

CIRCULAR DATED 30 MAY 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your issued and fully paid-up ordinary shares in the capital of Xpress Holdings Ltd (the “**Company**”), you should immediately forward this Circular, the enclosed Notice of Extraordinary General Meeting and the enclosed Proxy Form to the purchaser or transferee, or the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made or opinions expressed or reports contained in this Circular.

Terms appearing on the cover of this Circular have the same meanings as defined in this Circular.



XPRESS HOLDINGS LTD

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED DISPOSAL OF THE ENTIRE INTEREST OF THE COMPANY IN THE ISSUED SHARE CAPITAL OF XPRESS PRINT (SHENZHEN) CO. LTD, PRECISE MEDIA GROUP LIMITED, XPRESS PRINT (K.L.) SDN BHD, XPRESS PRINT (H.K.) LIMITED AND SHENZHEN JIAXINGDA PRINTING CO. LTD

Independent Financial Adviser

nra capital

NRA CAPITAL PTE. LTD.

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	12 June 2016 at 9.30 a.m.
Date and time of Extraordinary General Meeting	:	14 June 2016 at 9.30 a.m.
Place of Extraordinary General Meeting	:	25 Tai Seng Avenue #01-01 KOP Building Singapore 534104

TABLE OF CONTENTS

CONTENTS	PAGE
DEFINITIONS.....	3
LETTER TO SHAREHOLDERS	6
1. INTRODUCTION.....	6
2. THE PROPOSED DISPOSAL.....	6
3. RATIONALE FOR THE PROPOSED DISPOSAL AND USE OF PROCEEDS.....	10
4. FINANCIAL EFFECTS	11
5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	12
6. DIRECTORS' SERVICE CONTRACTS.....	13
7. OPINION AND ADVICE OF THE IFA.....	13
8. INDEPENDENT DIRECTORS' RECOMMENDATIONS	13
9. EXTRAORDINARY GENERAL MEETING.....	13
10. ACTION TO BE TAKEN BY SHAREHOLDERS	13
11. CONSENT	13
12. DIRECTORS' RESPONSIBILITY STATEMENT	14
13. DOCUMENTS FOR INSPECTION	14
APPENDIX A – GROUP STRUCTURE	A-1
APPENDIX B – SELECTED PAST FINANCIAL RESULTS	B-1
APPENDIX C – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER.....	C-1
NOTICE OF EXTRAORDINARY GENERAL MEETING	N-1
PROXY FORM	

DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:-

“1HFY2016”	:	The six months ended 31 January 2016 for FY2016
“1QFY2016”	:	The three months ended 31 October 2015 for FY2016
“Announcement”	:	The announcement released by the Company on 4 March 2016 in relation to the Company, XPL and the Purchaser entering into a conditional Sale and Purchase Agreement on 4 March 2016
“Board”	:	The board of Directors as at the date of this Circular
“Change of Name”	:	The obligation of the Purchaser pursuant to the Sale and Purchase Agreement to procure that the name of the Sale Companies and their subsidiaries be changed such that the Sale Companies and their subsidiaries do not use “Xpress” in any part of their names
“Circular”	:	This circular to Shareholders dated 30 May 2016
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
“Company”	:	Xpress Holdings Ltd
“Completion”	:	The completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement
“Completion Date”	:	30 June 2016 or such other date as the Company, XPL and the Purchaser may mutually agree in writing
“Consideration”	:	The aggregate consideration of S\$1,000,000 payable by the Purchaser to the Company and XPL for the Sale Shares
“Directors”	:	The directors of the Company as at the date of this Circular
“EGM”	:	The Extraordinary General Meeting of the Company to be convened on 14 June 2016, notice of which is set out on pages N-1 and N-2 of this Circular
“EPS”	:	Earnings per Share
“FY2014”	:	Financial year ended 31 July 2014
“FY2015”	:	Financial year ended 31 July 2015
“FY2016”	:	Financial year ending 31 July 2016
“Group”	:	The Company and its subsidiaries
“IFA”	:	NRA Capital Pte. Ltd., the independent financial adviser appointed by the Company to advise the Independent Directors of the Company on the Proposed Disposal

DEFINITIONS

“IFA Letter”	:	The letter dated 30 May 2016 from the IFA as set out in Appendix C of this Circular
“Independent Directors”	:	The Directors who are deemed independent of the Proposed Disposal, being Mr. Ma Wei Dong, Mr. Lim Huan Chiang, Mr. Darlington Tseng Te-Lin, Mr. Sam Chong Keen and Ms. Chu Hongtao
“JXD”	:	Shenzhen Jiaxingda Printing Co. Ltd
“Latest Practicable Date”	:	24 May 2016, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST, as may be amended or modified from time to time
“LPS”	:	Loss per Share
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“NAV”	:	Net asset value
“NTA”	:	Net tangible assets
“PMG”	:	Precise Media Group Limited
“PPHK”	:	Print Planner (Hong Kong) Limited
“PRC”	:	People’s Republic of China
“Proposed Disposal”	:	Proposed disposal of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“Proxy Form”	:	The proxy form in respect of the EGM as set out in this Circular
“Purchaser”	:	China Gateway (Greater China) Consultants Limited
“Sale and Purchase Agreement”	:	The sale and purchase agreement dated 4 March 2016 entered into between the Company, XPL and the Purchaser in relation to the Proposed Disposal
“Sale Companies”	:	XPSZ, PMG, XPKL, XPHK and JXD
“Sale Shares”	:	The Company’s entire interest in the issued share capital of XPSZ, PMG, XPKL, XPHK and JXD
“Securities and Futures Act”	:	Securities and Futures Act. Chapter 289 of Singapore, as may be amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of Shares, except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to those Shares, mean the Depositors who have shares entered against their names in the Depository Register

DEFINITIONS

“Shares”	:	Ordinary shares in the capital of the Company
“subsidiary” or “subsidiaries”	:	Has the meaning ascribed to it in Section 5 of the Companies Act
“Subsidiaries”	:	XPSZ, PMG, XPKL and XPHK
“Substantial Shareholder”	:	A person who has an interest in voting shares in the Company and the total votes attached to which is not less than five per cent. of the total votes attached to all the voting shares in the Company
“XPHK”	:	Xpress Print (H.K.) Limited
“XPKL”	:	Xpress Print (K.L.) Sdn Bhd
“XPL”	:	Xpress Print (Pte) Ltd, a wholly owned subsidiary of the Company
“XPSZ”	:	Xpress Print (Shenzhen) Co. Ltd

Currencies and Units

“S\$” and “cents”	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
“%” or “per cent.”	:	Percentage or per centum

The terms “Depositor and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, Securities and Futures Act, Listing Manual or any statutory modification thereof and used in this Circular shall have the same meaning assigned to it under the Companies Act, Securities and Futures Act, Listing Manual or any statutory modification thereof, as the case may be.

Any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

LETTER TO SHAREHOLDERS

XPRESS HOLDINGS LTD
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199902058Z)

Directors:

Ma Wei Dong (*Executive Chairman*)
Lim Huan Chiang (*Executive Director and Chief Executive Officer*)
Darlington Tseng Te-Lin (*Non-Executive Director*)
Sam Chong Keen (*Lead Independent Director*)
Chu Hongtao (*Independent Director*)

Registered Office:

61 Tai Seng Avenue
Crescendas Print Media Hub
#03-03
Singapore 534167

30 May 2016

To: The Shareholders of Xpress Holdings Ltd

Dear Sir / Madam,

PROPOSED DISPOSAL OF THE ENTIRE INTEREST OF THE COMPANY IN THE ISSUED SHARE CAPITAL OF XPRESS PRINT (SHENZHEN) CO. LTD, PRECISE MEDIA GROUP LIMITED, XPRESS PRINT (K.L.) SDN BHD, XPRESS PRINT (H.K.) LIMITED AND SHENZHEN JIAXINGDA PRINTING CO. LTD

1. INTRODUCTION

- 1.1 The Directors propose to convene an EGM to seek Shareholders' approval for the Proposed Disposal.
- 1.2 The purpose of this Circular is to explain the rationale for, and provide Shareholders with the relevant information in relation to the Proposed Disposal, and to seek Shareholders' approval for the ordinary resolution thereof to be tabled at the EGM, notice of which is set out on pages N-1 and N-2 of this Circular.
- 1.3 The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Circular.

2. THE PROPOSED DISPOSAL

2.1 Introduction

- 2.1.1 On 21 January 2016, the Company announced that the Company and XPL, its wholly owned subsidiary, had entered into a non-binding memorandum of understanding with the Purchaser for the disposal of the Sale Shares to the Purchaser.
- 2.1.2 On 4 March 2016, the Company announced that the Company, XPL and the Purchaser had entered into a conditional Sale and Purchase Agreement on 4 March 2016, pursuant to which the Company and XPL will dispose of the Sale Shares to the Purchaser at the Consideration of S\$1,000,000. The Company also announced that the Company had appointed NRA Capital Pte. Ltd. as the IFA.
- 2.1.3 As at the Latest Practicable Date, the structure of the Group prior to the Proposed Disposal and after Completion of the Proposed Disposal is set out in Appendix A of this Circular.

LETTER TO SHAREHOLDERS

2.1.4 As at the Latest Practicable Date, after Completion of the Proposed Disposal, the Group will comprise the following subsidiaries:-

No.	Subsidiaries	Principal Activities
1	Xpress Print (Pte) Ltd	Provision of general printing, multimedia and pre-press work
2	Xpress Print (Australia) Pty Ltd	Pre-press work
3	Xpress New Media Pte Ltd	Provision of one-stop print-related services and print consultancy services
4	iSmart Investments Pte Ltd	Investment holding company
5	Xpress Media Philippines Inc.	Dormant
6	Xpress Print (Vietnam) Co., Ltd	Dormant

2.2 Major Transaction

2.2.1 As at the date of the Announcement, the Company had released the Group's results for 1QFY2016. Based on the audited financial statements of the Group for FY2015 and the unaudited financial statements of the Group for 1QFY2016, the relative figures of the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual are as follows:-

		FY2015	1QFY2016
Rule 1006(a)	NAV of the Sale Companies (S\$'000)	10,913	10,283
	NAV of the Group (S\$'000)	8,446	7,506
	Relative figure (%)	129	137
Rule 1006(b)	Net losses attributable to the Sale Companies (S\$'000)	(568)	(460)
	Net profits/(losses) of the Group (S\$'000)	314	(188)
	Relative figure (%)	n.m. ⁽²⁾	244
Rule 1006(c)	Aggregate value of the Consideration (S\$'000)	1,000	1,000
	Market capitalisation ⁽¹⁾ of the Company (S\$'000)	46,800	46,800
	Relative figure (%)	2.14	2.14
Rule 1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable	
Rule 1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable	

Notes:-

(1) The market capitalisation of the Company of approximately S\$46,800,000 is based on the total number of Shares of 96,198,080 multiplied by the volume weighted average price of S\$0.4865 per Share on 4 March 2016 which is the Market Day preceding the date of the Sale and Purchase Agreement.

(2) A comparison is not meaningful.

LETTER TO SHAREHOLDERS

2.2.2 Rule 1014 of the Listing Manual provides, amongst others, that where any of the relative figures computed on the bases set out in Rule 1006 of the Listing Manual exceeds 20%, the transaction is classified as a “major transaction” and must be made conditional upon approval by shareholders in a general meeting. Based on the unaudited financial statements of the Group for 1QFY2016, as the relative figures for the Proposed Disposal computed under Rules 1006(a) and 1006(b) of the Listing Manual exceed 20%, the Proposed Disposal is classified as a “major transaction” for the purposes of Chapter 10 of the Listing Manual and is subject to the approval of Shareholders in a general meeting.

2.3 Details of the Proposed Disposal

2.3.1 Sale Shares

Subject to the terms and conditions of the Sale and Purchase Agreement, the Company and XPL shall sell to the Purchaser and the Purchaser shall purchase from the Company and XPL the Sale Shares free from all charges, liens, pledges, trusts and other Encumbrances and with all rights, benefits and entitlements.

2.3.2 Consideration

The Consideration for the Proposed Disposal is S\$1,000,000. The Consideration was arrived at on a willing buyer willing seller basis after taking into consideration the estimated realisable value of the assets and liabilities if the Company had undergone a voluntary liquidation of the Sale Companies, net of the consequential costs arising thereof such as professional and legal fees, compensation to terminate employees and penalties for the cancellation of lease contracts. The Consideration of S\$1,000,000 offered by the Purchaser was also the highest offer received by the Company.

The Group is expected to record a loss on disposal of the Sale Companies of approximately S\$20.9 million which includes the realisation of the accumulated foreign exchange losses of S\$10.6 million residing in the Group’s currency translation reserve as at the date of the Announcement. The Consideration represents a deficit of S\$9.3 million over the NTA of the Sale Companies.

The Purchaser shall pay the Consideration to the Company and XPL according to the following payment schedule:-

- (a) S\$100,000 shall be paid as a non-refundable deposit on the date of the Sale and Purchase Agreement, being 4 March 2016;
- (b) S\$300,000 shall be paid on the Completion Date;
- (c) S\$300,000 shall be paid within 6 months after the Completion Date; and
- (d) S\$300,000 shall be paid within 12 months after the Completion Date.

Pursuant to the Sale and Purchase Agreement, the Purchaser shall provide a corporate guarantee for the entire sum of the Consideration as security for the deferred Consideration payment schedule set out above.

2.3.3 Conditions Precedent

Completion is conditional upon the satisfaction of the following:-

- (a) the Purchaser being satisfied with the results of the legal, tax and financial due diligence exercises to be carried out on the Sale Companies by the Purchaser and/or its professional advisers;
- (b) the delivery by the Purchaser to the Company and XPL of a duly executed corporate guarantee for the entire sum of the Consideration provided by a third party in a form satisfactory to the Company and XPL;

LETTER TO SHAREHOLDERS

- (c) if required, the approval of Shareholders being obtained for the disposal of the Sale Shares pursuant to Chapter 10 of the Listing Manual; and
- (d) if required, such consents or approvals as may be necessary from any third party, governmental or regulatory body or relevant competent authority having jurisdiction over the transactions contemplated under the Sale and Purchase Agreement, and the entry into and Completion of the Sale and Purchase Agreement by the Company, XPL and the Purchaser, being granted or obtained and not withdrawn or revoked and if such consents or approvals are granted or obtained subject to any conditions.

As at the Latest Practicable Date, the conditions precedent set out in Paragraphs 2.3.3(a), (b) and (d) have been satisfied. In relation to the corporate guarantee provided pursuant to the condition precedent set out in Paragraph 2.3.3(b) above, the Company has received a corporate guarantee provided by a third party company incorporated in the PRC which has been dealing in ink supplies to the printing industry for more than 10 years. The Company has engaged its advisers in the PRC to conduct a legal and financial due diligence on this third party, and they have concluded that this third party has the financial means to satisfy the corporate guarantee.

2.3.4 *Completion*

Subject to the fulfilment of the conditions precedent set out in Paragraph 2.3.3, Completion shall take place on the Completion Date which is 30 June 2016 or such other date as the Company, XPL and the Purchaser may mutually agree in writing.

2.3.5 *Change of Name*

- (a) Within a period of one month after Completion, the Purchaser shall procure the Change of Name, namely, that the name of the Sale Companies and their subsidiaries be changed such that the Sale Companies and their subsidiaries do not use “Xpress” in any part of their names.
- (b) Upon the Change of Name, the Purchaser shall only be entitled for a period of 12 months thereafter to use “Xpress” in the expression of the former name of each of the Sale Companies and their subsidiaries.

2.3.6 *Warranties*

Each of the Company and XPL warrants, amongst others, that:-

- (a) it is the sole legal and beneficial owner of the Sale Shares and is entitled to transfer or procure the transfer of the full ownership of the Sale Shares to the Purchaser on the terms set out in the Sale and Purchase Agreement; and
- (b) all consents, approvals, licences and authorisations of, and all filings and registrations with, any governmental or statutory agency or authority necessary for the due execution and delivery of the Sale and Purchase Agreement will, as far as the same are required to be done or performed by it, be obtained by the Completion Date.

2.4 **Information on the Sale Companies**

2.4.1 PMG is a wholly owned subsidiary of the Company, incorporated in the British Virgin Islands. It is an investment holding company which has a wholly owned subsidiary incorporated in Hong Kong, PPHK, which is principally involved in the provision of one stop print related services and printer consultancy services. PPHK wholly owns seven subsidiaries incorporated in the PRC located in Shenzhen, Shanghai, Chengdu, Beijing and Shenyang. The seven subsidiaries of PPHK are principally engaged in the provision of pre-press production related technical services, one stop print related services and printer consultancy services.

LETTER TO SHAREHOLDERS

- 2.4.2 XPSZ is a wholly owned subsidiary of the Company, incorporated in the PRC. XPSZ is principally engaged in the business of providing general printing, multimedia and pre-press services in Shenzhen, PRC, and has four branches located in Xiamen, Wuhan, Changsha and Guangzhou. It also holds a 50% stake in Shenzhen Xpress Wisdom Translation Co. Ltd, incorporated in the PRC, which has been dormant for the past 12 months.
- 2.4.3 XPKL and XPHK are incorporated in Malaysia and Hong Kong respectively. They are wholly owned subsidiaries of XPL which is wholly owned by the Company. XPKL principally provides general printing services and XPHK is currently dormant. XPHK was previously involved in the general trading business acting as a reseller of printed products for the Group.
- 2.4.4 JXD is incorporated in the PRC, and is principally engaged in the business of providing large volume print related services. The Company holds 9.9% of the equity interest in JXD, and classifies its interest in JXD as an available-for sale financial asset.
- 2.4.5 Based on the latest announced consolidated audited financial statements of the Group for FY2015, the NTA and net loss (before income tax, minority interests and extraordinary items) of the Sale Companies is S\$10.9 million and S\$0.5 million respectively.

2.5 Information on the Purchaser

- 2.5.1 The Purchaser is China Gateway (Greater China) Consultants Limited, an investment holding company incorporated in the British Virgin Islands, and has a diversified investment portfolio in media related companies and assets in Asia. The Purchaser does not have any direct and indirect relationship (including any business relationship) with the Company.
- 2.5.2 Ms. Wang Ke, who is a PRC citizen, is the sole director and shareholder of the Purchaser. Ms. Wang Ke is not related to any of the Directors or Substantial Shareholders.

3. RATIONALE FOR THE PROPOSED DISPOSAL AND USE OF PROCEEDS

3.1 Rationale

The Proposed Disposal involves the Company and XPL disposing of the Subsidiaries and JXD which is an available-for-sale financial asset of the Company. The sale of the Subsidiaries require the least financial resources and it best enables the Group to limit the risk of further losses to the Group. As such, the Board is of the opinion that taking the option to sell the loss-making Subsidiaries will be in the best interest of the Shareholders.

3.1.1 *Past financial information of the Sale Companies*

Based on the past financial results set out in Appendix B of this Circular, the Sale Companies started incurring significant operating losses since FY2014, mainly as a result of competition from digital media providers and country-specific economic factors, in particular, the major market of the Group in the PRC.

As a result of PMG's operating losses, the Group carried out an impairment assessment for PMG as the cash-generating unit ("CGU") containing goodwill and the PMG CGU was assessed to have a carrying amount which exceeded its recoverable amount by approximately S\$66.9 million. This resulted in the impairment losses for goodwill of S\$64.5 million and on other assets of S\$2.4 million in FY2014. The goodwill for PMG arose from the acquisition of PMG in the financial year ended 31 July 2006, and represents the premium of the purchase price over the net asset value of PMG at the point of acquisition.

Over the past two years, the Group's effort on upgrading the infrastructure to keep up with the digitalisation of the printing industry has mainly been confined to the Group's Singapore operations which remained profitable. This was helped by Singapore being an open economy having an abundance of skilled manpower resources. However, the Group's foreign operations, particularly in the PRC, faced a shortage of the required skilled labour to effect such a transformation, in addition to keen competition from digital media providers

LETTER TO SHAREHOLDERS

and country-specific economic factors. Consequently, the Group's operations in these geographical regions have continued to experience declining revenues and sustained losses for FY2015 and in 1HFY2016.

Given the continued decline in business revenue from the Sale Companies, the printing equipment and machinery of the PRC subsidiaries will be expected to incur further significant impairment losses arising from excess printing capacity if the Group continues to retain these companies.

Available-for-sale financial asset

The Company's 9.9% equity interest in JXD was fully impaired in FY2015. Based on JXD's latest available statutory accounts for the financial year ended 31 December 2014, JXD incurred a net loss and is in a negative equity position. JXD's management has represented that they are not optimistic about a positive turnaround in the near future and will possibly need further capital funding in the short term. As the Board does not intend to fund any more capital injection into JXD, the Proposed Disposal is viewed as an opportune time to dispose of the investment.

3.1.2 *Further investment in capital outlay*

Restructuring the Subsidiaries requires further investment in capital outlay and highly-skilled human resources which carries high business risks with an uncertain investment horizon. Moreover, the Subsidiaries operate in geographical regions where the printing industry is becoming increasingly competitive amidst a shrinking market and the Group lacks the required manpower and financial resources to cope effectively with the challenges on a large scale. Accordingly, the Board believes that the Proposed Disposal of the loss-making Subsidiaries will allow the Group to streamline its structure, reduce its fixed operating costs and minimise the future losses to the Group. The Proposed Disposal will also enable the Company to free up its resources and capital for allocation to its other profitable operations.

With a leaner organisational structure, the Board and management can allocate more of its time and resources to pursue new business opportunities that will increase the number of revenue streams for the Group and deliver positive value to Shareholders.

3.1.3 *Voluntarily liquidating the Subsidiaries*

According to an internal cost-benefit analysis, the net recoverable amount that the Group can obtain from a voluntary liquidation of the Sale Companies will not be higher than the price offered by the Purchaser. This is after taking into consideration the consequential costs that the Group will incur such as legal and professional fees, redundancy costs for staff retrenchments, compensation for terminating leases and printing contracts and depressed selling prices for the plant and equipment on a collective sale basis. In addition, should any legal proceedings ensue from the liquidation process, it may take the Group an inordinate amount of time to complete the liquidation process.

3.2 **Use of Proceeds**

The net proceeds from the Proposed Disposal shall be used for general working capital purposes for the Group's Singapore operations.

4. **FINANCIAL EFFECTS**

4.1 **Assumptions**

4.1.1 The pro forma financial effects of the Proposed Disposal on the NTA per Share and the EPS are prepared purely for illustration only and do not reflect the actual future results and financial position of the Group following Completion. The pro forma financial effects have been computed based on the audited consolidated financial statements of the Group for FY2015.

LETTER TO SHAREHOLDERS

4.1.2 For the purposes of computing the effect of the Proposed Disposal on the NTA per Share, it is assumed that the Proposed Disposal had been completed on 31 July 2015.

4.1.3 For the purposes of computing the effect on the Proposed Disposal on the EPS, it is assumed that the Proposed Disposal had been completed on 1 August 2014.

4.2 NTA per Share

	Before Completion of the Proposed Disposal	After Completion of the Proposed Disposal
NTA attributable to Shareholders (S\$'000)	8,446	(1,815)
Number of Shares ('000)	3,547,928	3,547,928
NTA per Share attributable to Shareholders (cents)	0.24	(0.05)

4.3 EPS

	Before Completion of the Proposed Disposal	After Completion of the Proposed Disposal
Net profit/(loss) attributable to Shareholders (S\$'000)	314	(20,575)
Weighted average number of Shares ('000)	2,282,470	2,282,470
EPS/(LPS) (cents)	0.01	(0.9)

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

5.1 As at the Latest Practicable Date, the interests of the Directors in the Shares, as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholders' Shareholdings of the Company maintained pursuant to Sections 164 and 88 of the Companies Act, are as follows:-

	Number of Shares		Total ⁽¹⁾ (%)
	Direct Interest	Deemed Interest	
Directors			
Ma Wei Dong ⁽²⁾	35,000,000	353,000	36.8
Lim Huan Chiang	725,000	-	0.75
Darlington Tseng Te-Lin	278,825	-	0.29
Sam Chong Keen	-	-	-
Chu Hongtao	-	-	-
Substantial Shareholders (other than Directors)			
Tseng An Hsiung Andy ⁽³⁾	-	7,879,674	8.19

Notes:-

(1) Based on 96,198,080 as at the Latest Practicable Date.

(2) By virtue of Section 7 of the Companies Act, Mr. Ma Wei Dong is deemed interested in the Shares held by his spouse, Mdm. Jin Li Yan.

(3) By virtue of Section 7 of the Companies Act, Mr. Tseng An Hsiung Andy is deemed interested in (i) 3,822,842 Shares held by Wellspring Investment Ltd, (ii) 44,800 Shares held by his spouse, Mrs. Tseng Shu Eng Eng and (iii) 4,012,032 Shares held by Dai Dai Development International Holdings Limited.

LETTER TO SHAREHOLDERS

- 5.2 None of the Directors or Substantial Shareholders has any interest, direct or indirect, in the Proposed Disposal (other than through their respective shareholdings in the Company).

6. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person in connection with the Proposed Disposal.

7. OPINION AND ADVICE OF THE IFA

- 7.1 NRA Capital Pte. Ltd. has been appointed as the IFA to the Independent Directors to advise them on whether the Proposed Disposal is on normal commercial terms and whether it is prejudicial to the interests of the Company and its minority shareholders. The IFA Letter to the Independent Directors dated 30 May 2016 is set out in Appendix C of this Circular.
- 7.2 After having carefully considered the information available, and based upon the financial, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date as well as the considerations set out in the IFA Letter in its entirety, the IFA is of the opinion that, the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

8. INDEPENDENT DIRECTORS' RECOMMENDATIONS

The Independent Directors, having considered the rationale and terms of the Proposed Disposal and the IFA Letter, are of the opinion that the Proposed Disposal is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution in respect of the Proposed Disposal set out in the EGM notice.

9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out in this Circular, will be held on 14 June 2016 for the purpose of considering and, if thought fit, passing with or without modifications the ordinary resolution set out therein.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

10.1 Appointment of Proxies

Shareholders who are unable to attend the EGM and wish to appoint a proxy/proxies to attend and vote on their behalf will find enclosed with this Circular, a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the registered office of the Company not less than 48 hours before the time appointed for the holding of the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM in place of his proxy/proxies if he finds that he is able to do so. In such an event, the Proxy Form will be deemed to be revoked.

10.2 Depositors

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the time fixed for the EGM.

11. CONSENT

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of and references to its name and the IFA Letter in the form and context in which they appear in this Circular.

LETTER TO SHAREHOLDERS

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

13. DOCUMENTS FOR INSPECTION

13.1 A copy of the Sale and Purchase Agreement will be available for inspection at the registered office of the Company during normal business hours for three months from the date of the Announcement.

13.2 Copies of the following documents are available for inspection at the registered office of the Company during normal business hours from the date of this Circular up to and including the date of the EGM:-

- (a) Constitution of the Company;
- (b) IFA Letter;
- (c) the letter of consent referred to in Paragraph 11 of this Circular; and
- (d) annual report of the Company for FY2015.

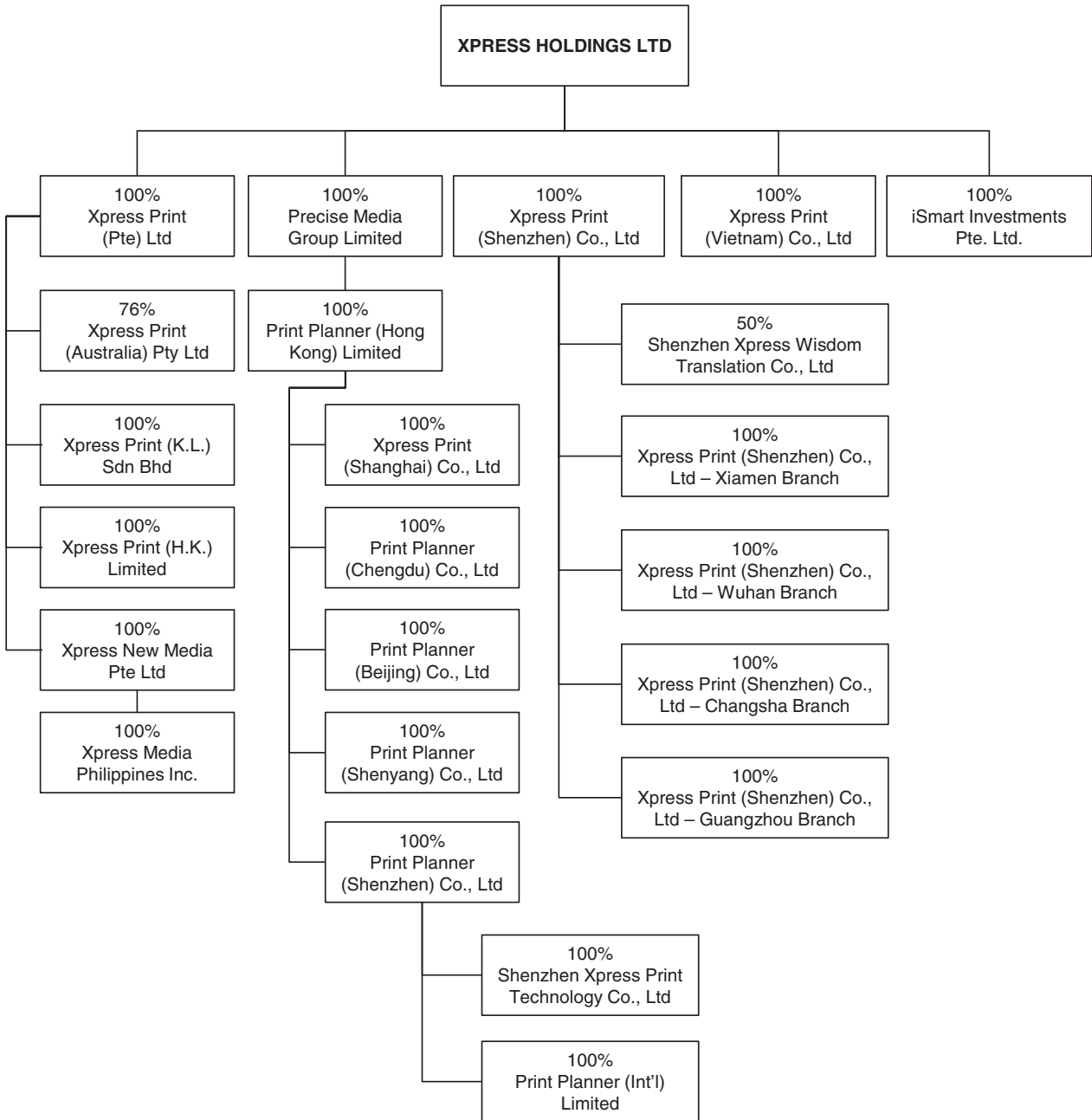
Yours faithfully
for and on behalf of the Board of Directors of
XPRESS HOLDINGS LTD

Lim Huan Chiang
Executive Director and Chief Executive Officer

APPENDIX A – GROUP STRUCTURE

GROUP STRUCTURE PRIOR TO THE PROPOSED DISPOSAL

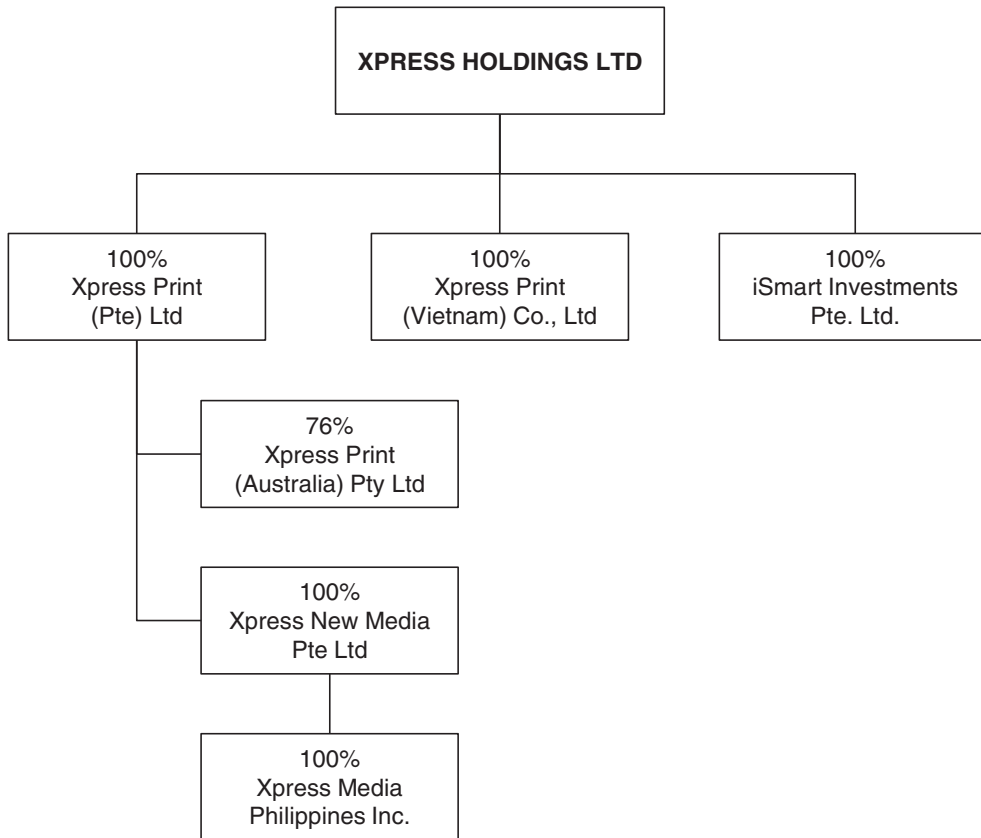
As at Latest Practicable Date, the structure of the Group prior to the Proposed Disposal is as follows:-



APPENDIX A – GROUP STRUCTURE

GROUP STRUCTURE AFTER COMPLETION OF THE PROPOSED DISPOSAL

Based on the Group Structure as at the Latest Practicable Date, the structure of the Group after Completion of the Proposed Disposal is as follows:-



APPENDIX B – SELECTED PAST FINANCIAL RESULTS

This Appendix sets out selected past financial results of (1) the Group's operating profit/(loss), (2) the Group's operating profit/(loss) by country, (3) the net asset value of the Group and Sale Companies and (4) XPSZ, PMG, XPHK and XPKL.

1. Group's Operating profit/(loss)

\$'000	Unaudited	Audited		
	1HFY2016	FY2015	FY2014	FY2013
Net profit/(loss)	(9,240)	311	(145,647)	1,036
Excluding non-operating items attributable to the Sale Companies:⁽¹⁾				
Impairment of goodwill	-	-	(64,484)	-
Impairment loss on trade and other receivables	-	-	(59,693)	-
Impairment loss on plant and equipment	-	-	(2,370)	-
Gain on disposal of plant and equipment	-	253	-	-
Initial write down on assets held for sale	(8,351)	-	-	-
Excluding non-operating items attributable to the entities other than the Sale Companies:⁽²⁾				
Impairment loss on other receivables	-	-	(4,269)	-
Impairment loss on available-for-sale financial asset	-	-	(1,940)	-
Operating profit/(loss)	(889)	58	(12,891)	1,036

Notes:-

(1) This refers to the results of the operations of the Sale Companies in the PRC and Hong Kong.

(2) This refers to the companies remaining after the Proposed Disposal.

APPENDIX B – SELECTED PAST FINANCIAL RESULTS

2. Group's operating profit/(loss) by country

	Unaudited		Audited					
	1HFY2016		FY2015		FY2014		FY2013	
	S\$'000	As a % of the Group	S\$'000	As a % of the Group	S\$'000	As a % of the Group	S\$'000	As a % of the Group
Singapore and others	29	-4%	626	1079%	(4,670)	36%	(733)	-71%
PRC and Hong Kong ⁽¹⁾	(858)	97%	(466)	-803%	(7,988)	62%	1,941	187%
Malaysia ⁽²⁾	(60)	7%	(102)	-176%	(233)	2%	(176)	-17%

Notes:-

- (1) This refers to the results of the operations of the Sale Companies in the PRC and Hong Kong.
(2) This refers to the results of the operations of the Sale Companies in Malaysia.

3. Net asset value of the Group and Sale Companies

	Unaudited		Audited					
	1HFY2016		FY2015		FY2014		FY2013	
	S\$'000	As a % of the Group	S\$'000	As a % of the Group	S\$'000	As a % of the Group	S\$'000	As a % of the Group
Group	7,633	100%	8,625	100%	239	100%	138,249	100%
Sale Companies ⁽¹⁾	9,292	122%	10,913	128%	8,906	3,726%	137,779	100%

Note:-

- (1) Sale Companies consist of subsidiaries located in PRC, Hong Kong and Malaysia.

APPENDIX B – SELECTED PAST FINANCIAL RESULTS

4. XPSZ, PMG, XPHK and XPKL

	1HFY2016	FY2015	FY2014
	S\$'000	S\$'000	S\$'000
Net loss of Sale Companies			
XPSZ	(576)	17	(1,769)
PMG	(282)	(225)	(68,260)
XPHK	-	(5)	(21)
XPKL	(60)	(102)	(233)
Total net loss	(918)	(315)	(70,283)
Less: non-operating items			
XPSZ - gain on disposal of equipment	-	(253)	-
XPSZ - impairment of receivables	-	-	316
PMG - impairment of receivables	-	-	59,376
PMG - impairment of plant and equipment	-	-	2,370
	-	(253)	62,062
Operating loss of Sale companies			
XPSZ	(576)	(236)	(1,453)
PMG	(282)	(225)	(6,514)
XPHK	-	(5)	(21)
XPKL	(60)	(102)	(233)
Total net loss	(918)	(568)	(8,221)

LETTER FROM NRA CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS OF
XPRESS HOLDINGS LTD

nra capital

30 May 2016

The Independent Directors
Xpress Holdings Ltd
61 Tai Seng Avenue
Crescendas Print Media Hub
#03-03
Singapore 534167

Dear Sirs

PROPOSED DISPOSAL OF THE ENTIRE INTEREST OF THE COMPANY IN THE ISSUED SHARE CAPITAL OF XPRESS PRINT (SHENZHEN) CO. LTD, PRECISE MEDIA GROUP LIMITED, XPRESS PRINT (K.L.) SDN BHD, XPRESS PRINT (H.K.) LIMITED AND SHENZHEN JIAXINGDA PRINTING CO. LTD

Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 30 May 2016 issued by Xpress Holdings Ltd (the “Company”) (the “Circular”) shall have the same meanings herein.

1. INTRODUCTION

On 4 March 2016, the Company announced that the Company, Xpress Print (Pte) Ltd (“XPL”), a wholly owned subsidiary of the Company, and China Gateway (Greater China) Consultants Limited (the “Purchaser”) had entered into a conditional sale and purchase agreement on 4 March 2016, pursuant to which the Company and XPL will dispose of the Company’s entire interest in the issued share capital of Xpress Print (Shenzhen) Co. Ltd, Precise Media Group Limited, Xpress Print (K.L.) Sdn Bhd (“XPKL”), Xpress Print (H.K.) Limited (“XPHK”) and Shenzhen Jiaxingda Printing Co. Ltd (“JXD”) (the “Sale Shares”) to the Purchaser at the consideration of S\$1,000,000 (the “Sale and Purchase Agreement”) (the “Proposed Disposal”).

Based on the announced unaudited financial statements of the Company and its subsidiaries (the “Group”) for the three months ended 31 October 2015, the relative figures of the Proposed Disposal computed on the bases set out in Rule 1006 of the listing manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (the “Listing Manual”), the Proposed Disposal is classified as a “major transaction” and, according to Rule 1014, must be made conditional upon approval of the shareholders of the Company (the “Shareholders”) in a general meeting to be convened.

NRA Capital Pte. Ltd. (“NRA Capital”) was appointed as the Independent Financial Adviser (the “IFA”) to provide its opinion on whether the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders and this letter (the “Letter”) sets out, *inter alia*, our views and evaluation of the Proposed Disposal and our recommendation thereon, and forms part of the Circular providing, *inter alia*, the details of the Proposed Disposal and the recommendation of the Independent Directors (as defined below) in respect thereof.

2. TERMS OF REFERENCE

The directors that are deemed independent of the Proposed Disposal (the “Independent Directors”) have appointed NRA Capital to advise them on whether the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, we do not, by this Letter, warrant the merits, long term or otherwise,

APPENDIX C – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

and/or commercial risks and/or commercial merits (if any) of the Proposed Disposal or the future prospects and earnings potential of the Group or of the industry in which the Group operates or intends to operate in, and we have not made such evaluation or comment. Such evaluation or comment, if any, remains solely the responsibility of the Directors and/or the management of the Company (the “Management”). However, we may draw upon the views of the Directors and/or the Management or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

We were not privy or responsible to the negotiations in relation to the Proposed Disposal, nor were we involved in the deliberations leading up to the decision on the part of the Directors to propose the Proposed Disposal.

In the course of our evaluation, we have relied on publicly available information collated by us as well as information provided and representations made, both written and verbal, by the Directors, the Management and the professional advisers of the Company. We have not independently verified such information or representations, whether written or verbal, and therefore cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. However, we have made such reasonable enquiries and exercised our judgment, as we deemed necessary and have found no reason to doubt the reliability and accuracy of such information and representations.

We have relied upon the assurances of the Directors and the Management that, upon making all reasonable enquiries and to the best of their respective knowledge, information and belief, all material information in connection with the Proposed Disposal, the Company and the Group has been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Company or the Group to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

In our assessment and evaluation of the Proposed Disposal and in arriving at our opinion thereon, we do not express any view on the growth prospects and earnings potential of the Company or the Group in connection with our opinion herein. Such view or comment, if any, remains the responsibility of the Directors and Management, although we may draw upon their views or make such comments in respect thereof (to the extent required or deemed necessary or appropriate by us) in arriving at our advice as set out in this Letter.

Our opinion as set out in this Letter is based upon market, economic, industry, monetary and other conditions prevailing as at 24 May 2016 (the “Latest Practicable Date”), and the information provided and representations made available to us as at the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

In rendering our opinion, we have not considered the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment profiles and objectives, we recommend that any individual Shareholder who may require specific advice in relation to his investment portfolio or objectives should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Proposed Disposal (other than this Letter). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this Letter).

APPENDIX C – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Our opinion is addressed to the Independent Directors for their benefit and deliberation of the Proposed Disposal. The recommendations made by them shall remain the responsibility of the Independent Directors. Our recommendation to the Independent Directors in relation to the Circular should be considered in the context of the entirety of this Letter and the Circular.

3. THE PROPOSED DISPOSAL

Shareholders should have, by now, received a copy of the Circular dated 30 May 2016 issued by the Company, setting out, *inter alia*, the financial terms and conditions of the Proposed Disposal. We recommend that the Independent Directors advise Shareholders to read the terms and conditions contained in the Proposed Disposal carefully.

3.1 Consideration for the Proposed Disposal

(As extracted from the Circular under paragraph 2.3.2)

“The Consideration for the Proposed Disposal is S\$1,000,000. The Consideration was arrived at on a willing buyer willing seller basis after taking into consideration the estimated realisable value of the assets and liabilities if the Company had undergone a voluntary liquidation of the Sale Companies, net of the consequential costs arising thereof such as professional and legal fees, compensation to terminate employees and penalties for the cancellation of lease contracts. The Consideration of S\$1,000,000 offered by the Purchaser was also the highest offer received by the Company.

The Group is expected to record a loss on disposal of the Sale Companies of approximately S\$20.9 million which includes the realisation of the accumulated foreign exchange losses of S\$10.6 million residing in the Group’s currency translation reserve as at the date of the Announcement. The Consideration represents a deficit of S\$9.3 million over the NTA of the Sale Companies.

The Purchaser shall pay the Consideration to the Company and XPL according to the following payment schedule:-

- (a) S\$100,000 shall be paid as a non-refundable deposit on the date of the Sale and Purchase Agreement, being 4 March 2016;*
- (b) S\$300,000 shall be paid on the Completion Date;*
- (c) S\$300,000 shall be paid within 6 months after the Completion Date; and*
- (d) S\$300,000 shall be paid within 12 months after the Completion Date.*

Pursuant to the Sale and Purchase Agreement, the Purchaser shall provide a corporate guarantee for the entire sum of the Consideration as security for the deferred Consideration payment schedule set out above.”

3.2 Condition

(As extracted from the Circular under paragraph 2.3.3)

“Completion is conditional upon the satisfaction of the following:-

- (a) the Purchaser being satisfied with the results of the legal, tax and financial due diligence exercises to be carried out on the Sale Companies by the Purchaser and/or its professional advisers;*
- (b) the delivery by the Purchaser to the Company and XPL of a duly executed corporate guarantee for the entire sum of the Consideration provided by a third party in a form satisfactory to the Company and XPL;*
- (c) if required, the approval of Shareholders being obtained for the disposal of the Sale Shares pursuant to Chapter 10 of the Listing Manual; and*

APPENDIX C – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (d) *if required, such consents or approvals as may be necessary from any third party, governmental or regulatory body or relevant competent authority having jurisdiction over the transactions contemplated under the Sale and Purchase Agreement, and the entry into and Completion of the Sale and Purchase Agreement by the Company, XPL and the Purchaser, being granted or obtained and not withdrawn or revoked and if such consents or approvals are granted or obtained subject to any conditions.*

As at the Latest Practicable Date, the conditions precedent set out in Paragraphs 2.3.3(a), (b) and (d) have been satisfied. In relation to the corporate guarantee provided pursuant to the condition precedent set out in Paragraph 2.3.3(b) above, the Company has received a corporate guarantee provided by a third party company incorporated in the PRC which has been dealing in ink supplies to the printing industry for more than 10 years. The Company has engaged its advisers in the PRC to conduct a legal and financial due diligence on this third party, and they have concluded that this third party has the financial means to satisfy the corporate guarantee.”

3.3 Completion

(As extracted from the Circular under paragraph 2.3.4)

“Subject to the fulfilment of the conditions precedent set out in Paragraph 2.3.3, Completion shall take place on the Completion Date which is 30 June 2016 or such other date as the Company, XPL and the Purchaser may mutually agree in writing.”

Further details for the Proposed Disposal are set out in paragraph 2 of the Circular.

4. INFORMATION ON SALE COMPANIES

Precise Media Group Limited is a wholly owned subsidiary of the Company, incorporated in the British Virgin Islands. It is an investment holding company which has a wholly owned subsidiary incorporated in Hong Kong, Print Planner (Hong Kong) Limited (“PPHK”), which is principally involved in the provision of one stop print related services and printer consultancy services. PPHK wholly owns seven subsidiaries incorporated in the People’s Republic of China (“PRC”) located in Shenzhen, Shanghai, Chengdu, Beijing and Shenyang. The seven subsidiaries of PPHK are principally engaged in the provision of pre-press production related technical services, one stop print related services and printer consultancy services.

Xpress Print (Shenzhen) Co., Ltd is a wholly owned subsidiary of the Company, incorporated in the PRC. Xpress Print (Shenzhen) Co., Ltd is principally engaged in the business of providing general printing, multimedia and pre-press services in Shenzhen, PRC, and has four branches located in Xiamen, Wuhan, Changsha and Guangzhou. It also holds a 50% stake in Shenzhen Xpress Wisdom Translation Co. Ltd, incorporated in the PRC, which has been dormant for the past 12 months.

XPKL and XPHK are incorporated in Malaysia and Hong Kong respectively. They are wholly owned subsidiaries of XPL which is wholly owned by the Company. XPKL principally provides general printing services and XPHK is currently dormant. XPHK was previously involved in the general trading business acting as a reseller of printed products for the Group.

JXD is incorporated in the PRC, and is principally engaged in the business of providing large volume print related services. The Company holds 9.9% of the equity interest in JXD, and classifies its interest in JXD as an available-for-sale financial asset.

Based on the latest announced consolidated audited financial statements of the Group for FY2015, the net tangible assets (“NTA”) and net loss (before income tax, minority interests and extraordinary items) of the Sale Companies is S\$10.9 million and S\$0.5 million respectively.

APPENDIX C – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5. INFORMATION ON THE PURCHASER

The Purchaser is incorporated in the British Virgin Islands, and is an investment holding company which has a diversified investment portfolio in media related companies and assets in Asia. The Purchaser does not have any direct and indirect relationship (including any business relationship) with the Company. Ms. Wang Ke, who is a PRC citizen, is the sole director and shareholder of the Purchaser. Ms. Wang Ke is not related to any of the Directors or substantial Shareholders of the Company.

None of the Directors or substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal (other than through their respective shareholdings in the Company as disclosed under paragraph 5 in the Circular). Further, no person is proposed to be appointed as a Director in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person in connection with the Proposed Disposal.

6. EVALUATION OF THE PROPOSED DISPOSAL

In our evaluation of the Proposed Disposal, we have given due consideration to, *inter alia*, the following key factors:

- (a) Rationale for the Proposed Disposal
- (b) Assessment of the Consideration for the Proposed Disposal
- (c) Financial effects of the Proposed Disposal on the Group
- (d) Financial position of the Group, the outlook of the Sale Companies and the Board's intention
- (e) Other relevant considerations

6.1 Rationale for the Proposed Disposal

(As extracted from the Circular under paragraph 3.1)"

The Proposed Disposal involves the Company and XPL disposing of the Subsidiaries and JXD which is an available-for-sale financial asset of the Company. The sale of the Subsidiaries require the least financial resources and it best enables the Group to limit the risk of further losses to the Group. As such, the Board is of the opinion that taking the option to sell the loss-making Subsidiaries will be in the best interest of the Shareholders.

3.1.1 Past financial information of the Sale Companies

Based on the past financial results set out in Appendix B of this Circular, the Sale Companies started incurring significant operating losses since FY2014, mainly as a result of competition from digital media providers and country-specific economic factors, in particular, the major market of the Group in the PRC.

As a result of PMG's operating losses, the Group carried out an impairment assessment for PMG as the cash-generating unit ("CGU") containing goodwill and the PMG CGU was assessed to have a carrying amount which exceeded its recoverable amount by approximately S\$66.9 million. This resulted in the impairment losses for goodwill of S\$64.5 million and on other assets of S\$2.4 million in FY2014. The goodwill for PMG arose from the acquisition of PMG in the financial year ended 31 July 2006, and represents the premium of the purchase price over the net asset value of PMG at the point of acquisition.

Over the past two years, the Group's effort on upgrading the infrastructure to keep up with the digitalisation of the printing industry has mainly been confined to the Group's Singapore operations which remained profitable. This was helped by Singapore being an open economy having an abundance of skilled manpower resources. However, the Group's foreign operations, particularly in the PRC, faced a shortage of the required skilled labour

APPENDIX C – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

to effect such a transformation, in addition to keen competition from digital media providers and country-specific economic factors. Consequently, the Group's operations in these geographical regions have continued to experience declining revenues and sustained losses for FY2015 and in 1HFY2016.

Given the continued decline in business revenue from the Sale Companies, the printing equipment and machinery of the PRC subsidiaries will be expected to incur further significant impairment losses arising from excess printing capacity if the Group continues to retain these companies.

Available-for-sale financial asset

The Company's 9.9% equity interest in JXD was fully impaired in FY2015. Based on JXD's latest available statutory accounts for the financial year ended 31 December 2014, JXD incurred a net loss and is in a negative equity position. JXD's management has represented that they are not optimistic about a positive turnaround in the near future and will possibly need further capital funding in the short term. As the Board does not intend to fund any more capital injection into JXD, the Proposed Disposal is viewed as an opportune time to dispose of the investment.

3.1.2 Further investment in capital outlay

Restructuring the Subsidiaries requires further investment in capital outlay and highly-skilled human resources which carries high business risks with an uncertain investment horizon. Moreover, the Subsidiaries operate in geographical regions where the printing industry is becoming increasingly competitive amidst a shrinking market and the Group lacks the required manpower and financial resources to cope effectively with the challenges on a large scale. Accordingly, the Board believes that the Proposed Disposal of the loss-making Subsidiaries will allow the Group to streamline its structure, reduce its fixed operating costs and minimise the future losses to the Group. The Proposed Disposal will also enable the Company to free up its resources and capital for allocation to its other profitable operations.

With a leaner organisational structure, the Board and management can allocate more of its time and resources to pursue new business opportunities that will increase the number of revenue streams for the Group and deliver positive value to Shareholders.

3.1.3 Voluntarily liquidating the Subsidiaries

According to an internal cost-benefit analysis, the net recoverable amount that the Group can obtain from a voluntary liquidation of the Sale Companies will not be higher than the price offered by the Purchaser. This is after taking into consideration the consequential costs that the Group will incur such as legal and professional fees, redundancy costs for staff retrenchments, compensation for terminating leases and printing contracts and depressed selling prices for the plant and equipment on a collective sale basis. In addition, should any legal proceedings ensue from the liquidation process, it may take the Group an inordinate amount of time to complete the liquidation process."

6.2 Assessment of the Consideration for the Proposed Disposal

In assessing the Consideration for the Proposed Disposal, we have considered the following:

- (i) Financial information of Sale Companies;
- (ii) Independent valuation of Sale Companies; and
- (iii) Alternative offers.

6.2.1 Financial information of Sale Companies

A summary of the key financial figures of the Group and Sale Companies for the financial years ("FY") from FY2013 to half-year ended (31 January) ("HFY") 2016 are set out as follows:

APPENDIX C – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1. Operating profit/(loss)

S\$'000	Unaudited		Audited	
	1HFY2016	FY2015	FY2014	FY2013
Net profit/(loss)	(9,240)	311	(145,647)	1,036
Excluding non-operating items attributable to Sale Companies: ⁽¹⁾				
Impairment of goodwill	-	-	(64,484)	-
Impairment loss on trade and other receivables	-	-	(59,693)	-
Impairment loss on plant and equipment	-	-	(2,370)	-
Gain on disposal of plant and equipment	-	253	-	-
Initial write down on assets held for sale	(8,351)	-	-	-
Excluding non-operating items attributable to the entities other than the Sale Companies: ⁽²⁾				
Impairment loss on other receivables	-	-	(4,269)	-
Impairment loss on available-for-sale financial asset	-	-	(1,940)	-
Operating profit/(loss)	(889)	58	(12,891)	1,036

Notes:-

- (1) This refers to the results of the operations of the Sale Companies in the PRC and Hong Kong.
(2) This refers to the companies remaining after the disposal of the Sale Companies.

2. Operating profit/(loss) by country

	Unaudited		Audited					
	1HFY2016		FY2015		FY2014		FY2013	
	S\$'000	As a % of the Group	S\$'000	As a % of the Group	S\$'000	As a % of the Group	S\$'000	As a % of the Group
Singapore and others	29	-4%	626	1079%	(4,670)	36%	(733)	-71%
PRC and Hong Kong ⁽¹⁾	(858)	97%	(466)	-803%	(7,988)	62%	1,941	187%
Malaysia ⁽²⁾	(60)	7%	(102)	-176%	(233)	2%	(176)	-17%

Notes:-

- (1) This refers to the results of the operations of the Sale Companies in the PRC and Hong Kong.
(2) This refers to the results of the operations of the Sale Companies in Malaysia.

APPENDIX C – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. Net asset value (“NAV”)

	Unaudited		Audited					
	1HFY2016		FY2015		FY2014		FY2013	
	S\$'000	As a % of the Group	S\$'000	As a % of the Group	S\$'000	As a % of the Group	S\$'000	As a % of the Group
Group	7,633 ⁽²⁾	100%	8,625	100%	239	100%	138,249	100%
Sale Companies ⁽¹⁾	9,292	122%	10,913	128%	8,906	3,726%	137,779	100%

Notes:-

(1) Sale Companies consist of subsidiaries located in PRC, Hong Kong and Malaysia.

(2) Group net asset value for 1HFY2016 excluding the initial write down of asset held for sale was S\$7.63m.

Source: Figures for FY2013 to FY2015: The Group and Sale companies' audited accounts for FY2013, FY2014 and FY2015 ended on 31 July for the respective financial year. Figures for 1HFY2016: The Group and Sale companies' unaudited accounts as at 1HFY2016.

We wish to note the following:

- (i) The Sale Companies (excluding JXD, which is held as available-for-sale financial asset) have been making operating losses since FY2014. In the latest announced financial results for 1HFY2016, the Group made a net loss of approximately S\$9.2 million. Excluding extraordinary items (a write-down of the Sale Companies of approximately S\$8.3 million), the Group made an operating loss of approximately S\$0.9 million, of which the Sale Companies contributed approximately an operating loss of S\$0.9 million and the rest of the Group (being not part of the Proposed Disposal) contributed an operating profit of approximately S\$0.029 million. It was also noted that in FY2014, there was a significant impairment charge on the goodwill related to Precise Media Group Limited of approximately S\$64.5 million and an impairment charge of approximately S\$64.0 million (approximately S\$60.0 million attributed to Sale Companies) in relation to trade and other receivables. The impairment charge on Precise Media Group Limited arose due to excess printing capacity. Further, it was provided that JXD had been badly affected by the decline in business prospects in the PRC and was in a net loss and negative equity position as at FY2014. JXD's management had represented that they were not optimistic of a turnaround in the near future. Hence, in FY2015, the value of JXD was fully impaired.

On a consolidated basis, the Sale Companies' 1HFY2016 operating losses contributed approximately 104% to the Group's 1HFY2016 operating losses (% of operating losses in, FY2015: 979% and FY2014: 64%). The Company has provided that given the continued decline in the business revenue from the Sale Companies, the printing equipment and machinery of the PRC subsidiaries will be expected to incur further significant impairment losses arising from excess printing capacity if the Group continues to retain these companies. XPKL (part of the Sale Companies for the Proposed Disposal) has been in an operating loss position since FY2013 in our periods of review.

In this regard, as provided for in the Rationale of the Proposed Disposal, it is provided that the Board believes that the Proposed Disposal of the loss-making Sale Companies will allow the Group to streamline its structure, reduce its fixed operating costs and minimise the future losses to the Group. The Proposed Disposal will also enable the Company to free up its resources and capital for allocation to its other profitable operations. It is noted that the rest of the Group (excluding the Sale Companies) has been profitable in the latest completed financial year of FY2015 and the latest announced financial period as at 1HFY2016.

APPENDIX C – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (ii) The NAV of the Group and Sale Companies (excluding JXD) as at 1HFY2016 is approximately S\$7.6 million and S\$9.3 million, respectively. It is noted that the NAV of the Sale Companies for the financial periods in review from FY2013 to 1HFY2016 had declined from approximately S\$138 million in FY2013 to approximately S\$9.3 million in 1HFY2016 or the equivalent of a decline of approximately 93.3%. It is noted that from FY2014 to FY2015, the NAV of the Sale Companies increased from approximately S\$8.9 million to approximately S\$11.0 million. This increase was attributed to: 1) a reversal of an overprovision of bad debts, and 2) a one time off contract of approximately S\$1.7 million recorded.

In our evaluation of the financial terms of the Proposed Disposal, we have considered whether there are any factors which have not been otherwise disclosed in the financial statements of the Group that are likely to reduce the unaudited book NAV as at the Latest Practicable Date. Save as disclosed in the financial statements of the Group as at Latest Practicable Date, the Directors have confirmed that as at the Latest Practicable Date, to the best of their knowledge, there are no contingent liabilities which are likely to have a material impact on the NAV of the Group.

6.2.2 Independent valuation of Sale Companies

The Company had commissioned Robert Khan & Co. Pte. Ltd. (the “Valuer”) to carry out an independent valuation of the printing presses, ancillary equipment and motor vehicles held by the Sale Companies in relation to the Proposed Disposal (the “Sale Assets”) as at the valuation date 10 March 2016 (the “Valuation Date”). The Valuer had relied on the depreciated replacement cost⁽¹⁾ and market comparison⁽²⁾ methods in its arrival of its independent valuation. Based on the results of the Valuer’s investigation and analysis, the Valuer is of the opinion that the fair market value⁽³⁾ of the Sale Assets as at the Valuation Date is S\$1.05 million (based on the exchange rate for SGD/CNY as extracted from Bloomberg L.P. as at the Latest Practicable Date).

The Consideration represents approximately a 5% discount to Valuer’s independent valuation of the Sale Assets.

(1) Depreciated replacement cost method: Based on the estimate of the current market value – in continued use, plus the current gross replacement (or reproduction) costs of the improvements, less allowances for physical deterioration and all relevant forms of obsolescence and optimisation.

(2) Market comparison method: Considers prices recently paid for similar assets, with adjustments made to the indicated market prices to reflect conditions and utility of the appraised assets relative to the market comparative.

(3) Market value is defined as the estimated amount for which an asset 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. The value also takes into account the cost of removal of the property to another location.

6.2.3 Alternative offers

We understand from the Management of the Group that in relation to the Proposed Disposal, there was a tender process conducted which attracted the following bids:

List of Bids

Bidders	%	Sale Companies	Value (million)
Purchaser	100		S\$1.00
A	100		RMB2.00
B	100		RMB1.28
C	100		RMB0.80
D	100		USD0.48

APPENDIX C – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We note that the Consideration for the Proposed Disposal of S\$1.0 million for the Proposed Disposal is the highest bids amongst the List of Bids. The Consideration is at a premium of approximately 66.7% to the next highest bid of approximately S\$0.6 million (converted based on SGD/USD exchange rate as extracted from Bloomberg L.P. as at the Latest Practicable Date)

6.3 Financial effects of the Proposed Disposal on the Group

The financial effects of the Proposed Disposal are set out in paragraph 4 of the Circular and are based on the Group's latest consolidated and audited financial statements for FY2015 and various assumptions as detailed therein.

In summary, we note that the Proposed Disposal will have a financial impact to the Group as detailed in the following:

- (i) The NTA will decrease from approximately S\$8.4 million to approximately S\$(1.8) million or the equivalent of a decrease in NTA per Share from approximately 0.24 cents to (0.05) cents. The decrease can be attributed to the write-down of the Sale Companies in relation to the Proposed Disposal.
- (ii) The net profit will decrease from approximately S\$0.3 million to approximately S\$(20.6) million or the equivalent of a decrease in earnings per Share ("EPS") from approximately 0.01 cents to approximately (0.9) cents. The decrease can be attributed to the loss on disposal in relation to the Proposed Disposal.

6.4 Financial position of the Group, the outlook of the Sale Companies and the Board's intention

Review of financial position

(S\$'000)	1HFY2016	FY2015
Non-current assets	630	8,269
Current assets	5,923	11,898
Non-current liabilities	704	726
Current liabilities	6,568	10,815
Total equity	(719)	8,626

Source: The Group's audited accounts for FY2015 as at 31 July 2015 and unaudited accounts for 1HFY2016 as at 31 January 2016

The Group's assets as at 1HFY2016, comprised mainly of its cash and cash equivalent of approximately S\$1.9 million, trade receivables of approximately S\$1.6 million and other receivables of approximately S\$1.2 million. The Group's liabilities comprised mainly of trade and other payables of approximately S\$5.6 million. As of 1HFY2016, the Group is in a negative net working position of approximately S\$0.645 million and a negative equity position of approximately S\$0.719 million.

The Board has provided that the Group's foreign operations, particularly in the PRC, faced a shortage of the required skilled labour to effect the transformation into digitalised printing, in addition to keen competition from digital media providers and country-specific economic factors. Given the continued decline in business revenue from the Sale Companies, the printing equipment and machinery of the PRC subsidiaries will be expected to incur further significant impairment losses arising from excess printing capacity if the Group continues to retain these companies. In that regard, in arriving at the decision for the Proposed Disposal, the Company has considered the alternatives including, (1) the restructuring of the Sale Companies (excluding JXD held as available-for-sale financial asset) and (2) voluntarily liquidating the Sale Companies (excluding JXD):

(As extracted from the Circular under paragraph 3.1)

APPENDIX C – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

“Further investment in capital outlay

Restructuring the Subsidiaries requires further investment in capital outlay and highly-skilled human resources which carries high business risks with an uncertain investment horizon. Moreover, the Subsidiaries operate in geographical regions where the printing industry is becoming increasingly competitive amidst a shrinking market and the Group lacks the required manpower and financial resources to cope effectively with the challenges on a large scale. Accordingly, the Board believes that the Proposed Disposal of the loss-making Subsidiaries will allow the Group to streamline its structure, reduce its fixed operating costs and minimise the future losses to the Group. The Proposed Disposal will also enable the Company to free up its resources and capital for allocation to its other profitable operations.

With a leaner organisational structure, the Board and management can allocate more of its time and resources to pursue new business opportunities that will increase the number of revenue streams for the Group and deliver positive value to Shareholders.

Voluntarily liquidating the Subsidiaries

According to an internal cost-benefit analysis, the net recoverable amount that the Group can obtain from a voluntary liquidation of the Sale Companies will not be higher than the price offered by the Purchaser. This is after taking into consideration the consequential costs that the Group will incur such as legal and professional fees, redundancy costs for staff retrenchments, compensation for terminating leases and printing contracts and depressed selling prices for the plant and equipment on a collective sale basis. In addition, should any legal proceedings ensue from the liquidation process, it may take the Group an inordinate amount of time to complete the liquidation process.”

Having taken into consideration the alternatives available, the Proposed Disposal requires the least financial resources and it best enables the Group to limit the risk of further losses to the Group. Therefore, it is provided that the Board is of the opinion that the Proposed Disposal will be in the best interest of the Shareholders.

6.5 Other relevant considerations

6.5.1 Comparison of valuation ratios of similar companies to the Sale Companies

In our assessment of the Proposed Disposal, we have taken into consideration companies whose relevant information are publicly available via annual reports, results announcements and Bloomberg LP and whose business activities may be considered broad proxies to the Sale Companies. We wish to highlight that the comparable companies considered are by no means exhaustive. We note that the Sale Companies are principally engaged in the printing services sector in the PRC. In addition, approximately more than 90% of the Sale Companies' revenue are generated from the PRC.

In screening companies that may be broadly comparable to the Sale Companies, we have selected companies that operate in the sector of printing services with at least 50% revenue generated from the PRC and having a market capitalisation within S\$500 million (“Comparable Criteria”). From our review of the companies, we have identified two (2) companies which matches the Comparable Criteria that may be considered broadly comparable companies to the Sale Companies (“Broad Comparables”). We would highlight that, however, there are differences, including, but not limited to, scale of operations, profitability, client base, growth profile, listing status, capital requirement and business combinations between the Broad Comparables *vis-à-vis* the Sale Companies. In addition, the circumstances surrounding the Broad Comparables and Sale Companies also influences the implied ratios/multiples, making comparability with these Broad Comparables rather limited. As such, we have not included the results from the Broad Comparables into our analysis.

APPENDIX C – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

6.5.2 No other offers

The Directors have confirmed that, as at the Latest Practicable Date, no other offers or proposal from any third party has been received, other than as disclosed. In view of the Board's intention for the sale of the Sale Companies, the Consideration from the Purchaser represents the highest offer received for the Proposed Disposal.

6.5.3 Interest of Directors and substantial Shareholders

We wish to note that none of the Directors and substantial Shareholders of the Company have any interest or are deemed to be interested in the Proposed Disposal, or have any relationship with the Purchaser.

6.5.4 Immediate cash flow position

We note that in our review of the Group's financial position under section 6.4 of this Letter, as of 1HFY2016, the Group is in a negative net working position of approximately S\$0.645 million and negative equity position of approximately S\$0.719 million. It is noted that accordingly to the Company's announcement dated 31 March 2016, the following has been mentioned in addressing the immediate cash flow position:

“According to the management's internal cash flow projection, the Company will be able to meet the working capital requirements for the next six months. As disclosed in the Company's 2QFY2016 Results Announcement, the Company is also planning to raise additional capital to strengthen the Group's cash position and to mitigate any heightened liquidity risk. The capital raising will be via private placement of the Company's shares to potential investors within the general mandate obtained from the shareholders at the Company's last Annual General Meeting and/or by the exercise of share warrants by the Board Chairman.

As such, the Board is confident that the Group will be able to meet all of its short-term obligations as and when they fall due.”

7. OUR RECOMMENDATION

In arriving at our advice in respect of the Proposed Disposal, we have reviewed and taken into account all factors which we consider to be pertinent in our assessment, *inter alia*, the following key considerations

- (a) Rationale for the Proposed Disposal;
- (b) Assessment of the Consideration for the Proposed Disposal;
- (c) Financial effects of the Proposed Disposal on the Group;
- (d) Financial position of the Group, the outlook of the Sale Companies and the Board's intention;
- (e) No other offers;
- (f) Interest of Directors and substantial Shareholders; and
- (g) Immediate cash flow position.

After having carefully considered the information available to us, and based upon the financial, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date as well as the considerations set out in this Letter in its entirety, we are of the opinion that, the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

APPENDIX C – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

This Letter is addressed to the Independent Directors for their benefit in connection with and for the purpose of their consideration of the Proposed Disposal. The recommendation made by them to the minority Shareholders in relation to the Proposed Disposal shall remain the sole responsibility of the Independent Directors. The Independent Directors should advise the Shareholders to refer to the Circular. If in doubt, these Shareholders should also consult their respective financial adviser.

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of NRA Capital in each specific case. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

Kevin Scully
Executive Chairman
NRA Capital Pte. Ltd.

Raymond Lee
Director
NRA Capital Pte. Ltd.

NOTICE OF EXTRAORDINARY GENERAL MEETING

XPRESS HOLDINGS LTD
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199902058Z)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the shareholders of Xpress Holdings Ltd (the “**Company**”) will be held at 25 Tai Seng Avenue, #01-01 KOP Building, Singapore 534104, on Tuesday, 14 June 2016 at 9.30 a.m., for the purpose of considering and, if thought fit, passing with or without amendment, the ordinary resolution as set out below.

All capitalised terms used in this Notice which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 30 May 2016.

ORDINARY RESOLUTION

PROPOSED DISPOSAL OF THE ENTIRE INTEREST OF THE COMPANY IN THE ISSUED SHARE CAPITAL OF XPRESS PRINT (SHENZHEN) CO. LTD, PRECISE MEDIA GROUP LIMITED, XPRESS PRINT (K.L.) SDN BHD, XPRESS PRINT (H.K.) LIMITED AND SHENZHEN JIAXINGDA PRINTING CO. LTD (“PROPOSED DISPOSAL”)

That:-

- (a) approval be and is hereby given for the Proposed Disposal of the Company’s entire interest in the issued share capital of Xpress Print (Shenzhen) Co. Ltd, Precise Media Group Limited, Xpress Print (K.L.) Sdn Bhd, Xpress Print (H.K.) Limited and Shenzhen Jiaxingda Printing Co. Ltd pursuant to the terms and conditions of the Sale and Purchase Agreement dated 4 March 2016 entered into between the Company, Xpress Print (Pte) Ltd and China Gateway (Greater China) Consultants Limited for an aggregate consideration of S\$1,000,000, as a major transaction for the purposes of Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited; and
- (b) the Directors and each of them be and is hereby authorised to take any and all steps and to do and/or procure to be done any and all acts and things (including without limitation, to approve, sign and execute all such documents which they in their absolute discretion consider to be necessary, and to exercise such discretion as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may consider necessary, desirable or expedient in order to implement, finalise and give full effect to this Ordinary Resolution and the Proposed Disposal and/or the matters contemplated herein.

BY ORDER OF THE BOARD

Shirley Tan Sey Liy
Company Secretary
XPRESS HOLDINGS LTD
30 May 2016

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:-

1. A member of the Company entitled to attend and vote at the Extraordinary General Meeting (the “**Meeting**”) is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. A relevant intermediary* may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
3. The instrument appointing a proxy must be deposited at the registered office of the Company at 61 Tai Seng Avenue, Crescendas Print Media Hub, #03-03, Singapore 534167, not less than forty-eight (48) hours before the time appointed for holding the Meeting.

*A relevant intermediary means:-

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under the Central Provident Fund Act, Chapter 36 of Singapore, providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

XPRESS HOLDINGS LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199902058Z)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT

1. For investors who have used their CPF monies to buy shares of Xpress Holdings Ltd, this Circular is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to vote should contact their CPF Approved Nominees.

I/We, _____ (Name) _____ (NRIC/Passport No.)

of _____ (Address)

being a member/members of **XPRESS HOLDINGS LTD** (the “**Company**”), hereby appoint:

Name	NRIC / Passport Number	Proportion of Shareholdings to be represented by Proxy	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC / Passport Number	Proportion of Shareholdings to be represented by Proxy	
		No. of Shares	%
Address			

as *my/our proxy/proxies to vote for *me/us on *my/our behalf, at the Extraordinary General Meeting of the Company (“**EGM**”) to be held at 25 Tai Seng Avenue, #01-01 KOP Building, Singapore 534104, on Tuesday, 14 June 2016 at 9.30 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolution proposed at the EGM as indicated hereunder. In the absence of specific directions, the proxy/proxies will vote or abstain from voting as *he/they may think fit, as he/they will on any other matter arising at the EGM.

(If you wish to exercise all your votes “For” or “Against”, please indicate with an “X” within the box provided. Alternatively, please indicate the number of votes as appropriate.)

	For	Against
Ordinary Resolution: To approve the Proposed Disposal		

Dated this _____ day of _____ 2016

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:-

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a relevant intermediary*) entitled to attend and vote at a Meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member (other than a relevant intermediary*) appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A relevant intermediary* may appoint more than 2 proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 61 Tai Seng Avenue, Crescendas Print Media Hub, #03-03, Singapore 534167, not less than forty-eight (48) hours before the time appointed for the Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

*A relevant intermediary means:-

- (d) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (e) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or
- (f) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under the Central Provident Fund Act, Chapter 36 of Singapore, providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:-

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 30 May 2016.