

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

- (A) CREDITORS' CLAIMS**
 - (B) APPOINTMENT OF FINANCIAL CONSULTANT**
 - (C) PROPOSED PLACEMENT OF 480,000,000 NEW ORDINARY SHARES OF S\$0.021 EACH TO RAISE NET PROCEEDS AMOUNTING TO APPROXIMATELY S\$9.5 MILLION**
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(A) CREDITORS' CLAIMS

The Board of Directors (the "**Board**") of Xpress Holdings Ltd. (the "**Company**") wishes to announce that several creditors have commenced legal proceedings against the Company and our subsidiary Xpress Print Pte Ltd, for sums due and owing, in an aggregate of approximately S\$2.4 million.

One creditor has filed a winding-up application against our Company as corporate guarantor in relation to a dispute on rental arrears of approximately S\$400,000. The Company has obtained legal advice that there are good arguments that the creditor applying for the winding-up on the rental arrears has no standing to bring such application. The Company has applied for an injunction against that creditor continuing with the application.

A bank has filed winding up application against our subsidiary for monies due under banking facilities of approximately S\$1.2 million. The Company is in discussions with the bank to restructure the repayment terms.

(B) APPOINTMENT OF FINANCIAL CONSULTANT

The Company has appointed Stone Forest Corporate Advisory Pte Ltd as financial consultant to assist the Group in discussions with the creditors, with a view to formulate a settlement with the creditors.

The Board is committed to working through the current situation with the Company's advisers, and will keep shareholders updated on the progress of the discussions with creditors.

(C) PROPOSED PLACEMENT OF 480,000,000 NEW ORDINARY SHARES OF S\$0.021 EACH (THE "PLACEMENT")

The Board is pleased to announce that the Company had on 22 July 2014 entered into separate subscription agreements with each of the Subscribers (as defined below) ("**Placement Agreement**").

Under the Placement Agreement, the Subscribers have agreed to subscribe for an aggregate of 480,000,000 new ordinary shares in the capital of the Company (the "**Placement Shares**") as follows:

Name of Subscribers	Number of Placement Shares
Strong Core Global Limited	240,000,000
Ma Jing	240,000,000
Total	480,000,000

Issue Price

The Placement Shares will be issued at an issue price of S\$0.021 per Placement Share (the “**Issue Price**”).

The Issue Price is the weighted average price for trades done on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 21 July 2014 and up to the trading halt of the Company’s shares at 9.34 a.m. on 22 July 2014.

The Placement Shares

The Placement Shares will, upon allotment and issue, rank *pari passu* in all respects with the existing issued ordinary shares of the Company save that the Placement Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls on or before the date of issue of the Placement Shares. The Placement Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances.

Conditions Precedent

Completion of the Placement Agreements are conditional upon, *inter alia*, in-principle approval for the listing and quotation of the Placement Shares on the SGX-ST being obtained.

Moratorium

Each of the Subscribers has undertaken to the Company that he/it shall not, for a period of 3 months commencing from and including the date of issue and allotment of the Placement Shares to him/it, directly or indirectly offer, sell, contract to sell, transfer, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of, any of his/its Placement Shares.

Purpose and Use of the Net Proceeds

The Placement, after deducting estimated expenses of about S\$600,000 payable in relation to the Placement, will raise net proceeds amounting to approximately S\$9,480,000. No placement agent was engaged by the Company for the Placement.

The Company intends to utilise the net Placement proceeds to repay the Group’s creditors and general working capital purpose in the following estimated proportions:-

Use of Proceeds	Percentage allocation
Repayment of Group’s creditors	55%
General working capital	45%

Pending the deployment of the net proceeds, such proceeds may be placed as deposits with banks or financial institutions or invested in short term money markets or debt instruments and/or used for any other purposes on a short term basis as the Directors may deem fit.

How Subscribers were identified and Rationale

The Subscribers were introduced to the Company by Teranova Group Limited. Upon the allotment and issue of the Placement Shares, the Company shall pay an arrangement fee of S\$504,000 representing 5% of the aggregate Placement Price to Teranova Group Limited. None of the arrangement fee will be shared with any of the Subscribers.

The Placement is being carried out to enable the Company to augment its cashflow and working capital.

Financial Effects

Based on the latest audited financial statements of the Company and its subsidiaries (the “Group”) as at 31 July 2013:-

- (a) the consolidated earnings per share (after adjusting for the Placement Shares) will decrease from 0.16 cents to 0.12 cents; and
- (b) the consolidated net asset value per share of the Group (after adjusting for the Placement Shares and the net proceeds of the Placement to the Company) will decrease from 8.08 cents to 6.76 cents.

The Placement Shares represent approximately 19.60% of the existing issued and paid-up share capital (excluding treasury shares) of the Company as at the date of this Announcement, and represent approximately 16.39% of the enlarged share capital after completion of the Placement. Assuming that the Placement Shares are allotted and issued, the issued and paid-up capital of the Company will increase from 2,447,927,123 Shares to 2,927,927,123 Shares.

Shareholders’ Mandate

The Placement Shares will be allotted and issued pursuant to the general mandate given to the Directors at the annual general meeting of the Company held on 29 November 2013.

No Prospectus or Offer Information Statement to be issued

The Placement will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act (Cap. 289) of Singapore. As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the Placement.

Interests of Directors and Substantial Shareholders

The Placement Shares will not be placed to any person who is a Director or a substantial shareholder of the Company or any other person who falls within the categories set out in Rule 812(1) of the Listing Manual.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Placement (other than arising from their shareholdings in the Company, if any).

General

The Company will be applying to SGX-ST for the admission to and the listing and quotation of the Placement Shares on the SGX-ST and will make an announcement once the in-principle approval for the same has been obtained from SGX-ST.

By Order of the Board
XPRESS HOLDINGS LTD

Fong Kah Kuen
Executive Chairman
23 July 2014