

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold all your shares in Xpress Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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**XPRESS GROUP LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 185)**

**GENERAL MANDATE TO ISSUE SECURITIES,  
RE-ELECTION OF DIRECTORS,  
REFRESHMENT OF THE 10% LIMIT ON GRANT OF OPTIONS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Xpress Group Limited to be held at Club Lusitano, 24th Floor, 16 Ice House Street, Central, Hong Kong on Thursday, September 2, 2010 at 9:30 a.m. is set out on pages 7 to 9 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's registered office at 24th Floor, Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting if you so wish.

July 30, 2010

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## DEFINITIONS

*In this circular, the following expressions have the following meaning unless the context requires otherwise:–*

|                           |  |
|---------------------------|--|
| “AGM”                     | the annual general meeting of the Company to be held at Club Lusitano, 24th Floor, 16 Ice House Street, Central, Hong Kong on Thursday, September 2, 2010 at 9:30 a.m.   |
| “AGM Notice”              | the notice convening the AGM as set out on pages 7 to 9 of this circular   |
| “Board”                   | the board of directors of the Company  |
| “Companies Ordinance”     | the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)  |
| “Company”                 | Xpress Group Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange   |
| “Director(s)”             | the director(s) of the Company   |
| “Group”                   | the Company and its subsidiaries   |
| “HK\$” or “cent(s)”       | Hong Kong dollars and cent(s) respectively   |
| “Hong Kong”               | the Hong Kong Special Administrative Region of the People’s Republic of China  |
| “Issue Mandate”           | the general and unconditional mandate proposed under ordinary resolution numbered 4 as set out in the AGM Notice to be granted to the Directors to allot, issue and otherwise deal with Securities                       |
| “Latest Practicable Date” | July 27, 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular  |
| “Listing Rules”           | The Rules Governing the Listing of Securities on the Stock Exchange  |
| “Scheme Mandate Limit”    | the maximum number of Shares (being not exceeding 10% of the total number of issued Shares) in respect of which options may be granted under the Share Option Scheme and any other share option scheme(s) of the Company |

## DEFINITIONS

|                       |   |
|-----------------------|---|
| “Securities”          | shares of any and all classes in the capital of the Company including but not limited to the Shares and other securities carrying a right to subscribe or purchase shares of the Company which the Company may from time to time issue  |
| “SFO”                 | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)   |
| “Share(s)”            | ordinary share(s) of HK\$0.01 each in the capital of the Company currently in issue   |
| “Share Option Scheme” | the share option scheme of the Company approved by the Shareholders and adopted on May 9, 2003  |
| “Shareholder(s)”      | holder(s) of Share(s)   |
| “Stock Exchange”      | The Stock Exchange of Hong Kong Limited   |
| “Warrant(s)”          | the outstanding 172,000,000 unlisted warrant(s) issued by the Company at HK\$0.03 per warrant, each entitles the holder thereof to subscribe for one new Share at the exercise price of HK\$0.16 per new share (subject to adjustment) at any time during a period of five years commencing from the date of issue of the warrants on September 8, 2006 |
| “%”                   | per cent  |



**XPRESS GROUP LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 185)**

*Executive Directors:*

Chan Heng Fai (*Managing Chairman*)  
Chan Tong Wan (*Managing Director*)  
Chan Yoke Keow

*Registered and principal office:*

24th Floor, Wyndham Place  
40-44 Wyndham Street  
Central  
Hong Kong

*Non-executive Director:*

Fong Kwok Jen

*Independent non-executive Directors:*

Wong Dor Luk, Peter  
Da Roza Joao Paulo  
Wong Tak Keung

July 30, 2010

*To the Shareholders (and, for information only,  
holders of the warrants of the Company)*

Dear Sir or Madam,

**GENERAL MANDATE TO ISSUE SECURITIES,  
RE-ELECTION OF DIRECTORS,  
REFRESHMENT OF THE 10% LIMIT ON GRANT OF OPTIONS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to give you notice of the AGM and to provide you with information regarding ordinary resolutions to be proposed at the AGM relating to (i) the granting to the Directors of general mandates to allot and issue securities of the Company and (ii) the re-election of Directors and (iii) the refreshing of the 10% limit on grant of options under the Share Option Scheme.

## LETTER FROM THE BOARD

### GENERAL MANDATE TO ISSUE SECURITIES

At the AGM, an ordinary resolution will be proposed to give the Directors a general and unconditional mandate to issue Securities representing up to 20 per cent of the issued share capital of the Company at the date of passing of the resolution. On the basis of 2,640,836,050 Shares in issue on the Latest Practicable Date, and assuming no further Shares will be issued or repurchased by the Company on or before the AGM, the maximum number of Shares to be issued is 528,167,210. Such authority may only continue in force until the conclusion of the first annual general meeting of the Company following the passing of the ordinary resolution, or revoked or varied by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

The Directors have no immediate plans to exercise Issue Mandate other than such Shares which may fall to be issued upon the exercise of options granted under the Share Option Scheme.

### REFRESHING OF THE 10% LIMIT ON GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME

As at the Latest Practicable Date, there were in issue an aggregate of 2,640,836,050 Shares and a total of 505,545,102 share options have been granted by the Company since the Share Option Scheme was adopted. 167,236,200 option have been exercised and 34,331,542 options were cancelled since the Share Option Scheme was adopted, options carrying the rights to subscribe for up to a total of 303,977,360 Shares remain outstanding as at the Latest Practicable Date, representing approximately 11.5% of the Shares in issue. The Scheme Mandate Limit has been latest refreshed on September 3, 2009 at the annual general meeting of the Company which the Company may grant options entitling holders to subscribe for 222,293,121 Shares and there was no options grant after such refreshment.

Save as disclosed above and assuming no further issue or repurchase of Shares prior to the AGM, upon the refreshing of the Scheme Mandate Limit by Shareholders at the AGM, the Company may grant options entitling holders thereof to subscribe for 264,083,605 Shares (representing approximately 10% of Shares in issue as at the date of refreshing of the Scheme Mandate Limit). No options may be granted if this will result in the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company exceed 30% of the Shares in issue from time to time.

The refreshment of the Scheme Mandate Limit is conditional upon:

- (a) the passing of an ordinary resolution to approve the refreshment of the Scheme Mandate Limit by the Shareholders at the AGM; and
- (b) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Shares (representing 10% of the total Shares in issue as at the date of the AGM approving the refreshment of the Scheme Mandate Limit) which may fall to be issued pursuant to the exercise of options under the Share Option Scheme and any other share option scheme(s) of the Company.

## LETTER FROM THE BOARD

Application will be made to the Stock Exchange for the listing of and permission to deal in the Shares to be issued under the refreshed Scheme Mandate Limit.

### RE-ELECTION OF DIRECTORS

In accordance with Articles 78 and 79 of the Company's Articles of Association, Mr. Wong Tat Keung retire by rotation and, being eligible, offer himself for re-election at the AGM. Mr. Chan Tong Wan and Ms. Chan Yoke Keow offer themselves to retire and, be eligible for re-election at the AGM. Brief biographical details are set out in Appendix I to this circular.

### ANNUAL GENERAL MEETING

Set out on pages 7 to 9 is a notice convening the AGM for the purposes of considering and, if thought fit, approving, *inter alia*, the Issue Mandate, the refreshing of the Scheme Mandate Limit and re-election of Directors.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to be present at the AGM, you are requested to complete the accompanying proxy form and return it at the Company's registered office in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjourned meeting if you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the AGM in accordance with the Articles of Association. The results of the poll shall be deemed to be the resolution of the general meeting in which the poll was demanded or required and the poll results will be published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.xpressgroup.com](http://www.xpressgroup.com)) after the AGM.

### RECOMMENDATION

The Directors believe that the granting of the Issue Mandate, the refreshing of the Scheme Mandate Limit and the re-election of the retiring Directors are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of all the resolutions to be proposed at the AGM to give effect to them.

## LETTER FROM THE BOARD

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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

# NOTICE OF ANNUAL GENERAL MEETING



## XPRESS GROUP LIMITED

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 185)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Xpress Group Limited (the "Company") will be held at Club Lusitano, 24th Floor, 16 Ice House Street, Central, Hong Kong on Thursday, September 2, 2010 at 9:30 a.m. for the following purposes:

#### ORDINARY BUSINESS

- (1) To receive, consider and adopt the audited Financial Statements, the Directors' Report and the Auditors' Report of the Company and its subsidiaries for the year ended March 31, 2010.
- (2) To re-elect the retiring Directors and authorise the board of directors of the Company to fix Directors' fees.
- (3) To re-appoint Messrs. Lo and Kwong C.P.A Company Limited as auditors and authorise the board of directors of the Company to fix auditors' remuneration.

#### SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification the following as ordinary resolution:

- (4) **"THAT:**
  - (a) and subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with securities of any and all classes in the share capital of the Company (the "Securities") including but not limited to the Shares and other securities carrying a right to subscribe or purchase Securities which the Company may from time to time issue and to make or grant any offers, agreements or options (including warrants, bonds, debentures, notes, options or any securities derivative which carry the right to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;

## NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) of this Resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) an issue of shares of the Company upon the exercise of subscription or conversion rights under the terms of any warrants, bonds, debentures, notes and any securities derivative of the Company to subscribe for or convert into shares of the Company, or (iii) an issue of shares upon the exercise of options granted under any share option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares in the Company, or (iv) an issue of shares as scrip dividends pursuant to the Articles of Association of the Company from time to time, shall not exceed 20 per cent of the aggregate nominal amount of the issued share capital of the Company as enlarged by the allotment and issue of the new Shares pursuant to the exercise of outstanding warrants at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Ordinance or the Articles of Association of the Company to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company; and

“**Rights Issue**” means an offer of shares in the share capital of the Company open for a period fixed by the directors of the Company to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or

## NOTICE OF ANNUAL GENERAL MEETING

obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory applicable to the Company).”

- (5) “**THAT**, subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the shares of HK\$0.01 each in the capital of the Company (representing a maximum of 10% of the shares of the Company in issue as at the date of the passing of this Resolution (“Refreshed Mandate Limited”) be and is hereby approved and any director of the Company be and is hereby authorized to do such act and execute such document to effect the Refreshed Mandate Limited.”

By Order of the Board  
**Chan Tong Wan**  
*Managing Director*

Hong Kong, dated July 30, 2010

*Registered office:*

24th Floor  
Wyndham Place  
40-44 Wyndham Street  
Central  
Hong Kong

*Notes:*

1. Any member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority shall be deposited at the registered office of the Company in Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

Stated below is the details of the Directors who will retire and be eligible for re-election at the Annual General Meeting in accordance with the Articles of Association of the Company:

**Mr. Chan Tong Wan**, aged 35, is the Managing Director of the Company. Mr. Chan began his career by working in two international companies as an investment banker specialising in Asian equity financial products. Subsequently, Mr. Chan worked for a finance and technology company in the United States as the Chief Operating Officer with a focus on its investment banking and merchant banking activities. Mr. Chan joined the Group as a non-executive director in January 2000, was appointed as an executive director in September 2002 and was appointed as Managing Director in August 2003. Mr. Chan holds a Bachelor of Commerce degree with honours, with a Finance specialization, from the University of British Columbia.

Mr. Chan is an Executive Director of SingXpress Ltd, a company listed in Singapore Stock Exchange. Save as disclosed above, Mr. Chan had not held any directorship in listed public companies during the last three years preceding the Latest Practicable Date. Mr. Chan is the son of Mr. Chan Heng Fai and Ms. Chan Yoke Keow, both are the directors of the Company. Mr. Chan is the brother of Chan Tung Moe and the brother of Ms. Chan Sook Jin, Mary-ann who are the senior management of the Company. Save as aforesaid, he has no other relationship with any Directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date and as notified to the Company for the purposes of Part XV of the Securities and Futures Ordinance, Mr. Chan and his associates are beneficially interested in 8,145,522 shares, representing 0.31% issued share capital of the Company and a derivative interest in respect of 20,418,000 Shares, which represents Mr. Chan's entitlement to subscribe for 20,418,000 Shares under the Company's Share Option Scheme.

There is currently no service contract entered into between Mr. Chan and the Company. Mr. Chan has no fixed term of service with the Company but will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company.

Mr. Chan has received approximately HK\$1,672,000 as director's emolument for the year ended March 31, 2010 and is entitled to receive further director's emolument as may be reviewed and determined by the Board from time to time subject to an authority being granted by the Shareholders at the Annual General Meeting.

**Ms. Chan Yoke Keow**, aged 61, has been a director of the Company since January 1992. She is responsible for the general administration and financial planning of the Group. She has over 25 years' experience in financial management and administration. Ms. Chan is a member of the Hong Kong Securities Institute.

Ms. Chan is an Non-Executive Director of SingXpress Ltd. Save as disclosed above, Ms. Chan had not held any directorship in other listed public companies during the last three years preceding the Latest Practicable Date. Ms. Chan is the spouse of Mr. Chan Heng Fai, the mother of Chan Tong Wan, both are Executive Directors of the Company and the mother of Mr. Chan Tung Moe and Ms. Chan Sook Jin, Mary-ann who are the senior managements of the Company. Save as aforesaid, she has no other relationship with any Directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date and as notified to the Company for the purposes of Part XV of the Securities and Futures Ordinance, Ms. Chan and her associates are beneficially interested in 1,749,323,644 shares, representing 66.24% issued share capital of the Company and a derivative interest in respect of 414,315,000 Shares, which represents Ms. Chan and her associate's entitlement to subscribe for 242,315,000 Shares under the Company's Share Option Scheme and 172,000,000 Shares under the Warrants.

There is currently no service contract entered into between Ms. Chan and the Company. Ms. Chan has no fixed term of service with the Company but will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company.

Ms. Chan has received approximately HK\$2,354,000 as director's emolument for the year ended March 31, 2010 and is entitled to receive further director's emolument as may be reviewed and determined by the Board from time to time subject to an authority being granted by the Shareholders at the Annual General Meeting.

**Mr. Wong Tat Keung**, aged 39, is the Independent Non-Executive Director of the Company. Mr. Wong has more than 15 years of audit, taxation, accounting and business advisory experience. Mr. Wong was appointed as an independent non-executive director of the Company in December 2009. From 2006 to February 2010, he was the proprietor of Aston Wong & Co., Certified Public Accountants practicing in Hong Kong. Since January 2010, he has been a director of his own corporate practice namely ASTON WONG CPA LIMITED.

Mr. Wong is an independent non-executive director of SingXpress Ltd. Save as disclosed above, Mr. Wong had not held any directorship in other listed public companies during the last three years preceding the Latest Practicable Date.

No service agreement has been entered into between the Company and Mr. Wong. He has no fixed service terms but is subject to retirement by rotation in accordance with the Company's articles of association. The director's emoluments, which are determined based on the estimated time to be spent by him on the Company's matters, are HK\$140,000 per annum. Mr. Wong has confirmed his independency pursuant to Rule 3.13 of the Listing Rules. He has no interest in the shares of the Company within the meaning of Part XV of the SFO and is not a connected person of the Company as defined in the Listing Rules. He does not have any relationships with the directors, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company.

Save as disclosed herewith, there is no other matter that is need to be brought to the attention of holders of securities of the Company and there is no information required to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.