



Regulatory Announcement

21 May 2015

SGX issues warnings against Xpress Holdings and its ex-CEO

Singapore Exchange (SGX) has issued a warning to Xpress Holdings Limited (Xpress) for breaches of Listing Rule 704(20), which requires a company to immediately disclose winding-up applications filed against it or its subsidiaries. Xpress did not make immediate disclosure of two winding-up applications filed against the company and its subsidiary, Xpress Print Pte Ltd.

SGX also issued a warning to Fong Kah Kuen @ Foong Kah Kuen (Mr Fong), Xpress' former Executive Chairman and CEO, for his role in relation to the breaches of Listing Rule 704(20).

SGX's investigations found that:

- Xpress announced on 23 July 2014 a winding-up application against it by a creditor, which was received on 3 July 2014. Xpress concurrently announced a second winding-up application, against its subsidiary which was received on 8 July 2014. In both cases, the announcement was made more than two weeks after the receipt of the respective notices by the management of Xpress.
- Mr Fong, as the Executive Chairman and CEO, only informed the Board of Directors of Xpress of the winding-up applications on, or about 16 July 2014, more than a week after the receipt of the notices.

A summary of the events is found in the Annex below.

SGX's Listing Rule 704(20) requires an issuer to immediately announce any application filed with a court to wind-up the issuer or any of its subsidiaries. The delays by Xpress and its management were a breach of Listing Rules. Disclosure is fundamental to a fair, orderly and transparent market. Listed companies should make sure they are familiar with all Listing Rules and comply with them.

Annex

On 23 July 2014, Xpress announced, among other matters, that a creditor had filed a winding-up application, against the company in relation to rental arrears of approximately S\$400,000. This was the first winding-up application. Xpress also announced concurrently a second winding-up application against its subsidiary, Xpress Print Pte Ltd, for monies due of approximately S\$1.2 million.

After queries from SGX, Xpress announced on 28 July 2014 that the first winding-up application and the second winding-up application were received by it on 3 July 2014 and 8 July 2014 respectively.

The announcement of the first winding-up application and the second winding-up application on 23 July 2014 was made some 20 days and 15 days after the date of receipt of the respective applications.

Mr Fong represented that during the period, he had tried to resolve the matters arising from the winding-up applications, which he felt were either “frivolous” or “legally flawed”. He was concerned that making an immediate announcement might present an “unbalanced picture of the Company’s state of affairs”. However, Mr Fong’s objections did not preclude Xpress from making an immediate announcement of the information as required by the Listing Rules.

The Listing Rules provide that if an issuer is unable to make immediate announcement, it should request a trading halt of its securities. The halt permits information to be disseminated to all investors before trading resumes. Xpress did request a trading halt, but only on 22 July 2014, pending announcement on 23 July 2014. The halt was 19 and 14 days after receiving the first and second winding-up applications respectively.

-End-