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## ANNOUNCEMENT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to announce that on 14 November 2008 the board of directors of Japan Travel resolved to file a petition for the liquidation of Japan Travel in Japan.

**Shareholders and Investors should exercise caution when dealing in the shares of the Company.**

This announcement is made by Xpress Group Limited (the “Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Reference is made to the announcement dated 12 November 2008 (“Announcement”) issued by the Company regarding, *inter alia*, the evaluation of the financial condition and performance of Japan Travel. Capitalised terms used in this announcement have the same meanings as those defined in the Announcement unless the context herein requires otherwise.

On 14 November 2008 the board of directors of Japan Travel resolved to file a petition for the liquidation of Japan Travel in Japan. As the total assets of Japan

Travel, as of 31 March 2008 and the revenue of Japan Travel, for the year ended 31 March 2008 (based on the latest published audited accounts of the Group), constitute approximately 5.9% of the total assets and 25.6% of the revenue of the Group respectively, Japan Travel is considered a “major subsidiary” of the Group under the Listing Rules.

After the filing of the petition, a liquidation trustee appointed by the court will properly deal with the rights and claims that creditors have against Japan Travel.

### **INFORMATION ABOUT JAPAN TRAVEL**

Japan Travel is a corporation incorporated with limited liability under the laws of Japan and is principally engaged in the travel and tourist agent business in Japan.

As of 31 March 2008, the audited total assets of Japan Travel were approximately HK\$55.4 million, the total liabilities were approximate HK\$83.8 million and the net liabilities were approximately HK\$28.4 million (excluding of loans from Group companies of approximately HK\$24.6 million. The revenue and net loss of Japan Travel for the financial year ended 31 March 2008 were approximately HK\$366.7 million and HK\$45.5 million respectively.

### **REASONS FOR LIQUIDATION**

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 circumstance affecting the Group’s travel business, the Group has been facing testing conditions in the travel related business as reflected in the results of the Group for each of the two years ended 31 March 2007 and 31 March 2008. In view of (i) unsatisfactory performance of the business of Japan Travel; (ii) keen competition and high operating costs in Japan market; (iii) uncertainty as to when Japan Travel will become profitable; and (iv) the Group’s decision to avoid further losses and further capital commitment for Japan Travel, the Board resolved to liquidate.

### **IMPACT OF THE LIQUIDATION**

In view of the fact that the Group has not derived any profit from Japan Travel since its acquisition, the Board is of the view that the liquidation of Japan Travel will not have any significant adverse financial impact to the Group and the overall

performance of the Group after the completion of the liquidation of Japan Travel will be improved.

In the light of the current adverse financial and economic circumstances, the Company will also evaluate all the businesses of the Group to determine the future plans of the Group and rationalize its business direction. The evaluation may result in the re-deployment of resources among its businesses, the creation of new businesses and/or the streamlining of existing businesses of the Group. The Company will keep the market informed by way of announcement in compliance with the requirements of the Listing Rules as and when appropriate.

**Shareholders and Investors should exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 14 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.*