutions from pre-press processes to production systems as well as global distribution and delivery.

In line with the Company's stated intention to build a sustainable and profitable Xpress Group, the Board has been actively exploring various investment targets. The Board's strategy is to broaden the Xpress Group's revenue streams and facilitate

sustained profitability through selective investments into new business segments and to form strategic alliances with experienced and local partners. The Proposed Acquisition serves as part of the Group's ventures to expand into the e-commerce industry.

Specifically, the Company intends to tap on the opportunities of the rising demand for online and mobile applications using Smart Technology to provide business solutions to retailers as well as end user consumers. It is expected that the Proposed Acquisition will offer a steady income stream underpinned by the proprietary software and applications which the Target Company has developed. The Proposed Acquisition is therefore consistent with the Company's strategy to actively pursue new business opportunities to widen its revenue streams and deliver positive value to shareholders.

4. SALIENT TERMS OF THE MOU

4.1 Further Action

The Parties intend and shall use all reasonable endeavours to enter into the Sale and Purchase Agreement as soon as possible and in any event within four weeks from the date of the MOU (or such later date as the Parties may agree).

4.2 Exclusivity

Each Party agrees that, prior to the execution of the Sale and Purchase Agreement by the Parties, other than with the other Party or their respective advisers, it will not engage in any discussions, negotiations or correspondence, or solicit, entertain or enter into any understanding or agreement with any third party regarding the Target Company or its assets, and in particular, the Proposed Acquisition or other transactions which will be in conflict with or jeopardise the Proposed Acquisition, without the prior written consent of the other Party.

4.3 Pre-Completion Undertaking

The Vendor undertakes that from the date of the MOU to the completion date (both dates inclusive), and unless the Company's written consent is obtained, the Target Company shall not undertake any action which may cause a material adverse change in its business, operations, and financial condition.

5. FURTHER ANNOUNCEMENTS

The Company will make further announcement(s) as appropriate when there are material developments to the Proposed Acquisition.

6. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution in dealing or trading in the shares of the Company as there is no certainty or assurance as at the date of this announcement that (i) the Sale and Purchase Agreement will be entered into; (ii) the final terms of the Sale and Purchase Agreement will not change from those set out in the MOU; or (iii) the Proposed

Acquisition will be completed. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully, and should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Lim Huan Chiang
Executive Director and Chief Executive Officer
16 May 2016