
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 5/F., Island Place Tower, 510 King's Road, North Point, Hong Kong on Tuesday, August 26, 2008 at 10:00 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 5/F., Island Place Tower, 510 King's Road, North Point, 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 31, 2008

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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 5/F., Island Place Tower, 510 King’s Road, North Point, Hong Kong on Tuesday, August 26, 2008 at 10:00 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
“Bonus Warrant(s)”	the outstanding warrant(s) issued by the Company pursuant to the bonus issue approved on August 16, 2004, each of which will entitle the holder(s) thereof to subscribe in cash for one new Share at an exercise price of HK\$0.09 per new Share (subject to adjustment) at any time from November 10, 2004 until September 30, 2009, both days inclusive
“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 30, 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular

DEFINITIONS

“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
“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
“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)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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\$0.17 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

LETTER FROM THE BOARD



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 Tung Moe (*Chief Executive Officer*)
Chan Yoke Keow
Chan Sook Jin, Mary-ann

Registered and principal office:

5/F., Island Place Tower
510 King's Road
North Point
Hong Kong

Non-executive Director:

Fong Kwok Jen

Independent non-executive Directors:

Wong Dor Luk, Peter
Da Roza Joao Paulo
Chian Yat Ping

July 31, 2008

*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 1,819,123,342 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 363,824,668. 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 Warrants and Bonus Warrants and 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 1,819,123,342 Shares and a total of 442,500,000 share options have been granted by the Company since the Share Option Scheme was adopted. 15,860,000 option have been exercised and 15,800,000 options were cancelled since the Share Option Scheme was adopted, options carrying the rights to subscribe for up to a total of 410,840,000 Shares remain outstanding as at the Latest Practicable Date, representing approximately 22.6% of the Shares in issue. The Scheme Mandate Limit has been latest refreshed on August 27, 2007 at the annual general meeting of the Company which the Company may grant option entitling holders to subscribe for 181,799,888 Shares and there was no option 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 181,912,334 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. Fong Kwok Jen, Wong Dor Luk, Peter and Da Roza Joao Paulo retire by rotation and, being eligible, offer themselves 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.

PROCEDURES FOR DEMANDING A POLL

Pursuant to the Articles of Association of the Company, a poll may be demanded in the following manner:

- (a) by the Chairman of the meeting; or
- (b) by at least five shareholders present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) by any shareholder or shareholders present in person or by proxy and representing not less than one-tenth of the total voting rights of all the shareholders having the right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

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 includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein 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 5/F., Island Place Tower, 510 King’s Road, North Point, Hong Kong on Tuesday, August 26, 2008 at 10:00 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, 2008.
- (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. Grant Thornton 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 obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

- (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 Limit”)) 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 Limit.”

By Order of the Board
Chan Tong Wan
Managing Director

Hong Kong, dated July 31, 2008

Registered office:

5th Floor

Island Place Tower

510 Kong’s Road

North Point

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. Fong Kwok Jen, aged 59. Mr. Fong is a Director of Fong Law Corporation, a legal practice. Mr. Fong graduated from the University of Singapore with a LL.B. (Honours). In 1976/77 he was awarded the Colombo Plan Award to attend the Government Legal Officer's Course in the United Kingdom. In 1986, he attended the NITA (National Institute of Trial Advocates) Advocacy Programme at Harvard Law School. Mr. Fong appointed to the Board in 1995. He served as Chairman of the Disciplinary Committee of SGX-ST from 1995 to 2007 and was member of the Securities industry Council between 1992 and 2003. He was also a Council Member of the Law Society of Singapore from 1990 to 1992.

Mr. Fong is a director of WBL Corporation Limited and CapitaCommercaill Trust Management Limited, the shares of which are listed on the Singapore Stock Exchange. Mr. Fong is not connected with any directors, senior management or 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. Fong is beneficially interested in 7,328,000 shares, representing 0.4% issued share capital of the Company and a derivative interest in respect of 4,500,000 Shares, which represents Mr. Fong's entitlement to subscribe for 4,500,000 Shares under the Company's Share Option Scheme and 382,800 Shares under the Bonus Warrants and the Warrants.

There is no service contract entered into between Mr. Fong and the Company. Mr. Fong 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. Fong has received HK\$120,000 as director's emolument for the year ended March 31, 2008 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 Dor Luk, Peter, aged 66, has over 32 years experience in the fashion industry including distribution, sourcing, overseeing manufacturing and exporting to international clients in France, the United Kingdom, Germany and the United States. Mr. Wong was appointed as an independent non-executive director in September 1998.

Mr. Wong had not held any directorship in other listed public companies during the last three years preceding the Latest Practicable Date; and he is not connected with any director, senior management or 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. Wong is beneficially interested in 280,000 shares, representing 0.02% issued share capital of the Company and a derivative interest in respect of 3,000,000 Shares, which represents Mr. Wong's entitlement to subscribe for 3,000,000 Shares under the Company's Share Option Scheme and 28,000 Shares under the Bonus Warrants and the Warrants.

There is no service contract entered into between Mr. Wong and the Company. Mr. Wong 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. Wong has received HK\$120,000 as director's emolument for the year ended March 31, 2008 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. Da Roza Joao Paulo, aged 57, has over 20 years' experience in human resources, China trade and real estates industry. Mr. Da Roza was appointed as an independent non-executive director of the Company in July 2004.

Mr. Da Roza had not held any directorship in other listed public companies during the last three years preceding the Latest Practicable Date; and he is not connected with any director, senior management or 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. Da Roza and his associate are beneficially interested in 464,800 shares, representing 0.03% issued share capital of the Company and a derivative interest in respect of 2,000,000 Shares, which represents Mr. Da Roza's entitlement to subscribe for 2,000,000 Shares under the Company's Share Option Scheme and 46,480 Shares under the Bonus Warrants and the Warrants.

There is no service contract entered into between Mr. Da Roza and the Company. Mr. Da Roza 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. Da Roza has received HK\$90,000 as director's emolument for the year ended March 31, 2008 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.

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.