XPRESS Group 特速集團

XPRESS GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 185)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2007

The Board of Directors (the "Board") of Xpress Group Limited (the "Company"), announce the unaudited consolidated results of the Company and its subsidiaries (the "Group"), which have been reviewed by the Company's Audit Committee.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2007

		Six months ended	
		9.30.2007	9.30.2006
	NOTES	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*3*	**704,426**	307,907
Cost of sales		**(636,862)**	(275,385)
Gross profit		**67,564**	32,522
Fair value gain on financial assets at fair value through profit or loss		**36,337**	11,414
Fair value gain on investment properties		**72,073**	–
Bad debt recovered		**424**	–
Other operating income		**57,021**	9,205
Administrative expenses		**(117,218)**	(59,820)
Profit (loss) from operations	*4*	**116,201**	(6,679)
Finance costs		**(9,591)**	(8,299)
Share of results of associates		**(4,452)**	(3,378)
Profit (loss) before income tax		**102,158**	(18,356)
Income tax expense	*5*	**(15,046)**	221
Profit (loss) for the period		**87,112**	(18,135)
Attributable to:			
Equity holders of the Company		**92,055**	(16,813)
Minority interests		**(4,943)**	(1,322)
Profit (loss) for the period		**87,112**	(18,135)
Earning (loss) per share for loss attributable to equity holders of the Company during the period	*7*		
– Basic		**HK5.13 cents**	(HK1.01 cents)
– Diluted		**HK4.42 cents**	N/A

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

AT SEPTEMBER 30, 2007

	NOTES	9.30.2007 HK$'000 (unaudited)	3.31.2007 HK$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	8	**56,114**	22,397
Prepaid land leases		**19,956**	20,221
Investment properties	8	**408,568**	275,705
Interests in associates		**24,221**	16,010
Long term deposit		**14,606**	7,664
Available-for-sale financial assets		**47,553**	45,815
Goodwill		**28,620**	18,955
Loans receivable		**–**	450
Pledged bank deposits		**4,487**	4,385
		604,125	411,602
Current assets			
Inventories		**727**	486
Trade and other receivables, deposits paid and prepayments	9	**199,952**	131,525
Financial assets at fair value through profit or loss		**177,558**	178,812
Loans receivable		**2,467**	3,008
Amounts due from an associate		**4,494**	6,577
Cash and cash equivalents		**92,079**	191,573
		477,277	511,981
Current liabilities			
Trade and other payables	10	**140,658**	100,288
Borrowings	11	**61,878**	43,333
Finance lease payables		**625**	605
Tax payable		**3,443**	3,526
Convertible debentures		**45,961**	–
		252,565	147,752
Net current assets		**224,712**	364,229
Total assets less current liabilities		**828,837**	775,831
Non current liabilities			
Borrowings	11	**145,482**	134,623
Finance lease payables		**179**	972
Convertible debentures		**–**	50,234
Amount due to associates		**1,438**	236
Deferred taxation		**35,127**	22,159
		182,226	208,224
Net assets		**646,611**	567,607
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	12	**18,189**	17,548
Reserves		**628,138**	511,035
		646,327	528,583
Minority interests		**284**	39,024
Total equity		**646,611**	567,607

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2007

1. BASIS OF PREPARATION AND IMPACT OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS

The condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standards ("HKAS") 34 "Interim Financial Reporting" and the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements of the Group for the year ended March 31, 2007, except in relation to the adoption of the new or amended Hong Kong Financial Reporting Standards ("HKFRSs", which also include HKASs and Interpretations issued by Hong Kong Institute of Certified Public Accountants) that are first effective on April 1, 2007 and relevant to the Group.

There was no material impact on the basis of preparation of the condensed consolidated interim financial statements arising from the adoption of the above-mentioned new and revised accounting standards.

2. IMPACT OF ISSUED BUT NOT YET EFFECTIVE HKFRSS

The Group has not applied the following new and revised HKFRSs, which have been issued but not yet effective, in these interim financial statements. The directors of the Company is currently assessing the impact of these HKFRSs but are not yet in a position to state whether they would have material financial impact on the Group's interim financial statements.

HKFRS 8	Operating Segments[3]
HKAS 23 (Revised)	Borrowing Costs[3]
HK(IFRIC)-Int 12	Service Concession Arrangements[1]
HK(IFRIC)-Int 13	Customer Loyalty Programmes[2]
HK(IFRIC)-Int 14	HKAS 19 – the Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[1]

[1] Effective for annual periods beginning on or after January 1, 2008
[2] Effective for annual periods beginning on or after July 1, 2008
[3] Effective for annual periods beginning on or after January 1, 2009

3. SEGMENT INFORMATION

Business segments

For management purposes, the Group is organised into six (2006: five) business segments – travel related operations, hotel operations, credit card operations, securities trading and investments, treasury investment and property investment. These principal operating activities are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented below.

	Revenue/Turnover Six months ended		Segment results Six months ended	
	9.30.2007	9.30.2006	**9.30.2007**	9.30.2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
By business segment:				
Travel related operations	**670,822**	294,454	**(8,217)**	2,318
Hotel operations	**15,032**	–	**(2,578)**	–
Credit card operations	**6,335**	4,246	**(5,938)**	(4,190)
Securities trading and investments	**5,472**	739	**40,650**	11,038
Treasury investment	**3,696**	6,315	**3,696**	6,315
Property investment	**3,069**	2,153	**74,477**	1,733
	704,426	307,907	**102,090**	17,214
Unallocated corporate revenue			**57,021**	7,185
Unallocated corporate expenses			**(42,910)**	(31,078)
Profit (loss) from operations			**116,201**	(6,679)
Finance costs			**(9,591)**	(8,299)
Share of results of associates			**(4,452)**	(3,378)
Profit (loss) before income tax			**102,158**	(18,356)
Income tax expenses			**(15,046)**	221
Profit (loss) for the year			**87,112**	(18,135)

4. PROFIT (LOSS) FROM OPERATIONS

	Six months ended	
	9.30.2007	9.30.2006
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit (loss) from operations has been arrived at after charging (crediting):		
Depreciation	**2,566**	1,568
Amortisation of leasehold land	**265**	265
Dividend income	**(5,472)**	(739)

5. INCOME TAX EXPENSE

Hong Kong profits tax for the six months ended September 30, 2007 has been provided at the rate of 17.5% (six months ended September 30, 2006: 17.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

No provision for Hong Kong profits tax and overseas taxation have been made in the condensed financial statements as the Group had no assessable profit for the period ended September 30, 2006. The tax credit for the period ended September 30, 2006 represented over-provision of prior years.

	Six months ended	
	9.30.2007	9.30.2006
	HK$'000	*HK$'000*
Continuing operations		
Current tax		
– Hong Kong	**–**	–
– Overseas	**2,076**	–
Overprovision of current tax in respect of a prior year	**(3)**	(221)
Deferred tax	**12,973**	–
Total tax charge for the period	**15,046**	(221)

6. DIVIDEND

No dividend were paid during the period. The directors do not recommend the payment of an interim dividend.

7. EARNINGS (LOSS) PER SHARE

The calculation of basic earnings (loss) per share is based on the profit attributable to ordinary equity holders of the Company for the period of approximately HK$92,055,000 (six months ended September 30, 2006: loss of approximately HK$16,813,000) and the weighted average of 1,795,866,397 (six months ended September 30, 2006: 1,666,884,348) ordinary shares in issue during the period.

The calculation of diluted earnings per share is based on the profit attributable to equity holders of the Company of HK$92,055,000 and on the weighted average number of 2,084,002,589 ordinary shares calculated as follow:

	Number of shares	
	2007	2006
Weighted average number of ordinary shares for the purposes of the basic earnings per share	**1,795,866,397**	1,666,884,348
Effect of dilutive potential ordinary shares:		
Share options	**213,074,341**	–
Warrants	**75,061,851**	–
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**2,084,002,589**	1,666,884,348

As the convertible debentures of the Company's subsidiary outstanding during the period ended September 30, 2007 was anti-dilutive to the Group's earnings per share, diluted earnings per share were not adjusted in this respect for this period.

The computation of diluted loss per share for the period ended September 30, 2006 does not assume the exercise of potential dilutive ordinary shares as their exercise would result in reduction in loss per share for the period ended September 30, 2006 and the conversion of the Group's outstanding convertible debentures would result in a decrease in net loss per share for the period.

8. INVESTMENT PROPERTIES/PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired investment properties and property, plant and equipment of approximately HK$36.7 million (six months ended September 30, 2006: HK$93.4 million) and HK$2.0 million (six months ended September 30, 2006: HK$36.3 million).

9. TRADE AND OTHER RECEIVABLES, DEPOSITS PAID AND PREPAYMENT

The average credit term granted by the Group to its trade customers are as follows:

Hotel operations	60 days
Travel related operations	30 days
Credit card holders for retails sales	up to 56 days interest free repayment period

The following is an aged analysis of trade receivables at the reporting date:

	9.30.2007	3.31.2007
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 – 60 days	**84,608**	70,462
61 – 90 days	**1,222**	3,306
Over 90 days	**5,926**	5,730
	91,756	79,498
Deposits, prepayments and other receivables *(note)*	**107,666**	51,497
Prepaid operating lease payment	**530**	530
	199,952	131,525

Note: The balance in the deposits, prepayments and other receivables as at September 30, 2007 included HK$21,519,000 fund in securities brokers.

10. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade and other payables at the reporting date:

	9.30.2007	3.31.2007
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 – 60 days	**71,572**	59,535
61 – 90 days	**92**	310
Over 90 days	**3,599**	810
	75,263	60,655
Other payables and accrued expenses	**65,395**	39,633
	140,658	100,288

11. BORROWINGS

The Group has raised new bank loans for the mortgage of investment properties and land and buildings acquired during the period.

12. SHARE CAPITAL

	Number of shares	**Amount**
Authorised:		*HK$'000*
Ordinary shares of HK$0.01 each	1,000,000,000,000	10,000,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each at April 1, 2007	1,754,788,921	17,548
Exercise of warrants subscription rights	54,437,649	544
Exercise of share options	9,660,000	97
At September 30, 2007, shares of HK$0.01 each	1,818,886,570	18,189

13. PLEDGE OF ASSETS

As at September 30, 2007, the Group pledged bank balances of HK$4,487,000 (March 31, 2007: HK$4,385,000) as a security for banking facilities granted to a subsidiary and as securities for the credit card business transactions with MasterCard Worldwide.

As at September 30, 2007, the Group's borrowing of HK$207,361,000 (March 31, 2007: HK$177,956,000) are secured by:

(a) its leasehold land and buildings with carrying value of HK$63,830,000 (March 31, 2007: HK$32,580,000);

(b) its investment properties with carrying value of HK$279,196,000 (March 31, 2007: HK$262,100,000);

(c) its bank balances with carrying value of HK$4,487,000 (March 31, 2007: HK$4,385,000);

(d) assignment of rent of an investment property; and

(e) a floating charge over the asset of a subsidiary.

14. POST BALANCE SHEET EVENT

On October 1, 2007, Suntec 23 Floor Pte Ltd, an indirect wholly-owned subsidiary of the Company, entered into three option agreements with the purchaser to grant to the purchaser the options to acquire three properties in Singapore at an aggregate consideration of S$26,398,710 (approximately HK$ 34,633,000). Details of the disposal has been disclosed in the circular dated October 9, 2007.

On August 28, 2007, the Group entered into a memorandum of understanding ("MOU") with the vendor to purchase 60% registered capital of (i) Beijing BizExpress Information Technology Company Limited, and (ii) Beijing Smarttravel FIT Travel Agency Co., Ltd. for HK$12 million. The MOU was subsequently lapsed on November 20, 2007. Details of the MOU has been disclosed in the announcement dated September 5, 2007.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group's turnover for the six months ended September 30, 2007 was HK$704.4 million, compared to turnover of HK$307.9 million for the same period in 2006, representing a 129% increase, which was mainly contributed by the travel service companies, Makino Air Travel Service Ltd ("Makino") acquired in March 2007 and Crystal Travel Co., Ltd. ("Crystal") acquired in July 2007. Profit attributable to equity holders of the Company for the six months ended September 30, 2007 was HK$92.1 million compared to loss of HK$16.8 million for the same period in 2006. The earning per share for the six months ended September 30, 2007 was HK5.13 cents compared to loss per share of HK1.01 cents for the same period in 2006.

Financial and Securities Investment Division

The division recorded a profit of HK$40.7 million as compared to HK$11.0 million for the same period in 2006.

Travel Agency Division

During the period, the travel business recorded a turnover and operating loss of approximately HK$670.8 million (2006: HK$294.5 million) and HK$8.2 million (2006: profit of HK$2.3 million).

Hotels and Hospitality Division

During the period, the hospitality business recorded a turnover and operating loss of approximately HK$15.0 million (2006: Nil) and HK$2.6 million (2006: Nil).

Credit Card Division

During the period, the Group recovered bad debts of HK$0.4 million and the Credit Card business recorded a turnover of approximately HK$6.3 million, representing an increase of 49% from the same period last year.

Liquidity and Capital Resources

During the period, the registered holders of 54,437,649 warrants exercised their rights to subscribe for ordinary shares. At the balance sheet date, the Company had outstanding 102,456,687 warrants. Exercise in full of such warrants would result in the issue of 102,456,687 additional shares of HK$0.01 each.

During the period, the Group continued to maintain a strong liquidity position. The Group generally finances its operations with internally generated resources and banking facilities provided by its bankers. As at September 30, 2007, the Group had cash and cash equivalents and funds in securities brokers amounted to approximately HK$113.6 million (3.31.2007: HK$191.6 million) mainly dominated in Hong Kong dollars, Singapore dollars and Japanese Yen. The Group had borrowings of approximately HK$254.1 million mainly dominated in Hong Kong dollars, Singapore dollars and Japanese Yen (3.31.2007: HK$229.8 million). As at September 30, 2007, the Group's current ratio was 1.89 (3.31.2007: 3.47) and had a gearing ratio of 15.0% (3.31.2007: 4.1%), defined as the ratio of total borrowings less cash balances to total assets.

Material acquisitions, disposals and significant investments

Acquisition of hotel holding companies

During the period, the Group entered into an agreement with an independent third party to acquire the entire interest of Kabushiki Kaisha Aizuya ("Aizuya"), a company incorporated in Japan which operates a hotel business and the shareholder's loan for a total consideration JPY220 million. The acquired businesses contributed revenues of approximately HK$0.5 million and net loss of approximately HK$0.2 million to the Group for the period from the date of acquisition to September 30, 2007. Due to a lack of HKFRS – specific data prior to the acquisition of Aizuya, pro forma profit or loss of the combined entity for the complete 2007 interim reporting period cannot be determined reliably.

In addition, the Group entered into an agreement with an independent third party to acquire the entire interest of Hotel Plaza Miyazaki Co. Ltd. ("HPM"), a company incorporated in Japan which operates a hotel, for a consideration of JPY300 million. The acquired businesses contributed revenues of approximately HK$15.3 million and net loss of approximately HK$2.5 million to the Group for the period from the date of acquisition to September 30, 2007. Due to a lack of HKFRS – specific data prior to the acquisition of HPM, pro forma profit or loss of the combined entity for the complete 2007 interim reporting period cannot be determined reliably.

Acquisition of properties

During the period, the Group entered into an agreement with a property developer in Singapore to purchase an investment property located in Singapore for a consideration of S$6.9 million.

Increase of investment in eBanker USA.Com. Inc. ("eBanker")

During the period, eBanker offer a rights issue to its shareholders on a pro-rata basis at a price of US$0.25 per rights share on the basis of ten rights shares for every three eBanker shares held by the shareholders of eBanker on May 26, 2007. The Group applied excess rights shares and the interest in eBanker was increased from 35.03% to 81.84% upon completion of the rights issue on June 19, 2007.

Increase of investment in RSI International Systems Inc. ("RSI")

During the period, the Group increased its equity interest in RSI from approximately 19% to approximately 30% and RSI was reclassify as an associate of the Group.

Acquisition of a travel service company

During the period, the Group entered into a sale and purchase agreement for the acquisition of the entire equity interest in Crystal Travel Co., Ltd. ("Crystal"), a travel service company operating in Japan, at a consideration of approximately JPY52 million. The acquired businesses contributed revenues of approximately HK$92.2 million and net loss of approximately HK$0.03 million to the Group for the period from the date of acquisition to September 30, 2007. Due to a lack of HKFRS – specific data prior to the acquisition of Crystal, pro forma profit or loss of the combined entity for the complete 2007 interim reporting period cannot be determined reliably.

Disposal of 20% equity interest in Japan Xpress Limited

During the period, the Group entered into 3 agreements with the purchasers in respect of the disposal of 20% equity interest in Japan Xpress Limited for an aggregate consideration of JPY100,050,000. The transaction has not yet been completed. Details of the disposal has been disclosed in the announcement dated September 5, 2007.

Foreign currencies and treasury policy

Substantially all the revenues, expenses, assets and liabilities are denominated in Hong Kong dollars, U.S. dollars, Canadian dollars, Japanese Yen and Singapore dollars. Due to the currency peg of the Hong Kong dollars to the U.S. dollars, the exchange rate between these two currencies has remained stable and thus no hedging or other alternatives have been implemented by the Group. The Group expected that there is no significant exposure on foreign currency, but it cannot be assured operating results in future will not be materially affected.

Credit risk management

The Group's credit policy defines the credit extension criteria, the credit approval and monitoring processes, and the loan provisioning policy. The Group maintains tight control on loan assessments and approvals and will continue to exercise a conservative and prudent policy in granting loans in order to maintain a quality loan portfolio and manage the credit risk exposure of the Group.

Human resources

Remuneration packages are generally structured by reference to prevailing market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Apart from salary payments, there are other staff benefits including provident fund, medical insurance and performance related bonus. At the balance sheet date, there were approximately 320 employees employed by the Group. Share options may also be granted to eligible employees and persons of the Group.

Prospects

We will continue our business strategy of focusing on the travel, leisure and hospitality businesses as well as our consumer finance and the credit card business. The Board and the management will continue to focus on the strategic development of the Group through strategic partners and alliances, the development of our own brand names to achieve international recognition and achieving economies of scale for our existing businesses.

The market outlook is expected to be strong in the year ahead. Despite a competitive environment, the growth in consumer spending and borrowing, lower unemployment rates and changes in lifestyle will create an opportunity of growth for our leisure and hospitality businesses and a demand for consumer loans.

The Group will continue in its direction to diversify its business risk through the expansion and development of its existing businesses in corporate finance, consumer finance, credit cards, and travel related activity outside of Hong Kong with a strong focus on Singapore, the PRC and Japan. The Group seeks to create synergies in the activities and businesses it currently has and will undertake in future. The Group's cash position remains healthy which, together with the continued growth of our core businesses and prudent investment strategies, makes us highly competitive. We strive to take advantage of new opportunities and develop new strengths and strategies to thrive in a different world.

Japan Xpress Ltd, in addition to its three subsidiaries namely Nihon Kotsu Travel Service Co. Ltd ("Nikko"), Makino and Crystal's existing businesses, intends to open travel stores nationwide in Tokyo, Osaka and other cities in the next 12 to 24 months. Nikko also plans to be the leading operator in outbound tour groups to Hong Kong, the PRC and Singapore in addition to its Korean destinations.

In line with our hotel and hospitality business development, the Xpress Hotels and Resorts division intends to aggressively acquire hotel properties in Japan and develop links between their businesses and our consumer finance and customer loyalty programs.

We have entered into a letter of confirmation with a security house in Japan to study the feasibility of applying for a secondary listing of and a quotation for its shares on the Tokyo Stock Exchange and looking forward to increase the name awareness of the Group and the shareholder value.

Xpress Finance Limited will continue to design tailor-made card acquisition programs, spending and retention programs to increase card base and card usage. Our iXpress MasterCard is the first fully customisable MasterCard in the Asia Pacific Region. The unique features of iXpress MasterCard customization have been widely accepted by the customers, we will continue capture new market segments and its distribution network by issuing affinity/co-branded credit card using this customization platform. To satisfy different demands in the consumer finance market, we also plan to extend its credit services to personal loans to attract quality customers by launching purpose loans program, such as travel loans. The Group will also pursue a regional expansion of its credit card and other consumer lending services.

Capital commitments

At the balance sheet date, the Group had authorised and contracted capital commitments of approximately HK$56.4 million (3.31.2007: HK$62.4 million), which was related to capital expenditure for the acquisition of investment properties and Nil (3.31.2007: approximately HK$35 million) which was related to the rights issue of SingXpress Ltd., an associate of the Group, in which the Group has undertaken to take up the Group's entitlements and to subscribe for all rights shares not subscribed for by the other shareholders of SingXpress Ltd.

Contingent liabilities

At the balance sheet date, contingent liabilities of the Group were as follows:

(a) Guarantees of HK$11.8 million (3.31.2007: HK$11.4 million) given to financial institutions in respect of banking facilities granted to the Group's suppliers.

(b) Actions were brought by Pricerite Stores Limited and CASH Retail Management Group Limited (formerly known as Pricerite Group Limited) (together referred to as "Pricerite") respectively, against a subsidiary of the Company, in respect of the alleged breach of agreement for damages which are not quantified. In the opinion of the directors, it is not practicable at this stage to determine with certainty the outcome of the litigation. The litigation has been standstill for more than 6 years.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code for securities transactions by directors (the "Code of Conduct") on terms no less exacting than the required standard of the Model Code as set out in Appendix 10 of the Listing Rules.

Having made specific enquiry, all Directors have confirmed compliance with the Code of Conduct throughout the period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with the code provisions listed in the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the period.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim financial statements. The Audit Committee comprises three Independent Non-Executive Directors, namely Mr. Wong Dor Luk, Peter, Mr. Joao Paulo Da Roza and Ms. Chian Yat Ping.

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S AND COMPANY'S WEBSITE

The Company's preliminary results announcement for the six months ended September 30, 2007 containing all information required by Appendix 16 of the Listing Rules is published on the website of the Stock Exchange at http://www.hkex.com.hk under "Latest Listed Company Information" and the Company's website at http://www.xpressgroup.com. The interim report of the Company for the six months ended September 30, 2007 will be dispatched to the shareholders and published on the above website in due course.

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

Hong Kong, December 21, 2007

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.