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## **XPRESS GROUP LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 185)**

### **MAJOR TRANSACTION DISPOSAL OF PROPERTIES**

On 15 April 2011, the Vendor entered into the Agreement with the Purchaser to dispose the Properties at an aggregate consideration of HK\$140,630,000.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal are greater than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and consequently are subject to notification, publication and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Written approval of the execution and performance of the Agreement and the transactions thereby contemplated was on 15 April 2011 obtained from a Closely Allied Group of Shareholders who together holding approximately 67.45% of the current issued share capital of the Company. As no shareholders of the Company are required to abstain from voting at a general meeting to approve the Agreement and the transaction thereby contemplated, the written approval of the Closely Allied Group of Shareholders has been accepted under the Listing Rules in lieu of a majority vote at a general meeting of the Company to approve the Agreement and the transactions thereby contemplated.

A circular containing, among others things, details of the Disposal and other disclosure requirements under the Listing Rules will be dispatched to the Shareholders on or before 15 July 2011.

Ichi Ni San Enterprises Company Limited, a wholly-owned subsidiary of Xpress Group Limited ("Company"), entered into a sale and purchase agreement ("Agreement") with the Purchaser to dispose the properties situated at 5th Floor Island Place Tower, Island Place, 510 King's Road, North Point, Hong Kong ("Properties") at an aggregate consideration of HK\$140,630,000 ("Disposal").

## **THE PROPERTIES**

Date of the Agreement:	15 April 2011
Vendor:	Ichi Ni San Enterprises Company Limited, a wholly-owned subsidiary of the Company
Purchaser:	IPT 7 Company Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser is principally engaged in providing real estate property investment and is independent third parties not connected with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") ("Independent Third Parties").

Properties:	5th Floor Island Place Tower, Island Place, 510 King's Road, North Point, Hong Kong
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Sale price:	HK\$140,630,000 payable in cash and the payment schedule is as follows:
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- HK\$14,063,000, being the deposit, was paid by the Purchaser to the Vendor upon signing the Agreement;
- the balance of the purchase price of HK\$126,567,000 is payable to the Vendor on the date of completion.

Date of completion:	20 May 2011 or such other day as may from time to time agreed in writing by the Purchaser and the Vendor
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## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Company and its subsidiaries ("Group") is engaged in property trading and investment, properties development, financial services and securities investments, including corporate finance, consumer finance and hotel operation.

The Properties have a total gross floor area of approximately 20,090 sq. ft. The Properties are currently subject to tenancy, which will expire on 31 July 2012 and generating monthly rental revenue of approximately HK\$327,100 and upon completion these tenancies will be transferred by the Vendor to the Purchaser. The existing tenants of the Properties are Independent Third Parties.

The Directors consider that the Disposal is a good opportunity for the Group to realize its investment. The proceeds from the Disposal will enable the Group to reduce its borrowings and future interest expenses and improve the financial position and the working capital condition of the Group.

The Directors (including independent non-executive Directors) consider that the sale price for the Properties have been determined after arm's length negotiations between the parties by reference to the recent transaction of the similar type of units in the property market. No independent valuation was carried out for the Properties. The Directors are of the view that the Disposal are in the interest of the Group and the terms of Disposal in the Agreement are in normal commercial terms, which are fair and reasonable and in the interests of the shareholders of the Company as a whole. Based on the book value of the Properties of HK\$119.5 million as at 31 March 2010, it is estimated that a gain on disposal of approximately HK\$19.6 million (net of expenses) will be recorded by the Group.

After the Disposal, the Group will receive the proceeds of approximately HK\$139 million. The Company intends to use the net sale proceeds from the Disposal for the repayment of the mortgage loan of approximately HK\$72 million (as at 31 March 2011) and the remaining balance will be used by the Group for the general working capital.

## **GENERAL**

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal are greater than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and consequently are subject to notification, publication and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Written approval of the execution and performance of the Agreement and the transactions thereby contemplated was on 15 April 2011 obtained from Mr. Chan Heng Fai and Ms. Chan Yoke Keow, a closely allied group of Shareholders who together holding approximately 67.45% of the current issued share capital of the Company. As no shareholders of the Company are required to abstain from voting at a general meeting to approve the Agreement and the transactions thereby contemplated, the written approval of the closely allied group of Shareholders has been accepted under the Listing Rules in lieu of a majority vote at a general meeting of the Company to approve the Agreement and the transactions thereby contemplated.

A circular containing, among others things, details of the Disposal and other disclosure requirements under the Listing Rules will be dispatched to the Shareholders on or before 15 July 2011 as the Company expects it would take approximately 3 months for the preparation and finalization of the Circular including, among others, to compile indebtedness statement, working capital statement of the Group.

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

Hong Kong SAR, 15 April 2011

*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 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 Mr. Wong Tat Keung.*