SING XPRESS

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annual report 08

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Corporate Profile

Its travel operations currently have travel agency outlets in Hong Kong and Australia.

SingXpress Ltd was established in 1977 as an interior fit out service supplier and later added on the fabrication of store fixtures to the business. It was listed on the CATALIST (formerly SGX-SESDAQ) in 2002.

In 2003, Xpress Group Limited, a listed company in Hong Kong, became a major shareholder through one of its subsidiary, Xpress Credit Limited.

The Company divested its original interior fit out service and store fixtures in November 2006.

SingXpress Ltd is now a focused major travel and investment group. It has strong backing from its major shareholder, Xpress Group Limited. Its travel operations currently have travel agency outlets in Hong Kong and Australia.

Chairman's Statement

The Group achieved historic highs in turnover of $58.6 million, representing an increase of $8.4 million or 17% from the corresponding period last year.

Dear Shareholders,

Near the last quarter of 2006, SingXpress Ltd embarked on one of its core business of travel and hospitality. In 2007, the Group expanded towards its goal to be a major regional player in a fragmented industry. However, the industry has been hampered by the unprecedented financial tsunami which affected nearly every market and every economy. The financial results of the travel and hospitality division were disappointing because the Group's travel business was materially and adversely affected. The travel and leisure industry continues to remain highly competitive and is further complicated by the fluctuation in oil price, inflation and the after effects of the sub-prime crisis.

Business Overview

The Group achieved historic highs in turnover of $58.6 million, representing an increase of $8.4 million or 17% from the corresponding period last year. Net loss amounted to $4.2 million, compared to $3.7 million for 2007. Loss per share amounted to $1.54 cents (2007: $1.69 cents). In 2007, the Group through its subsidiary, Xpress Travel Holdings Pty Ltd, acquired Green Travel Service Ltd. These two Australian companies brought the total revenue from Australia to $31.9 million. In view of unsatisfactory performance of the travel business in Singapore and Macau and keen competition and high operating costs, the Group disposed of and discontinued its Singapore based retail travel and leisure operation, operated via SingXpress Travel Pte Ltd by way of an asset sale and termination of operations in February 2009 and disposed Macau Express Travel Limited in March 2009 to avoid further losses and further capital commitment. During the year, the Group disposed of its entire stake in Global Med Technologies Inc. and recorded a gain of $1.05 million.

Acquisitions

The Group continues to be strongly supported by its controlling shareholder, Xpress Group Limited. In February 2008, the Company announced a proposed acquisition from Xpress Group Limited of the entire issued and paid up capital of each of Singapore Service Residence Pte Ltd ("SSR"), SingXpress International Pte Ltd ("SI") and Anglo-French Travel Pte Ltd and the shareholders' loan advanced to SSR and SI and the issue and allotment of new ordinary shares in the capital of SingXpress Ltd as consideration. However, having considered the prolonged delay of

Chairman's Statement

the acquisitions and changes in the prevailing market conditions since the date of the agreement, the Company reached an agreement with Xpress Group Limited in April 2008 to cancel the agreement. Please refer to the announcements released on 14 February 2008 and 22 April 2008 for further details.

Rights Issue

In March 2008, the Company announced a proposed renounceable non-underwritten rights issue of up to 341,003,750 new ordinary shares in the capital of SingXpress Ltd at an issue price of $0.02 for each rights share, on the basis of one right share for every one ordinary share held by entitled shareholders. As announced on 27 March 2008, the Company disposed the quoted securities of Global Med Technologies Inc. for approximately $3.25 million and we were in the opinion that it was not in the best interests of the Company and the shareholders to proceed with the proposed Rights Issue.

Outlook

In light of the sudden unexpected global financial tsunami, the Company considers that it is an extremely difficult time to carry on and invest in the travel business, even with the ample cash on hand. We will continue to evaluate all the businesses of the Group to determine the future plans of the Group and rationalise its business direction. The evaluation may result in the re-deployment of resources among its business segments, the creation of new businesses and/or the streamlining of existing businesses of the Group. We are exploring opportunities in the property investment market to generate new income streams.

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

Revenue rose by $8.4 million resulting mainly from the acquisition of Green Travel Service Pty Limited ("GTS") in Sydney, Australia.

Revenue rose by $8.4 million resulting mainly from the acquisition of Green Travel Service Pty Limited ("GTS") in Sydney, Australia. Gross margins also improved with this addition while the operations in Singapore discontinued its wholesales segment which had negligible margins and had proceeded with higher added value services. Distribution and selling expenses were higher with the addition of GTS, which also contributed to the higher administration expenses. Administration expenses were increased too by legal costs related to the abandonment of a planned injection of assets and rights issue of $212k and allowance for impairment of goodwill and customer database of $541K and $376K arising from acquisition of GTS and 3 outlets from FerKor respectively. The resultant loss from operations of approximately $4.19 million is about 12% more than last year.

Travel and hospitality

Operating and financial performance by country for the travel is as follows:

Singapore

SingXpress Travel Pte Ltd ("SXT") contributed revenues of approximately $13 million and net loss of approximately $0.71 million to the Group for the year. Turnover was reduced by 59%, when compared to last year, mainly due to the discontinuation the wholesale operation in Singapore which had negligible margins.

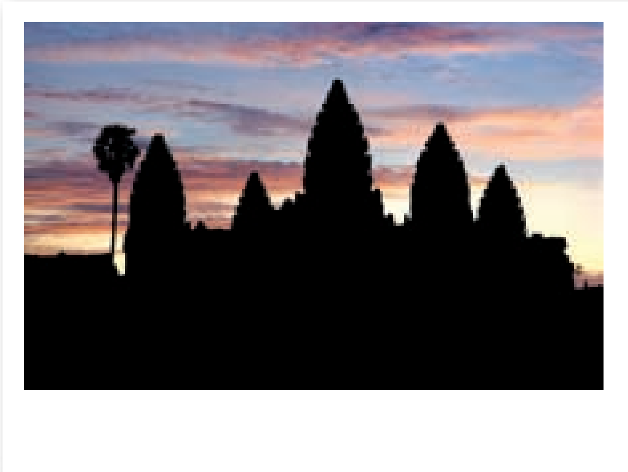
In view of the unsatisfactory performance of the travel business in Singapore and keen competition and high operating costs, the Group disposed of and discontinued its Singapore based retail travel and leisure operation, operated via SXT by way of an asset sale and termination of operations in February 2009 to avoid further losses and further capital commitment.

Hong Kong & Macau

Hong Kong and Macau contributed revenues of approximately $13.7 million and net loss of approximately $1.2 million to the Group for the year. There is one outlet in Hong Kong and two in Macau. Both deal in ticketing, outbound tours and hotel packages with sales being generated through advertising and web links.

In March 2009, the Group disposed the entire interest in Macau Express Travel Limited, the loss making travel operation in Macau, for approximately $0.64 million to avoid further losses and further capital commitment.

Operations Review



During the year, the Group recorded other income of $904K which is about $0.24 million more than last year which include the gain on the final disposal of quoted investments in Global Med Technologies Inc of $1.05 million and fair value loss on the quoted investment of $525K.

Australia
Australia contributed revenues of approximately $31.9 million to the Group for the year. The revenue in Australia rose by $30 million resulting mainly from the acquisition of GTS in Sydney, Australia in January 2008. The Australia operations recorded net loss of approximately $1.9 million which included allowance for impairment of goodwill and customer database of $541K and $376K arising from acquisition of GTS and 3 outlets from FerKor respectively. There are 4 retail outlets in Perth as at March 2009.

Investment
During the year, the Group recorded other income of $904K which is about $0.24 million more than last year which include the gain on the final disposal of quoted investments in Global Med Technologies Inc of $1.05 million and fair value loss on the quoted investment of $525K.

Cash flow, working capital, assets and liabilities
As at 31 December 2008, bank balance and cash amounted to approximately $6.6 million (31 December 2007: $7.4 million). As at 31 December 2008, the Group's current ratio was 2.07 (31 December 2007: 2.85). Cash flow as well as profitability was boosted significantly by the disposal of an investment in Global Med Technologies Inc for about $5.4 million. This has helped keep net current assets at approximately $4.3 million versus $6.1 million as at the previous year end. Due to the tightening of credit control and cash flow management, the overall level of receivables decreased and the level of payables increased.

Board of Directors

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 also 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 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.

Board of Directors

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 and a director 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.

Lim Soon Hock
Independent Non-Executive Director

Mr. Lim Soon Hock, was appointed on 7 September 2007 as an independent director of the Company. He was the former Vice President and Managing Director of Compaq Computer Asia Pacific Ltd and a member of the worldwide management team. From 1999 to 2003, he was President of SITA INC Asia Pacific Pte Ltd. Mr. Lim is currently the Managing Director of Plan-B ICAG Pte Ltd and also sits on the Board of Directors of several public listed companies, government agencies and civic organisations. He holds a Bachelor of Engineering degree with Honours in Electrical Engineering from the University of Singapore and is a Fellow of the Institution of Engineers, Singapore, Institution of Engineering and Technology, UK and the Singapore Institute of Directors.

Liew Keow Seng
Independent Non-Executive Director

Liew Keow Seng was appointed on 18 June 2008 as an Independent Non-executive Director of the Company. Mr. Liew has more than 40 years of audit, taxation, accounting and business advisory experience. From 1988 to present, he has been Managing Partner of Liew Keow Seng & Company, Public Accounting Firm.

Financial Highlights

	FY2008	FY2007	FY2006	FY2005
Turnover (S$'000)				
Continued	58,579	50,196	8,637	-
Discontinued	-	-	22,056	16,696
(Loss)/Profit Before Tax (S$'000)				
Continued	(4,140)	(3,735)	802	(353)
Discontinued	-	-	993	(3,410)
Net Tangible Asset Value per Ordinary Share based on issued share capital at the end of the year (cents)	1.7	3.9	5.1	5.6
Basic (Loss)/Profit per share (cents) *				
Continued	(1.5)	(1.7)	0.4	(0.3)
Discontinued	-	-	0.2	(2.3)
Turnover by Business Segments				
Continued				
Travel	58,579	50,196	8,637	-
Discontinued				
Interior fit-out services	-	-	1,654	5,353
Store fixtures	-	-	20,402	11,343
Total	58,579	50,196	30,693	16,696

* FY2007 and 2006 adjusted for rights issue and warrants.

Financial Contents

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
Liew Keow Seng	-	Independent Director (Appointed on 18 June 2008)
Lim Soon Hock	-	Independent Director

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".

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 FY2008	**3**	**2**	**1**	**1**
Chan Heng Fai	3	N.A.	N.A.	N.A.
Chan Yoke Keow	3	N.A.	N.A.	N.A.
Chan Tong Wan	3	N.A.	N.A.	N.A.
Chan Tung Moe	3	2	1	1
Guok Chin Huat Samuel (resigned on 8 January 2009)	3	1	1	1
Chan Kei Lim (resigned on 29 April 2008)	2	1	1	1
Lim Soon Hock	3	1	N.A.	N.A.
Liew Keow Seng (appointed on 18 June 2008)	1	1	N.A.	N.A.

N.A. = Not applicable

Corporate Governance Report

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:
Lim Soon Hock (appointed on 18 June 2008) (Chairman)
Liew Keow Seng (appointed on 18 June 2008)
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.

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 non-executive directors and is satisfied that there are no relationships that would deem any of the 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.

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.

Corporate Governance Report

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:
Lim Soon Hock (appointed on 18 June 2008) (Chairman)
Liew Keow Seng (appointed on 18 June 2008)
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	
		FY2008	FY2007	FY2008	FY2007	FY2008	FY2007
$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%	100%	-	-	-	-
	Guok Chin Huat Samuel (resigned on 8 January 2009)	-	-	-	-	100%	100%
	Chan Kei Lim (resigned on 29 April 2008)	-	-	-	-	100%	100%
	Chan Tung Moe	-	-	-	-	-	-
	Lim Soon Hock	-	-	-	-	100%	100%
	Liew Keow Seng (appointed on 18 June 2008)					100%	-

Remuneration of Top 5 Key Executives who are not Directors

	Year 2008	Year 2007
$500,000 and above	Nil	Nil
$250,000 to below $500,000	Nil	Nil
Below $250,000	Tuan Quang Tran Alex Lee Chun Ting Steve Fung Chung Yuen Alan Diamond Ching Huay Yong	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:

Liew Keow Seng (appointed on 18 June 2008) (Chairman)
Lim Soon Hock (appointed on 18 June 2008)
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 AC has recommended the re-appointment of Messrs Ernst & Young LLP as external auditors at the forthcoming AGM.

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.

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 of the SGX-ST.

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

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 FY2008, except for the payment of S$123,560 as a finance and administrative service fee to an interested person, Independent Travel Management Pte Ltd.

MATERIAL CONTRACTS

On 14 February 2008, the Company entered into an agreement with Xpress Group Limited to acquire the entire issued and paid up capital of each of Singapore Service Residence Pte Ltd ("SSR"), SingXpress International Pte Ltd ("SI") and Anglo-French Travel Pte Ltd and the shareholders' loan advanced to SSR and SI at a consideration of S$ 35,936,624 to be satisfied by the issue and allotment of new ordinary shares in the capital of the Company. However, having considered the prolonged delay of the acquisitions and changes in the prevailing market conditions since the date of the agreement, the Company reached an agreement with Xpress Group Limited on 22 April 2008 to cancel the agreement.

Save as above, there were no other material contracts entered between the Company or any of its subsidiaries with any director or controlling shareholder in FY2008.

Corporate Governance Report

RISK FACTORS AND RISK MANAGEMENT

Continuing operations

(A) Competition is keen and the margin is small in the travel agency business. Whilst we project to achieve significant sales volume, exercise financial discipline and operational control in managing growth, and recruit and retain experienced travel specialists, there is no assurance that we can effectively carry out what we intend to. In such a case, our business and performance may be adversely affected.

(B) The growth in the travel industry is dependent on continued economic growth and social stability in the Asian region. Any economic down turn, any social unrest, any adverse act of terrorism or any uncontrolled outbreak of infectious disease would have an adverse impact on our business performance.

(C) The Group has significant investments in publicly and non-publicly traded securities and we are exposed to potential investment losses if there is a downturn in the securities market. Some of our investments are characterized with relatively small market capitalization and low trading volume, this may from time to time result in significant price volatility, unexpected losses, and lack of liquidity or difficulties in the settlement of transactions. These factors could cause us to incur losses on our publicly traded investments.

(D) The Group is looking forward to implementing its diversification plans in financial services, consultancy and corporate advisory work as well as securities trading and strategic investments in order to diversify the risk.

(E) The continued success of the Group, to a significant extent, is dependent on the continued services of our key management personnel and our executive director. Their business acumen, relationship with clients and suppliers, as well as reputation in the industry, are critical to our business. The Group constantly looks into the issue of attracting, recruiting and retaining suitably qualified and talent managers for its operations. The Group recognizes the need to constantly upgrade the skills and knowledge of our employees to ensure that they are kept abreast of new developments. The Group also encourages succession planning to ensure that there is timely backup.

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 2008.

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
Lim Soon Hock
Liew Keow Seng (Appointed on 18 June 2008)

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.

2. Directors' interests in shares and debentures

The following Directors, who held office at the end of the financial year, had, according to the 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 beginning of the financial year or date of appointment**	**At the end of financial year**	**At beginning of the financial year or date of appointment**	**At the end of financial year**
	'000	'000	'000	'000
The Company (SingXpress Ltd)				
(Ordinary shares)				
Chan Heng Fai	-	-	84,236	85,166
Chan Yoke Keow	-	-	84,236	85,166

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

Name of Directors	Direct interest: At beginning of the financial year or date of appointment	Direct interest: At the end of financial year	Deemed interest: At beginning of the financial year or date of appointment	Deemed interest: At the end of financial year
	'000	'000	'000	'000
<u>**The Company (SingXpress Ltd)**</u>				
(Options to subscribe for ordinary shares)				
Guok Chin Huat Samuel	500	500	-	-

The above-mentioned interests in option was lapsed after the end of the financial year due to the resignation of Mr. Guok Chin Huat Samuel.

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 2008.

Share options (cont'd)

Details of all the options to subscribe for ordinary shares of the Company pursuant to the Share Option Scheme as at 31 December 2008 are as follows:

Expiry date	Exercise price ($)	Number of options '000
11 January 2010	0.125	500

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 '000	Aggregate options granted since commencement of plan to end of financial year '000	Aggregate options exercised since commencement of plan to end of financial year '000	Aggregate options outstanding as at end of financial year '000
Guok Chin Huat Samuel [1]	-	500	-	500
Chan Kei Lim [2]	-	500	(500)	-
	-	1,000	(500)	500

[1] These options lapsed on 8 January 2009 upon the resignation of the director.
[2] These options lapsed on 29 April 2008 upon the resignation of the director.

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.

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 SGX-ST's Listing Manual.

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.

Directors' Report

Auditors

Ernst & Young LLP have expressed their willingness to accept reappointment as auditors.

On behalf of the Board of Directors:

Chan Heng Fai
Director

Chan Tong Wan
Director

Singapore
27 March 2009

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 income statement, statements of changes in equity and consolidated cash flow statement together with the 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 2008 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company 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
27 March 2009

Independent Auditors' Report

For the year ended 31 December 2008

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 2008, the statements of changes in equity of the Group and the Company, the income statement and 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 accounts 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 2008

To the Members of SingXpress Ltd

Opinion

In our opinion,

(i) the consolidated financial statements and the balance sheet 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 2008 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company 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

27 March 2009

Consolidated Income Statement

for the year ended 31 December 2008

	Note	2008	2007
		$'000	$'000
Revenue	4	58,579	50,196
Cost of sales		(54,641)	(48,634)
Gross profit		3,938	1,562
Other operating income	5	1,429	665
Distribution and selling costs		(5,372)	(3,873)
Administrative costs		(2,693)	(1,878)
Other operating costs	6	(1,442)	(211)
Loss before tax	7	(4,140)	(3,735)
Income tax expense	8	(53)	-
Loss for the year		(4,193)	(3,735)
Attributable to:			
Equity holders of the Company		(4,193)	(3,735)
Loss per share attributable to equity holders of the Company (cents per share)			
Basic	9	(1.54)	(1.69)
Diluted	9	(1.54)	(1.46)

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

Balance Sheets

as at 31 December 2008

	Note	Group 2008 $'000	Group 2007 $'000	Company 2008 $'000	Company 2007 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	266	290	33	-
Intangible assets	11	102	141	75	105
Investment in subsidiaries	12	-	-	-	-
Other investments	13	-	4,336	-	4,336
		368	4,767	108	4,441
Current assets					
Trade and other receivables	15	1,458	1,931	1,877	1,492
Prepayments		181	18	-	-
Financial assets at fair value through profit and loss		22	-	22	-
Cash and cash equivalents	14	6,555	7,449	4,406	5,453
		8,216	9,398	6,305	6,945
Total assets		8,584	14,165	6,413	11,386
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	16	3,305	2,114	810	70
Accrued operating expenses		634	1,143	130	399
Provision for taxation		21	43	-	43
		3,960	3,300	940	512
Net current assets		4,256	6,098	5,365	6,433
Net assets		4,624	10,865	5,473	10,874
Equity attributable to equity holders of the Company					
Share capital	18	21,974	21,974	21,974	21,974
Accumulated losses		(17,471)	(13,278)	(16,583)	(13,208)
Reserves	19	121	2,169	82	2,108
Total equity		4,624	10,865	5,473	10,874
Total equity and liabilities		8,584	14,165	6,413	11,386

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 2008

Group 2008	Share capital (Note 18) $'000	Accumulated losses $'000	Employee share option reserve (Note 19) $'000	Foreign currency translation reserve (Note 19) $'000	Fair value adjustment reserve (Note 19) $'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
Recognised in the income statement on disposal of investment securities	-	-	-	-	(2,026)	(2,026)	(2,026)
Net effect of exchange differences	-	-	(1)	(21)	-	(22)	(22)
Net expenses recognised directly in equity	-	-	(1)	(21)	(2,026)	(2,048)	(2,048)
Loss for the year	-	(4,193)	-	-	-	-	(4,193)
Total recognised expenses 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

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 2008

Group 2007	Share capital (Note 18) $'000	Accumulated losses $'000	Employee share option reserve (Note 19) $'000	Foreign currency translation reserve (Note 19) $'000	Fair value adjustment reserve (Note 19) $'000	Total reserves $'000	Total equity $'000
	Attributable to equity holders of the Company						
At 1 January 2007	15,324	(9,541)	81	-	1,104	1,185	6,968
Net gain on fair value changes during the year	-	-	-	-	1,389	1,389	1,389
Recognised in the income statement on disposal of investment securities	-	-	-	-	(467)	(467)	(467)
Net effect of exchange differences	-	(2)	2	60	-	62	60
Net (expenses)/income recognised directly in equity	-	(2)	2	60	922	984	982
Loss for the year	-	(3,735)	-	-	-	-	(3,735)
Total recognised income and expenses for the year	-	(3,737)	2	60	922	984	(2,753)
Proceeds from right issue	6,650	-	-	-	-	-	6,650
At 31 December 2007	21,974	(13,278)	83	60	2,026	2,169	10,865

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 2008

Company 2008	Share capital (Note 18) $'000	Accumulated losses $'000	Employee share option reserve (Note 19) $'000	Fair value adjustment reserve (Note 19) $'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
Recognised in the income statement on disposal of investment securities	-	-	-	(2,026)	(2,026)	(2,026)
Net expense recognised directly in equity	-	-	-	(2,026)	(2,026)	(2,026)
Loss for the year	-	(3,375)	-	-	-	(3,375)
Total recognised expenses 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.

Statements of Changes in Equity

for the year ended 31 December 2008

Company 2007	Share capital (Note 18) $'000	Accumulated losses $'000	Employee share option reserve (Note 19) $'000	Fair value adjustment reserve (Note 19) $'000	Total reserves $'000	Total equity $'000
	Attributable to equity holders of the Company					
At 1 January 2007	15,324	(9,302)	81	778	859	6,881
Net gain on fair value adjustment changes during the year	-	-	-	1,539	1,539	1,539
Recognised in the income statement on disposal of investment securities	-	-	-	(291)	(291)	(291)
Net effect of exchange differences	-	-	1	-	1	1
Net income recognised directly in equity	-	-	1	1,248	1,249	1,249
Loss for the year	-	(3,906)	-	-	-	(3,906)
Total recognised income and expenses for the year	-	(3,906)	1	1,248	1,249	(2,657)
Proceeds from right issue	6,650	-	-	-	-	6,650
At 31 December 2007	21,974	(13,208)	82	2,026	2,108	10,874

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 2008

	2008 $'000	2007 $'000
Cash flows from operations		
Loss before tax	(4,140)	(3,735)
Adjustments for:		
Depreciation and amortisation	265	237
Loss on disposal of property, plant and equipment	69	71
Gains on disposal of quoted investments	(1,086)	(252)
Impairment loss in value of property, plant and equipment	67	-
Impairment loss in value of intangible assets (Note 11)	917	41
Fair value loss of financial assets held at fair value through profit and loss	525	-
Provision for doubtful debts	46	-
Write-back of impairment in value of investments	-	(234)
Write-back in tax provision	(43)	-
Interest income	(104)	(102)
Unrealised exchange (gain)/loss	(109)	64
Operating loss before changes in working capital	(3,593)	(3,910)
Changes in working capital:		
Decrease/(increase) in trade and other receivables	711	(123)
Increase in trade and other payables	118	778
Cash flows used in operations	(2,764)	(3,255)
Interest received	104	102
Income tax paid	(32)	-
Net cash used in operating activities	(2,692)	(3,153)
Cash flows from investing activities		
Proceeds from disposal of quoted investments	3,853	2,001
Proceeds from disposal of property, plant and equipment	1	3
Purchase of property, plant and equipment	(275)	(380)
Purchase of intangible assets	(437)	(15)
Purchase of investment securities	(1,004)	-
Net cash outflow on acquisition of subsidiaries (Note 12)	(340)	(290)
Net cash from investing activities	1,798	1,319
Cash flows from financing activity		
Proceeds from rights issue	-	6,650
Net cash flows from financing activity	-	6,650
Net (decrease)/increase in cash and cash equivalents	(894)	4,816
Cash and cash equivalents at 1 January	7,449	2,633
Cash and cash equivalents at 31 December (Note 14)	6,555	7,449

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

Notes to the Financial Statements

- 31 December 2008

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. The principal activities of the subsidiaries are disclosed in Note 12 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 ***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:

Reference		**Description**	***Effective for annual periods beginning on or after***
FRS 1	:	Presentation of Financial Statements - Revised Presentation	1 January 2009
FRS 1	:	Presentation of Financial Statements - Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
FRS 23	:	Amendment to FRS 23, Borrowing Costs	1 January 2009
FRS 27	:	Consolidated and Separate Financial Statements – Amendments relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009

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

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

Reference		Description	*Effective for annual periods beginning on or after*
	:	Improvements to IFRS	1 January 2009, unless otherwise stated
FRS 32	:	Financial Instruments: Presentation - Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
FRS 39	:	Financial Instruments: Recognition and Measurement	1 July 2008
FRS 39	:	Financial Instruments: Recognition and Measurement - Amendments relating to Eligible Hedged Items	1 July 2009
FRS 101	:	First-time Adoption of Financial Reporting Standards - Amendments relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
FRS 102	:	Share-based payment - Vesting Conditions and Cancellations	1 January 2009
FRS 107	:	Financial Instruments: Disclosures - Amendments relating to Reclassification of Financial Assets	1 July 2008
FRS 108	:	Operating Segments	1 January 2009
INT FRS 113	:	Customer Loyalty Programmes	1 July 2008
INT FRS 116	:	Hedges of a Net Investment in a Foreign Operations	1 October 2008
INT FRS 117	:	Distributions of Non-cash Assets to Owners	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 FRS 1, FRS 27, FRS 101 and FRS 108 as indicated below.

FRS 1 ***Presentation of Financial Statements – Revised Presentation***

The revised FRS 1 requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line item. In addition, the revised standard introduces the statement of comprehensive income: it presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group is currently evaluating the format to adopt.

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

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

FRS 101 *First-time Adoption of Financial Reporting Standards* and
FRS 27 *Consolidated and Separate Financial Statements – Amendments relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*

The amendments are effective for annual periods beginning on or after 1 January 2009. FRS 101 has been amended to allow an entity, in its separate financial statements, to determine the cost of investment in subsidiary, jointly controlled entity or associate either at cost determined in accordance with FRS 27 deemed cost at fair value of the investment in its separate financial statements at the date of transition to FRS determined in accordance with FRS 39, or the previous GAAP carrying amount of the investment at the date of transition to FRS. The determination is made for each investment. FRS 27 has been amended to deleting the definition of the "cost method", which would result in all dividends received from a subsidiary, jointly controlled entity or associate being recognised in profit or loss in its separate financial statements, instead of separating them into pre- and post-acquisition dividends. In addition, where a new parent entity is inserted above an existing parent of a group, the cost of the investment will be the carrying amount of the original parent (i.e. share of equity) rather than its fair value, provided that the original parent becomes a subsidiary, the assets and liabilities of the new group and the original group are the same immediately before and after the reorganisation, and there is no change in relative ownership interests of the existing shareholders. The Group is in the process of assessing the impact on the financial statements.

FRS 108 *Operating Segments*

FRS 108 requires entities to disclose segment information based on the information reviewed by the entity's chief operating decision maker. The impact of this standard on the other segment disclosures is still to be determined. As this is a disclosure standard, it will have no impact on the financial position and results of the Group when implemented in 2009.

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

2.3 ***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 2.7(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 the income statement 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.

2.4 ***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 income statement 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 equity holders. 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.

2.5 ***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.

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

2.5 ***Functional and foreign currency (cont'd)***

(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 closing 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 the income statement except for exchange differences arising on monetary items that form part of the Group's net investment in foreign subsidiaries, which are recognised initially in equity as foreign currency translation reserve in the consolidated balance sheet and recognised in the consolidated income statement on disposal of the subsidiary.

(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 income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity as foreign currency translation reserve. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

2.6 ***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.

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.

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

2.6 ***Property, plant and equipment (cont'd)***

The residual value, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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 de-recognition of the asset is included in the income statement in the year the asset is derecognised.

2.7 ***Intangible assets***

(a) ***Goodwill***

Goodwill acquired in a business combination is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired is allocated 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 income statement. 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 operations 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 2.5.

Goodwill and fair value adjustments which arose on acquisitions of foreign operations 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.

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

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

(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.

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.

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.

(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.

2.8 ***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 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

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

2.8 ***Impairment of non-financial assets (cont'd)***

Impairment losses are recognised in the income statement except for assets that are previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity 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 be recognised previously. Such reversal is recognised in the income statement unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.9 ***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.

2.10 ***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.

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 equity is recognised in the income statement.

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.

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

2.10 ***Financial assets (cont'd)***

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

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 the income statement. 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 the income statement 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 directly in the fair value adjustment reserve in equity, except that impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in the income statement. The cumulative gain or loss previously recognised in equity is recognised in the income statement when the financial asset is derecognised.

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

2.11 ***Impairment of financial assets***

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

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

If there is objective evidence that an impairment loss on loans and receivables 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 amount of the loss is recognised in the income statement.

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.

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

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

(a) ***Assets carried at amortised cost (cont'd)***

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. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

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

If there is objective evidence that an impairment loss on a financial asset 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.

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 the income statement, is transferred from equity to the income statement. Reversals of impairment loss in respect of equity instruments are not recognised in the income statement. Reversals of impairment losses on debt instruments are reversed through the income statement, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the income statement.

2.12 ***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 2.10.

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

2.13 ***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 2.10.

2.14 ***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 2.10.

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 2.11.

2.15 ***Provisions***

Provisions are recognised when the Group has a present obligation where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits 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.

2.16 ***Financial liabilities***

Financial liabilities include trade payables, which are normally settled on 30-90 day terms, other accounts payable, payables to related companies and interest-bearing loans and borrowings. Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

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, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

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

2.17 ***Derecognition of financial assets and liabilities***

(a) ***Financial assets***

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired.

On derecognition of a financial asset, the difference between the carrying amount and the sum of (a) the consideration received and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in the income statement.

(b) ***Financial liabilities***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

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

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 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. A provision is made for the estimated liability for leave as a result of services rendered by employees up to 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 ('equity-settled transactions').

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which the share options are granted. In valuing the share options, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ('market conditions'), if applicable.

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

2.18 ***Employee benefits (cont'd)***

(c) ***Employee share options plan (cont'd)***

The cost of equity-settled transactions is recognised, together with a corresponding increase in the capital reserve, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date'). The cumulative expense recognised for equity-settled transactions 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 equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards 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 conditions are satisfied.

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 the income statement. 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 the income statement 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. The following specific recognition criteria must also be met before revenue is recognised.

(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.

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

2.20 ***Revenue recognition (cont'd)***

(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.

2.21 ***Income taxes***

(a) ***Current tax***

Current tax assets and liabilities for the current and prior periods 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.

(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 taxable temporary differences, except:

- Where the deferred 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 subsidiary companies, 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.

The carrying amount of deferred income 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 income tax asset to be utilised. Unrecognised deferred income 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 recovered.

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

2.21 ***Income taxes (cont'd)***

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

Deferred income 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 taxes are recognised in the income statement except that deferred tax relating to items recognised directly in equity is recognised directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(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 on 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.

2.22 ***Segment reporting***

A business segment is a distinguishable component of the Group that is engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

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.

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 *Judgements made in applying accounting policies*

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

(a) ***Income taxes***

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payable at the balance sheet date was $21,000 (2007: $43,000) respectively.

(b) ***Impairment of financial assets***

The Group follows the guidance of FRS 39 in determining when a financial asset is other-than-temporarily impaired. This determination requires significant judgement. The Group evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost; and the financial health of and near-term business outlook for the financial asset, including factors such as industry and Group performance, changes in technology and operational and financing cash flow.

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 2008 was $266,000 (2007: $290,000). 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.

3. Significant accounting judgements and estimates (cont'd)

3.2 ***Key sources of estimation uncertainty (cont'd)***

(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 15 to the financial statements.

4. Revenue

	Group	
	2008	**2007**
	$'000	$'000
Sale of air tickets	32,745	24,922
Sale of tour packages	25,834	25,274
	58,579	50,196

5. Other income

	Group	
	2008	**2007**
	$'000	$'000
Gain on disposal of quoted investments	1,086	252
Commission	74	141
Interest income	147	102
Dividend income from quoted investment	-	33
Claim of the insurance policy for former Director	-	32
Financial incentive	-	31
Others	122	74
	1,429	665

6. Other operating costs

	Group	
	2008	**2007**
	$'000	$'000
Impairment loss in value of goodwill on consolidation	541	41
Fair value loss of financial assets held at fair value through profit and loss	525	-
Impairment loss in value of intangible assets	376	-
Impairment loss in value of investment	-	170
	1,442	211

7. Loss before tax

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

	Group	
	2008	**2007**
	$'000	$'000
Amortisation of intangible assets	100	8
Depreciation of property, plant and equipment	165	229
Employee benefits expense (Note 20)	3,814	2,643
Loss on disposal of property, plant and equipment	69	71
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	525	-
Allowance for doubtful debt	46	-

8. Taxation

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

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

	Group	
	2008	**2007**
	$'000	$'000
Current tax	96	-
Over-provision in prior year	(43)	-
Income tax expense recognised in the income statement	53	-

8. Taxation (cont'd)

(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	
	2008	**2007**
	$'000	$'000
Loss before tax	(4,140)	(3,735)
Tax at the domestic rate of the Company at 18%	(745)	(672)
Tax effect of income not subject to taxation	172	-
Deferred tax assets not recognised	868	672
Over-provision in prior year	(43)	-
Effect of different tax rates	(199)	-
Income tax expense recognised in the income statement	53	-

9. 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.

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	
	2008	**2007**
	$'000	$'000
Loss attributable to ordinary equity holders of the Company used in the computation of basic and diluted loss per share	(4,193)	(3,735)

9. Loss per share (cont'd)

	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares for basic and loss per share computation	272,003	221,632
Effect of dilution:		
- warrants	-	34,000
Weighted average number of ordinary shares for diluted (loss)/earnings per share computation	272,003	255,632

500,000 (2007: 1,000,000) 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.

10. Property, plant and equipment

Group	Renovation $'000	Office equipment $'000	Furniture and fittings $'000	Computers $'000	Total $'000
Cost:					
At 1 January 2007	-	38	156	54	248
Additions	77	39	240	24	380
Disposals	-	(2)	(195)	(13)	(210)
Acquisition of subsidiaries (Note 12)	-	7	60	12	79
Net exchange differences	-	(3)	(5)	-	(8)
At 31 December 2007 and 1 January 2008	77	79	256	77	489
Additions	208	3	64	-	275
Disposals	-	(7)	(92)	(3)	(102)
Acquisition of subsidiaries (Note 12)	-	4	8	4	16
Net exchange differences	(3)	-	1	(2)	(4)
At 31 December 2008	282	79	237	76	674

10. 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 2007	-	10	40	5	55
Depreciation charge for the year	26	24	150	29	229
Disposals	-	(1)	(129)	(5)	(135)
Disposal of subsidiaries (Note 12)	-	2	48	5	55
Net exchange differences	-	(1)	(4)	-	(5)
At 31 December 2007 and 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 12)	-	2	6	2	10
Impairment loss	57	3	6	1	67
Net exchange differences	-	-	-	(1)	(1)
At 31 December 2008	154	53	146	55	408
Net carrying amount:					
At 31 December 2007	51	45	151	43	290
At 31 December 2008	128	26	91	21	266

Company	Renovation
	$'000
Cost:	
At 1 January 2007, 31 December 2007 and 1 January 2008	-
Additions	51
At 31 December 2008	51
Accumulated depreciation and impairment:	
At 1 January 2007, 31 December 2007 and 1 January 2008	-
Depreciation charge for the year	11
Impairment loss	7
At 31 December 2008	18
Net carrying amount:	
At 31 December 2007	-
At 31 December 2008	33

Impairment of property, plant and equipment

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

11. Intangible assets

Group	Goodwill $'000	Customer database $'000	Club membership $'000	Software license $'000	Total $'000
Cost:					
At 1 January 2007	289	-	218	29	536
Additions	41	-	-	15	56
Disposal	-	-	(68)	-	(68)
Write-off	(289)	-	-	-	(289)
At 31 December 2007 and 1 January 2008	41	-	150	44	235
Additions	541	437	-	-	978
At 31 December 2008	582	437	150	44	1,213
Accumulated amortisation and impairment:					
At 1 January 2007	289	-	113	-	402
Amortisation	-	-	-	8	8
Impairment loss	41	-	-	-	41
Disposal	-	-	(68)	-	(68)
Write-off	(289)	-	-	-	(289)
At 31 December 2007 and 1 January 2008	41	-	45	8	94
Amortisation	-	61	30	9	100
Impairment loss	541	376	-	-	917
At 31 December 2008	582	437	75	17	1,111
Net carrying amount:					
At 31 December 2007	-	-	105	36	141
At 31 December 2008	-	-	75	27	102
Average remaining amortisation period (years)					
- 2007			9	4	
- 2008			8	3	

11. Intangible assets (cont'd)

Company	Club membership $'000
Cost	
At 1 January 2007, 31 December 2007, 1 January 2008 and 31 December 2008	150
Accumulated amortisation and impairment	
At 1 January 2007	113
Disposal	(68)
At 31 December 2007 and 1 January 2008	45
Amortisation	30
At 31 December 2008	75
Net carrying amount	
At 31 December 2007	105
At 31 December 2008	75
Average remaining amortisation period (years)	
- 2007	9
- 2008	8

During the financial year, impairment losses of $541,000 and $376,000 (2007: $Nil and $Nil) were recognised to fully write-down the goodwill arising from acquisition of certain subsidiaries and customer database respectively.

12. Investment in subsidiaries

	Company 2008 $'000	Company 2007 $'000
Unquoted equity shares, at cost	- (*)	- (*)

(*) Less than $1,000

12. Investment in subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Country of incorporation	Proportion of ownership interest 2008 %	2007 %
Held by the Company				
Corporate Bridge International Pte Ltd (1)	Investment holding	Singapore	100	100
Corporate Residence Pte Ltd (4)	Dormant	Singapore	100	100
SingXpress Holidays Pte Ltd (formerly known as Futuristic Pte Ltd) (5)	Dormant	Singapore	-	100
Sansui Resorts Limited (formerly known as Futuristic Store Fixtures Hong Kong Ltd) (4)	Dormant	Hong Kong	100	100
SingXpress Stores Pte Ltd (formerly known as Home Hotel Pte Ltd (formerly known as Future Properties Pte Ltd) (4)	Dormant	Singapore	100	100
SingXpress Tours Pte Ltd (formerly known as Futuristic Exhibition Int'l Pte Ltd) (5)	Dormant	Singapore	-	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 (4)	(a) Money lending and (b) Investments holding company	Singapore	100	100

12. Investment in subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Country of incorporation	Proportion of ownership interest 2008 %	2007 %
Held through subsidiaries				
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
SingXpress Travel 68 Pte Ltd [5]	(a) Travel and hospitality services and (b) Financial services and investments	Singapore	-	100
Macau Express Travel Limited [2]	(a) Travel and hospitality services and (b) Financial services and investments	Macau	100	100
Xpress Travel Holdings Pty Ltd [3]	Travel and hospitality services	Australia	99.9	94
Canada Xpress Travel Ltd [4]	Travel and hospital services	Canada	100	100
Green Travel Service Pty Limited [3]	Financial, investments, consultancy and funding services	Australia	100	-

(1) Audited by Ernst & Young LLP, Singapore
(2) Audited by member firm of Ernst & Young Global in Hong Kong
(3) Audited by member firm of Ernst & Young Global in Australia
(4) 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.
(5) Liquidated during the year.

12. Investment in subsidiaries (cont'd)

Acquisition of subsidiaries

<u>2008</u>

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

<u>2007</u>

(1) On 9 August 2007, the Group through its subsidiary entered into a joint venture agreement with GP Acquisition Corp (the "GP") for the establishment of a new joint venture company, Canada Xpress Travel Limited (the "Canada Xpress"), a company to be incorporated in Canada.

The Group's subsidiary injected CA$60K in cash to Canada Xpress to form a 60%-40% joint venture in Canada Xpress. In addition, amount of CA$60K was paid to GP. Upon completion, it holds 60% of Canada Xpress, which in turn holds 100% of Manitoba Ltd.

On 30 December 2007, the Group's subsidiary has entered into an agreement with Margaret Gobert ("Gobert") to dispose its shares in Manitoba Ltd (now known as World Plus) and a shareholder loan to Manitoba in exchange for Gobert's 40% interest in the Canada Xpress.

As at 31 December 2007, the Company has fully impaired its investment of $170K in Canada Xpress having $Nil net asset values at year-end.

(2) On 15 May 2007, the Group acquired a 94% owned subsidiary, Xpress Travel Holdings Pty Ltd at a consideration of $14,405.

(3) On 23 January 2007, the Group acquired a wholly-owned subsidiary, Macau Express Travel Ltd at a consideration of $342,524.

12. Investment in subsidiaries (cont'd)

Acquisition of subsidiaries (cont'd)

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	Recognised on acquisition 2007 $'000	Carrying amount before combination 2007 $'000
Property, plant and equipment (Note 10)	6	6	24	24
Trade and other receivables	448	448	533	533
Cash and cash equivalents	710	710	66	66
	1,164	1,164	623	623
Trade and other payables	(349)	(349)	(308)	(308)
Net identifiable assets	815	815	315	315
Goodwill arising on acquisition (Note 11)	451		41	
Total purchase consideration	1,266		356	

	2008 $'000	2007 $'000
Total purchase consideration comprise of:		
- Paid by cash	1,050	356
- Contingent payable	216	-
	1,266	356

The effect of acquisition on cash flows is as follows:

	2008 $'000	2007 $'000
Consideration settled in cash	1,050	356
Less: Cash and cash equivalents of subsidiary acquired	(710)	(66)
Net cash outflow on acquisition	340	290

Impact of acquisition on income statement

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.

From the date of acquisition, Xpress Travel Holdings Pty Ltd in 2007 has contributed approximately $1,855,000 and $193,000 to the revenue and loss of the Group respectively from the date of acquisition. If the acquisition had taken place at the beginning of the year, revenue would have been $50,411,000 and the loss for the Group would have been $3,735,000.

12. Investment in subsidiaries (cont'd)

Impact of acquisition on income statement (cont'd)

The acquisition of Macau Express Travel Ltd was completed at the beginning of the financial year 2007, and has contributed to the revenue of $11,333,000 and loss of $357,000 to the Group respectively.

Goodwill arising on acquisition

Goodwill arising on acquisitions of $451,000 (2007: $41,000) had been fully impaired during the year.

Provisional accounting of acquisition

No intangible asset (2007: $Nil) had been recorded arising from these acquisitions.

13. Other investments

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Available-for-sale financial assets				
Quoted equity shares	-	4,336	-	4,336

Included in other investment is an amount of $Nil (2007: 4,336,000) denominated in United States dollars.

14. Cash and cash equivalents

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Cash and bank balances	981	877	27	7
Short-term deposits	5,574	6,572	4,379	5,446
	6,555	7,449	4,406	5,453

Short-term deposits are made for varying periods of between one day and three months (2007: 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 0.01% to 7.60% (2007: 1.66% to 5.50%) per annum.

14. Cash and cash equivalents (cont'd)

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Singapore Dollars	1,681	4,906	1,335	4,819
British Pounds	679	893	-	-
United States Dollars	600	634	600	634
Hong Kong Dollars	2,803	593	2,471	-
Australia Dollars	782	416	-	-
Japanese Yen	10	7	-	-
	6,555	7,449	4,406	5,453

15. Trade and other receivables

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Trade receivables	809	1,345	-	-
Other receivables	574	189	10	3
Amounts due from subsidiaries	-	-	1,867	1,489
Deposits	75	397	-	-
	1,458	1,931	1,877	1,492

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	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Singapore Dollars	17	55	-	-
Hong Kong Dollars	688	1,290	-	-
Australian Dollars	104	-	-	-
	809	1,345	-	-

15. Trade and other receivables (cont'd)

Receivables that are past due but not impaired

The Group has trade receivables amounting to $205,000 (2007: $349,000) 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	
	2008	**2007**
	$'000	$'000
Trade receivables past due:		
Lesser than 30 days	143	189
31 to 60 days	56	64
61- 90 days	-	11
91-120 days	-	68
More than 120 days	6	17
	205	349

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	
	2008	**2007**
	$'000	$'000
Amounts due from subsidiaries	9,129	5,344
Less: Allowance for doubtful receivables	(7,262)	(3,855)
	1,867	1,489
Analysis of allowance for doubtful receivables is as follows:		
At 1 January	3,855	-
Charge to income statement	3,407	3,855
At 31 December	7,262	3,855

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 $3,407,000 (2007: $3,855,000) for impairment of the amount due from subsidiaries with a nominal amount of $9,129,000 (2007: $5,344,000). These related companies have been suffering significant financial losses for the current and past two financial years which rendered the recurring of the debts doubtful.

16. Trade and other payables

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Trade payables	622	988	-	-
Withholding tax payable	-	16	-	-
Due to related parties	1,773	623	806	35
Other payables	910	487	4	35
	3,305	2,114	810	70

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

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
Singapore Dollars	1,031	1,255	810	70
Australian Dollars	1,126	298	-	-
Hong Kong Dollars	1,148	561	-	-
	3,305	2,114	810	70

17. Deferred income tax

Unrecognised capital allowances and tax losses

As at 31 December 2008, the Group and Company have unutilised tax losses of approximately $9,151,000 (2007: $6,256,000) and $1,662,000 (2007: $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.

18. Share capital

	2008		2007	
	No. of shares		No. of shares	
	'000	$'000	'000	$'000
Issued and fully paid:				
At 1 January	272,003	21,974	136,001	15,324
Issue of rights	-	-	136,002	6,650
Exercise of bonus warrants	1	-	-	-
At 31 December	272,004	21,974	272,003	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 Company has a share option plan (Note 20) under which options to subscribe for the Company's ordinary shares have been granted to 2 ex-directors of the Group.

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 warrants has lapsed and ceased to be valid.

19. Reserves

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Fair value adjustment reserve	-	2,026	-	2,026
Foreign currency translation reserve	39	60	-	-
Employee share option reserve	82	83	82	82
	121	2,169	82	2,108

19. Reserves (cont'd)

(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	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
At 1 January	2,026	1,104	2,026	778
Net gain on fair value changes during the financial year	-	1,389	-	1,539
Recognised in the income statement on disposal of investment securities	(2,026)	(467)	(2,026)	(291)
At 31 December	-	2,026	-	2,026

(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	
	2008	**2007**
	$'000	$'000
At 1 January	60	-
Net effect of exchange differences arising from translation of financial statements of foreign operations	(21)	60
At 31 December	39	60

(c) ***Employee share option reserve***

Employee share option reserve represents the equity-settled share options granted to employees (Note 20). 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	
	2008	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000
At 1 January	83	81	82	81
Net movement	(1)	2	-	1
At 31 December	82	83	82	82

20. Employee benefits

	Group 2008	Group 2007
	$'000	$'000
Employee benefits expenses (including executive directors):		
Salaries and bonuses	3,557	2,490
Central provident fund contributions	213	120
Other short-term benefits	44	33
	3,814	2,643

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. 2008	WAEP 2008	No. 2007	WAEP 2007
	'000	$	'000	$
Outstanding at beginning of year	1,000	0.1225	1,000	0.1225

The 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 income statement during the year ended 31 December 2008 is $Nil (2007: $Nil) for equity-settled options.

21. Related party transactions

	Group	
	2008	**2007**
	$'000	$'000
Compensation of key management personnel:		
Short-term employee benefits	562	648
Comprise amounts paid to:		
• Directors of the Company	109	157
• Other key management personnel	453	491
	562	648

Directors' interests in an employee share option plan

At 31 December 2008, the Company's Director held options to purchase ordinary shares of the Company under the Share Option Scheme as follows:

- 500,000 of options were granted to a Director at a price of $0.125 each, exercisable between 12 January 2007 and 11 January 2010.

22. 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.

The following methods and assumptions are use to estimate the fair value of each class of financial instruments:

Current trade and other receivables and payables

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

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

Set out below is a comparison by category of carrying amounts and fair values of all the company's financial instruments that are carried in the financial statements:

	Note	Group			
		2008		2007	
		Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
Financial assets:					
Trade and other receivables	15	1,458	1,458	1,931	1,931
Financial assets at fair value through profit or loss		22	22	-	-
Cash and cash equivalents	14	6,555	6,555	7,449	7,449
Financial liabilities:					
Trade and other payables	16	(3,305)	(3,305)	(2,114)	(2,114)
Accrued operating expenses		(634)	(634)	(1,143)	(1,143)
Provision for taxation		(21)	(21)	(43)	(43)

	Note	Company			
		2008		2007	
		Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
Financial assets:					
Trade and other receivables	15	1,877	1,877	1,492	1,492
Financial assets at fair value through profit or loss		22	22	-	-
Cash and cash equivalents	14	4,406	4,406	5,453	5,453
Financial liabilities:					
Trade and other payables	16	(810)	(810)	(70)	(70)
Accrued operating expenses		(130)	(130)	(399)	(399)
Provision for taxation		-	-	(43)	(43)

23. 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. It is, and has been throughout the current and previous financial year the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

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

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 at the balance sheet date is as follows:

	Group			
	2008		2007	
	$'000	% of total	$'000	% of total
By country:				
Singapore	17	2	55	4
Hong Kong	49	6	153	11
Macau	639	79	1,137	85
Australia	104	13	-	-
Total	809	100	1,345	100

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.

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

Credit risk (cont'd)

<u>Financial assets that are either past due or impaired</u>

Information regarding financial assets that are either past due or impaired is disclosed in Note 15 (Trade and other receivables) and Note 13 (Other investments).

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.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the balance sheet date based on contractual undiscounted payments.

	1 year or less $'000
Group	
2008	
Trade and other payables	3,305
2007	
Trade and other payables	2,114
Company	
2008	
Trade and other payables	810
2007	
Trade and other payables	70

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

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.

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 14).

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 quoted shares (in USD) and in foreign operations in Hong Kong, Macau and Australia. The Group's net investments in these countries are not hedged as they are considered to be long-term in nature.

<u>Sensitivity analysis for foreign currency risk</u>

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	
		2008	**2007**
		$'000	$'000
USD/SGD	- strengthened 5% (2007: 5%)	39	32
	- weakened 5% (2007: 5%)	(39)	(32)
AUD/SGD	- strengthened 5% (2007: 5%)	(13)	4
	- weakened 5% (2007: 5%)	13	(4)
HKD/SGD	- strengthened 5% (2007: 5%)	115	73
	- weakened 5% (2007: 5%)	(115)	(73)
GBP/SGD	- strengthened 5% (2007: 5%)	34	45
	- weakened 5% (2007: 5%)	(34)	(45)

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

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted equity instruments. These instruments are quoted on the NASDAQ in the U.S.

Originally, the Group's objective was to hold the investment in line with its strategic interests. Since this holding is no longer in line with its strategy, it was entirely disposed in 2008.

<u>Sensitivity analysis for equity price risk</u>

At the balance sheet date, if the price had been 2% higher/lower with all other variables held constant, the Group's profit net of tax would not have been higher/lower, arising as a result of higher/lower fair value gains on held for trading investments in equity instruments, but the Group's other reserve in equity would have been $440 (2007: $87,000) higher/lower, arising as a result of an increase/decrease in the fair value of equity instruments classified as available-for-sale.

24. 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 2008 and 31 December 2007.

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 dates, the Group did not have a net debt, as its cash and cash equivalents are more than its financial liabilities.

25. 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

For the financial year ended 31 December 2008, the Directors are of the opinion that it is not meaningful to disclose assets, liabilities, capital expenditure, depreciation and other non-cash expenses by business segments as the assets and liabilities are shared between business segments.

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.

25. Segment information (cont'd)

Business segments (cont'd)

(a) The following table presents revenue and results information regarding the Group's business segments for the years ended 31 December 2008 and 2007.

	Travel		Investment		Total	
	2008	**2007**	**2008**	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue:						
Sales to external customers	58,579	50,196	-	-	58,579	50,196
Total revenue	58,579	50,196	-	-	58,579	50,196
Results:						
Segment results	(4,684)	(3,330)	544	(405)	(4,140)	(3,735)
Loss before tax					(4,140)	(3,735)
Income tax expense					(53)	-
Loss for the year					(4,193)	(3,735)

(b) The following table presents assets, liabilities and other segment information regarding the Group's business segments as at and for the years ended 31 December 2008 and 2007.

	Travel		Investment		Total	
	2008	**2007**	**2008**	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000	$'000	$'000
Assets and liabilities:						
Segment assets	3,043	1,567	22	5,109	3,065	6,676
Unallocated assets					5,519	7,489
Total assets					8,584	14,165
Segment liabilities	3,054	2,139	-	1,118	3,054	3,257
Unallocated liabilities					906	43
Total liabilities					3,960	3,300

25. Segment information (cont'd)

Business segments (cont'd)

	Travel		Investment		Total	
	2008	**2007**	**2008**	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000	$'000	$'000
Other segment information:						
Capital expenditure						
- Property, plant and equipment					275	380
- Intangible assets					437	15
Depreciation and amortisation					265	237
Impairment of non-financial assets					984	-
Other non-cash expenses					571	135

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 2008 and 2007.

	Segmental revenue from external customers		Segment assets		Capital expenditure	
	2008	**2007**	**2008**	**2007**	**2008**	**2007**
	$'000	$'000	$'000	$'000	$'000	$'000
Singapore	12,987	31,325	5,000	11,630	111	106
Australia	31,893	1,855	1,141	428	552	18
Hong Kong/Macau	13,699	17,016	2,443	2,107	49	256
	58,579	50,196	8,584	14,165	712	380

26. Events occurring after the balance sheet date

(a) On 22 January 2009, the Singapore Finance Minister announced the revisions in the Singapore corporate tax rate from 18% to 17% with effect from Year of Assessment 2010. In accordance with FRS 12, Income Taxes, and FRS 10, Events after the Balance Sheet Date, this is a non-adjusting subsequent event and the financial effect of the reduced tax rate will be reflected in the 31 December 2009 financial year.

Disposal of subsidiary companies

(b) On 14 February 2009, the Group disposed of SingXpress Travel Pte Ltd, a Singapore based retail travel and leisure operation by way of an asset sale for a cash consideration of approximately $62,000 and terminated the operations on that date.

(c) On 18 March 2009, the Group disposed its shares in Macau Express Travel Limited, a Macau based retail travel and leisure operation for a cash consideration of approximately HK$3,281,000.

The disposals were made to avoid further losses and further capital commitment for the Group.

(d) Jobs Credit Scheme

The Singapore Finance Minister announced the job credit scheme to encourage businesses to preserve jobs in the downturn. Details of the scheme are as follows:

- Employers will receive a 12% cash grant on the first $2,500 of each month's wages for each employee on their CPF payroll.
- The Jobs Credit is for one year, and employers will receive the Jobs Credit in 4 payments: March, June, September and December 2009.
- For each payment, employers will receive Jobs Credits on the employees that are on their CPF payrolls at the start of the quarter in which payment is made. The wages paid to these employees in the previous quarter will be the qualifying wages used to calculate the 12 % cash credit that employers will receive.

In accordance to with FRS 20, Accounting for Government Grants and Disclosure of Government Assistance and FRS 10, Events After the Balance Sheet Date, this is a non-adjusting subsequent event and the financial effect of the job credit scheme will be reflected in the 31 December 2009 financial year.

The Group's staff costs have been computed in the year end without adjusting for the effect of the grant under the job credit scheme. Adjusting for the grant to be received under the job credit scheme will result in an approximately $10,864 reduction in staff costs.

27. Authorisation of financial statements

The financial statements for the year ended 31 December 2008 were authorised for issue in accordance with a resolution of the Directors on 27 March 2009.

Shareholders' Information

As at 18 March 2009

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	Number of Shareholders	%	Number of Shares	%
1 - 999	6	0.53	2,570	0.00
1,000 - 10,000	464	41.32	2,074,437	0.76
10,001 - 1,000,000	628	55.92	63,218,144	23.24
1,000,001 and above	25	2.23	206,708,849	76.00
	1,123	100.00	272,004,000	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Xpress Credit Limited	86,910,000	31.95	-	-
China Credit Singapore Pte Ltd (1)	-	-	86,910,000	31.95
Xpress Group Limited (2)	-	-	86,910,000	31.95
Prime Star Group Co Ltd (3)	-	-	86,910,000	31.95
Chan Yoke Keow (4)	-	-	86,910,000	31.95
Chan Heng Fai (5)	-	-	86,910,000	31.95
Sin Keng Choo	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 86,910,000 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 86,910,000 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 86,910,000 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 86,910,000 shares held by XCL by virtue of Section 7 of the Companies Act, Chapter 50.

(5) Chan Heng Fai is the spouse of Chan Yoke Keow and is deemed interested in the 86,910,000 shares held by XCL by virtue of Section 7 of the Companies Act, Chapter 50.

Statistics of Shareholdings

AS AT 18 MARCH 2009

DISTRIBUTION OF SHAREHOLDINGS

Size of Holding	Number of Shareholders	%	Number of Shares	%
1 - 999	6	0.53	2,570	0.00
1,000 - 10,000	464	41.32	2,074,437	0.76
10,001 - 1,000,000	628	55.92	63,218,144	23.24
1,000,001 and above	25	2.23	206,708,849	76.00
Total	1,123	100.00	272,004,000	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	UOB Kay Hian Pte Ltd	87,910,000	32.32
2	Sin Keng Choo @ Ng Nyet Chin	40,000,000	14.71
3	Ang Hay Kim	13,116,000	4.82
4	China Display Fixtures Co Ltd	11,500,000	4.23
5	Au Ah Yian	10,740,000	3.95
6	Lau Eng Khoon	6,500,000	2.39
7	Ng Cheng Chuan	4,973,000	1.83
8	Seah Siew Heng	2,971,000	1.09
9	Mayban Nominees (S) Pte Ltd	2,702,000	0.99
10	Lim Chye Huat @ Bobby Lim Chye Huat	2,563,000	0.94
11	Phillip Securities Pte Ltd	2,399,000	0.88
12	DBS Vickers Securities (S) Pte Ltd	2,279,000	0.84
13	Low Woo Swee @ Loh Swee Teck	2,000,000	0.74
14	Tan Cheng Soi	1,806,000	0.66
15	Ho Chan	1,799,000	0.66
16	Lim Tiong Kheng Steven	1,700,000	0.62
17	Lim Teck Guan	1,517,000	0.56
18	Low Chui Heng	1,500,000	0.55
19	United Overseas Bank Nominees Pte Ltd	1,429,000	0.53
20	DBS Nominees Pte Ltd	1,265,849	0.47
	Total	200,669,849	73.78

Notice of Annual General Meeting

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of SingXpress Ltd. ("the Company") will be held at Swissotel Merchant Court Singapore, Maplewood Room, Level 1, 20 Merchant Road, Singapore 058281 on Thursday, 30 April 2009 at 10.00 a.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 year ended 31 December 2008 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 Heng Fai	(Retiring under Article 95)	**(Resolution 2)**
Mr Chan Tung Moe	(Retiring under Article 95)	**(Resolution 3)**
Mr Liew Keow Seng	(Retiring under Article 77)	**(Resolution 4)**

   Mr Chan Heng Fai will, upon re-election as a Director of the Company, remain as the Executive Chairman of the Company and will be considered non-independent.

   Mr Chan Tung Moe will, upon re-election as a Director of the Company, remain as a member of the Audit, Nominating and Remuneration Committees and will be considered non-independent.

   Mr Liew Keow Seng 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.

3. To approve the payment of Directors' fees of S$73,218 for the year ended 31 December 2008 (2007: S$68,685). **(Resolution 5)**

4. To re-appoint Messrs Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**

5. To transact any other ordinary business which may properly be transacted at an 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 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 Instrument 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 fifty per centum (50%) of the total number of issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(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 in the capital of the Company 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) the 50% limit in sub-paragraph (1) above may be increased to 100% for the Company to undertake pro-rata renounceable rights issues;

(4) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited 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

(5) 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 (i)] **(Resolution 7)**

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 at a discount not exceeding twenty per centum (20%) to the weighted average price for trades done on the 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 :-

(a) in exercising the authority conferred by this Resolution, the Company complies with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST); and

(b) unless revoked or varied by the Company in 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)**

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 (iii)] **(Resolution 9)**

By Order of the Board

Yeo Poh Noi Caroline
Secretary
Singapore, 14 April 2009

Explanatory Notes:

(i) The Ordinary Resolution 7 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, 50% of the total number of issued shares in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders. The 50% limit referred to in the preceding sentence may be increased to 100% for the Company to undertake pro-rata renounceable rights issues.

For determining the aggregate number of shares that may be issued, the total number of issued shares in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

The 100% renounceable pro-rata rights issue limit is one of the new 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. It will provide the Directors with an opportunity to raise funds and avoid prolonged market exposure by reducing the time taken for shareholders' approval, in the event the need arises. Minority shareholders' interests are mitigated as all shareholders have equal opportunities to participate and can dispose their entitlements through trading of nil-paid rights if they do not wish to subscribe for their rights shares. It is subject to the condition that the Company makes periodic announcements on the use of the proceeds as and when the funds are materially disbursed and provides a status report on the use of proceeds in the annual report.

(ii) The Ordinary Resolution 8 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. 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 Listing Manual 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.

(iii) The Ordinary Resolution 9 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 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.

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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 30 April 2009 at 10.00 a.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 2008		
2	Re-election of Mr Chan Heng Fai as a Director		
3	Re-election of Mr Chan Tung Moe as a Director		
4	Re-election of Mr Liew Keow Seng as a Director		
5	Approval of Directors' fees amounting to S$73,218		
6	Re-appointment of Messrs Ernst & Young LLP as Auditors		
7	Authority to issue shares		
8	Authority to issue shares up to discount of 20%		
9	Authority to issue shares under the Futuristic Share Option Scheme		

Dated this .... day of 2009

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.

Corporate Information

BOARD OF DIRECTORS

Executive
Chan Heng Fai (Chairman)
Chan Tong Wan

Non Executive
Chan Yoke Keow (Non-Independent)
Chan Tung Moe (Non-Independent)
Liew Keow Seng (Independent)
Lim Soon Hock (Independent)

AUDIT COMMITTEE

Liew Keow Seng (Chairman)
Lim Soon Hock
Chan Tung Moe

NOMINATING COMMITTEE

Lim Soon Hock (Chairman)
Liew Keow Seng
Chan Tung Moe

REMUNERATION COMMITTEE

Lim Soon Hock (Chairman)
Liew Keow Seng
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.
3 Church Street
#08-01 Samsung Hub
Singapore 049483
Tel : 65 - 6536 5355
Fax : 65 - 6536 1360

SingXpress Ltd

8 Eu Tong Sen Street
#23-81 Central @ Clarke Quay
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Tel: 65 - 6533 9023
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