

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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**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 B2, Forum Room 1, Regal Hongkong Limited, 88 Yee Wo Street, Causeway Bay, Hong Kong on Thursday, September 3, 2009 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 31, 2009

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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 B2, Forum Room 1, Regal Hongkong Limited, 88 Yee Wo Street, Causeway Bay, Hong Kong on Thursday, September 3, 2009 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
“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 28, 2009, 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\$0.16 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

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:

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
Chian Yat Ping

July 31, 2009

*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 2,222,931,210 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 444,586,242. 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 2,222,931,210 Shares and a total of 505,545,102 share options have been granted by the Company since the Share Option Scheme was adopted. 52,236,200 option have been exercised and 30,676,720 options were cancelled since the Share Option Scheme was adopted, options carrying the rights to subscribe for up to a total of 422,632,182 Shares remain outstanding as at the Latest Practicable Date, representing approximately 19.0% of the Shares in issue. The Scheme Mandate Limit has been latest refreshed on August 26, 2008 at the annual general meeting of the Company which the Company may grant options entitling holders to subscribe for 181,912,334 Shares and there was 63,045,102 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 222,293,121 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

LETTER FROM THE BOARD

- (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.

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. Chan Heng Fai and Ms. Chan Sook Jin, Mary-ann 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.

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) and the Company (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 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 IS HEREBY GIVEN that the Annual General Meeting of Xpress Group Limited (the “Company”) will be held at B2, Forum Room 1, Regal Hongkong Limited, 88 Yee Wo Street, Causeway Bay, Hong Kong on Thursday, September 3, 2009 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, 2009.
- (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

NOTICE OF ANNUAL GENERAL MEETING

“**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).”

- (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 31, 2009

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 Heng Fai, aged 64, is the Managing Chairman of the Company. He has been a director of the Company since September 1992. Mr. Chan is responsible for the overall business development of the Group. His experience and expertise are in the finance and banking sectors.

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 spouse of Ms. Chan Yoke Keow, the father of Ms. Chan Sook Jin, Mary-ann, Mr. Chan Tong Wan and Mr. Chan Tung Moe, all of them are Executive Directors 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 1,248,682,163 shares, representing 56.18% issued share capital of the Company and a derivative interest in respect of 591,382,169 Shares, which represents Mr. Chan and his associate's entitlement to subscribe for 357,315,000 Shares under the Company's Share Option Scheme and 234,067,169 Shares under the Bonus Warrants and the Warrants.

Mr. Chan has entered into a service agreement with the Company commencing from 1 February 2008 for a term of two years. The service contract provides for the payment of a salary of HK\$185 per month. In addition, Mr. Chan is also entitled to receive an accommodation allowance of HK\$160,000 per month. On 20 November, 2008, a supplementary agreement was entered into between Mr. Chan and the Company for reducing the accommodation allowance to HK\$30,000 per month which is deemed to have taken effect on 1 November, 2008.

On 20 November 2008, a service contract was entered into between SingXpress International Pte Ltd, a subsidiary of the Company and Mr. Chan for a term of three years expiring on October 31, 2011. The service contract provides for the payment of a salary of S\$25,000 per month which is deemed to have taken effect on 1 November, 2008. The overall salary and allowance per month was reduced by 25% which is taken into effect on 1 March 2009.

Ms. Chan Sook Jin, Mary-ann, aged 38, has been a director of the Company since 1995. Ms. Chan is involved with the securities operations. Ms. Chan has previous experience with one of the leading banks in Hong Kong where she was involved in sales and marketing as well as relationship management for the Regional Securities office.

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 daughter of Mr. Chan Heng Fai and Ms. Chan Yoke Keow and the sister of Mr. Chan Tong Wan and Chan Tung Moe, all of them are Executive Directors 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 5,475,398 shares, representing 0.24% issued share capital of the Company and a derivative interest in respect of 5,448,664 Shares, which represents Ms. Chan and her associate's entitlement to subscribe for 5,104,500 Shares under the Company's Share Option Scheme and 344,164 Shares under the Bonus Warrants.

There is 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\$929,000 as director's emolument for the year ended March 31, 2009 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.