

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

PROPOSED ISSUE OF 5,714,282 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY

1 INTRODUCTION

The Board of Directors (the “**Board**”) of Xpress Holdings Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has, on 26 September 2016, entered into a placement agreement (“**Placement Agreement**”) with each of the Placees (as defined below), pursuant to which the Company proposes to issue an aggregate of 5,714,282 new ordinary shares in the capital of the Company (“**Placement Shares**”) at a placement price of S\$0.70 (“**Placement Price**”) for each Placement Share (“**Proposed Placement**”).

The details of the Placees and the Placement Shares to be subscribed by each Placee are as follows:

Name of Placee	Number of Placement Shares
Sun XiuShun	1,428,571
Sri Lena Ongko	1,428,571
Chua Geok Lin	714,285
Dora Hoan Beng Mui	714,285
Liao Sheng-Tung	714,285
Sing Hup Leong Investment Pte Ltd	714,285

The Placement Price represents a discount of less than 10% to the volume weighted average price of S\$0.722 for each share of the Company (“**Share**”) for trades done on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the full market day on 23 September 2016 (being the last full market day prior to the signing of the Placement Agreements).

The Placement Shares are subject to a moratorium for a period of six months commencing from the Completion Date (as defined below) during which each Placee shall not directly or indirectly sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of, any part of the Placement Shares.

The offer of the Placement Shares from the Company to the Placees will be undertaken in accordance with Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. It is not made in or accompanied by a prospectus that is registered by the Monetary Authority of Singapore.

2 RATIONALE FOR THE PROPOSED PLACEMENT

The rationale for the Proposed Placement is to provide working capital for the Company and to provide funds for the Group’s new business opportunities in the future.

The aggregate consideration payable by the Placees is S\$4,000,000. The estimated net proceeds from the Proposed Placement is S\$3,950,000 (after deducting estimated fees and expenses of approximately S\$50,000) ("**Net Proceeds**"). The Company intends to utilise the Net Proceeds in the following proportions:

Use of Net Proceeds	Proportion (%)	Approximate Amount (S\$ million)
Working capital	50	2.0
Fund the expansion of the Group's future new businesses	50	2.0

Pending deployment of the Net Proceeds for such purposes, the Net Proceeds may be placed in deposits with financial institutions or invested in short-term money market instruments or used for any other purposes on a short-term basis as the Directors may in their absolute discretion deem fit in the interests of the Group.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the Net Proceeds are materially disbursed, and will provide a status report on the use of the Net Proceeds in the annual report of the Company.

3 INFORMATION ON THE PLACEES

The following table sets out details on how the Placees were identified and the background of the Placees:

Name of Placee	Background of the Placee and Rationale for the Placee's Subscription of the Placement Shares
Sun XiuShun	Private investor subscribing for investment purposes
Kaharudin Ongko	Private investor subscribing for investment purposes
Liao Sheng-Tung	Private investor subscribing for investment purposes
Sing Hup Leong Investment Pte Ltd	Investment holding company subscribing for investment purposes
Chua Geok Lin	Private investor subscribing for investment purposes
Dora Hoan Beng Mui	Private investor subscribing for investment purposes

The Placees are business contacts of Mr. Lim Huang Chiang, Executive Director and Chief Executive Officer of the Company. No commission or other payment is to be made to Mr. Lim Huan Chiang for introducing the Placees to subscribe for their portion of the Placement Shares.

The Placees do not fall within the categories set out in Rule 812(1) of the Listing Manual of the SGX-ST, and have no connection (including business dealings) with the Company, its controlling shareholders or its Directors, and will not hold the Placement Shares in trust or as a nominee for other persons.

Upon completion of the Proposed Placement, none of the Placees will become interested in more than 5% of the enlarged issued share capital of the Company.

4 PRINCIPAL TERMS OF THE PLACEMENT AGREEMENT

4.1 Placement Shares and Placement Price

The Placees have agreed to subscribe and pay for an aggregate of 5,714,282 Placement Shares at the Placement Price of S\$0.70.

The Placement Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank, *pari passu*, in all respects with the existing Shares save that they will not rank for any dividends, rights, allotments or other distributions, the Record Date of which falls on or before the date of completion of the Proposed Placement (“**Completion Date**”). The term “**Record Date**” means the date fixed by the Company for the purposes of determining the entitlements to dividends or other distributions to or rights of holders of Shares.

4.2 **Conditions Precedent**

Completion of the Proposed Placement shall be conditional upon the following:

- (a) the in-principle approval of the SGX-ST for the listing of the Placement Shares (“**SGX Approval**”) having been obtained (on terms and conditions acceptable to the Company and the Placees, each acting reasonably) and not being revoked or amended;
- (b) any conditions attached to the SGX Approval which is required to be fulfilled on or before the Completion Date, having been fulfilled on or before that date to the satisfaction of the SGX-ST unless waived by the SGX-ST;
- (c) the Proposed Placement not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreements by any legislative, executive or regulatory body or authority of Singapore or elsewhere which is applicable to the Company or the Placees (including but not limited to the SGX-ST);
- (d) there having been, as at the Completion Date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the representations and warranties in the Placement Agreements as if they were repeated on and as of the Completion Date; and
- (e) the Company or the Placees not in breach of any of the undertakings and covenants given in the Placement Agreement as at the Completion Date, and if any of such undertakings and covenants are required to be fulfilled on or before the Completion Date, such undertakings and covenants shall have been fulfilled prior to the Completion Date.

(collectively, the “**Conditions Precedent**”)

If any of the Conditions Precedent is not satisfied or waived in whole or in part by the Company on or before the date falling 90 calendar days after the date of the Placement Agreements or such other date as the Company and the Placees may agree, the Company and the Placees shall be released and discharged from their respective obligations under the Placement Agreements, save for certain rights and liabilities accrued on or prior to such termination according to the terms of the Placement Agreement.

4.3 **Completion**

Completion of the Proposed Placement shall take place three business days after the last of the Conditions Precedent is satisfied (or, if that day is not a business day, on the next business day), or such other date as the Company and the Placees may agree in writing.

5 **AUTHORITY TO ISSUE THE PLACEMENT SHARES**

The Placement Shares will be issued pursuant to the share issue mandate (“**Share Issue Mandate**”) which was approved by shareholders of the Company at the annual general meeting of the Company convened on 22 January 2016 (“**AGM**”). Pursuant to the Share Issue Mandate, Directors of the Company have the authority to, amongst others, issue Shares and/or make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, such that the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments made or granted) and Instruments shall not exceed 50% of the total number of issued Shares (excluding treasury shares) as at the date of the

AGM, of which the aggregate number of Shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed 20% of the total number of issued Shares (excluding treasury shares) as at the date of the AGM.

As at the date of the AGM, the Company had an issued share capital of 3,847,927,123 Shares. Following completion of the Company's share consolidation exercise on 2 February 2016, of which specific approval of shareholders of the Company was obtained at the extraordinary general meeting convened on 22 January 2016, the Company had an issued share capital of 96,198,080 Shares. On 15 June 2016, 10,714,000 new Shares were issued and allotted to Mr. Ma Wei Dong after he exercised 10,714,000 warrants. As at the date of this announcement, the Company has an issued shares capital of 106,912,080 Shares.

As at the date of this announcement, the Company can issue a maximum of 21,382,416 new Shares other than on a pro rata basis to existing shareholders of the Company pursuant to the Share Issue Mandate. Save for 666,666 Shares which will be issued and allotted to Mr. Shaun Lee Hong Wei in connection with the Company's proposed acquisition of 14,000 ordinary shares representing 70% of the entire issued share capital of Amplify Me Pte. Ltd., the Company has not issued any Shares pursuant to the Share Issue Mandate. Accordingly, the Company can issue 20,715,750 Shares other than on a pro rata basis to existing shareholders of the Company pursuant to the Share Issue Mandate. The 5,714,282 Placement Shares to be issued pursuant to the Proposed Placement falls within the limit of the Share Issue Mandate.

As at the date of this announcement, the 5,714,282 Placement Shares that may be issued pursuant to the Proposed Placement represents approximately 5.3% of the issued share capital of the Company and 5.1% of the enlarged share capital of the Company.

6 FINANCIAL EFFECTS

The financial effects of the Proposed Placement on the net tangible asset ("NTA") per Share and the earnings per Share ("EPS") are prepared for illustration only and do not purport to reflect the actual future results and financial position of the Group following completion of the Proposed Placement. The financial effects have been computed based on the following bases and assumptions:

- (a) the audited consolidated financial statements of the Group for the financial year ended 31 July 2015;
- (b) the effect of the Proposed Placement on the NTA per Share is computed based on the issued share capital of 88,698,178 Shares prior to the Proposed Placement and the assumption that the Proposed Placement was completed on 31 July 2015;
- (c) the effect of the Proposed Placement on the EPS is computed based on the weighted average number of 57,061,750 Shares prior to the Proposed Placement and 62,776,032 Shares after completion of the Proposed Placement, on the assumption that the Proposed Placement was completed on 1 August 2014; and
- (d) the share consolidation exercise to consolidate every forty (40) Shares to constitute one (1) consolidated Share as at 5.00 p.m. on 1 February 2016 was completed on 31 July 2015.

	Before Completion of the Proposed Placement	After Completion of the Proposed Placement
Issued and paid-up share capital (S\$)	127,524,878.53	131,524,878.53
Number of Shares	88,698,178	94,412,460
NTA per Share (cents)	9.7	9.1

	Before Completion of the Proposed Placement	After Completion of the Proposed Placement
EPS (cents)	0.55	0.50

7 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Placement, other than their respective interests in the Shares.

8 FURTHER ANNOUNCEMENTS

The Company will release further announcements to update shareholders of the Company, as and when there are material updates or developments in due course.

9 DIRECTORS' RESPONSIBILITY STATEMENT

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

By Order of the Board

Lim Huan Chiang
Executive Director and Chief Executive Officer
26 September 2016