SING XPRESS

Success Through

Investment Management

ANNUAL REPORT 2009

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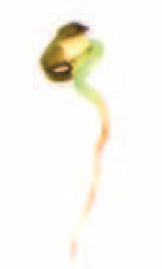


BOARD OF DIRECTORS

Executive
Chan Heng Fai (Chairman)
Chan Tong Wan

Non Executive
Chan Yoke Keow (Non-Independent)
Chan Tung Moe (Non-Independent)
Da Roza Joao Paulo (Independent)
Wong Tat Keung (Independent)

AUDIT COMMITTEE

Wong Tat Keung (Chairman)
Da Roza Joao Paulo
Chan Tung Moe

NOMINATING COMMITTEE

Da Roza Joao Paulo (Chairman)
Wong Tat Keung
Chan Tung Moe

REMUNERATION COMMITTEE

Da Roza Joao Paulo (Chairman)
Wong Tat Keung
Chan Tung Moe

COMPANY SECRETARY

Yeo Poh Noi, Caroline

REGISTERED OFFICE

8 Eu Tong Sen Street
#23-81 Central @ Clarke Quay
Singapore 059818
Tel: 65 - 6533 9023
Fax: 65 - 6532 7602

AUDITORS

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583

AUDIT PARTNER IN CHARGE

Nelson Chen
Date of Appointment:
Since financial year ended 31 December 2007

PRINCIPAL BANKER

UBS AG
5 Temasek Boulevard
#18-00 Suntec Tower Five
Singapore 038985

PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

8 Eu Tong Sen Street
#23-81 Central @ Clarke Quay
Singapore 059818

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Tel : 65 - 6536 5355
Fax : 65 - 6536 1360

CONTINUING SPONSOR

Phillip Securities Pte Ltd
250 North Bridge Road
#06-00 Raffles City Tower
Singapore 179101

Chairman's Statement

The Board considers that it is good opportunity for the Group to implement the strategy of enhancing the property trading for the anticipated growth in value of the properties and property investment businesses to generate new income streams.

Dear Shareholders,

With the deep global financial crisis in the later part of 2008, many of the world's economies, particularly the major ones, experienced contraction. The Company's businesses were also subject to negative effects to a varying degree especially the travel and hospitality business. The Group's results have been adversely affected. The Company recorded a loss attributable to shareholders of approximately $1.24 million for the year ended 31 December 2009 ("FY2009") as compared to the loss of $4.19 million for the year ended 31 December 2008 ("FY2008").

The economic downturn seriously affected the finance and travel and hospitality markets. Travel and hospitality spending and related activities dropped significantly during the period. In view of the drastic changes in the global and domestic economies and business environment and the unsatisfactory performance of the business of travel operation in Singapore, Macau and Australia and keen competition and high operating costs, the Group laid off the staff and disposed all the fixed assets to cease the travel and leisure operation of SingXpress Travel Pte Ltd ("SingXpress Travel") in Singapore on 14 February 2009 and to cease the Macau and Australia operations by disposal of Macau Express Travel Service Ltd ("Macau Express") in March 2009 and Xpress Travel Holdings Pty Ltd ("Xpress Travel") in December 2009 to avoid further losses and further capital commitment.

As a result, the Group recorded revenue of approximately $2.25 million for FY2009, representing a decrease of approximately 96% as compared to FY2008, mainly due to the presentation of revenue as net pursuant to the Amendment to Appendix to FRS 18 Revenue and the disposal of subsidiaries as mentioned above. For comparative purpose, the Group's gross revenue related to travel business for FY2009 amounted to S$25.88 million, representing a decrease of approximately 56% as compared to FY2008.

OUTLOOK

The Company expects to continue facing significant challenges in the near future in view of risks which remain in the year ahead, as the recovery has been uneven globally. The impact of the potential withdrawal of government stimuli will also add uncertainties to the environment that we operate. The Company is continuing to evaluate all the businesses of the Group to determine its future plans and rationalize its business direction in light of the uncertain financial and economic circumstances. The Group will continue to implement cost control measures and margin management, as well as allocate resources to grow its securities trading and investment business and property related businesses.

As announced by the Company in December 2009, January 2010 and February 2010, the Group has diversified its business to properties trading and properties investment in which shareholders approval was obtained at the general meeting on 25 August 2006 (details of which were disclosed in the circular of the Company dated 10 August 2006). The Board considers that it is good opportunity for the Group to implement the strategy of enhancing the property trading for the anticipated growth in value of the properties and property investment businesses to generate new income streams. The Group will continue to explore opportunities to acquire further properties which have excellent location and high value growth potential, in line with the business objective of the Company for enhancement of property trading and to explore opportunities in property development.

ACKNOWLEDGEMENT

On behalf of all the directors, I would like to express my sincere thanks to everyone at the Group for their hard work and contribution, and to our investors, bankers and everyone else for their continuing support. I would also like to express our utmost gratitude to all shareholders for their continued confidence and support. It is my pleasure to thank all my fellow Board members for the wisdom and guidance rendered so unstintingly throughout a challenging year.

Chan Heng Fai
Executive Chairman

Operations Review

Distribution and selling and Administration costs decreased with the disposal of Macau Express and Xpress Travel and cessation of SingXpress Travel, the Group adopted effective initiatives aimed at assuring survival by focusing on costs control.

The Group recorded revenue of approximately $2.25 million for FY2009, representing a decrease of approximately 96% as compared to FY2008, was mainly due to the presentation of revenue as net under Amendment to Appendix to FRS 18 Revenue, which is disclosed in note 2 to the financial statements and the disposal of Macau Express, Xpress Travel and cessation of operation of SingXpress Travel during FY2009.

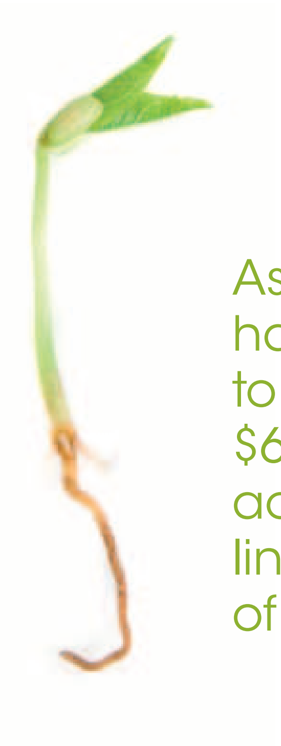
Distribution and selling and Administration costs decreased with the disposal of Macau Express and Xpress Travel and cessation of SingXpress Travel, the Group adopted effective initiatives aimed at assuring survival by focusing on costs control.

Fair value loss on financial assets at fair value through profit or loss of approximately $0.05 million for FY2009, being $0.07 million gain on disposal of marketable securities (FY2008: Nil) and $0.12 million unrealised loss on marketable securities as at 31 December 2009 (FY2008: $0.53 million), representing a decrease of approximately 91% as compared to a fair value loss on financial assets of $0.53 million for FY2008, was due to the turnaround of the global stock market from the downturn during the last quarter of 2008 to the uptrend during 2009. In addition, there was no gain on disposal on available-for-sale financial assets in FY 2009 while for FY 2008 there was a gain of $1 million on the disposal of quoted investments in Global Med Technologies Inc. As a result, the securities trading and investment division recorded a segment loss of $0.37 million in FY2009 as compared to a FY2008 segment profit of $0.54 million.

The loss attributable to shareholders for FY2009 was approximately $1.24 million as compared to the loss of $4.19 million in FY2008, representing a decrease of approximately 70%.

CASH FLOW, WORKING CAPITAL, ASSETS AND LIABILITIES

In tandem with the disposal of Macau Express and Xpress Travel and cessation of operation of SingXpress Travel, trade and other receivables



As at 31 December 2009, the Group had bank balance and cash amounted to approximately $3.51 million (FY2008: $6.56 million) which was mainly due to the acquisition of quoted securities and equity linked notes and the cash flow on disposal of subsidiaries.

decreased to approximately $0.37 million as at 31 December 2009 from $1.46 million as at 31 December 2008. The financial assets at fair value through profit and loss increased to approximately $3.38 million as at 31 December 2009 from $0.02 million as at 31 December 2008 which is due to acquisition of quoted securities and equity-linked notes. Trade and other payables increased to $3.62 million as at 31 December 2009 from $3.31 million as at 31 December 2008 which was mainly due to the net effect of the decrease in travel services related payable due to the disposal of subsidiaries mentioned above and the increase in payable for the acquisition of financial assets of approximately $1.63 million.

As at 31 December 2009, the Group had bank balance and cash amounted to approximately $3.51 million (FY2008: $6.56 million) which was mainly due to the acquisition of quoted securities and equity linked notes and the cash flow on disposal of subsidiaries. The Group had no borrowings and the Group's current ratio was 1.97 (FY2008: 2.07).

Board of Directors & Senior Management

Chan Heng Fai
Group Executive Chairman

Mr. Chan Heng Fai was appointed as a non-executive director on 11 November 2003 and as Group Executive Chairman on 1 March 2005. 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 the Managing Chairman of Xpress Group Limited, a company listed on The Stock Exchange of Hong Kong Limited. Mr. Chan was formerly (i) the Executive Chairman of China Gas Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited which under Mr. Chan's guidance and direction, was restructured from a formerly failing fashion retail company to become one of a few large participants in the investment, operation and management of city gas pipeline infrastructure, distribution of natural gas and LPG to residential, commercial and industrial users in China; (ii) a director of Global Med Technologies, Inc, a medical company listed on NASDAQ which engaged in the design, develop, market and support information management software products for blood banks, hospitals, centralized transfusion centers and other healthcare related facilities; (iii) a director of Skywest Ltd, an Australia listed airline company; and (iv) the chairman and director of American Pacific Bank, a commercial bank publicly listed on NASDAQ from 1988 to 2005. He is the spouse of Ms. Chan Yoke Keow.

Chan Tong Wan
Executive Director

Mr. Chan Tong Wan was appointed as non-executive director on 11 November 2003 and appointed the executive director on 7 March 2006. He has over 10 years experience in investment banking related vocations. Mr. Chan specialized in Asian equity financial products for two international investment banking firms, originating and dealing in listed and over-the-counter structured products. Mr. Chan has also acted as a securities' principal in a NASD licensed brokerage house. As the Managing Director of Xpress Group Limited, Mr. Chan's duties include overseeing Xpress Group Limited group's principal strategic investments activities in both publicly listed and private companies. Mr. Chan holds a Bachelor of Commerce degree with honours, with a Finance specialization, from the University of British Columbia. Mr. Chan is the son of Mr. Chan Heng Fai and Ms. Chan Yoke Keow.

Chan Tung Moe
Non-Executive Director

Mr. Chan Tung Moe was appointed as non-executive director on 7 March 2006. He is the Chief Executive Officer of Xpress Group Limited and is responsible for the overall management of the Xpress Group Limited group's business. Previously, Mr. Chan was in charge of the overall management of Xpress Finance Limited, the Xpress Group's credit card business and also has experience in technical and business development in the finance and technology industries. He holds a Master's Degree in Business Administration, a Master's Degree in Electro-Mechanical Engineering and a Bachelor's Degree in Applied Science. Mr. Chan is the son of Mr. Chan Heng Fai and Ms. Chan Yoke Keow and the brother of Mr. Chan Tong Wan.

Chan Yoke Keow
Non-Executive Director

Ms. Chan Yoke Keow was appointed as non-executive director on 7 September 2007. Ms. Chan is a Director of Xpress Group Limited and is responsible for the general administration and financial planning of the Xpress Group Limited. She has over 25 years' experience in financial management and administration. Ms. Chan is a member of the Hong Kong Securities Institute. She is the spouse of Mr. Chan Heng Fai.

Da Roza Joao Paulo
Independent Non-Executive Director

Mr. Da Roza Joao Paulo, was appointed on 13 August 2009 as an independent director of the Company. He has over 20 years' experience in human resources, China trade and real estates industry. Mr. Da Roza is an independent non-executive director of Xpress Group Limited.

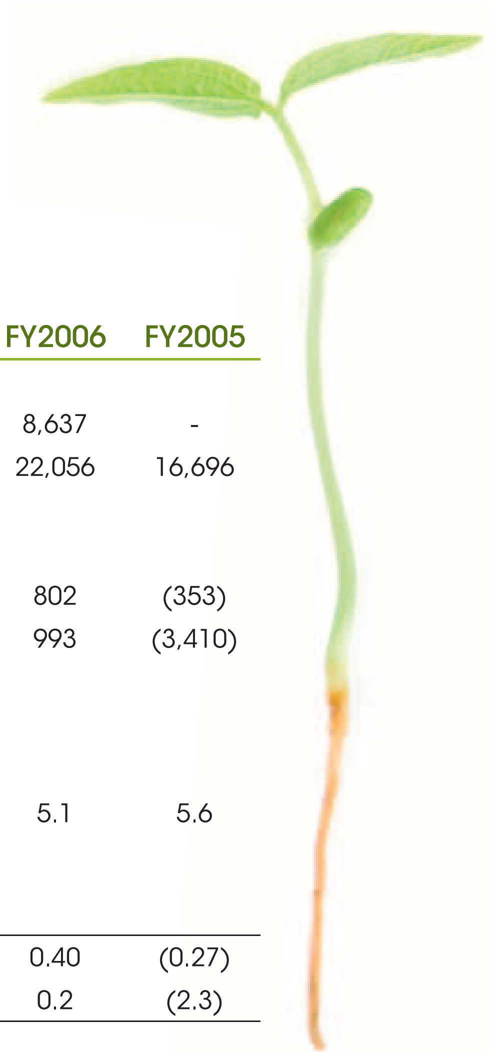
Wong Tat Keung
Independent Non-Executive Director

Mr. Wong Tat Keung, was appointed on 28 July 2009 as an Independent Non-executive Director of the Company. Mr. Wong has more than 15 years of audit, taxation, accounting and business advisory experience. Mr. Wong is an independent non-executive director of Xpress Group Limited. From 2006 to February 2010, he was the proprietor of Aston Wong & Co., Certified Public Accountants practicing in Hong Kong. Since January 2010, he has been a director of his own corporate practice namely ASTON WONG CPA LIMITED.

Mr. Wong Shui Yeung, was appointed in 3 April 2009 as the Chief Financial Officer of the Group and responsible for the financial and management reporting of the Group. Mr. Wong is the Chief Financial Officer of Xpress Group Limited. He has over 15 years in public accounting, taxation, and financial consultancy and management in Hong Kong. He holds a Bachelor's Degree in Business Administration and is currently practicing as a certified public accountant in Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the Hong Kong Securities Institute.

Mr. Yuen Ping Man, is a director of Sansui Resorts Limited, a subsidiary of the Company and responsible for implementing the Group's strategy and managing the Group's property business and operations. Mr. Yuen is the Chief Operating Officer and Company Secretary of Xpress Group Limited. Mr. Yuen has over 15 years' managerial experience in corporate secretarial, business development, human resources and general administration. Mr. Yuen holds a Master's Degree in Business Administration. He is a fellow member of the Institute of Chartered Secretaries and Administrators (UK) and of the Hong Kong Institute of Chartered Secretaries, a senior member of The Hong Kong Institute of Marketing, a member of the Hong Kong Securities Institute, the Hong Kong Institute of Human Resource Management, the Chartered Institute of Marketing (UK), the Hong Kong Institute of Purchasing & Supply and Society of Registered Financial Planners. Mr. Yuen is also a certified risk planner in Hong Kong.

Financial Highlights



	FY2009	FY2008	FY2007	FY2006	FY2005
Turnover (S$'000)					
Continuing	2,249	58,579	50,196	8,637	-
Discontinued	-	-	-	22,056	16,696
(Loss)/profit Before Tax (S$'000)					
Continuing	(1,236)	(4,140)	(3,735)	802	(353)
Discontinued	-	-	-	993	(3,410)
Net Asset Value per Ordinary Share based on					
issued share capital at the end of the year (cents)	1.3	1.7	3.9	5.1	5.6
Basic (Loss)/profit per share (cents)*					
Continuing	(0.45)	(1.54)	(1.69)	0.40	(0.27)
Discontinued	-	-	-	0.2	(2.3)
Turnover by Business Segments					
Continuing					
Travel #	1,855	58,579	50,196	8,637	-
Securities trading and investment	394	-	-	-	-
Discontinued					
Interior fit-out services	-	-	-	1,654	5,353
Store fixtures	-	-	-	20,402	11,343
Total	**2,249**	**58,579**	**50,196**	**30,693**	**16,696**

* FY2007 and 2006 adjusted for rights issue and warrants.
# FY2009 presentation of revenue as net under Amendment to FRS 18 Revenue.

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Corporate Governance Report

SingXpress Ltd. (the "Company") is committed to maintaining a high standard of corporate governance. Good corporate governance establishes and maintains an ethical environment and enhances the interests of all shareholders. This report describes the Company's corporate governance processes and activities with specific reference to the Code of Corporate Governance (the "Code").

BOARD OF DIRECTORS (PRINCIPLES 1, 2, 3 AND 6)

The primary role of the Board of Directors (the "Board") is to lead and control the Company's operations and affairs and to protect and enhance long-term shareholder value. The Board is collectively responsible for the success of the Company. The Board provides entrepreneurial leadership, sets the overall strategy for the Group and ensures that the necessary financial and human resources are in place for the Company to meet its objectives.

To facilitate the Board's decision making, the Company's Articles of Association allows the meetings of directors to be conducted by means of telephone conference or other methods of simultaneous communication by electronic or telegraphic means and the minutes of such meeting signed by the Chairman shall be conclusive evidence of any resolution. In between Board meetings, important matters concerning the Company are put to the Board for its decision by way of circulating resolutions in writing for the Directors' approval.

The Board consists of six directors and the Board is of the view that the current board size is appropriate, taking into account the nature and scope of the Company's operations. The Company's Board composition and balance comprise two independent directors making up one-third of the Board. The objective judgement of the independent and non-executive directors on corporate affairs and their collective experience and contributions are invaluable to the Company.

The Board members comprise businessmen and professionals with accounting and financial background and business/management experience, all of whom as a group, provides the Board with the necessary experience and expertise to direct and lead the Group:

Chan Heng Fai	-	Group Executive Chairman
Chan Tong Wan	-	Executive Director
Chan Yoke Keow	-	Non-Executive Director
Chan Tung Moe	-	Non-Executive Director
Da Roza Joao Paulo	-	Independent Director (Appointed on 13 August 2009)
Wong Tat Keung	-	Independent Director (Appointed on 28 July 2009)

The Board meets at least two times a year, to review and approve the announcements of the half-year and full-year results for release to the Singapore Exchange Securities Trading Limited ("SGX-ST"). Ad-hoc meetings are convened as and when necessary to address any specific significant matters that may arise. The attendance of the directors and the frequency of Board meetings and Committee meetings held during the financial year are set out in Table "A".

Corporate Governance Report

The Board meets to consider the following corporate events and actions:

- Supervising the management of the business and affairs of the Group;
- Reviewing the financial performance of the Group;
- Approving the broad policies, strategies and financial objectives of the Company;
- Overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- Approving the nominations of board directors and appointment of key personnel;
- Approving annual budgets, major funding proposals, investment and divestment proposals, including material capital investment;
- Assuming responsibility for corporate governance; and
- Reviewing the performance of Management.

The Board is furnished with detailed information concerning the Group from time to time, to enable the Board to fulfill its responsibilities and to be fully cognizant of the decisions and actions of the Group's executive management. All the directors have unrestricted access to the Company's records and information. Board papers are prepared for each meeting of the Board and include sufficient information from Management on financial, business and corporate issues to enable the directors to be properly briefed on issues to be considered at Board meetings. The independent directors have access to all levels of senior executives in the Group and are encouraged to speak to other employees to seek additional information if they so require.

Should the directors, whether as a group or individually, need independent professional advice, the Company will, upon direction by the Board, appoint a professional advisor selected by the group or the individual to render the advice. Newly appointed directors are given briefings by Management on the business activities of the Group and its strategic directions and will also be updated on major events of the Company. The Company will, if necessary, organise briefing sessions or circulate memoranda to the directors to enable them to keep pace with regulatory changes.

The roles of the Group Executive Chairman and the Chief Executive Officer ('CEO') are separate, with a clear division of responsibilities between the directors. The Group Executive Chairman, who has experience in managing listed companies and in the merchant banking sector, sets the strategic directions for the development of the Group's businesses. The CEO focuses his attention on the day-to-day running of the operations and also ensures information flow between Management and the Board.

The Board has independent access to the Company Secretary, who provides the Board with regular updates on the requirements of the Companies Act and all other rules and regulations of the SGX-ST. The Company Secretary also attends Board meetings and assists the Chairman in ensuring that Board procedures are followed and reviewed such that the Board functions effectively.

TABLE "A"
DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

Meeting of	Board	Audit Committee	Nominating Committee	Remuneration Committee
Total held in FY2009	**9**	**2**	**1**	**1**
Chan Heng Fai	9	N.A.	N.A.	N.A.
Chan Yoke Keow	9	N.A.	N.A.	N.A.
Chan Tong Wan	9	N.A.	N.A.	N.A.
Chan Tung Moe	8	2	1	1
Liew Keow Seng (resigned on 25 June 2009)	6	1	1	1
Lim Soon Hock (resigned on 28 July 2009)	7	1	1	1
Da Roza Joao Paulo (appointed on 13 August 2009)	2	1	N.A.	N.A.
Wong Tat Keung (appointed on 28 July 2009)	2	1	N.A.	N.A.

N.A. = Not applicable

NOMINATING COMMITTEE (PRINCIPLES 4 AND 5)

The Nominating Committee ("NC") comprises three directors, the majority of whom, including the chairman, are independent directors.

The members of the NC are:
Da Roza Joao Paulo (appointed 13 August 2009) (Chairman)
Wong Tat Keung (appointed on 28 July 2009)
Chan Tung Moe

The NC is regulated by a set of written Terms of Reference and its key functions include:

(a) To review the structure, size and composition of the Board and to make recommendations to the Board with regards to any adjustment to the structure and size that are deemed necessary

(b) To make recommendations to the Board on all Board appointments and re-appointments, having regard to each individual director's contribution and performance;

(c) To determine the criteria for identifying candidates and to review nominations for new appointments;

(d) To review and to determine on an annual basis the independence of each director;

(e) To determine/propose the objective performance criteria for the Board's approval and to review the Board's performance in terms of the performance criteria; and

(f) To conduct a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board, particularly when a director serves on multiple Boards.

Corporate Governance Report

In accordance with the Company's Articles of Association, all directors except the Managing Director are required to retire at least once in every three years by rotation and all newly appointed directors will have to retire at the next Annual General Meeting following their appointment. The retiring directors are eligible to offer themselves for re-election. The NC has recommended the nomination of the three directors retiring at this forthcoming Annual General Meeting ("AGM") for re-election, which has been accepted by the Board.

The NC has assessed the independence of the independent non-executive directors and is satisfied that there are no relationships that would deem any of the independent non-executive directors not to be independent.

Key information on directors of the Company can be found on Page 6 of this Report.

The NC has formulated a process to evaluate and assess the effectiveness of the Board as a whole. The performance evaluation criteria include an evaluation of the composition and size of the Board, the Board's access to complete, adequate and timely information, Board processes and accountability.

NC will review the range of skills, expertise, attributes and composition of the Board. It is the responsibility of NC to identify whether there is a need for an additional Director to join the Board or an existing Director is required to retire from office. NC will shortlist the candidates with the appropriate profile for nomination or re-nomination.

The Board is of the view that the financial indicators set out in the Code as performance criteria for the evaluation of directors' performance are more a measure of management's performance and hence less appropriate for non-executive directors and the Board's performance as a whole.

REMUNERATION COMMITTEE (PRINCIPLES 7 AND 8)

The Remuneration Committee ("RC") comprises three directors, the majority of whom, including the chairman, are independent directors.

The members of the RC are:
Da Roza Joao Paulo (appointed on 13 August 2009) (Chairman)
Wong Tat Keung (appointed on 28 July 2009)
Chan Tung Moe

The RC is regulated by a set of written Terms of Reference. Its key functions include:

- To recommend to the Board a framework of remuneration for directors and senior management that are competitive and appropriate to attract, retain and motivate directors and key personnel of the required quality to run the company successfully; and
- To review and determine the specific remuneration packages and terms of employment for each executive director and senior management.

The RC has implemented a formal and transparent set of policies and procedures for determining executive remuneration and for fixing the remuneration packages of individual directors and that no director should be involved in deciding his own remuneration. Non-executive directors are paid directors' fees annually on a standard fee basis. The RC reviews all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options, and benefits in kind. In setting remuneration packages, the RC takes into consideration the pay and employment conditions within the industry and in comparable companies. The RC also ensures that the performance-related elements of remuneration should be designed to align interests of executive directors with those of shareholders and link rewards to corporate and individual performance. The RC has unrestricted access to expert advice within and outside the Company, when required.

In addition, the RC also functions as the Administrative Committee of the Futuristic Share Option Scheme (the "Scheme").

DISCLOSURE ON REMUNERATION (PRINCIPLES 8 AND 9)

Remuneration of Directors

A breakdown showing the level and mix of each individual director's remuneration payable for FY2008 is as per the table below.

		Salary		Bonus / Others		Fee	
		FY2009	FY2008	FY2009	FY2008	FY2009	FY2008
$500,000 and above	Nil	-	-	-	-	-	-
$250,000 to below $500,000	Nil	-	-	-	-	-	-
Below $250,000	Chan Heng Fai	-	-	-	-	100%	100%
	Chan Yoke Keow	-	-	-	-	-	-
	Chan Tong Wan	-	100%	-	-	-	-
	Guok Chin Huat Samuel (resigned on 8 January 2009)	-	-	-	-	100%	100%
	Da Roza Joao Paulo (appointed on 13 August 2009)	-	-	-	-	100%	-
	Wong Tat Keung (appointed on 28 July 2009)	-	-	-	-	100%	-
	Chan Tung Moe	-	-	-	-	100%	100%
	Lim Soon Hock (resigned on 28 July 2009)	-	-	-	-	100%	100%
	Liew Keow Seng (resigned on 25 June 2009)					100%	100%

Corporate Governance Report

Remuneration of Top 5 Key Executives who are not Directors

	Year 2009	Year 2008
$500,000 and above	Nil	Nil
$250,000 to below $500,000	Nil	Nil
Below $250,000	Alan Diamond	Tuan Quang Tran Alex Lee Chun Ting Steve Fung Chung Yuen Alan Diamond Ching Huay Yong

There are no employees who are immediate family members of any director of the Company.

The Company has adopted a remuneration policy for staff comprising a fixed component (in the form of a base salary) and a variable component, which is in the form of a variable bonus that is linked to the Company's and the individual's performance. Another element of the variable component is the grant of share options to staff under the Scheme.

There were no share options granted to the directors of the Company and employees of the Group during the year under review.

In accordance with the Companies Act, the quantum of directors' fees is subject to shareholders' approval at the forthcoming AGM. The Board is of the view that it is not necessary to present the remuneration policy at the AGM for shareholders' approval.

AUDIT COMMITTEE (PRINCIPLE 11)

The Audit Committee ("AC") comprises three members, out of whom two are independent including the Chairman of the AC, who have accounting or related financial management background. The members of the AC are:

Wong Tat Keung (appointed on 28 July 2009) (Chairman)
Da Roza Joao Paulo (appointed 13 August 2009)
Chan Tung Moe

The key responsibilities of the AC include the following:

- To review with the external auditors the audit plans, including the nature and scope of the audit before the commencement of each audit, the evaluation of the Company's system of internal controls, the audit reports and management letters issued by the external auditors and Management's response to the letters;

- To review the nature and extent of non-audit services provided by the external auditors to determine if the provision of such services would affect the independence of the external auditors, seek to balance the maintenance of objectivity and value for money;

- To make recommendations to the Board on the appointment, re-appointment and removal of external auditors, and to approve the remuneration and terms of engagement of the external auditors;

- To review the significant financial reports so as to ensure the integrity of the financial statements of the company and focus in particular on the changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit and compliance with financial reporting standards, and to review announcements of the results, before submission to the Board for approval for release to the SGX-ST;

- To review the independence of the external auditors annually;

- To review interested person transactions in accordance with the requirements of the Listing Rules of the SGX-ST; and

- To undertake such other functions, duties, reviews and projects as may be requested by the Board or as may be required by statute or the Listing Manual.

The AC has full access to the external auditors without the presence of the Management of the Company. The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management of the Company and full discretion to invite any director or Management of the Company to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

It may also examine any other aspects of the Company's affairs, as it deems necessary where such matters relate to exposures or risks of regulatory or legal nature, and monitor the Company's compliance with its legal, regulatory and contractual obligations.

The AC has authority to meet with the external auditors during the financial year under review, without the presence of the Company's Management.

The Company also engages the external auditors, Messrs Ernst & Young LLP, for tax advisory services. The AC has reviewed these non-audit services provided by the external auditors, Messrs Ernst & Young LLP, and is of the opinion that the provision of such services does not affect their independence. The fees for non-audit services rendered in FY2009 amounted to S$500. The AC has recommended to the Board of Directors the nomination of Audit Alliance in place of Ernst & Young LLP as external auditors at the forthcoming Annual General Meeting of the Company.

The AC has recommended the whistle-blowing policy to the Board for implementation whereby staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting, fraudulent acts and other matters and which will ensure that arrangements are in place for independent investigations of such matters and for appropriate follow-up actions. The Board had accepted the recommendation.

Corporate Governance Report

INTERNAL CONTROLS AND INTERNAL AUDIT (PRINCIPLES 12 AND 13)

The Board believes in the importance of maintaining a sound system of internal controls to safeguard the shareholders' investments and the Company's assets. To achieve this, internal reviews are constantly being undertaken to ensure that the system of internal controls maintained by the Company is sufficient to provide reasonable assurance that the Company's assets are safeguarded against loss from unauthorised use or disposal, transactions are properly authorised and proper financial records are being maintained.

The Board has reviewed the Company's risk assessment based on the reports of the external auditors and is assured that adequate internal controls are in place.

The AC and the Board have reviewed and closely monitored the internal control systems and procedures of the Group's operations with the Management. Both the AC and the Board are assured that adequate internal controls are in place.

Currently, the Company does not have an internal audit function but the AC and the Board have approved the outsourcing of the internal audit function to independent third party accounting firms, which will be appointed on an ad-hoc basis. The internal auditor will report directly to the AC.

COMMUNICATION WITH SHAREHOLDERS (PRINCIPLES 10, 14 AND 15)

The Board does not practise selective disclosure, as it is mindful of its obligation to provide timely and fair disclosure of material information. The Board is accountable to shareholders while the Management is accountable to the Board by providing the Board with management accounts that present a balanced and understandable assessment of the Company's performance, financial position and prospects.

Results and other material information are released through the SGXNET on a timely basis for dissemination to shareholders and the public in accordance with the requirements of the SGX-ST. A copy of the Annual Report and Notice of the AGM are sent to every shareholder of the Company. The Notice is also advertised in the newspapers. The Company encourages shareholders' participation at AGMs. Shareholders are given opportunities to express their views and to ask questions or seek clarifications on various matters concerning the Company at AGMs.

Resolutions to be passed at general meetings are always separate and distinct in terms of issue so that shareholders are better able to exercise their right to approve or deny the issue or motion. Shareholders can also exercise their right to vote in absentia by the use of proxies.

The Chairman of the AC, NC and RC and the external auditors are or would be present at every AGM to address any relevant questions that may be raised by the shareholders.

DEALINGS IN THE COMPANY'S SECURITIES

The Company has adopted a Code of Conduct to provide guidance and set out the implications of insider trading to all key officers of the Company and its subsidiaries with regard to dealings in the Company's securities in compliance with the Best Practice Guide on Security Transactions as set out under Rule 1204(18) of the Catalist Rules of the SGX-ST.

The Company has complied with its Best Practices Guide on Securities Transactions.

Corporate Governance Report

INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy governing procedures for the identification, approval and monitoring of transactions with interested persons. All IPTs are subject to review by the AC.

Currently, the Company does not have a general mandate from its shareholders in relation to IPTs and there were no IPTs during FY2009.

MATERIAL CONTRACTS

There were no material contracts entered between the Company or any of its subsidiaries with any director or controlling shareholder in FY2009.

RISK MANAGEMENT

As the Company does not have a risk management committee, the AC and Management assume the responsibility of the risk management function. Management reviews regularly the Company's business and operational activities to identify areas of significant risks, as well as appropriate measures to control and mitigate these risks. Management reviews all significant policies and procedures and highlights all significant matters to the Board and the AC.

Further details are disclosed in the notes to the Financial Statements (Note 22).

NON-SPONSOR FEES

No fees relating to non-sponsor services was paid to Phillip Securities Pte Ltd during the financial year ended 31 December 2009.

Directors' Report

The Directors are pleased to present their report to the members together with the audited consolidated financial statements of SingXpress Ltd (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2009.

1. Directors

The Directors of the Company in office at the date of this report are:

Chan Heng Fai
Chan Yoke Keow
Chan Tong Wan
Chan Tung Moe
Wong Tat Keung (Appointed on 28 July 2009)
Da Roza Joao Paulo (Appointed on 13 August 2009)

In accordance with Articles 95 and 77 of the Company's Articles of Association, Chan Tong Wan, Chan Yoke Keow, Wong Tat Keung and Da Roza Joao Paulo retire and, being eligible, offer themselves for re-election.

2. Arrangements to enable Directors to acquire shares and debentures

Except as described in paragraph 5 below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3. Directors' interests in shares and debentures

The following Directors, who held office at the end of the financial year, had, according to pthe register of Directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, an interest in shares and share options of the Company and related corporation (other than wholly-owned subsidiaries) as stated below:

	Direct interest			**Deemed interest**		
Name of Directors	**At 1.1.2009 '000**	**At 31.12.2009 '000**	**At 21.1.2010 '000**	**At 1.1.2009 '000**	**At 31.12.2009 '000**	**At 21.1.2010 '000**
The Company						
SingXpress Ltd						
(Ordinary shares)						
Chan Heng Fai	–	–	–	85,166	90,157	90,267
Chan Yoke Keow	–	–	–	85,166	90,157	90,267

3. Directors' interests in shares and debentures (cont'd)

By virtue of Section 7 of the Singapore Companies Act, Cap. 50, Chan Heng Fai and Chan Yoke Keow are deemed to have interests in shares of the subsidiaries held by the Company.

Except as disclosed in this report, no Director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

4. Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

5. Share options

At an Extraordinary General Meeting held on 26 June 2002, shareholders approved the Share Option Scheme (the "Scheme"), for the granting of share options to eligible employees and Directors. The options granted to the eligible employees and Directors will have a life span of five (5) years from the date of grant. The exercise period for the share options is the period commencing the day after the 2nd anniversary, and expiring on the 5th anniversary, from the date of grant.

The exercise price of the options will be the average of the closing prices of the Company's ordinary shares on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the three market days immediately preceding the date of grant (the "Market Price") or at a price set at a discount not exceeding 20% of the Market Price.

500,000 options have lapsed and no options were granted or exercised during the financial year ended 31 December 2009.

Details of the options to subscribe for ordinary shares of the Company granted to Directors of the Company pursuant to the Share Option Scheme are as follows:

Name of Director	Options granted during financial year	Aggregate options granted since commencement of plan to end of financial year	Aggregate options lapsed since commencement of plan to end of financial year	Aggregate options outstanding as at end of financial year
	`000	`000	`000	`000
Guok Chin Huat Samuel [1]	–	500	(500)	–

[1] These options lapsed on 8 January 2009 upon the resignation of the director.

Directors' Report

5. Share options (cont'd)

Since the commencement of the Share Option Scheme till the end of the financial year:

- No options have been granted to the controlling shareholders of the Company and their associates;
- No participant other than the two Directors mentioned above has received 5% or more of the total options available under the Scheme;
- No options have been granted to directors and employees of the holding company and its subsidiaries;
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted; and
- No options have been granted at a discount.

6. Audit Committee

The audit committee ("AC") carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50, including the following:

- Reviews the audit plans of the external auditors of the Company and ensures the adequacy of the Company's system of accounting controls and the assistance given by the Company's management to the external auditors;
- Reviews the annual financial statements and the auditors' report on the annual financial statements of the Company before their submission to the Board of Directors;
- Reviews effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management;
- Meets with the external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviews the cost effectiveness and the independence and objectivity of the external auditors;
- Reviews the nature and extent of non-audit services provided by the external auditors;
- Recommends to the Board of Directors the external auditors to be nominated, approves the compensation of the external auditors, and reviews the scope and results of the audit;
- Reports actions and minutes of the AC to the Board of Directors with such recommendations as the AC considers appropriate; and
- Reviews interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

6. Audit Committee (cont'd)

The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The AC has also conducted a review of interested person transactions.

The AC convened two meetings during the year with full attendance from all members. The AC has also met with external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the audit committee are disclosed in the Report on Corporate Governance.

7. Auditors

The retiring independent auditors, Ernst & Young LLP, Certified Public Accountants, will not be seeking re-appointment. Audit Alliance will be nominated for appointment as the auditors at the forthcoming Annual General Meeting.

On behalf of the Board of Directors:

Chan Heng Fai
Director

Chan Tong Wan
Director

Singapore
26 March 2010

Statement by Directors

We, Chan Heng Fai and Chan Tong Wan, being two of the Directors of SingXpress Ltd, do hereby state that, in the opinion of the Directors:

(a) the accompanying balance sheets, consolidated statement of comprehensive income, statements of changes in equity and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and of the results of the business, changes in equity of the Group and of the Company and the cash flows of the Group for the year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors:

Chan Heng Fai
Director

Chan Tong Wan
Director

Singapore
26 March 2010

Independent Auditors' Report

For the year ended 31 December 2009

To the Members of SingXpress Ltd

We have audited the accompanying financial statements of SingXpress Ltd (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2009, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheets and to maintain accountability of assets; and selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for audit opinion.

Independent Auditors' Report

For the year ended 31 December 2009

To the Members of SingXpress Ltd

Opinion

In our opinion,

(i) the consolidated financial statements and the balance sheet, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009, the results, and changes in equity of the Group and of the Company and cash flows of the Group for the year ended on that date; and

(ii) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Certified Public Accountants
Singapore

26 March 2010

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2009

	Notes	2009 $'000	2008 $'000
Revenue	4	2,249	58,579
Cost of sales		–	(54,641)
Gross profit		2,249	3,938
Other operating income	5	335	343
Distribution and selling costs		(2,609)	(5,372)
Fair value loss on financial assets at fair value through profit or loss		(45)	(525)
Gain on disposal on available-for-sale financial assets		–	1,086
Impairment loss in value of goodwill on consolidation		–	(541)
Impairment loss in value of intangible assets		–	(376)
Loss on disposal of subsidiaries		(22)	–
Administration costs		(1,144)	(2,693)
Loss before taxation	6	(1,236)	(4,140)
Taxation	7	(1)	(53)
Loss for the year		(1,237)	(4,193)
Other comprehensive income/(loss):			
Foreign currency translation		253	(22)
Fair value adjustment on disposal of investment securities		–	(2,026)
Other comprehensive income/(loss) for the year		253	(2,048)
Total comprehensive loss for the year attributable to shareholders		(984)	(6,241)
Loss per share attributable to equity holders of the Company (cents per share)			
Basic	8	(0.45)	(1.54)
Diluted		(0.45)	(1.54)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance Sheets

As at 31 December 2009

	Note	Group		Company	
		2009	2008	2009	2008
		$'000	$'000	$'000	$'000
ASSETS					
Non-current assets					
Property, plant and equipment	9	27	266	19	33
Intangible assets	10	–	102	–	75
Investment in subsidiaries	11	–	–	–	–
		27	368	19	108
Current assets					
Trade and other receivables	14	368	1,458	28	1,877
Prepayments		69	181	–	–
Financial assets at fair value through profit and loss	12	3,380	22	3,380	22
Cash and cash equivalents	13	3,508	6,555	3,321	4,406
		7,325	8,216	6,729	6,305
Total assets		7,352	8,584	6,748	6,413
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	15	3,622	3,305	2,808	810
Accrued operating expenses		90	634	41	130
Provision for taxation		–	21	–	–
		3,712	3,960	2,849	940
Net current assets		3,613	4,256	3,880	5,365
Net assets		3,640	4,624	3,899	5,473
Equity					
Share capital	17	21,974	21,974	21,974	21,974
Accumulated losses		(18,626)	(17,471)	(18,075)	(16,583)
Reserves	18	292	121	–	82
Total equity		3,640	4,624	3,899	5,473
Total equity and liabilities		7,352	8,584	6,748	6,413

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

For the year ended 31 December 2009

Group 2009	Share capital (Note 17) $'000	Accumulated losses $'000	Employee share option reserve (Note 18) $'000	Foreign currency translation reserve (Note 18) $'000	Fair value adjustment reserve (Note 18) $'000	Total reserves $'000	Total equity $'000
	Attributable to equity holders of the Company						
At 1 January 2009	21,974	(17,471)	82	39	-	121	4,624
Loss for the year, net of tax	-	(1,237)	-	-	-	-	(1,237)
Other comprehensive income	-	-	-	253	-	253	253
Total comprehensive income/(loss) for the year	-	(1,237)	-	253	-	253	(984)
Transfer to reserves upon cancellation of share option	-	82	(82)	-	-	(82)	-
At 31 December 2009	21,974	(18,626)	-	292	-	292	3,640

Statements of Changes in Equity

For the year ended 31 December 2009

Group 2008	Share capital (Note 17) $'000	Accumulated losses $'000	Employee share option reserve (Note 18) $'000	Foreign currency translation reserve (Note 18) $'000	Fair value adjustment reserve (Note 18) $'000	Total reserves $'000	Total equity $'000
	Attributable to equity holders of the Company						
At 1 January 2008	21,974	(13,278)	83	60	2,026	2,169	10,865
Loss for the year, after tax	-	(4,193)	-	-	-	-	(4,193)
Other comprehensive loss	-	-	(1)	(21)	(2,026)	(2,048)	(2,048)
Total comprehensive loss for the year	-	(4,193)	(1)	(21)	(2,026)	(2,048)	(6,241)
At 31 December 2008	21,974	(17,471)	82	39	-	121	4,624

Statements of Changes in Equity

For the year ended 31 December 2009

Company 2009	Share capital (Note 17) $'000	Accumulated losses $'000	Employee share option reserve (Note 18) $'000	Fair value adjustment reserve (Note 18) $'000	Total reserves $'000	Total equity $'000
	Attributable to equity holders of the Company					
At 1 January 2009	21,974	(16,583)	82	–	82	5,473
Loss for the year, after tax	–	(1,574)	–	–	–	(1,574)
Total comprehensive loss for the year	–	(1,574)	–	–	–	(1,574)
Transfer of reserves upon cancellation of share option	–	82	(82)	–	(82)	–
At 31 December 2009	21,974	(18,075)	–	–	–	3,899

Company 2008	Share capital (Note 17) $'000	Accumulated losses $'000	Employee share option reserve (Note 18) $'000	Fair value adjustment reserve (Note 18) $'000	Total reserves $'000	Total equity $'000
	Attributable to equity holders of the Company					
At 1 January 2008	21,974	(13,208)	82	2,026	2,108	10,874
Loss for the year, after tax	–	(3,375)	–	–	–	(3,375)
Other comprehensive income	–	–	–	(2,026)	(2,026)	(2,026)
Total comprehensive loss for the year	–	(3,375)	–	(2,026)	(2,026)	(5,401)
At 31 December 2008	21,974	(16,583)	82	–	82	5,473

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Cash Flow Statement
For the year ended 31 December 2009

	Note	2009 $'000	2008 $'000
Cash flows from operations			
Loss before taxation		(1,236)	(4,140)
Adjustments for:			
Depreciation and amortisation		61	265
Loss on disposal of property, plant and equipment		5	69
Gains on disposal of available-for-sale financial assets		–	(1,086)
Impairment loss in value of property, plant and equipment		–	67
Impairment loss in value of goodwill and other intangible assets	10	–	917
Fair value loss of financial assets held at fair value through profit and loss		119	525
Impairment on doubtful trade receivables		58	46
Loss on disposal of subsidiaries		22	–
Write-back of tax provision		–	(43)
Interest income		(395)	(104)
Unrealised exchange loss/(gain)		229	(109)
Operating loss before changes in working capital		(1,137)	(3,593)
Changes in working capital:			
Decrease in trade and other receivables		489	711
Increase in trade and other payables		1,215	118
Increase in financial assets at fair value through profit or loss		(3,477)	–
Cash flows used in operations		(2,910)	(2,764)
Interest received		395	104
Income tax paid		(22)	(32)
Net cash used in operating activities		(2,537)	(2,692)
Cash flows from investing activities			
Proceeds from disposal of available-for-sale financial assets		–	3,853
Proceeds from disposal of property, plant and equipment		137	1
Purchase of property, plant and equipment		(18)	(275)
Purchase of intangible assets		–	(437)
Purchase of investment securities		–	(1,004)
Net cash outflow on acquisition of subsidiaries	11	–	(340)
Net cash outflow on disposal of subsidiaries	11	(629)	–
Net cash (used in)/from investing activities		(510)	1,798
Net decrease in cash and cash equivalents		(3,047)	(894)
Cash and cash equivalents at 1 January		6,555	7,449
Cash and cash equivalents at 31 December	13	3,508	6,555

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements
31 December 2009

1. Corporate information

SingXpress Ltd (the "Company") is a limited liability company, which is incorporated in the Republic of Singapore and publicly traded on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 8 Eu Tong Sen Street, #23-81 Central @ Clarke Quay, Singapore 059818.

The principal activities of the Company are those of an investment holding, financial services, securities trading, travel and hospitality related services, properties investment and properties trading. The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except for available-for-sale financial assets that have been measured at their fair values.

The financial statements are presented in Singapore Dollars ("SGD" or "$") and all values are rounded to the nearest thousand ($'000) as indicated.

The accounting policies have been consistently applied by the Group and the Company and are consistent with those used in the previous financial year.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2009, the Group adopted the following standards and interpretations mandatory for annual financial periods beginning on or after 1 January 2009.

- FRS 1 *Presentation of Financial Statements* (Revised)
- Amendments to FRS 18 *Revenue*
- Amendments to FRS 23 *Borrowing Costs*
- Amendments to FRS 32 *Financial Instruments: Presentation* and FRS 1 *Presentation of Financial Statements* – Puttable Financial Instruments and Obligations Arising on Liquidation
- Amendments to FRS 101 *First-time Adoption of Financial Reporting Standards* and FRS 27 *Consolidated and Separate Financial Statements* – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 102 *Share-based Payment* – Vesting Conditions and Cancellations

Notes to the Financial Statements

31 December 2009

2. Summary of significant accounting policies (cont'd)

2.2 *Changes in accounting policies (cont'd)*

- Amendments to FRS 107 *Financial Instruments: Disclosures*
- FRS 108 *Operating Segments*
- Improvements to FRSs issued in 2008
- INT FRS 113 *Customer Loyalty Programmes*
- INT FRS 116 *Hedges of a Net Investment in a Foreign Operation*
- Amendments to INT FRS 109 *Reassessment of Embedded Derivatives* and FRS 39 *Financial Instruments: Recognition and Measurement* – Embedded Derivatives
- INT FRS 118 *Transfers of Assets from Customers*

The adoption of the above FRSs did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements, except for FRSs as discussed below.

The principal effects of these changes are as follows:

FRS 1 *Presentation of Financial Statements – Revised Presentation*

The revised FRS 1 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of other comprehensive income. In addition, the Standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. The Group has elected to present this statement as two linked statements.

FRS 108 *Operating Segments*

FRS 108 requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary and secondary reporting segments of the Group. The Group determined that the reportable operating segments are the same as the business segments previously identified under FRS 14 *Segment Reporting*. Additional disclosures about each of the segments are shown in Note 24, including revised comparative information.

Amendments to FRS 18 *Revenue*

FRS 18 has been amended to add guidance to determine whether an entity is acting as a principal or an agent. The Group has reported revenue on a gross basis in previous financial periods. Upon adoption of the amendments to FRS 18, the Group reassessed their business relationships and determined that they are acting as an agent for certain transactions and restated their revenues accordingly to report those revenue on a net basis. The revised standard does not provide for transition requirements. However, the Group has not restated its prior year as it is impracticable to do such.

2. Summary of significant accounting policies (cont'd)

2.2 ***Changes in accounting policies (cont'd)***

Amendments to FRS 101 *First-time Adoption of Financial Reporting Standards* and FRS 27 *Consolidated and Separate Financial Statement* — Cost of An Investment In a Subsidiary, Jointly Controlled Entity or Associates

The amendments to FRS 27 require all dividends from a subsidiary, jointly controlled entities or associates to be recognised in profit or loss of the Company's separate financial statement. Distinction between pre- and post-acquisition profits is no longer required. The Company applied the amendments to FRS 27 prospectively. Adoption of this pronouncement did not result in any change in the financial position of the Group.

Improvements to FRSs issued in 2008

In 2008, the Accounting Standards Council issued an omnibus of amendments to FRS. There are separate transitional provisions for each amendment. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group:

- FRS 1 *Presentation of Financial Statements*: Assets and liabilities classified as held for trading in accordance with FRS 39 *Financial Instruments: Recognition and Measurement* are not automatically classified as current in the balance sheet. The Group amended its accounting policy accordingly and analysed whether Management's expectation of the period of realisation of financial assets and liabilities differed from the classification of the instrument. This did not result in any re-classification of financial instruments between current and non-current in the balance sheet.

- FRS 16 *Property, Plant and Equipment*: Replaces the term "net selling price" with "fair value less costs to sell". The Group amended its accounting policy accordingly, which did not result in any change in the financial position.

- FRS 23 *Borrowing Costs*: The definition of borrowing costs is revised to consolidate the two types of items that are considered components of "borrowing costs" into one – the interest expense calculated using the effective interest rate method calculated in accordance with FRS 39. The Group has amended its accounting policy accordingly which did not result in any change in its financial position.

Notes to the Financial Statements
31 December 2009

2. Summary of significant accounting policies (cont'd)

2.3 *Future changes in accounting policies*

The Group and the Company have not applied the following FRS and INT FRS that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
Amendments to:	
- FRS 27 Consolidated and Separate Financial Statements	1 July 2009
- FRS 32 Financial Instruments: Disclosure and Presentation	1 February 2010
- FRS 39 Financial Instruments: Recognition and Measurement	1 July 2009
- FRS 101 First-Time Adoption of Financial Reporting Standards	1 January 2010
- FRS 102 Share-based Payment	1 January 2010
- FRS 105 Non-current Assets Held for Sale and Discontinued Operations	1 July 2009
- INT FRS 109 Reassessment of Embedded Derivatives FRS 39 Financial Instruments: Recognition and Measurement	30 June 2009
- INT FRS 114 FRS 19-The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction	1 January 2011
Revised FRS 24 Related Party Disclosures	1 January 2011
Revised FRS 101 First-Time Adoption of Financial Reporting Standards	1 July 2009
Revised FRS 103 Business Combinations	1 July 2009
INT FRS 117 Distributions of Non-cash Assets to Owners	1 July 2009
INT FRS 118 Transfer of Assets from Customers	1 July 2009
INT FRS 119 Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
Improvements to FRSs issued in 2009:	
- FRS 1 Presentation of Financial Statements	1 January 2010
- FRS 7 Statement of Cash Flows	1 January 2010
- FRS 17 Leases	1 January 2010
- FRS 36 Impairment of Assets	1 January 2010
- FRS 38 Intangible Assets	1 July 2009
- FRS 39 Financial Instruments: Recognition and Measurement	1 January 2010
- FRS 102 Share-based Payment	1 July 2009
- FRS 105 Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
- FRS 108 Operating Segments	1 January 2010
- INT FRS 109 Reassessment of Embedded Derivatives	1 July 2009
- INT FRS 116 Hedges of a Net Investment in a Foreign Operation	1 July 2009

The directors expect that the adoption of the above pronouncements will have no material impact on the financial statements in the period of initial application, except for the revised FRS 24, FRS 103 and the amendments to FRS 27 as indicated below.

Revised FRS 24 *Related Party Disclosures*

The revised FRS 24 expand the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party entity has control or joint control over the entity, or has significant influence over the entity. The Group is currently determining the impact of the expanded definition has on the disclosure of related party transactions. As this is a disclosure standard, it will have no impact on the financial position of financial performance of the Group when implemented in 2011.

2. Summary of significant accounting policies (cont'd)

2.3 ***Future changes in accounting policies (cont'd)***

Revised FRS 103 *Business Combinations* and Amendments to FRS 27 *Consolidated and Separate Financial Statements*

The revised standards are effective for annual periods beginning on or after 1 July 2009. The revised FRS 103 introduces a number of changes in the accounting for business combinations occurring after 1 July 2009. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 27 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to FRS 7 *Statement of Cash Flows,* FRS 12 *Income Taxes,* FRS 21 *The Effects of Changes in Foreign Exchange Rates,* FRS 28 *Investments in Associates* and FRS 31 *Interests in Joint Ventures.* The changes from revised FRS 103 and Amendments to FRS 27 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early applied. However, the Group does not intend to early adopt.

2.4 ***Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the balance sheet. The accounting policy for goodwill is set out in Note 2.8(a). Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Notes to the Financial Statements

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2. Summary of significant accounting policies (cont'd)

2.5 *Transactions with minority interests*

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from parent shareholders' equity. Transactions with minority interests are accounted for using the entity concept method, whereby, transactions with minority interests are accounted for as transactions with owners. On acquisition of minority interests, the difference between the consideration and book value of the share of the net assets acquired is reflected as being a transaction between owners and recognised directly in equity. Gain or loss on disposal to minority interests is recognised directly in equity.

2.6 *Functional and foreign currency*

(a) ***Functional currency***

The management has determined the currency of the primary economic environment in which the Company operates, i.e. functional currency, to be SGD. Sales prices and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuations in SGD.

(b) ***Foreign currency transactions***

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(c) ***Foreign currency translations***

The assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the balance sheet date and their statement of comprehensive income are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.7 ***Property, plant and equipment***

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and accumulated impairment losses.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Renovation	-	2 years
Office equipment	-	5 years
Furniture and fittings	-	5 to 10 years
Computers	-	3 to 5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

Notes to the Financial Statements

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2. Summary of significant accounting policies (cont'd)

2.8 *Intangible assets*

(a) *Goodwill*

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.6.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2005 are deemed to be assets and liabilities of the Company and are recorded in SGD at the rates prevailing at the date of acquisition.

(b) *Other intangible assets*

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

2. Summary of significant accounting policies (cont'd)

2.8 ***Intangible assets (cont'd)***

(b) ***Other intangible assets (cont'd)***

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

(i) Club membership

Club membership is measured at cost less accumulated amortisation and any impairment loss. Club membership is amortised on a straight-line basis over the estimated useful life of 15 years.

(ii) Software license

Software license is measured at cost less accumulated amortisation and any impairment loss. Software license is amortised on a straight-line basis over the estimated useful life of 5 years.

(iii) Customer database

Customer database is measured at cost less accumulated amortisation and any impairment loss. Customer database is amortised on a straight-line basis over the estimated useful life of 5 years.

Notes to the Financial Statements

31 December 2009

2. Summary of significant accounting policies (cont'd)

2.9 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.10 *Subsidiaries*

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.11 *Financial assets*

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

2. Summary of significant accounting policies (cont'd)

2.11 *Financial assets (cont'd)*

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(a) ***Financial assets at fair value through profit or loss***

Financial assets held for trading are classified as financial assets at fair value through profit or loss. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

(b) ***Loans and receivables***

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(c) ***Available-for-sale financial assets***

Available-for-sale financial assets are financial assets that are not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Notes to the Financial Statements

31 December 2009

2. Summary of significant accounting policies (cont'd)

2.12 *Impairment of financial assets*

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired.

(a) ***Assets carried at amortised cost***

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) ***Assets carried at cost***

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) ***Available-for-sale financial assets***

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

2. Summary of significant accounting policies (cont'd)

2.12 ***Impairment of financial assets (cont'd)***

(c) Available-for-sale financial assets (cont'd)

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss. Reversals of impairment losses on debt instruments are recognised in profit or loss if the increase in fair value of the debt instrument can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

2.13 ***Investments***

Quoted and unquoted investments are classified as financial assets at fair value through profit and loss, held-to-maturity investments or available-for-sale financial assets, as appropriate.

The accounting policy for the above mentioned categories of financial assets is stated in Note 2.11.

2.14 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and short term deposits carried in the balance sheets are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.11.

2.15 ***Trade and other receivables***

Trade and other receivables, including amounts due from subsidiaries are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.11.

An allowance is made for uncollectible amounts when there is objective evidence that the Group will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are stated in Note 2.12.

Notes to the Financial Statements

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2. Summary of significant accounting policies (cont'd)

2.16 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 *Financial liabilities*

Financial liabilities within the scope of FRS 39 are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities (except for financial guarantee) are measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

2. Summary of significant accounting policies (cont'd)

2.18 ***Employee benefits***

(a) ***Defined contribution plans***

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Funds scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution schemes are recognised as an expense in the period in which the related service is performed.

(b) ***Employee leave entitlement***

Employee entitlements to annual leave are recognised when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the balance sheet date.

(c) ***Employee share options plan***

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received at the grant date. This is then capitalised or expensed as appropriate.

Notes to the Financial Statements

31 December 2009

2. Summary of significant accounting policies (cont'd)

2.19 *Leases*

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.20 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) ***Rendering of services***

Revenue from the sale of tour packages is recognised upon the departure of the tour. Revenue from the sale of air tickets is recognised when services are rendered.

(b) ***Interest income***

Interest income is recognised using the effective interest method.

(c) ***Dividend income***

Dividend income is recognised when the Group's right to receive payment is established.

2. Summary of significant accounting policies (cont'd)

2.21 *Income taxes*

(a) *Current tax*

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) *Deferred tax*

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Notes to the Financial Statements

31 December 2009

2. Summary of significant accounting policies (cont'd)

2.21 *Income taxes (cont'd)*

(b) ***Deferred tax (cont'd)***

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(c) ***Goods and services tax***

Revenues, expenses and assets are recognised net of the amount of goods and services tax except:

- Where the goods and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the goods and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of goods and services tax included.

The net amount of goods and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2. Summary of significant accounting policies (cont'd)

2.22 *Segment reporting*

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 24, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.23 *Share capital and share issue expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.24 *Contingencies*

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group.

2.25 *Discontinued operation*

A component of the Group is classified as a "discontinued operation" when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Upon classification as held for sale, non-current assets and disposal groups are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

Prior period comparatives are re-presented so that the disclosures relate to all operations that have been discontinued by the balance sheet date of the current financial year.

Notes to the Financial Statements

31 December 2009

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 *Key sources of estimation uncertainty*

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 *Critical judgments made in applying accounting policies*

In the process of applying the Group's accounting policies, management did not make any judgements that have effect on the amounts recognised in the financial statements.

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) ***Useful lives of property, plant and equipment***

The cost of property, plant and equipment is depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 10 years. The carrying amount of the Group's property, plant and equipment at 31 December 2009 was $27,000 (2008: $266,000). Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) ***Impairment of loans and receivables***

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivable at the balance sheet date is disclosed in Note 14 to the financial statements.

4. Revenue

	Group 2009 $'000	Group 2008 $'000
Sale of air tickets and tour packages	1,855	58,579
Investment income from equity-linked notes	394	–
	2,249	58,579

5. Other income

	Group 2009 $'000	Group 2008 $'000
Commission	–	74
Interest income from banks	70	147
Others	265	122
	335	343

6. Loss before tax

The following items have been included in arriving at loss before tax:

	Group 2009 $'000	Group 2008 $'000
Amortisation of intangible assets	1	100
Depreciation of property, plant and equipment	60	165
Employee benefits expense (Note 19)	1,825	3,814
Loss on disposal of property, plant and equipment	5	69
Impairment loss in value of property, plant and equipment	–	67
Impairment loss in value of goodwill on consolidation	–	541
Impairment loss in value of intangible assets	–	376
Fair value loss of financial assets held at fair value through profit and loss	45	525
Impairment on doubtful trade receivables	58	46

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7. Taxation

(a) ***Major components of income tax expense***

The major components of income tax expense for the years ended 31 December are:

	Group	
	2009	**2008**
	$'000	$'000
Statement of comprehensive income:		
Current tax	–	96
Under/(over) provision in previous years	1	(43)
Income tax expense recognised in the profit or loss	1	53

(b) ***Relationship between tax expense and accounting profit***

The reconciliation between the tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 31 December is as follows:

	Group	
	2009	**2008**
	$'000	$'000
Loss before taxation	(1,236)	(4,140)
Tax at the domestic rate of the Company at 17% (2008:18%)	(210)	(745)
Tax effect of income not subject to taxation	–	172
Deferred tax assets not recognised	261	868
Under/(over) provision in previous years	1	(43)
Effect of different tax rates	(51)	(199)
Income tax expense recognised in the profit or loss	1	53

8. Loss per share

Basic loss per share amounts are calculated by dividing loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

8. Loss per share (cont'd)

The following reflects the loss and share data used in the computation of basic and diluted loss per share for the years ended 31 December:

	Group	
	2009	**2008**
	$'000	$'000
Loss attributable to ordinary equity holders of the Company used in the computation of basic and diluted loss per share	(1,237)	(4,193)
	No. of shares	**No. of shares**
	'000	'000
Weighted average number of ordinary shares for basic and diluted loss per share computation	272,004	272,003

Nil (2008: 500,000) share options granted to Director of the Company under the Share Option Scheme have not been included in the calculation of diluted loss per shares because they are anti-dilutive for the current and previous financial years presented.

9. Property, plant and equipment

Group	Renovation	Office equipment	Furniture and fittings	Computers	Total
	$'000	$'000	$'000	$'000	$'000
Cost					
At 1 January 2008	77	79	256	77	489
Additions	208	3	64	–	275
Disposals	–	(7)	(92)	(3)	(102)
Acquisition of subsidiaries (Note 11)	–	4	8	4	16
Net exchange differences	(3)	–	1	(2)	(4)
At 31 December 2008 and 1 January 2009	282	79	237	76	674
Additions	–	7	11	–	18
Disposals	(9)	(36)	(38)	(60)	(143)
Disposal of subsidiaries (Note 11)	(144)	(16)	(122)	(8)	(290)
Net exchange differences	30	–	4	2	36
At 31 December 2009	159	34	92	10	295

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9. Property, plant and equipment (cont'd)

Group	Renovation	Office equipment	Furniture and fittings	Computers	Total
	$'000	$'000	$'000	$'000	$'000
Accumulated depreciation and impairment					
At 1 January 2008	26	34	105	34	199
Depreciation charge for the year	71	18	55	21	165
Disposals	–	(4)	(26)	(2)	(32)
Acquisition of subsidiaries (Note 11)	–	2	6	2	10
Impairment loss	57	3	6	1	67
Net exchange differences	–	–	–	(1)	(1)
At 31 December 2008 and 1 January 2009	154	53	146	55	408
Depreciation charge for the year	36	8	14	2	60
Disposals	(9)	(17)	(27)	(45)	(98)
Disposal of subsidiaries (Note 11)	(49)	(10)	(44)	(7)	(110)
Net exchange differences	7	–	1	–	8
At 31 December 2009	139	34	90	5	268
Net carrying amount					
At 31 December 2008	128	26	91	21	266
At 31 December 2009	20	–	2	5	27

9. Property, plant and equipment (cont'd)

Company	Renovation $'000
Cost	
At 1 January 2008, 31 December 2008 and 1 January 2009	51
Disposal	(9)
At 31 December 2009	42
Accumulated depreciation and impairment	
At 1 January 2008, 31 December 2008 and 1 January 2009	18
Depreciation charge for the year	14
Disposal	(9)
At 31 December 2009	23
Net carrying amount	
At 31 December 2008	33
At 31 December 2009	19

Impairment of property, plant and equipment

The impairment losses arising from the shift in office premise has been recognised in other operating expenses in 2008.

10. Intangible assets

Group	Goodwill $'000	Customer database $'000	Club membership $'000	Software license $'000	Total $'000
Cost					
At 1 January 2008	41	–	150	44	235
Additions	541	437	–	–	978
At 31 December 2008 and 1 January 2009	582	437	150	44	1,213
Disposal of subsidiaries	(582)	(437)	(150)	(44)	(1,213)
At 31 December 2009	–	–	–	–	–

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10. Intangible assets (cont'd)

Group	Goodwill $'000	Customer database $'000	Club membership $'000	Software license $'000	Total $'000
Accumulated amortisation and impairment					
At 1 January 2008	41	–	45	8	94
Amortisation	–	61	30	9	100
Impairment loss	541	376	–	–	917
At 31 December 2008 and 1 January 2009	582	437	75	17	1,111
Amortisation	–	–	–	1	1
Disposal of subsidiaries	(582)	(437)	–	(18)	(1,037)
Disposal	–	–	(75)	–	(75)
At 31 December 2009	–	–	–	–	–
Net carrying amount					
At 31 December 2008	–	–	75	27	102
At 31 December 2009	–	–	–	–	–
Average remaining amortisation period (years)					
- 2008			8	3	
- 2009			–	–	

10. Intangible assets (cont'd)

Company	**Club membership** $'000
Cost	
At 1 January 2008, 31 December 2008 and 1 January 2009	150
Disposal	(150)
At 31 December 2009	–
Accumulated amortisation and impairment	
At 1 January 2008	45
Disposal	30
At 31 December 2008 and 1 January 2009	75
Disposal	(75)
At 31 December 2009	–
Net carrying amount	
At 31 December 2008	75
At 31 December 2009	–
Average remaining amortisation period (years)	
- 2008	8
- 2009	–

During the financial year, impairment losses of $Nil and $Nil (2008: $541,000 and $376,000) were recognised to fully write-down the goodwill arising from acquisition of certain subsidiaries and customer database respectively.

11. Investment in subsidiaries

	Company	
	2009 $'000	**2008** $'000
Unquoted equity shares, at cost	– (*)	– (*)
Less: Impairment	– (*)	– (*)
	– (*)	– (*)

(*) Less than $1,000

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11. Investment in subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Country of incorporation	Proportion of ownership interest 2009 %	Proportion of ownership interest 2008 %
Held by the Company				
Corporate Bridge International Pte Ltd [1]	Investment holding	Singapore	100	100
Corporate Residence Pte Ltd [3]	Dormant	Singapore	100	100
Sansui Resorts Limited [2]	Properties investment and trading	Hong Kong	100	100
SingXpress Stores Pte Ltd [3]	Dormant	Singapore	100	100
SingXpress Travel Holdings Pte. Ltd. [1]	Investment holding	Singapore	100	100
Held through subsidiaries				
Corporate Bridge Investments Pte Ltd [1]	Securities trading and financial, investment, consultancy and funding services	Singapore	100	100
Corporate Bridge Pte Ltd [1]	Financial, investments, consultancy and funding services	Singapore	100	100
SingXpress Credit Pte Ltd [3]	(a) Money lending and (b) Investments holding company	Singapore	100	100
SingXpress Capital Pte Ltd (formerly known as SingXpress Travel Pte Ltd) [1]	(a) Travel and hospitality services and (b) Financial services and investments	Singapore	100	100
Xpress Travel Service Limited [2]	(a) Travel and hospitality services and (b) Financial services and investments	Hong Kong	100	100

11. Investment in subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Country of incorporation	Proportion of ownership interest 2009 %	2008 %
Held through subsidiaries				
Macau Express Travel Limited (4)	(a) Travel and hospitality services and (b) Financial services and investments	Macau	–	100
Xpress Travel Holdings Pty Ltd (4)	Travel and hospitality services	Australia	–	99.9
Canada Xpress Travel Ltd (3)	Travel and hospital services	Canada	100	100
Green Travel Service Pty Limited (4)	Financial, investments, consultancy and funding services	Australia	–	100
SingXpress Realtors Limited (2), (5)	Property agency	Hong Kong	100	–

(1) Audited by Ernst & Young LLP, Singapore

(2) Audited by Lo and Kwong C.P.A Company Limited

(3) No audit is performed for these companies as they are exempted from appointing auditors and from audit requirements as they have been dormant from the time of their formation or since the end of the previous financial year.

(4) Disposed during the year.

(5) Newly acquired during the year for a consideration of HK$1.

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11. Investment in subsidiaries (cont'd)

Acquisition of subsidiaries

2008

On 8 January 2008, the Group, through its subsidiary, acquired a wholly-owned subsidiary, Green Travel Service Pty Ltd for a consideration of A$1,300,000.

The fair values of the identifiable assets and liabilities of the acquired subsidiaries as at the date of acquisition were:

	Recognised on acquisition 2008 $'000	Carrying amount before combination 2008 $'000
Property, plant and equipment (Note 9)	6	6
Trade and other receivables	448	448
Cash and cash equivalents	710	710
	1,164	1,164
Trade and other payables	(349)	(349)
Net identifiable assets	815	815
Goodwill arising on acquisition (Note 10)	451	
Total purchase consideration	1,266	

	2008 $'000
Total purchase consideration comprise of:	
- Paid by cash	1,050
- Contingent payable	216
	1,266

11. Investment in subsidiaries (cont'd)

The effect of acquisition on cash flows is as follows:

	2008
	$'000
Consideration settled in cash	1,050
Less: Cash and cash equivalents of subsidiary acquired	(710)
Net cash outflow on acquisition	340

Impact of acquisition on profit or loss

From the date of acquisition, Green Travel Service Pty Ltd in 2008 has contributed approximately $11,298,000 and $99,000 to the revenue and profit of the Group respectively. If the acquisition had taken place at the beginning of the year, revenue would have been $64,127,000 and the loss for the Group would have been $4,332,000.

Goodwill arising on acquisition

Goodwill arising on acquisitions of $4,100 (2008: $451,000) had been fully impaired during the year 2008.

Disposal of subsidiaries

2009

The Group, through its subsidiary, disposed 100% of Macau Express Travel Limited and Xpress Travel Holdings Pty Ltd at a consideration of HK$3,281,409 and A$82,891 respectively. The fair values of the identifiable assets and liabilities of the disposed subsidiaries were as follows:

	$'000
Property, plant and equipment (Note 9)	180
Trade and other receivables	592
Cash and cash equivalents	1,359
Trade and other payables	(1,442)
	689
Loss on disposal of subsidiaries	(22)
	667
Satisfied by:	
Cash	730
Debts forfeited by the Group	(63)
	667
Cash consideration	730
Cash and cash equivalents disposed of	(1,359)
Net outflow of cash and cash equivalents in respects of the disposal of subsidiaries	(629)

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12. Financial assets at fair value through profit and loss

	Group and Company	
	2009	**2008**
	$'000	$'000
Quoted securities	1,749	22
Equity-linked notes	1,631	–
	3,380	22

13. Cash and cash equivalents

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Cash and bank balances	190	981	3	27
Short-term deposits	3,318	5,574	3,318	4,379
	3,508	6,555	3,321	4,406

Short-term deposits are made for varying periods of between one day and one month (2008: 1 day and 3 months) depending on the immediate cash requirements of the Group and earns interest at the respective short-term deposit rates. Interest rates range from 0.00% to 1.71% (2008: 1.66% to 5.50%) per annum.

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Singapore Dollars	157	1,681	–	1,335
British Pounds	–	679	–	–
United States Dollars	702	600	702	600
Hong Kong Dollars	2,630	2,803	2,616	2,471
Australia Dollars	9	782	3	–
Japanese Yen	10	10	–	–
	3,508	6,555	3,321	4,406

14. Trade and other receivables

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Trade receivables	28	809	–	–
Other receivables	320	574	28	10
Amounts due from subsidiaries	–	–	–	1,867
Deposits	20	75	–	–
	368	1,458	28	1,877
Add: Cash and cash equivalents	3,508	6,555	3,321	4,406
Total loans and receivables	3,876	8,013	3,349	6,283

Trade receivables are non-interest bearing and are generally on 30 to 90 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables are denominated in the following currencies:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Singapore Dollars	–	17	–	–
Hong Kong Dollars	28	688	–	–
Australian Dollars	–	104	–	–
	28	809	–	–

Amounts due from subsidiaries are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

Receivables that are past due but not impaired

The Group has trade receivables amounting to $25,000 (2008: $205,000) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:

	Group	
	2009	**2008**
	$'000	$'000
Trade receivables past due:		
Less than 30 days	17	143
31 to 60 days	8	56
61 to 90 days	–	–
91 to120 days	–	–
More than 120 days	–	6
	25	205

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14. Trade and other receivables (cont'd)

Receivables from subsidiaries that are impaired

The Company's receivables from subsidiaries that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

	Company	
	2009	**2008**
	$'000	$'000
Amounts due from subsidiaries	8,669	9,129
Less: Allowance for doubtful receivables	(8,669)	(7,262)
	–	1,867

Analysis of allowance for doubtful receivables is as follows:

At 1 January	7,262	3,855
Charge to profit or loss	1,407	3,407
At 31 December	8,669	7,262

Amounts due from subsidiaries are non-trade in nature, unsecured, interest-free, repayable on demand, and are to be settled in cash.

At the balance sheet date, the Company has provided an allowance of $8,669,000 (2008: $7,262,000) for impairment of the amount due from subsidiaries with a nominal amount of $8,669,000 (2008: $9,129,000). These subsidiaries have been suffering significant financial losses for the current and past two financial years which rendered the recurring of the debts doubtful.

15. Trade and other payables

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Trade and other payables				
Trade payables	56	622	13	–
Due to related parties	1,738	1,773	1,084	806
Other payables	1,828	910	1,631	4
	3,622	3,305	2,728	810
Accrued operating expenses	90	634	41	130
Total financial liabilities carried at amortised cost	3,712	3,939	2,769	940

Trade payables are non-interest bearing and are normally settled on 60 days terms.

15. Trade and other payables (cont'd)

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Singapore Dollars	1,262	1,031	1,177	810
Australian Dollars	–	1,126	–	–
Hong Kong Dollars	2,360	1,148	1,631	–
	3,622	3,305	2,808	810

Due to related parties are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

16. Deferred income tax

Unrecognised capital allowances and tax losses

As at 31 December 2009, the Group and Company have unutilised tax losses of approximately $8,701,000 (2008: $9,151,000) and $1,829,000 (2008: $1,662,000) respectively. No deferred tax asset is unutilised in respect of these unutilised tax losses, due to uncertainty of their recoverability. The utilisation is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

17. Share capital

	2009		2008	
	No. of shares		No. of shares	
	'000	$'000	'000	$'000
Issued and fully paid:				
At 1 January	272,004	21,974	272,003	21,974
Exercise of bonus warrants	–	–	1	–
At 31 December	272,004	21,974	272,004	21,974

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

The Company has a share option plan (Note 19) under which options to subscribe for the Company's ordinary shares have been granted to a director of the Group. The options expired upon the resignation of the director.

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17. Share capital (cont'd)

Renounceable non-underwritten rights issue and detachable warrants

On 16 July 2007, the Company completed the renounceable non-underwritten rights issue and detachable warrants. The details are summarised as follows:

1. The right shares and the detachable warrants were listed and quoted on the Official List of the SGX-ST on 18 July 2007 and 19 July 2007 respectively.
2. 136,001,500 rights shares at an issue price of S$0.05 each and 68,000,750 free detachable warrants were issued by the Company pursuant to the Right Issue Exercise.
3. Each warrant carries the right to subscribe for one new ordinary share at an exercise price of S$0.05 each.

Net proceeds from the right issue, after deducting estimated expenses of approximately $200k, amounted to $6.6 million.

On 6 July 2008, certain holder of the warrants exercised 1,000 warrants at $0.05 per share. On 16 July 2008, the remaining warrants lapsed and ceased to be valid.

18. Reserves

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Fair value adjustment reserve	–	–	–	–
Foreign currency translation reserve	292	39	–	–
Employee share option reserve	–	82	–	82
	292	121	–	82

(a) ***Fair value adjustment reserve***

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
At 1 January	–	2,026	–	2,026
Other comprehensive loss on disposal of investment securities	–	(2,026)	–	(2,026)
At 31 December	–	–	–	–

18. Reserves (cont'd)

(b) *Foreign currency translation reserve*

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

	Group	
	2009	**2008**
	$'000	$'000
At 1 January	39	60
Net effect of exchange differences arising from translation of financial statements of foreign operations	253	(21)
At 31 December	292	39

(c) *Employee share option reserve*

Employee share option reserve represents the equity-settled share options granted to employees (Note 19). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
At 1 January	82	83	82	82
Net movement	–	(1)	–	–
Cancellation of options	(82)	–	(82)	–
At 31 December	–	82	–	82

19. Employee benefits

	Group	
	2009	**2008**
	$'000	$'000
Employee benefits expenses (including executive directors):		
Salaries and bonuses	1,655	3,557
Central provident fund contributions	138	213
Other short-term benefits	32	44
	1,825	3,814

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19. Employee benefits (cont'd)

Share Options Scheme

The Company has an employee share incentive plan for the granting of non-transferable options to eligible employees and Directors. The options granted to the eligible employees and Directors will have a life span of five (5) years from the date of grant. The exercise period for the share options, is the period commencing the day after the 2nd anniversary, and expiring on the 5th anniversary, from the date of grant.

The exercise or subscription price of the options will be the average of the closing prices of the Company's ordinary shares on the SGX-ST for the three market days immediately preceding the date of grant (the "Market Price") or at a price set at a discount not exceeding 20% of the Market Price.

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, share options (including both equity and cash-settled options) during the year.

	No. 2009 `000	WAEP 2009 $	No. 2008 `000	WAEP 2008 $
At 1 January	500	0.1225	1,000	0.1225
Options lapsed during the year	(500)	0.1225	(500)	0.1225
At 31 December	–	0.1225	500	0.1225

he fair value of share options (equity-settled options) as at the date of grant, is estimated by an external valuer using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

The expense recognised in the profit or loss during the year ended 31 December 2009 is $Nil (2008: $Nil) for equity-settled options.

20. Related party transactions

	Group 2009 $'000	Group 2008 $'000
Compensation of key management personnel:		
Short-term employee benefits	76	562
Comprise amounts paid to:		
▪ Directors of the Company	76	109
▪ Other key management personnel	–	453
	76	562

Directors' interests in an employee share option plan

At 31 December 2009, no Director held options to purchase ordinary shares of the Company under the Share Option Scheme.

21. Fair value of financial instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

(a) Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Group 2009			
	Quoted prices in active markets (Level 1) $'000	Significant other observable inputs (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Financial assets:				
Fair value through profit or loss (Note 12)				
- Quoted securities	1,749	–	–	1,749
- Equity-linked notes	–	–	1,631	1,631
At 31 December 2009	1,749	–	1,631	3,380

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable data (unobservable inputs)

Determination of fair value

Quoted securities

Fair value is determined directly by reference to their published market bid price at the balance sheet date.

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21. Fair value of financial instruments (cont'd)

(a) **Fair value of financial instruments that are carried at fair value (cont'd)**

Equity-linked notes

Fair value is determined based on the valuation provided by the counterparty financial institutions at the balance sheet date.

Movements in level 3 financial instruments measured at fair value

The following table presents the reconciliation for financial instruments measured at fair value based on significant unobservable inputs (level 3).

	Group and Company 2009 $'000
Opening balance	–
Total gains in profit or loss (presented as investment income from equity-linked notes)	(394)
Purchases	21,187
Settlements	(18,815)
Exchange differences	(347)
	1,631
Total gains for the year included in profit or loss (presented as investment income from equity-linked notes) for assets held as at 31 December 2009	(394)

Impact of changes to key assumptions on fair value of level 3 financial instruments

Management believes that due to the short-term nature of the outstanding equity-linked notes as at year-end, the impact on fair value of level 3 financial instruments is not material.

(b) **Fair value of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.**

Cash and cash equivalents (Note 13), trade and other receivables (Note 14) and trade and other payables and (Note 15) and accrued operating expenses.

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their relatively short-term nature.

22. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The Audit Committee provides independent oversight to the effectiveness of the risk management process. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, and cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the balance sheet date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

There is no significant concentration of credit risk within the Group or the Company.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the balance sheet date is as follows:

	Group			
	2009		2008	
	$'000	% of total	$'000	% of total
By country:				
Singapore	–	–	17	2
Hong Kong	28	100	49	6
Macau	–	–	639	79
Australia	–	–	104	13
Total	28	100	809	100

Notes to the Financial Statements

31 December 2009

22. Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents, other investments that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 14 (Trade and other receivables).

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the Directors to finance the Group's operations and mitigate the effects of fluctuation in cash flows.

At the balance sheet date, the Group's and the Company's trade and other payables are all current, which are repayable on demand. The Company has no other loans and borrowings at the balance sheet date.

Information regarding financial liabilities is disclosed in Note 15 (Trade and other payables).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. At balance sheet date, the Group has no interest bearing loans received or given and has no investments in debt securities.

22. Financial risk management objectives and policies (cont'd)

Foreign currency risk

The Group has no transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily SGD, Hong Kong Dollar, and Australian Dollar.

The Group's sales and costs are denominated in the respective functional currencies of the Group entities. The Group's trade receivable and trade payable balances at the balance sheet date have similar exposures.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes (Note 13).

The operating entities of the Group has no significant currency exposures on any individual transaction for which payment is anticipated more than one month after the Group has entered into a firm commitment for a sale or a purchase.

The Group is also exposed to currency translation risk arising from its net investments in quoted shares, equity-linked notes and in foreign operations in Hong Kong. The Group's net investments in these countries are not hedged.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD, AUD, HKD and GBP exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Profit net of tax	
		2009	**2008**
		$'000	$'000
USD/SGD	- strengthened 5% (2008: 5%)	35	39
	- weakened 5% (2008: 5%)	(35)	(39)
AUD/SGD	- strengthened 5% (2008: 5%)	–	(13)
	- weakened 5% (2008: 5%)	–	13
HKD/SGD	- strengthened 5% (2008: 5%)	107	115
	- weakened 5% (2008: 5%)	(107)	(115)
GBP/SGD	- strengthened 5% (2008: 5%)	–	34
	- weakened 5% (2008: 5%)	–	(34)

Notes to the Financial Statements

31 December 2009

22. Financial risk management objectives and policies (cont'd)

Market price risk

The Group is exposed to other price risk arising from listed investments classified as financial assets at fair value through profit or loss.

Management's best estimate of the effect on the Group's profit after tax due to a reasonably possible change in the relevant stock market index, with all other variables held constant, at the balance sheet date is as follows (in practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material):

	2009	**2008**
	$'000	$'000
Increase/(decrease) in profit after tax		
Hong Kong - Hang Seng Index		
+ 10%	175	–
– 10%	(175)	–

23. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2009 and 31 December 2008.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade and other payables, accrued operating expenses, less cash and cash equivalents. Capital includes equity attributable to the equity holders of the parent less the fair value adjustment reserve.

As at the balance sheet date, the Group did not have a net debt, as its cash and cash equivalents are more than its financial liabilities.

24. Segment information

Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Business segments

The Group is organised on a worldwide basis into two main operating divisions:

Travel	:	Provision of travel and hospitality related services.
Investment	:	Investment holding and financial services

Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Notes to the Financial Statements
31 December 2009

24. Segment information (cont'd)

Business segments

The following table presents the revenue and profit, assets, liabilities and other segment information regarding the Group's business segments for the years ended 31 December 2009 and 2008.

	Travel		Investment		Property trading		Adjustments		Note	Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008		2009	2008
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000		$'000	$'000
Segment revenue [1]											
Sales to external customers	1,855	58,579	394	–	–	–	–	–		2,249	58,579
Segment results											
Depreciation and amortisation	46	217	15	48	–	–	–	–		61	265
Other non-cash expense	58	46	119	525	–	–	–	–		177	571
Impairment of non-financial assets	–	–	–	984	–	–	–	–		–	984
Segment loss/(profit)	(840)	(4,684)	(374)	544	–	–	(22)	–	A	(1,236)	(4,140)
Assets:											
Addition to non-current assets	12	661	6	51	–	–	–	–		18	712
Segment assets	260	3,043	3,380	22	65	–	3,647	5,519	B	7,352	8,584
Segment liabilities	846	3,054	1,615	–	–	–	1,251	906	C	3,712	3,960

[1] There were no inter-segment sales during the year.

24. Segment information (cont'd)

Business segments (cont'd)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Loss on disposal of subsidiaries

B The following items are added to segment assets to arrive at total assets reported in the consolidated balance sheet:

	Group 2009 $'000	Group 2008 $'000
Cash and bank balances	165	139
Short-term deposit	3,318	5,266
Trade and other receivables	164	3
Property, plant and equipment	–	36
Intangible assets	–	75
	3,647	5,519

C The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	Group 2009 $'000	Group 2008 $'000
Due to related parties	122	–
Trade and other payables	1,072	725
Accrued operating expenses	57	160
Provision for taxation		21
	1,251	906

Notes to the Financial Statements

31 December 2009

24. Segment information (cont'd)

Geographical segments

The following table presents revenue, capital expenditure and certain assets information regarding the Group's geographical segments as at and for the years ended 31 December 2009 and 2008:

	Segmental revenue from external customers		Segment assets		Capital expenditure	
	2009	2008	2009	2008	2009	2008
	$'000	$'000	$'000	$'000	$'000	$'000
Singapore	408	12,987	6,700	5,000	6	111
Australia	1,695	31,893	–	1,141	5	552
Hong Kong/Macau	146	13,699	652	2,443	7	49
	2,249	58,579	7,352	8,584	18	712

25. Operating lease commitments

At the balance sheet date, the Group was committed to making the following rental payments in respect of operating lease of office premises with an original term of more than one year.

	2009	2008
	$'000	$'000
Not later than one year	20	–

26. Events occurring after the balance sheet date

On 5 February 2010, SingXpress Capital Pte Ltd, an indirect wholly owned subsidiary of the Company, entered into a conditional option agreement with a third party for the purchase of a property situated at 8 Eu Tong Sen Street #23-81 Central @ Clarke Quay Singapore 059818 for a consideration of S$2,200,000.

27. Authorisation of financial statements

The financial statements for the year ended 31 December 2009 were authorised for issue in accordance with a resolution of the Directors on 26 March 2010.

Shareholders' Information

As at 29 March 2010

Class of equity securities	Number of equity securities	Voting Rights
Ordinary	272,004,000	One vote per share

There are no treasury shares held in the issued share capital of the Company

STATISTICS OF SHAREHOLDINGS

Size of Shareholding	No. of Shareholders	%	No. of Shares	%
1 - 999	5	0.47	1,572	0.00
1,000 - 10,000	441	41.37	1,960,435	0.72
10,001 - 1,000,000	596	55.91	61,052,144	22.45
1,000,001 and above	24	2.25	208,989,849	76.83
Total	1,066	100.00	272,004,000	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Xpress Credit Limited	90,530,000	33.28	-	-
China Credit Singapore Pte Ltd (1)	-	-	90,530,000	33.28
Xpress Group Limited (2)	-	-	90,530,000	33.28
Prime Star Group Co Ltd (3)	-	-	90,530,000	33.28
Chan Yoke Keow (4)	-	-	90,530,000	33.28
Chan Heng Fai (5)	-	-	90,530,000	33.28
Sin Keng Choo @ Ng Nyet Chin	40,000,000	14.71	-	-

Notes:

(1) China Credit Singapore Pte Ltd ("CCS") is the holding company of Xpress Credit Limited ("XCL") and CCS is deemed interested in the 90,530,000 shares held by XCL by virtue of Section 7 of the Companies Act, Chapter 50.

(2) Xpress Group Limited ("XGL") is the holding company of CCS and XGL is deemed interested in the 90,530,000 shares held by XCL by virtue of Section 7 of the Companies Act, Chapter 50.

(3) Prime Star Group Co Ltd ("PSG") has the controlling interest in XGL and PSG is deemed interested in the 90,530,000 shares held by XCL by virtue of Section 7 of the Companies Act, Chapter 50.

(4) Chan Yoke Keow beneficially owns PSG and is deemed interested in the 90,530,000 shares held by XCL by virtue of Section 7 of the Companies Act, Chapter 50.

(5) Chan Heng Fai has the controlling interest in XGL and is deemed interested in the 90,530,000 shares held by XCL by virtue of Section 7 of the Companies Act, Chapter 50.

Statistics of Shareholdings

As at 29 March 2010

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 - 999	5	0.47	1,572	0.00
1,000 - 10,000	441	41.37	1,960,435	0.72
10,001 - 1,000,000	596	55.91	61,052,144	22.45
1,000,001 and above	24	2.25	208,989,849	76.83
Total	1,066	100.00	272,004,000	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	UOB Kay Hian Pte Ltd	92,530,000	34.02
2	Sin Keng Choo @ Ng Nyet Chin	40,000,000	14.71
3	China Display Fixtures Co Ltd	11,500,000	4.23
4	Au Ah Yian	10,740,000	3.95
5	Mayban Nominees (S) Pte Ltd	9,052,000	3.33
6	Ang Hay Kim	7,878,000	2.90
7	Ng Cheng Chuan	4,973,000	1.83
8	Lee Sze Kian	3,458,000	1.27
9	Ng Peng Kuan Andrew	3,000,000	1.10
10	Seah Siew Heng	2,971,000	1.09
11	Lim Chye Huat @ Bobby Lim Chye Huat	2,563,000	0.94
12	Kim Eng Securities Pte. Ltd.	2,359,000	0.87
13	DBS Vickers Securities (S) Pte Ltd	2,071,000	0.76
14	Phillip Securities Pte Ltd	2,031,000	0.75
15	Low Woo Swee @ Loh Swee Teck	2,000,000	0.74
16	Lim Tiong Kheng Steven	1,700,000	0.62
17	Low Chui Heng	1,500,000	0.55
18	DBS Nominees Pte Ltd	1,322,849	0.49
19	Ho Chan	1,299,000	0.48
20	United Overseas Bank Nominees Pte Ltd	1,268,000	0.47
	Total	204,215,849	75.10

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

51.27% of the Company's Shares are held in the hands of public. Accordingly, the Company has complied with Rule 726 of the Catalist Rules of the SGX-ST.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of SingXpress Ltd. ("the Company") will be held at Vanda 1, Grand Hyatt Singapore, 10 Scotts Road, Singapore 228211 on Tuesday, 27 April 2010 at 3:30 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the financial year ended 31 December 2009 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company retiring pursuant to Articles 77 and 95 of the Articles of Association of the Company:

Mr Chan Tong Wan	(Retiring under Article 95)	**(Resolution 2)**
Ms Chan Yoke Keow	(Retiring under Article 95)	**(Resolution 3)**
Mr Wong Tat Keung	(Retiring under Article 77)	**(Resolution 4)**
Mr Da Roza, Joao Paulo	(Retiring under Article 77)	**(Resolution 5)**

Mr Chan Tong Wan will, upon re-election as a Director of the Company, remain as an Executive Director of the Company and will be considered non-independent.

Ms Chan Yoke Keow will, upon re-election as a Director of the Company, remain as a Non-Executive Director of the Company and will be considered non-independent.

Mr Wong Tat Keung will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees, and will be considered independent.

Mr Da Roza, Joao Paulo will, upon re-election as a Director of the Company, remain as the Chairman of the Nominating and Remuneration Committees and a member of the Audit Committee, and will be considered independent.

3. To approve the payment of Directors' fees of S$75,520.55 for the financial year ended 31 December 2009 (2008: S$73,218). **(Resolution 6)**

4. To appoint Messrs Audit Alliance as the Auditors of the Company in place of the retiring Auditors, Messrs Ernst & Young LLP and to authorise the Directors of the Company to fix their remuneration.
[See Explanatory Note (i)] **(Resolution 7)**

5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

Notice of Annual General Meeting

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. **Authority to issue shares**

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual, Section B: Rules of Catalist (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited, the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed hundred per centum (100%) of the total number of issued shares in the capital of the Company excluding treasury shares (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares in the capital of the Company excluding treasury shares (as calculated in accordance with sub-paragraph (2) below). Unless prior shareholder approval is required under the Catalist Rules, an issue of treasury shares will not require further shareholder approval, and will not be included in the aforementioned limits;

(2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares shall be based on the total number of issued shares in the capital of the Company excluding treasury shares at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Listing Rules for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)] **(Resolution 8)**

7. **Authority to issue shares other than on a pro-rata basis pursuant to the aforesaid share issue mandate at discounts not exceeding twenty per centum (20%) of the weighted average price for trades done on the SGX-ST.**

That subject to and pursuant to the aforesaid share issue mandate being obtained, the Directors of the Company be hereby authorised and empowered to issue shares (other than on a pro-rata basis to the shareholders of the Company) at a discount (`the Discount") not exceeding ten per centum (10%) to the weighted average price ("the Price") for trades done on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the full market day on which the placement or subscription agreement in relation to such shares is executed (or if not available for a full market day, the weighted average price must be based on the trades done on the preceding market day up to the time the placement or subscription agreement is executed), provided that in exercising the authority conferred by this Resolution:-

(a) the Company complies with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST); and

(b) the Company may, until 31 December 2010 or such other expiration date as may be determined by SGX-ST increase the Discount to an amount exceeding ten per cent (10%) but not more than twenty per cent (20%) of the Price for shares to be issued,

unless revoked or varied by the Company in general meeting, such authority shall continue in force until (a) the conclusion of the next Annual General Meeting of the Company, or (b) the date by which the next Annual General Meeting of the Company is required by law to be held whichever is earlier.

[See Explanatory Note (iii)] **(Resolution 9)**

Notice of Annual General Meeting

8. **Authority to issue shares under the Futuristic Share Option Scheme**

That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be authorised and empowered to offer and grant options under the Futuristic Share Option Scheme ("the Scheme") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Scheme shall not exceed fifteen per centum (15%) of the total number of issued shares in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (iv)] **(Resolution 10)**

By Order of the Board

Yeo Poh Noi Caroline
Secretary
Singapore, 12 April 2010

Notice of Annual General Meeting

Explanatory Notes:

(i) Detailed information relating to the Ordinary Resolution 7 in item 4 above, is set out in the Appendix relating to the Proposed Change of Auditors dated 12 April 2010.

(ii) The Ordinary Resolution 8 in item 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to shareholders.

(iii) The Ordinary Resolution 9 in item 7 above is pursuant to measures implemented by the SGX-ST as stated in a press release entitled "SGX introduces further measures to facilitate fund raising" dated 19 February 2009 and which became effective on 20 February 2009 until 31 December 2010. The effectiveness of these measures will be reviewed by SGX-ST at the end of the period. Under the measures implemented by the SGX-ST, issuers will be allowed to undertake non pro-rata placements of new shares priced at discounts of up to 20% to the weighted average price for trades done on the SGX-ST for a full market day on which the placement or subscription agreement in relation to such shares is executed, subject to the conditions that (a) shareholders' approval be obtained in a separate resolution (the "Resolution") at a general meeting to issue new shares on a non pro-rata basis at discount exceeding 10% but not more than 20%; and (b) that the resolution seeking a general mandate from shareholders for issuance of new shares on a non pro-rata basis is not conditional upon the Resolution.

It should be noted that under the Catalist Rules of the SGX-ST, shareholders' approval is not required for placements of new shares, on a non pro-rata basis pursuant to a general mandate, at a discount of up to 10% to the weighted average price for trades done on the SGX-ST for a full market day on which the placement or subscription agreement in relation to such shares is executed.

(iv) The Ordinary Resolution 10 in item 8 above, if passed, will empower the Directors of the Company, from the date of this Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme up to a number not exceeding in total (for the entire duration of the Scheme) fifteen per centum (15%) of the total number of issued shares in the capital of the Company excluding treasury shares from time to time.

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 8 Eu Tong Sen Street, #23-81 Central @ Clarke Quay, Singapore 059818 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

SINGXPRESS LTD.
(Company Registration No.: 198803164K)
(Incorporated in the Republic of Singapore)

Proxy Form
(Please see notes overleaf before completing this Form)

IMPORTANT:
1. For investors who have used their CPF monies to buy SingXpress Ltd.'s shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We, ______________________________

of ______________________________

being a member/members of SingXpress Ltd. (the "Company"), hereby appoint:

Name	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of shares	%
Address			

or failing the person, or either or both of the persons, referred to above , the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held on 27 April 2010 at 3:30 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [√] within the box provided.)

No.	Resolutions relating to:	For	Against
1	Directors' Report and Audited Accounts for the year ended 31 December 2009		
2	Re-election of Mr Chan Tong Wan as a Director		
3	Re-election of Ms Chan Yoke Keow as a Director		
4	Re-election of Mr Wong Tat Keung as a Director		
5	Re-election of Mr Da Roza, Joao Paulo as a Director		
6	Approval of Directors' fees amounting to S$75,520.55		
7	To appoint Messrs Audit Alliance as the Auditors of the Company in place of the retiring Auditors, Messrs Ernst & Young LLP		
8	Authority to issue shares		
9	Authority to issue shares up to discount of 20%		
10	Authority to issue shares under the Futuristic Share Option Scheme		

Dated this ________ day of ________ 2010

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 8 Eu Tong Sen Street, #23-81 Central @ Clarke Quay, Singapore 059818, not less than 48 hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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