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XPRESS GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 185)

DISCLOSEABLE AND CONNECTED TRANSACTION

On 14 November, 2008, the Vendor and the Purchaser entered into the Agreement for the disposal of the Sale Shares for a total of cash consideration of JPY30 million.

As the Purchaser is a director of Makino and is accordingly a connected person of the Company as defined in the Listing Rules and the Disposal therefore constitutes a connected transaction for the Company under Rule 14A.13(1)(a) of the Listing Rules. The Disposal is exempt from the independent shareholders' approval requirements pursuant to Rule 14A.32 of the Listing Rules as the consideration percentage ratio is more than 2.5% but less than 25% and the consideration is less than HK\$10,000,000.

As certain applicable percentage ratios in respect of the Disposal is more than 5% but less than 25%, the Disposal also constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules. A circular containing details of the Disposal will be despatched to the shareholders of the Company as soon as practicable.

THE AGREEMENT

Date

14 November, 2008

Parties

1. The Vendor; and
2. The Purchaser

Pursuant to the Agreement, the Vendor has agreed to sale, and the Purchaser has agreed to purchase of the Sale Shares at a consideration of JPY30 million (approximately HK\$2,400,000). The Vendor has agreed to waive the shareholder's loan of JPY30 million upon completion of the Agreement.

Consideration

The Consideration for the disposal of the Sale Shares is JPY30,000,000 (approximately HK\$2,400,000) in cash and shall be payable in 5 equal installments of JPY 6 million each on or before 13 January 2009, 14 December 2009, 14 December 2010, 14 December 2011 and 14 December 2012 respectively by the Purchaser.

The consideration has been determined after arm's length negotiation between the Vendor and the Purchaser and after taken into account the net deficit value of Makino as at 31 March 2008 and the waiver of the JPY30 million shareholder's loan.

Conditions

Completion of the Disposal is conditional, among other things, on the following conditions precedent being fulfilled (or waived) on or before 15 January 2009, or such later date as may be agreed by the Vendor and the Purchaser:

- (i) The Purchaser settle the payment of consideration in accordance to the Agreement;
- (ii) all consents, permits, licenses and approvals required, under any and all applicable laws for the purchase of Sale Shares being obtained, if required.

INFORMATION OF MAKINO

Makino is a Japan company whose principal business activity is travel related services which focuses on corporate travel from the private sector to official bodies including government offices in Hokkaido and its major leisure product is FIT golf package under product brand name 'M-GOLF'.

Based on the unaudited financial statements of Makino for the years ended 31 March 2007 and 31 March 2008, the unaudited turnover of Makino for the years ended 31 March 2007 and 31 March 2008 were approximately HK\$22.5 million and HK\$281.9 million respectively, which represented approximately 3.3% and 19.7% of the Group's total turnover of the corresponding years. The unaudited net loss before and after taxation of Makino for the year ended 31 March 2007 were approximately HK\$4,462,000 and HK\$4,462,000 respectively, and for the year ended 31 March 2008 were approximately HK\$15,326,000 and HK\$15,326,000 respectively. The unaudited net deficit value of Makino as at 31 March 2008 was approximately HK\$10,811,000.

REASONS FOR THE DISPOSAL

The Vendor is engaged in investment holding. The Group is engaged in property investment, financial services and securities investments, including corporate finance, consumer finance, travel related services and hotel operation.

In the light of the current adverse financial and economic circumstances, the Company has been evaluating all the businesses of the Group to determine the future plans of the Group and rationalize its business direction. In September 2008, due to the historical and expected financial performance of the credit card division, the Group has decided to close the credit card division of one of its subsidiary, Xpress Finance Limited. Xpress Finance Limited continues to provide consumer and corporate financing. On 14 November, 2008 the Company announced that one of its subsidiary, Xpress Travel Limited, in Japan (“Japan Travel”) resolved to file a petition for the liquidation of Japan Travel in Japan.

In view of (i) unsatisfactory performance of the business of Makino; (ii) keen competition and high operating costs in Japan market; (iii) uncertainty as to when Makino will become profitable; and (iv) the Group’s decision to avoid further losses and further capital commitment for Makino, the disposal of the Sale Shares by the Group will streamline the business of the Group and the Directors consider that the Disposal represents a good opportunity for the Group to exit the Japan travel business entirely. The Disposal will further strengthen the financial position of the Group and enhance its cashflow. After the liquidation of Japan Travel and disposal of Makino, the Group still has travel related services through a subsidiary in the Singapore.

Upon Completion, the Group will have no remaining interest in Makino and Makino will cease to be a subsidiary of the Group.

In view of the fact that the Group has not derived any profit from Japan Travel and Makino since its acquisitions, the Board is of the view that the liquidation of Japan Travel and disposal of Makino will not have any significant adverse financial impact to the Group. It is estimated that as a result of the Disposal, the Group will record a net gain of approximately HK\$5.7 million calculated by deducting the carrying value of Makino and the waiver of shareholder’s loan from the Consideration of approximately HK\$2,400,000 to be received. It is the intention of the Group that the proceeds from the Disposal will be used for general working capital of the Group.

GENERAL

As the Purchaser is a director of Makino and is accordingly a connected person of the Company as defined in the Listing Rules and the Disposal therefore constitutes a connected transaction for the Company under Rule 14A.13(1)(a) of the Listing Rules. The Disposal is exempt from the independent shareholders’ approval requirements pursuant to Rule 14A.32 of the Listing Rules as the consideration percentage ratio is more than 2.5% but less than 25% and the consideration is less than HK\$10,000,000.

As certain applicable percentage ratios in respect of the Disposal is more than 5% but less than 25%, the Disposal also constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules. A circular containing details of the Disposal will be despatched to the shareholders of the Company as soon as practicable.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Agreement”	The sale and purchase agreement date 14 November, 2008 entered into by the Vendor and the Purchaser, the details of which are set out in the section headed “The Agreement” in this announcement
“associate”	has the meaning defined in Chapter 1 of the Listing Rules
“Board”	the board of Directors
“Company”	Xpress Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	completion of the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed transaction contemplated pursuant to the terms of the Agreement
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Makino”	Makino Air Travel Service Co., Ltd, a company incorporated in Japan with limited liability which is an indirect 56.46% owned subsidiary of the Company
“Purchaser”	Hisakazu Gono, a director of Makino
“Sale Shares”	56.46% of the issued and paid-up capital of Makino

“Share(s)”	share(s) in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Japan Xpress Travel Holdings Limited, a company incorporated in Japan with limited liability and is an indirect wholly owned subsidiary of eBanker USA.com, Inc which in turn an indirect 81.8% owned subsidiary of the Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“JPY”	Japanese Yen, the lawful currency of Japan
“%”	per cent.

By Order of the Board
Xpress Group Limited
Chan Tong Wan
Managing Director

Hong Kong SAR, 19 November, 2008

As at the date of this announcement, the Board comprises of the executive directors Mr. Chan Heng Fai, Mr. Chan Tong Wan, Ms. Chan Yoke Keow, Ms. Chan Sook Jin, Mary-ann, Mr. Chan Tung Moe and non-executive director Mr. Fong Kwok Jen as well as independent non-executive directors Mr. Wong Dor Luk, Peter, Mr. Joao Paulo Da Roza and Ms. Chian Yat Ping.