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Overseas Regulatory Announcement

This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the attached announcement of SingXpress Land Ltd, which is listed on the Singapore Exchange Securities Trading Limited and a 62.82% owned subsidiary of Xpress Group Limited.

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

Hong Kong, 27 September, 2011

As at the date of this announcement, the Board comprises of the executive directors Mr. Chan Heng Fai, Mr. Chan Tong Wan, Ms. Chan Yoke Keow and non-executive director Mr. Fong Kwok Jen as well as independent non-executive directors Mr. Wong Dor Luk, Peter, Mr. Wong Tat Keung and Mr. Chan King Fai.

SINGXPRESS LAND LTD

Registration No. 198803164K

(Incorporated in Singapore) (the “Company”)

DESPATCH OF CIRCULAR

The Board of Directors of the Company (the “Board”) refers to its announcement made on 25 August 2011 in relation to the Rights Issue (the “Announcement”). As stated in the Announcement, the Company will be seeking the approval of the shareholders of the Company (the “Shareholders”) for the Rights Issue and for the issue of the Rights Shares pursuant thereto. Unless otherwise defined herein, all terms and references used herein shall bear the same being ascribed to them in the Announcement.

In this connection, the Board wish to inform Shareholders that the Company has today despatched to them a circular (the “Circular”) dated 27 September 2011 in relation to the Rights Issue.

The Company will be convening an Extraordinary General Meeting (the “EGM”) for the approval of the proposal in the Circular. A copy of the Notice of EGM is attached to this announcement.

Shareholders are requested to note the following important dates and times in respect of the EGM:-

| | | |
|--|---|---|
| Last date and time for lodgment of Proxy Form | : | 10 October 2011 at 10.00 a.m. |
| Date and time of Extraordinary General Meeting | : | 12 October 2011 at 10.00 a.m. |
| Place of Extraordinary General Meeting | : | 883 North Bridge Road #09-05 Southbank Singapore 198785 |

Shareholders who do not receive the Circular within a week from the date hereof should contact the share registrar of the Company at the following address:-

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

A copy of the Circular will also be available on the website of the Singapore Exchange Securities Trading Limited at www.sgx.com. Shareholders are advised to read the Circular carefully.

RESPONSIBILITY STATEMENT

The Directors of the Company (including those who have been delegated supervision of this announcement) have collectively and individually accepted full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed in this announcement are accurate and fair in all material aspects as at the date hereof, and that there are no material facts the omission of which would make this announcement misleading.

BY ORDER OF THE BOARD

Chan Tong Wan
Executive Director

27 September 2011

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited, for compliance with the relevant rules of the Exchange. The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Bernard Lim (Telephone: 65-6221 5590) at 79 Anson Road #15-03 Singapore 079906.

SINGXPRESS LAND LTD.

(Company Registration No. 198803164K)
(Incorporated in Singapore)



NOTICE OF EXTRAORDINARY GENERAL MEETING

All capitalised terms in this Notice of Extraordinary General Meeting and defined in the circular dated 27 September 2011 (the "Circular") shall, unless otherwise defined herein, bear the respective meanings ascribed thereto in the Circular.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of SingXpress Land Ltd. (the "**Company**") will be held at 883 North Bridge Road, #09-05 Southbank, Singapore 198785 on 12 October 2011 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution:-

ORDINARY RESOLUTION: THE RIGHTS ISSUE

That approval be and is hereby given to the directors of the Company ("**Directors**"):-

- (a) to allot and issue up to 2,997,515,464 new ordinary shares in the capital of the Company ("**Rights Shares**") at an issue price of S\$0.01 for each Rights Share on the basis of eight (8) Rights Shares for every one (1) existing ordinary share in the capital of the Company held by shareholders of the Company as at a date and time to be determined by the Directors, fractional entitlements to be disregarded (the "**Rights Issue**"), on such terms and conditions to be set out in the Offer Information Statement to be lodged with the Singapore Exchange Securities Trading Limited acting as agent for and on behalf of the Monetary Authority of Singapore; and
- (b) to complete and do all acts and things (including executing all such documents as may be required in connection with the Rights Issue, and the issue of the Rights Shares) and exercise such discretion as the Directors may be in their absolute discretion deem fit, advisable or necessary to give full effect to this Ordinary Resolution and the issue of the Rights Shares.

By Order of the Board
Chan Heng Fai
Managing Director
27 September 2011

Notes:

- (1) A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
- (2) If the appointer is a corporation, the instrument appointing a proxy must be under seal or the hand of its duly authorised officer or attorney.
- (3) The instrument appointing a proxy must be deposited at the Company's Registered Office not less than 48 hours before the time set for the Extraordinary General Meeting or any postponement or adjournment thereof.

This Notice has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited, for compliance with the relevant rules of the Exchange. The Company's Sponsor has not independently verified the contents of this Notice.

This Notice has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this Notice, including the correctness of any of the statements or opinions made or reports contained in this Notice.

The contact person for the Sponsor is Mr. Bernard Lim (Telephone: 65-6221 5590) at 79 Anson Road #15-03 Singapore 079906.

CIRCULAR DATED 27 SEPTEMBER 2011

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your issued and fully paid-up ordinary shares in the capital of SingXpress Land Ltd. (the "**Company**"), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the enclosed Proxy Form to the purchaser or transferee, or the stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

An application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of and quotation for the Rights Shares (as defined herein). An appropriate announcement will be made by the Company upon the receipt of the listing and quotation notice including the conditions that may be required to be fulfilled. In the event that the listing and quotation notice for the Rights Shares is issued by the SGX-ST, such approval is not to be taken as indication of the merits of the Rights Issue (as defined herein), the Rights Shares, the Company, its subsidiaries and their securities.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the SGX Main Board. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**") for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this Circular. **This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.**

The contact person for the Sponsor is Mr Bernard Lim (Telephone: 65-6221 5590) at 79 Anson Road #15-03 Singapore 079906.



SINGXPRESS LAND LTD.
(Company Registration No. 198803164K)
(Incorporated in Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE OF UP TO 2,997,515,464 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE "RIGHTS SHARES") AT AN ISSUE PRICE OF S\$0.01 FOR EACH RIGHTS SHARE, ON THE BASIS OF EIGHT (8) RIGHTS SHARES FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT A BOOKS CLOSURE DATE (AS DEFINED HEREIN) TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "RIGHTS ISSUE")

Underwriter for the Rights Issue



PHILLIP SECURITIES PTE LTD
(Incorporated in the Republic of Singapore)
(Company Registration No. 197501035Z)

IMPORTANT DATES AND TIMES

| | | |
|--|---|---|
| Last date and time for lodgment of Proxy Form | : | 10 October 2011 at 10.00 a.m. |
| Date and time of Extraordinary General Meeting | : | 12 October 2011 at 10.00 a.m. |
| Place of Extraordinary General Meeting | : | 883 North Bridge Road #09-05 Southbank Singapore 198785 |

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DEFINITIONS

Unless the context otherwise requires, the following words and expressions shall have the following meanings:

- "Announcement"** : The announcement made by the Company on 25 August 2011 in relation to the Rights Issue
- "ARE"** : Application form for Rights Shares and Excess Rights Shares to be issued to Entitled Depositors in respect of the provisional allotments of Rights Shares of such Entitled Depositors under the Rights Issue
- "ARS"** : Application form for Rights Shares to be issued to purchasers in respect of the provisional allotments of Rights Shares under the Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system
- "Board"** : The board of Directors of the Company as at the date of this Circular
- "Books Closure Date"** : The time and date to be fixed at and on which, subject to the approval of the Rights Issue being obtained at the EGM, the Register of Members and the Share Transfer Books of the Company will be closed to determine the provisional allotments of Rights Shares of Entitled Shareholders under the Rights Issue
- "Business Day"** : A day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in Singapore
- "CDP"** : The Central Depository (Pte) Limited
- "Circular"** : This circular to Shareholders dated 27 September 2011
- "Closing Date"** : The last date for acceptance and/or excess application and payment for the Rights Shares under the Rights Issue at the time and in the manner to be set out in the Offer Information Statement, or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company subsequent to the despatch of the Offer Information Statement
- "Code"** : The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
- "Companies Act"** : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
- "Company"** : SingXpress Land Ltd.
- "Convertible Bonds"** : Zero coupon convertible bonds due 2014 issued and allotted by the Company on 9 November 2010 that are convertible into Shares, in accordance with the terms and conditions of the convertible bonds and the requirements set forth in the Trust Deed (as defined in the offer information statement dated 19 October 2010)
- "CPF"** : Central Provident Fund

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| "CPF Approved Bank" | : | Any bank appointed by the CPF Board to be an agent bank under The Central Provident Fund (Investment Schemes) Regulations |
| "CPF Funds" | : | The CPF account savings of CPF members under the CPF Investment Scheme – Ordinary Account |
| "CPF Investment Account" | : | An account opened by a member of CPF with a CPF Approved Bank from which money may be withdrawn for, <i>inter alia</i> , payment of the Rights Shares pursuant to the Rights Issue |
| "Directors" | : | The directors of the Company as at the date of this Circular |
| "EGM" | : | The extraordinary general meeting of the Company, notice of which is given in the Notice of Extraordinary General Meeting set out on page 29 of this Circular |
| "Entitled Depositors" | : | Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents |
| "Entitled Scripholders" | : | Shareholders whose share certificates have not been deposited with CDP and who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents |
| "Entitled Shareholders" | : | Entitled Depositors and Entitled Scripholders |
| "EPS" | : | Earnings per Share |
| "Excess Rights Shares" | : | The provisional allotment of Rights Shares which are not taken up by the Entitled Shareholders as at the close of the Rights Issue, and which may be applied for by Entitled Shareholders which are in excess of the number of Rights Shares provisionally allotted to such Entitled Shareholders |
| "Existing Shares" | : | Ordinary shares in the capital of the Company prior to the Rights Issue |
| "Foreign Shareholders" | : | Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least five (5) Market Days prior to the Books Closure Date, provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents |
| "FP2010" | : | 15-Month financial period from 1 January 2010 to 31 March 2011 |
| "FY" | : | Financial year |
| "Group" | : | The Company and its subsidiaries |

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| "Issue Price" | : | The issue price of the Rights Shares, being S\$0.01 for each Rights Share |
| "Latest Practicable Date" | : | 17 September 2011, being the latest practicable date prior to the printing of this Circular |
| "Letter of Undertaking" | : | The undertaking letter dated 25 August 2011 from the Undertaking Shareholder to the Company, further details of which are set out in Section 2.6 of this Circular |
| "Listing Manual" | : | The listing manual (Section B: Rules of Catalist) of the SGX-ST, as amended or modified from time to time |
| "Market Day" | : | A day on which the SGX-ST is open for trading in securities |
| "MAS" | : | The Monetary Authority of Singapore |
| "NTA" | : | Net tangible assets |
| "Offer Information Statement" | : | The offer information statement referred to in Section 277 of the SFA, together with the PAL, the ARE and all other accompanying documents, including any supplementary or replacement document, which may be issued by the Company in connection with the Rights Issue |
| "Options" | : | Share options issued by the Company |
| "PAL" | : | The provisional allotment letter to be issued to Entitled Scripholders setting out the provisional allotments of Rights Shares to such Entitled Scripholders under the Rights Issue |
| "Record Date" | : | In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions |
| "Register of Members" | : | The register of members of the Company |
| "Rights Issue" | : | The proposed renounceable underwritten rights issue of up to 2,997,515,464 new Shares at the Issue Price, on the basis of eight (8) Rights Shares for every one (1) existing Share held by Shareholders as at the Books Closure Date, fractional entitlements to be disregarded |
| "Rights Shares" | : | Up to 2,997,515,464 new Shares to be allotted and issued by the Company pursuant to the Rights Issue |
| "Securities Account" | : | Securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent) |
| "SFA" | : | Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time |
| "SGX-ST" | : | Singapore Exchange Securities Trading Limited |
| "Share Registrar" | : | Boardroom Corporate & Advisory Services Pte. Ltd. |

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| "Shares" | : | Ordinary shares in the capital of the Company |
| "Shareholders" | : | Registered holders of Shares, except that where the registered holder is CDP, the term " Shareholders " shall, in relation to such Shares, and where the context admits, mean the persons named as Depositors and into whose Securities Accounts are credited with Shares |
| "Sponsor" | : | SAC Capital Private Limited |
| "Substantial Shareholder" | : | A person who has an interest or interests in voting shares in the Company representing not less than 5% of all the voting shares in the Company |
| "Undertaking Shareholder" | : | XCL, the controlling shareholder of the Company which holds an aggregate of 233,688,000 Shares, representing approximately 62.82% of the total Shares as at the Latest Practicable Date |
| "Undertaken Shares" | : | Has the meaning ascribed to it in Section 2.6 of this Circular |
| "Underwriter" | : | Phillip Securities Pte Ltd |
| "Underwriting Agreement" | : | The underwriting agreement dated 25 August 2011 entered into between the Company and the Underwriter pursuant to which the Underwriter agrees to underwrite the Underwritten Shares |
| "Underwritten Shares" | : | The Rights Shares less the Undertaken Shares which shall be underwritten by the Underwriter in accordance with the terms and subject to the conditions of the Underwriting Agreement, and which amounts to 1,132,011,464 Rights Shares |
| "XCL" | : | Xpress Credit Limited |
| "XCL Loan" | : | Has the meaning ascribed to it in Section 2.4.1 of this Circular |
| "S\$" and "cents" | : | Singapore dollars and cents, respectively |
| "%" or "per cent." | : | Per centum or percentage |

The expressions "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively by Section 130A of the Companies Act.

Words importing the singular shall where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference to time and day in this Circular shall be a reference to Singapore time. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA or the Listing Manual or any modification thereof and not otherwise defined in this Circular shall have the same meaning ascribed to it under the Companies Act, the SFA or the Listing Manual or any modification thereof, as the case may be, unless otherwise provided.

The total figures listed in certain tables included in this Circular may not be the same as the arithmetic addition of the figures. Any such discrepancies are due to rounding off.

SINGXPRESS LAND LTD.
(Company Registration No. 198803164K)
(Incorporated in Singapore)

Board of Directors:

Yeo Wee Kiong (Non-Executive Chairman)
Chan Heng Fai (Managing Director)
Chan Tong Wan (Executive Director)
Chan Tung Moe (Executive Director)
Chan Yoke Keow (Non-Executive Director)
Ong Beng Kheong (Independent Non-Executive Director)
Wong Tat Keung (Independent Non-Executive Director)

Registered Office:

883 North Bridge Road
#15-04 SouthBank
Singapore 198785

27 September 2011

To: The Shareholders of SingXpress Land Ltd.

Dear Sir / Madam

THE PROPOSED RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE OF UP TO 2,997,515,464 RIGHTS SHARES AT AN ISSUE PRICE OF S\$0.01 FOR EACH RIGHTS SHARE, ON THE BASIS OF EIGHT (8) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE HELD BY SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1. INTRODUCTION

On 25 August 2011, the Board of Directors announced the Rights Issue. The Rights Issue is subject to, *inter alia*, the following:-

- (a) the approval of the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Official List of the Catalist;
- (b) the approval by the Shareholders of the Rights Issue at an extra-ordinary general meeting of the Company; and
- (c) the lodgement of the Offer Information Statement with the SGX-ST as agent for and on behalf of the MAS.

The purpose of this Circular is to provide Shareholders with, *inter alia*, information pertaining to the Rights Issue and to seek Shareholders' approval for the Rights Issue at the EGM.

2. THE RIGHTS ISSUE

The Company has obtained a general share issue mandate (the "**General Mandate**") at its annual general meeting held on 15 July 2011 to allot and issue Shares and convertible securities in the Company up to an amount not exceeding in aggregate, 100% of the issued share capital of the Company of which the total number of Shares and convertible securities issued other than on a pro-rata basis to existing Shareholders shall not exceed 50% of the issued share capital of the Company at the time the relevant resolution was passed, for such purposes and to such persons as the Directors may in their absolute discretion deem fit.

As the number of Rights Shares proposed to be issued is in excess of the limit authorised by the General Mandate, the Rights Issue and the issue of the Rights Shares pursuant thereto will be subject to the specific approval of the Shareholders. The Company will retain the General Mandate for any possible future corporate exercises that involve the allotment and issue of Shares and convertible securities in the Company.

2.1 Overview of the Rights Issue

The Rights Issue is proposed to be made on a renounceable basis to Entitled Shareholders on the basis of eight (8) Rights Shares for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date at an issue price of S\$0.01, fractional entitlements to be disregarded.

The Rights Issue is underwritten by Phillip Securities Pte Ltd, details of which are set out in **Section 2.7** of this Circular.

The Issue Price represents a discount of approximately 56.5% to the closing price of S\$0.023 per Share on the SGX-ST on 18 August 2011. From 19 August 2011 to 24 August 2011, being the last trading day of the Shares on the Catalist prior to the date of the Announcement, there were no trades done.

As at the Latest Practicable Date, there are outstanding Convertible Bonds that are convertible into Shares and there are outstanding Options for the subscription of up to 20,000,000 Shares. Save for S\$80,563 of the Convertible Bonds which are convertible into 2,685,433 Shares, XCL, being the holder of the other Convertible Bonds of an aggregate amount of S\$13,239,677, and the holder of the outstanding Options, Mr. Yeo Wee Kiong, have undertaken not to exercise their respective conversion rights and subscription rights on or before the Books Closure Date.

For illustrative purposes only, based on the Company's issued share capital of 372,004,000 Shares as at the Latest Practicable Date, up to 2,976,032,000 Rights Shares would be issued. Assuming the full conversion of S\$80,563 of the Convertible Bonds, there will be an additional 21,483,464 Rights Shares issuable under the Rights Issue. Accordingly, in the event of full subscription, 2,997,515,464 Rights Shares amounting to S\$29,975,154 would be raised.

XCL, a Substantial Shareholder holding approximately 62.68% of the issued share capital of the Company as at the date of the Announcement has also undertaken to the Company pursuant to the Letter of Undertaking to, *inter alia*, vote in favour of all resolutions relating to the Rights Issue proposed to be passed at the EGM and subscribe for all the Undertaken Shares at the Issue Price. XCL will set-off the full amount of the subscription monies that it is liable to pay for the Rights Shares subscribed by it pursuant to its rights entitlements and its undertaking under the Letter of Undertaking against an equivalent amount of the XCL Loan which is to be repaid to XCL upon the Company's receipt of any or all proceeds under the Rights Issue. Further details of XCL's undertakings are set out in **Section 2.6** of this Circular.

The Rights Shares are payable in full upon acceptance of the provisional allotments of the Rights Shares and/or application for the Excess Rights Shares. The Rights Shares, when allotted and issued, will rank *pari passu* in all respects with the then Existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which falls on or after the date of issue of the Rights Shares.

Entitled Shareholders will be at liberty to accept (in full or in part), decline, or otherwise renounce or trade (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Fractional entitlements to the Rights Shares will be disregarded in arriving at the Shareholders' entitlements and will, together with the provisional allotments which are not taken up for any reason, be aggregated and used to satisfy excess applications (if any), or disposed of or otherwise dealt with in such manner as the Directors, in their absolute discretion may deem fit for the benefit of the Company. In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and Substantial Shareholders and Directors will rank last in priority.

2.2 Principal Terms of the Rights Issue

| | | |
|--|---|---|
| Issue Size | : | Up to 2,997,515,464 Rights Shares |
| Basis of Provisional Allotment | : | Eight (8) Rights Shares for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded |
| Issue Price | : | The subscription price of S\$0.01 for each Rights Share, payable in full on acceptance of the provisional allotments of the Rights Shares and/or application for the Excess Rights Shares |
| Status of the Rights Shares | : | The Rights Shares, when allotted and issued, will rank <i>pari passu</i> in all respects with the then Existing Shares save for any dividends, rights, allotments or other distributions, the Record Date for which falls on or after the date of issue of the Rights Shares |
| Eligibility to Participate in Rights Issue | : | Please refer to Section 3 of this Circular |
| Listing of the Rights Shares | : | The Company will be seeking the listing of and quotation for the Rights Shares on the Catalist |
| Trading of the Rights Shares | : | Upon the listing of and quotation for the Rights Shares on the Catalist, the Rights Shares will be traded on the SGX-ST under the book-entry (scripless) settlement system |
| Use of CPF Funds | : | Entitled Shareholders who are CPF members participating in CPF's investment scheme may use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF accounts to pay for the subscription of their provisional allotments of the Rights Shares and (if applicable) the application for Excess Rights Shares, if they had previously bought their Shares using CPF Funds. Such Entitled Shareholder who wish to accept the provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares using their CPF Funds will need to instruct their respective CPF Approved Banks, where they hold their CPF Investment Accounts, to accept and (if applicable) apply for the Rights Shares on their behalf. CPF Funds may not, however, be used for the purchase of the provisional allotment of Rights Shares directly from the market |
| Underwriting | : | The Underwriter has, in connection with the Rights Issue, agreed to underwrite up to 1,132,011,464 Rights Shares (being the aggregate number of Rights Shares, less the Undertaken Shares) which are not validly subscribed and/or applied for at the close of the Rights Issue, on the terms and subject to the conditions contained in the Underwriting Agreement |
| Irrevocable Undertaking | : | Please refer to Section 2.6 of this Circular |
| Governing Law | : | Laws of the Republic of Singapore |

The above terms and conditions of the Rights Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights Issue will be set out in the Offer Information Statement to be despatched by the Company to Entitled Shareholders in due course, subject to, *inter alia*, the approval of Shareholders for the Rights Issue at the EGM.

2.3 Conditions for the Rights Issue

The Rights Issue is subject to, *inter alia*, the following:-

- (i) the approval in-principle from the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Official List of the Catalist (and such approval not having been withdrawn or revoked on or prior to the Closing Date);
- (ii) the approval by the Shareholders of the Rights Issue at the EGM; and
- (iii) the lodgement of the Offer Information Statement and its accompanying documents with the SGX-ST as agent for and on behalf of the MAS.

2.4 Purpose of Rights Issue and Use of Proceeds

2.4.1 Purpose

The Rights Issue is an initiative to strengthen the Group's financial position, increase the Company's capital base and strengthen its balance sheet.

As announced on 3 June 2011 and set out in a circular dated 30 June 2011 to Shareholders, the Company, through its wholly-owned subsidiary SingXpress Land (Pasir Ris) Ltd and jointly with Kay Lim Holdings Pte Ltd, was successful in a tender to acquire a land parcel at Pasir Ris Central/Pasir Ris Drive 1 for developing public housing under the Design, Build and Sell Scheme operated by the Housing Development Board of Singapore (the "**DBSS Project**"). The total acquisition and development cost for the DBSS Project is currently estimated at S\$253.88 million for which the Company shall have to bear S\$203.104 million. Prior to the DBSS Project, the Company had also embarked on two other property acquisition and redevelopment projects involving Foh Pin Mansion at Charlton Road (the "**Charlton Project**") and Waldorf Mansions (the "**Waldorf Project**") at 235 Balestier Road in the 15-month financial period ended 31 March 2011, details of which are set out in the announcements dated 1 July 2010 and 25 November 2010, and the circulars dated 21 September 2010 and 31 January 2011.

For the Charlton Project, bank financing for the en-bloc acquisition and construction was put in place in November 2010. The acquisition cost of S\$21.4 million has been fully paid and the acquisition was completed in November 2010. As at the Latest Practicable Date, the Group has received the preliminary permission, written permission and building permission, and the demolition of Foh Pin Mansion at Charlton Road has been completed. Pre-sale of the units under the Charlton Project is targeted to begin in early November 2011.

For the Waldorf Project, the financing for the en-bloc acquisition and construction was put in place in April 2011. The acquisition cost of S\$21 million has been fully paid and the acquisition was completed in April 2011. As at the Latest Practicable Date, the Group has received the preliminary permission, and the property will be vacated by the end of October 2011. Pre-sale of the units under the Waldorf Project is targeted to begin in the second half of 2012.

For the DBSS Project, bank financing for the acquisition and construction was put in place in August 2011. The acquisition cost of S\$123.88 million has been fully paid and the acquisition was completed in August 2011. As at the Latest Practicable Date, the Group has taken possession of the site and submitted its plans for review by the Housing and Development Board. Pre-sale of the units under the DBSS Project is targeted to begin in the first half of 2012.

In connection with the three (3) real estate projects referred to above (collectively, referred to as the “**Major Projects**”) and other funding requirements of the Company, the Company’s controlling shareholder, XCL (a subsidiary of Xpress Group Limited, a Hong Kong listed company with shareholders’ funds of approximately S\$140 million as at 31 March 2011) had extended to the Company from time to time, interest free loans repayable on demand. Apart from the loans from XCL, the funds required for the Major Projects have substantially been obtained through bank borrowings from financial institutions.

As stated in the Announcement, XCL had extended to the Company interest free loans repayable on demand amounting to approximately S\$32,213,000 as at the date of the Announcement (the “**XCL Loan**”). The XCL Loan primarily consists of recent funding provided by XCL for the DBSS Project between May 2011 and August 2011 totalling approximately S\$30,500,000. The balance of the XCL Loan was extended by XCL to the Company to fund the other real estate projects undertaken by the Group during the past year and as working capital for the Group.

As at the Latest Practicable Date, the outstanding indebtedness under the XCL Loan has increased by S\$475,000 to S\$32,688,000 due to further funding provided by XCL as working capital for the Group.

The Company is negotiating with a third party investment fund for the potential purchase of a partial stake in its existing DBSS Project. In the event that the transaction materialises, it may constitute a discloseable transaction under Chapter 10 of the Listing Manual, and the Company will make further announcements as required under the Listing Manual as and when appropriate.

The Company is also considering creating a third party property fund to be managed by the Company. It is envisaged that, if successfully launched, this fund would provide the Company with a platform to consider co-investing and/or managing a greater quantity and variety of property development projects. In this connection, the Company may consider injecting some of its holdings in existing property assets into this fund. However, please note that the fund may or may not be launched, and the Company will make further announcements as required under the Listing Manual as and when appropriate.

2.4.2 *Use of Proceeds*

The Company is proposing to undertake the Rights Issue to raise estimated net proceeds of up to S\$29,415,000¹ (“**Net Proceeds**”) (assuming that the maximum number of Rights Shares are fully subscribed and after deducting estimated transaction expenses and underwriting commission approximately S\$560,000).

The Company intends to utilize the Net Proceeds as follows:-

- (a) The sum of S\$18,655,040, to repay part of the XCL Loan provided by XCL to initially fund the investment in the DBSS Project; and
- (b) The balance sum of S\$10,759,960, for working capital requirements relating to the DBSS Project.

Pursuant to the Letter of Undertaking, XCL has provided an undertaking to the Company that it will subscribe for its rights entitlements. XCL will set off the sum of S\$18,655,040 of the XCL Loan to be repaid by the Company to XCL against the same amount in respect of the aggregate amount of subscription monies due and payable by XCL for the Rights Shares subscribed by it pursuant to its rights entitlements and its undertaking under the Letter of Undertaking. The set off arrangement is a condition of the XCL’s undertaking under

¹ This is based on a total of 2,997,515,464 Rights Shares, comprising 2,976,032,000 Rights Shares issued based on the Company’s issued and paid-up capital of 372,004,000 Shares as at the Latest Practicable Date, and 21,483,464 Rights Shares issued, assuming the full conversion of S\$80,563 of the Convertible Bonds into 2,685,433 Shares. Please refer to **Section 2.1** of this Circular.

the Letter of Undertaking. Further details of XCL's undertaking are set out in **Section 2.6** of this Circular.

Pending the deployment of the net proceeds from the Rights Issue, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities or used for any other purposes of a short-term nature, as the Directors may deem appropriate in the interests of the Group.

The Company will make periodic announcements on the use of proceeds from the Rights Issue when materially disbursed and provide a status report on the use of proceeds in the annual report.

2.5 Allotment of Excess Rights Shares

In the allotment of any Excess Rights Shares, preference will be given to the rounding of odd lots and Directors and Substantial Shareholders will rank last in priority.

2.6 Irrevocable Undertaking by XCL

As at the date of the Announcement, XCL holds 233,188,000 Shares, representing approximately 62.68% of the issued share capital of the Company.

To demonstrate its commitment to the Company, XCL had by the Letter of Undertaking, irrevocably undertaken to the Company, *inter alia*, that it:-

- (a) will maintain its direct interest in not less than 233,188,000 Shares until the issue of the Rights Shares under the Rights Issue;
- (b) shall subscribe for all the 1,865,504,000 Rights Shares that it is entitled to subscribe for under the Rights Issue ("**Undertaken Shares**") at the Issue Price; and
- (c) shall vote in favour of all resolutions relating to the Rights Issue proposed to be passed at the EGM.

The agreement and undertakings set out in the Letter of Undertaking are subject to and conditional upon, *inter alia*, the Company agreeing to set-off any amount of subscription monies that XCL is liable to pay for the Rights Shares subscribed by it against the amount of the XCL Loan which is outstanding and owing by the Company to it.

From the period commencing on the date of the Announcement up to and including the Latest Practicable Date, XCL has acquired a further 500,000 Shares. As a result, XCL holds 233,688,000 Shares, representing approximately 62.82% of the issued share capital of the Company as at the Latest Practicable Date. Notwithstanding the increase in XCL's shareholding in the Company, the number of Rights Shares that XCL has undertaken to subscribe for under the Rights Issue and pursuant to the Letter of Undertaking remains at 1,865,504,000.

2.7 Underwriting

The Rights Issue is underwritten by the Underwriter on the terms and conditions of the Underwriting Agreement.

In consideration of the Underwriter's agreement to underwrite the Rights Shares, the Company will pay the Underwriter a commission of 3% of the Issue Price multiplied by the number of Rights Shares less the number of Undertaken Shares. The Underwriter may arrange sub-underwriting for some, all or none of the Rights Shares, other than the Undertaken Shares to be subscribed by XCL.

The obligations of the Underwriter to underwrite the Rights Issue is conditional upon, *inter alia*, the following conditions:

- (a) the approval in-principle being granted by the SGX-ST for the Rights Shares to be listed and quoted on the Official List of the Catalist ("**Listing Approval**"), and, if such approval is subject to condition(s), such condition(s) being satisfactory to the Company and the Underwriter;
- (b) any condition imposed by the SGX-ST in giving the Listing Approval which is required to be fulfilled on or before the date on which the Rights Shares are listed and quoted on the Catalist of the SGX-ST ("**Listing Date**") being fulfilled to the satisfaction of the SGX-ST or waived by it;
- (c) the lodgement of the Offer Information Statement with the SGX-ST as agent for and on behalf of the MAS; and
- (d) there not having been at any time from the date of the Underwriting Agreement up to the date on which the, Rights Shares will be listed on the Catalist of the SGX-ST, or, in the event the Rights Shares are not listed, up to the Market Day immediately following the Market Day on which the Rights Shares are issued:-
 - (i) any material adverse change or any development relating to the affairs of the Company or the Group likely to involve a prospective material adverse change in the financial condition of the Company or the Group from the date of the Underwriting Agreement;
 - (ii) the occurrence of any event or discovery of any fact or circumstance rendering untrue or incorrect or giving rise to a breach in any material respect of any of the representations, warranties, agreements or undertaking contained in the Underwriting Agreement; or
 - (iii) any material breach by the Company of any of its obligations under the Underwriting Agreement.

If at any time prior to the date on which the Shares are traded on an ex-rights basis on the SGX-ST ("**Ex Rights Trading Date**"), there shall develop, occur or come into effect any of the following circumstances:

- (a) any change or prospective change in or any introduction or prospective introduction of any legislation, regulation, order, policy, rule, guideline or directive (whether or not having the force of law, including without limit to the foregoing, any directive or request by the SGX-ST or MAS) or in the interpretation or application thereof by any court, government body, regulatory authority or other competent authority which, in the reasonable opinion of the Underwriter, materially and adversely affects or is likely to materially and adversely affect the business or operations of the Company or the Group and which, in the reasonable opinion of the Underwriter, would be likely to materially or adversely prejudice or affect the success of the proposed Rights Issue; or
- (b) any adverse change or crisis or any development involving significant prospective adverse change or crisis, in monetary, political, financial (including stock market conditions, foreign exchange market and interest rates) or economic conditions in Singapore or internationally or any other occurrence of any nature whatsoever, which, in the reasonable opinion of the Underwriter would be likely to materially and adversely prejudice or affect the success of the proposed Rights Issue,

both the Company and the Underwriter shall be entitled (but not bound), at any time prior to the Ex-Rights Trading Date, after consultation with the other party, to terminate the Underwriting Agreement by notice in writing to the other party and thereupon all obligations between the Company and Underwriter shall cease and determine, and neither party shall have any claim against the other party in respect of anything or any matter arising out of the Underwriting Agreement except in respect of all such reasonable costs, fees and expenses

referred to in the Underwriting Agreement which is incurred by the Underwriter in connection with or incidental to the Rights Issue and transactions associated with it.

3. ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

3.1 Entitled Shareholders

Subject to the fulfilment of the relevant conditions set out in **Section 2.3** of this Circular, Entitled Shareholders will be entitled to participate in the Rights Issue and to receive the Offer Information Statement together with the AREs or PALs, as the case may be, and its accompanying documents at their respective Singapore addresses. Entitled Depositors who do not receive the Offer Information Statement and the AREs may obtain them from CDP during the period up to the Closing Date. Entitled Scripholders who do not receive the Offer Information Statement and the PALs may obtain them from the Share Registrar during the period up to the Closing Date.

Entitled Shareholders will be provisionally allotted the Rights Shares under the Rights Issue on the basis of their shareholdings as at the Books Closure Date. They are at liberty to accept, decline, renounce or in the case of Entitled Depositors only, trade on the Catalist (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotments of Rights Shares and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Fractional entitlements to any Rights Shares will be disregarded and will, together with the provisional allotments which are not taken up or allotted for any reason, be aggregated and allocated to satisfy excess applications (if any) or sold and the net proceeds arising therefrom shall be retained for the benefit of the Company. Full details of the Rights Issue, including an indicative timetable of key events will be set out in the Offer Information Statement to be dispatched to the Entitled Shareholders in due course.

All dealings in and transactions of the provisional allotments of the Rights Shares through the Catalist will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs to be issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the Catalist.

Entitled Scripholders are encouraged to open Securities Accounts if they have not already done so and to deposit their share certificates with CDP before the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and their provisional allotments of Rights Shares.

CPF members who have previously bought their Shares using CPF Funds and wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares will need to instruct their respective CPF Approved Banks, where they hold their CPF Investment Accounts, to accept and (if applicable) apply for the Rights Shares on their behalf using cash and in accordance with the Offer Information Statement. Any acceptance of the Rights Shares and (if applicable) application for excess Rights Shares made directly to CDP or through electronic applications by such CPF members who have previously bought their Shares using CPF Funds, will be rejected. The Rights Shares will not be held through the CPF Investment Accounts.

3.2 Foreign Shareholders

The Offer Information Statement and its accompanying documents relating to the Rights Issue will not be lodged, registered or filed in any jurisdiction other than Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than in Singapore, the Rights Issue is only made in Singapore and the Offer Information Statement and its accompanying documents will not be despatched to Foreign Shareholders or into any jurisdictions outside Singapore.

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of the Rights Shares will be made to Foreign Shareholders and no purported acceptance of the provisional allotments of the Rights Shares or application for the Excess Rights Shares by Foreign Shareholders will be valid.

The Offer Information Statement and its accompanying documents relating to the Rights Issue will also not be despatched to persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited by CDP to their Securities Accounts should make the necessary arrangements with their depository agents or stockbrokers in Singapore.

The Company reserves the right to treat as invalid any ARE, ARS or PAL which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction, (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore or (c) purports to exclude any deemed representation or warranty. The Company further reserves the right to reject any acceptances of the provisional allotments of the Rights Shares and/or applications for Excess Rights Shares where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction.

Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP. Depositors who wish to be eligible to participate in the Rights Issue must notify and provide CDP in writing with an address in Singapore for the purpose of receiving documents relating to the Rights Issue. Depositors are reminded that any request to CDP to update its records or to effect any change in address must reach CDP at 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807, at least three (3) Market Days before the Books Closure Date.

Scripholders who wish to be eligible to participate in the Rights Issue must provide a Singapore address by notifying in writing to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., of 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than five (5) Market Days before the Books Closure Date.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders to be sold "nil-paid" on the Catalist as soon as practicable after dealings in the provisional allotments of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall be retained or dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP, CPF Board, the Share Registrar or their respective officers in connection therewith.

Where such provisional allotments of Rights Shares are sold "nil-paid" on the Catalist, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP, CPF Board, the Share Registrar or their respective officers in respect of such sales or the

proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments of Rights Shares cannot be sold or are not sold on the Catalist as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be allotted and issued to satisfy excess applications for Rights Shares or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP, CPF Board or the Share Registrar in connection therewith. In the allotment of Excess Rights Shares, preference will be given to Shareholders for rounding of odd lots, and Substantial Shareholders and Directors will rank last in priority.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

Notwithstanding the above, Shareholders and any other person having possession of the Offer Information Statement and/or its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving the Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements in those territories. All fractional entitlements to the Rights Shares will be disregarded in arriving at the entitlements of the Entitled Shareholders and will, together with entitlements not allotted or taken up for any reason, be aggregated and issued to satisfy applications, if any, for Excess Rights Shares or sold and the net proceeds arising therefrom shall be retained for the benefit of the Company.

The procedures for, and the terms and conditions applicable to, the acceptance, renunciation and/or sale of the provisional allotments of Rights Shares and for application for Excess Rights Shares pursuant to the Rights Issue will be set out in the Offer Information Statement and its accompanying documents to be despatched by the Company to Entitled Shareholders in the event that the Rights Issue is approved at the EGM.

4. FINANCIAL EFFECTS OF THE RIGHTS ISSUE

The following pro-forma financial effects analysis of the Rights Issue, based on the Company's audited consolidated financial statements for FP2010 have been prepared on, among other things, the following bases and assumptions:-

- (a) in the calculation of the financial effects of the Rights Issue on the NTA and NTA per share as well as gearing, it is assumed that the Rights Issue had been effected on 31 March 2011;
- (b) in the calculation of the financial effects of the EPS, it is assumed that the Rights Issue had been effected on 1 January 2010 and that no returns are earned on the deployment of the proceeds of the Rights Issue; and
- (c) the Rights Issue is fully subscribed for and the Rights Shares are fully allotted and issued.

The pro-forma analysis below has been prepared solely for illustrative purposes and does not purport to be indicative of or a projection of the results and financial position of the Company or the Group after the completion of the Rights Issue.

4.1 Share Capital

The pro-forma financial effects of the Rights Issue on the share capital of the Company are as follows:-

| | As at the Latest Practicable Date | | Adjusted for the Rights Issue assuming non-conversion of S\$80,563 of the Convertible Bonds and 2,976,032,000 Rights Shares are issued ⁽¹⁾ | | Adjusted for the Rights Issue assuming full-conversion of S\$80,563 of the Convertible Bonds and 2,997,515,464 Rights Shares are issued ⁽¹⁾ | |
|----------------------------|-----------------------------------|---------------|---|---------------|--|---------------|
| | S\$'000 | No. of Shares | S\$'000 | No. of Shares | S\$'000 | No. of Shares |
| Issued and paid up capital | 24,974 | 372,004,000 | 54,734 | 3,348,036,000 | 55,030 | 3,372,204,897 |

Note:

(1) Please see **Section 2.1** of this Circular.

4.2 NTA

The pro-forma financial effects of the Rights Issue on the NTA and NTA per Share are as follows:-

| | As at 31 March 2011 | Adjusted for the Rights Issue assuming non-conversion of S\$80,563 of the Convertible Bonds and 2,976,032,000 Rights Shares are issued ⁽¹⁾ | Adjusted for the Rights Issue assuming full-conversion of S\$80,563 of the Convertible Bonds and 2,997,515,464 Rights Shares are issued ⁽¹⁾ |
|------------------------------|---------------------|---|--|
| NTA (in S\$'000) | 13,724 | 42,924 | 43,187 |
| Number of Shares | 372,004,000 | 3,348,036,000 | 3,372,204,897 |
| NTA per Share (in S\$ cents) | 3.69 | 1.28 | 1.28 |

Note:

(1) Please see **Section 2.1** of this Circular.

4.3 Gearing

The pro-forma financial effects of the Rights Issue on the gearing of the Group are as follows:-

| | As at 31 March 2011 ⁽¹⁾ |
|---|------------------------------------|
| Total net borrowings before the Rights Issue (S\$'000) | 31,536 |
| Shareholders' equity (S\$'000) | 13,724 |
| Gearing (times) | 2.30 |
| Total net borrowings after the Rights Issue (S\$'000) | 20,991 ⁽²⁾ |
| Shareholders' equity (S\$'000) | 42,924 |
| Gearing (times) | 0.49 |
| Total net borrowings after the Rights Issue and after conversion of all the Convertible Bonds (S\$'000) | 20,729 |
| Shareholders' equity (S\$'000) | 43,187 |
| Gearing (times) | 0.48 |

***Please read Notes to this table below.**

Notes:

- (1) Gearing is computed based on the ratio of total net borrowings to shareholders' equity as at 31 March 2011. Net borrowings consist of total borrowings less cash and cash equivalents.
- (2) Net borrowings is assumed to decrease to S\$20,991,000 due to an increase in cash and cash equivalents from the net proceeds of the Rights Issue amounting to S\$10.5 million (excluding the S\$18.7 million as part of the repayment of the XCL Loan).

4.4 Earnings and EPS

The pro-forma financial effects of the Rights Issue on the earnings attributable to Shareholders and EPS are as follows:-

| | FP2010 | Adjusted for the Rights Issue assuming non-conversion of S\$80,563 of the Convertible Bonds and 2,976,032,000 Rights Shares are issued ⁽¹⁾ | Adjusted for the Rights Issue assuming full-conversion of S\$80,563 of the Convertible Bonds and 2,997,515,464 Rights Shares are issued ⁽¹⁾ |
|--|----------------------|---|--|
| Earnings attributable to shareholders (in S\$'000) | 1,592 | 1,592 | 1,592 |
| EPS (in S\$ cents) | 0.428 ⁽¹⁾ | 0.048 | 0.047 |

Note:

- (1) Based on 372,004,000 Shares as at the Latest Practicable Date.

5. SHAREHOLDING EFFECTS

5.1 Shareholding Effects

The illustrative effects of the completion of the Rights Issue on the shareholding structure of the Company (based on the shareholding information available to the Company as at the Latest Practicable Date) have been prepared on, among other things, the following bases and assumptions:-

- (a) The Rights Issue is approved by Shareholders;
- (b) XCL does not apply for additional Rights Shares in excess of the number of Undertaken Shares provisionally allotted to it;
- (c) The additional 4,000,000 Rights Shares entitled to be subscribed by XCL pursuant to the 500,000 Shares acquired by it since the date of the Announcement are taken up by the public Shareholders as a result of applications for Excess Rights Shares; and
- (d) The Rights Issue is fully subscribed for and the Rights Shares are fully allotted and issued.

Scenario 1: Assuming that all S\$80,563 of the Convertible Bonds are not converted before the Books Closure Date

| Name | No. of Shares held prior to the completion of the Rights Issue | Shareholding percentage prior to the completion of the Rights Issue (%) | No. of Rights Shares Subscribed | No. of Shares held immediately after the completion of the Rights Issue | Shareholding percentage immediately after the completion of the Rights Issue (%) |
|--------------------------------|--|---|---------------------------------|---|--|
| Substantial Shareholder | | | | | |
| Xpress Credit Limited | 233,688,000 | 62.82 | 1,865,504,000 | 2,099,192,000 | 62.70 |
| Directors | | | | | |
| Yeo Wee Kiong | - | - | - | - | - |
| Chan Heng Fai | - | - | - | - | - |
| Chan Tong Wan | - | - | - | - | - |
| Chan Yoke Keow | - | - | - | - | - |
| Chan Tung Moe | - | - | - | - | - |
| Wong Tat Keung | - | - | - | - | - |
| Ong Beng Kheong | - | - | - | - | - |
| Public Shareholders | 138,316,000 | 37.18 | 1,110,528,000 | 1,248,844,000 | 37.30 |
| Total | 372,004,000 | 100.00 | 2,976,032,000 | 3,348,036,000 | 100.00 |

Scenario 2: Assuming that all S\$80,563 of the Convertible Bonds are converted before the Books Closure Date

| Name | No. of Shares held prior to the completion of the Rights Issue | Shareholding percentage prior to the completion of the Rights Issue (%) | No. of Rights Shares Subscribed | No. of Shares held immediately after the completion of the Rights Issue | Shareholding percentage immediately after the completion of the Rights Issue (%) |
|--------------------------------|--|---|---------------------------------|---|--|
| Substantial Shareholder | | | | | |
| Xpress Credit Limited | 233,688,000 | 62.37 | 1,865,504,000 | 2,099,192,000 | 62.25 |
| Directors | | | | | |
| Yeo Wee Kiong | - | - | - | - | - |
| Chan Heng Fai | - | - | - | - | - |
| Chan Tong Wan | - | - | - | - | - |
| Chan Yoke Keow | - | - | - | - | - |
| Chan Tung Moe | - | - | - | - | - |
| Wong Tat Keung | - | - | - | - | - |
| Ong Beng Kheong | - | - | - | - | - |
| Public Shareholders | 141,001,433 | 37.63 | 1,132,011,464 | 1,273,012,897 | 37.75 |
| Total | 374,689,433 | 100.00 | 2,997,515,464 | 3,372,204,897 | 100.00 |

6. OFFER INFORMATION STATEMENT

An Offer Information Statement will be despatched to Entitled Shareholders, subject to, *inter alia*, the approval of Shareholders for the Rights Issue being obtained at the EGM. The procedures for acceptance, excess application and payment by Entitled Shareholders will be set out in the Offer Information Statement.

7. BOOKS CLOSURE DATE

The Books Closure Date for the purpose of determining the Entitled Shareholders' entitlements under the Rights Issue will be announced at a later date.

8. LISTING AND TRADING

An application will be made to the SGX-ST for permission to deal in, and for the listing of and quotation for the Rights Shares on the Official List of the Catalist, a sponsor-supervised listing platform of the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course. The Offer Information Statement will be lodged with SGX-ST as agent for and on behalf of the MAS and despatched to Entitled Shareholders in due course after approval in-principle of the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Official List of the Catalist has been obtained.

9. POSSIBLE ADJUSTMENTS TO THE CONVERTIBLE BONDS AND THE OPTIONS

As a result of the Rights Issue, the conversion price of the Convertible Bonds, the subscription price and the number of Shares to be issued under the Options may be adjusted in accordance with the respective terms and conditions of the Convertible Bonds and the Options. Further announcements will be made by the Company in respect of such adjustments as and when appropriate.

10. DIRECTORS' RECOMMENDATION

Having considered the terms and rationale of the Rights Issue, the Directors are of the opinion that the Rights Issue is in the interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution relating to the Rights Issue at the EGM.

11. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 29 of this Circular, will be held at 883 North Bridge Road, #09-05 Southbank, Singapore 198785 on 12 October 2011 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, with or without any amendment, the Ordinary Resolution set out in the Notice of EGM.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

12.1 Lodgement of proxies. Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the proxy form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 883 North Bridge Road, #15-04 SouthBank, Singapore 198785 not less than 48 hours before the time fixed for the EGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the EGM if he wishes to do so.

12.2 Depositors. A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP as at 48 hours before the EGM.

13. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as otherwise disclosed in this Circular, none of the Directors or Substantial Shareholders have any direct or indirect interest in the Rights Issue.

14. CONSENT OF UNDERWRITER

The Underwriter has given and has not withdrawn its written consent to the issuance of this Circular with the inclusion of its name, and all references thereto, in the form and context in which they are included in this Circular.

15. STATEMENT BY UNDERWRITER

The Underwriter confirms that, having made all reasonable enquiries and to the best of its knowledge and belief, and based on the information made available to it by the Company, the information about the Rights Issue contained in **Sections 2.2, 2.3, 2.5, 2.6, 2.7 and 3** of this Circular constitutes fair and accurate disclosure in all material respects as at the date of this Circular, and the Underwriter is not aware of any material facts the omission of which would render any statement about the Rights Issue contained in the said Sections misleading in any material respects as at the date of this Circular.

16. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been reviewed and approved by all the Directors (including those who may have delegated detailed supervision of this Circular) and they collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are fair and accurate in all material respects as at the date of this Circular and there are no material facts, the omission of which would make any statement in this Circular misleading in any material respect.

Where information has been extracted and/or reproduced from published and publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources.

Yours faithfully
For and on behalf of the Board of Directors

Chan Heng Fai
Managing Director
27 September 2011

APPENDIX I

ADDITIONAL INFORMATION

1. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

1.1 The interests of the Directors in the issued share capital of the Company as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date are set out below.

| | Direct Interest | | Deemed Interest | |
|-------------------------------|-----------------|------------------|-----------------|------------------|
| | No. of Shares | % ⁽¹⁾ | No. of Shares | % ⁽¹⁾ |
| Yeo Wee Kiong | - | - | - | - |
| Chan Heng Fai ⁽²⁾ | - | - | 233,688,000 | 62.82 |
| Chan Tong Wan | - | - | - | - |
| Chan Yoke Keow ⁽³⁾ | - | - | 233,688,000 | 62.82 |
| Chan Tung Moe | - | - | - | - |
| Wong Tat Keung | - | - | - | - |
| Ong Beng Kheong | - | - | - | - |

Notes:

- (1) Calculated as a percentage of the total number of issued Shares as at the Latest Practicable Date.
- (2) Chan Heng Fai is deemed to have an interest in 233,688,000 Shares by virtue of Section 7 of the Companies Act.
- (3) Chan Yoke Keow is deemed to have an interest in 233,688,000 Shares by virtue of Section 7 of the Companies Act.

1.2 The interests of the Substantial Shareholders in the issued share capital of the Company as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below.

| | Direct Interest | | Deemed Interest | |
|---|-----------------|------------------|-----------------|------------------|
| | No. of Shares | % ⁽¹⁾ | No. of Shares | % ⁽¹⁾ |
| Xpress Credit Limited | 233,688,000 | 62.82 | - | - |
| China Credit Singapore Pte Ltd ⁽²⁾ | - | - | 233,688,000 | 62.82 |
| Xpress Group Limited ⁽³⁾ | - | - | 233,688,000 | 62.82 |
| Prime Star Group Co Ltd ⁽⁴⁾ | - | - | 233,688,000 | 62.82 |
| Chan Heng Fai ⁽⁵⁾ | - | - | 233,688,000 | 62.82 |
| Chan Yoke Keow ⁽⁶⁾ | - | - | 233,688,000 | 62.82 |

Notes:

- (1) Calculated as a percentage of the total number of issued Shares as at the Latest Practicable Date.
- (2) China Credit Singapore Pte Ltd ("**CCS**") is the holding company of Xpress Credit Limited ("**XCL**") and CCS is deemed interested in the 233,688,000 Shares held by XCL by virtue of Section 7 of the Companies Act.
- (3) Xpress Group Limited ("**XGL**") is the holding company of CCS and XGL is deemed interested in the 233,688,000 Shares held by XCL by virtue of Section 7 of the Companies Act.
- (4) Prime Star Group Co Ltd ("**PSG**") has a controlling interest in XGL and PSG is deemed interested in the 233,688,000 Shares held by XCL by virtue of Section 7 of the Companies Act.
- (5) Chan Heng Fai has a controlling interest in XGL and is deemed interested in the 233,688,000 Shares held by XCL by virtue of Section 7 of the Companies Act.
- (6) Chan Yoke Keow, the spouse of Chan Heng Fai, is deemed interested in the 233,688,000 Shares held by XCL by virtue of Section 7 of the Companies Act.

2. LITIGATION

As at the Latest Practicable Date, the Directors are not aware of any litigation or arbitration proceedings to which the Group is a party to or which is pending or known to be contemplated that may have or would have had in the last 12 months immediately preceding the date of this Circular, a material effect on the Group's financial position or profitability.

3. MATERIAL CONTRACTS

Save as disclosed below, there were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and its subsidiaries during the two (2) years preceding the date of this Circular:-

- (i) A sale and purchase agreement dated 23 December 2009 between SingXpress Travel Holdings Pte Ltd and China Strategic Holdings Limited pursuant to which SingXpress Travel Holdings Pte Ltd disposed of its entire shareholding representing 99.98% of the issued share capital in Xpress Travel Holdings Pty Ltd for a cash consideration of approximately A\$83,000;
- (ii) A term sheet dated 28 June 2010 between (1) the Company, (2) ACT Holdings Pte Ltd and (3) Xpress Group Limited for the establishment of a joint-venture company upon successful tender for the en-bloc purchase of 21 units of walk-up apartments at Foh Pin Mansion at Charlton Road. The tender was success on 29 June 2010;
- (iii) A tender document and acceptance letter dated 24 November 2010 confirming the successful tender of Corporate Residence Pte Ltd by DSPP Law Corporation (acting for the owners) for the en-bloc purchase of properties located at 235 Balestier Road, Waldorf Mansions, Singapore 329699 for an aggregate consideration of S\$21,000,000;
- (iv) A joint venture heads of agreement dated 25 May 2011 between (1) SingXpress Land (Pasir Ris) Ltd and (2) Kay Lim Holdings Pte Ltd relating to the establishment of a joint-venture company for the participation in a tender dated 31 May 2011 for the acquisition of a land parcel located at Pasir Ris Central / Pasir Ris Drive 1 for a consideration of S\$123,880,009 in connection with the Pasir Ris DBSS Project;
- (v) A deed poll dated 11 August 2011 executed by the Company in favour of Mr Yeo Wee Kiong for the grant of share options for nil consideration to subscribe for up to 20,000,000 Shares; and
- (vi) An underwriting agreement dated 25 August 2011 entered into between the Company and Phillip Securities Pte Ltd for underwriting the Rights Issue.

4. REVIEW OF PAST PERFORMANCE

On 9 December 2010, the Company changed its financial year end from 31 December to 31 March to synchronize with its holding corporation in order to facilitate the review by its common shareholders. Therefore, the financial year for 2010 covers a 15-month financial period from 1 January 2010 to 31 March 2011.

The Company is of the view that, after taking into consideration the present bank facilities and the XCL Loan, funds raised from the Rights Issue would be sufficient to enable the Company to meet its obligations and continue to operate as a going concern.

4.1 Income Statement

The audited consolidated income statements of the Group for the past three financial years / period ended 31 December 2008, 31 December 2009 and 31 March 2011, as the case may be, are set out overleaf.

| | Audited FY2008 | Audited FY2008 Restated* | Audited FY2009 | Audited FY2009 Restated# | Audited FP2010 |
|--|-------------------|--------------------------------|-------------------|--------------------------------|-------------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Revenue | 58,579 | 58,579 | 2,249 | 394 | 2,949 |
| Cost of sales | (54,641) | (54,641) | - | - | (2,267) |
| Gross profit | 3,938 | 3,938 | 2,249 | 394 | 682 |
| Other operating income | 1,429 | 343 | 335 | 70 | 1,146 |
| Distribution and selling costs | (5,372) | (5,372) | (2,609) | - | - |
| Fair value loss on financial assets at fair value through profit or loss | - | (525) | (45) | (45) | (145) |
| Gain on disposal on available-for-sale financial assets | - | 1,086 | - | - | - |
| Fair value gain on revaluation of investment property | - | - | - | - | 3,424 |
| Impairment loss in value of goodwill on consolidation | - | (541) | - | - | - |
| Impairment loss in value of intangible assets | - | (376) | - | - | - |
| Loss on disposal of subsidiaries | - | - | (22) | - | - |
| Other operating expense | (1,442) | - | - | - | - |
| Administration costs | (2,693) | (2,693) | (1,144) | (793) | (2,203) |
| (Loss)/Profit from operation | (4,140) | (4,140) | (1,236) | (374) | 2,904 |
| Finance cost | - | - | - | - | (497) |
| (Loss)/Profit before taxation | (4,140) | (4,140) | (1,236) | (374) | 2,407 |
| Taxation | (53) | (53) | (1) | (1) | (768) |
| (Loss)/Profit for the year/period | (4,193) | (4,193) | (1,237) | (375) | 1,639 |
| Discontinued operation | | | | | |
| Loss for the period from discontinued operation | | | | (862) | (47) |
| (Loss)/Profit for the period | | | | (1,237) | 1,592 |

* Based on the comparative FY2008 figures found in 2009 Annual Report which were reclassified to conform with FY2009 presentation.

Based on the comparative FY2009 figures found in 2010 Annual Report which were reclassified to conform with FP2010 presentation.

FP2010 vs FY2009

The Group discontinued its travel and leisure business in FP2010. Since December 2009, the Company began acquiring and/or leasing of small-scale residential properties in Hong Kong. In addition, the Company has acquired an office premise as well as residential properties in Singapore for rental income, with a view to longer term price appreciation. The Group also embarked on two property development projects in Singapore at Charlton Road and Balestier.

The Group's revenue rose from S\$2.2 million in FY2009, by S\$0.7 million or 32% to approximately \$3.0 million for FP2010. The breakdown of revenue is as follows:-

| S\$'000 | 1/1/2010 to 31/3/2011 | 1/1/2009 to 31/12/2009 |
|---|-----------------------|------------------------|
| Sales of tour packages and related services | 19 | 1,855 |
| Sale of properties | 2,426 | - |
| Rental income | 479 | - |
| Other interest income | 44 | 394 |
| | 2,968 | 2,249 |

As a result of the Group's new business activities, the Group's gross profit increased from S\$0.4 million in FY2009, by S\$0.3 million or 73%, to S\$0.7 million in FP2010. The gross profit in FP2010 included a realised profit contribution from the acquisition and disposal of four Hong Kong properties amounting to approximately S\$177,000.

Other operating income increased from S\$70,000 for FY2009, by S\$1.08 million or 15 times, to S\$1.15 million in FP2010. This was mainly due to the fair value gain of S\$1.09 million from the change of intention for its portfolio of 30 properties in Hong Kong from properties held for sale to long term investment properties.

Administrative expenses increased from S\$0.8 million in FY2009, by S\$1.4 million or 178%, to S\$2.2 million for FP2010. This was mainly due to an increase in salaries, legal and professional fees relating to the acquisition of properties and exchange losses due to diminution of foreign currency.

The investment properties of the Group were revalued as at 31 March 2011, resulting in a fair value gain of S\$3.4 million on the said investment properties in FP2010 (FY2009: Nil).

Income tax expenses increased from S\$1,000 in FY2009 to S\$0.8 million in FP2010 mainly due to the deferred taxation that arose from the fair value gain on revaluation of investment properties.

Finance costs increased to S\$497,000 in FP2010 (FY2009: Nil) due to new bank loans taken and the issuance of convertible bonds in FP2010.

As a result of the above, the profit attributable to shareholders for FP2010 was approximately S\$1.6 million compared to the loss of S\$1.2 million in FY2009.

FY2009 vs FY2008

In FY2009, the Group ceased its travel and leisure operation in Singapore, Macau and Australia through the cessation of SingXpress Travel Pte Ltd ("**SingXpress Travel**") in February 2009, and the disposal of Macau Express Travel Service Ltd ("**Macau Express**") in March 2009, and Xpress Travel Holdings Pty Ltd ("**Xpress Travel**") in December 2009. This was due to the drastic changes in the global and domestic economies and business environment and the unsatisfactory performance of the business of travel operation in Singapore, Macau and Australia and keen competition and high operating costs.

As a result, the Group's revenue decreased from S\$58.6 million in FY2008, by S\$56.3 million or 96%, to approximately \$2.25 million in FY2009. The decline was mainly due to the presentation of revenue as "net" under Amendment to Appendix to FRS 18 Revenue, and the disposal of subsidiaries as mentioned above. For comparative purpose, the Group's gross revenue related to travel business for FY2009 amounted to S\$25.88 million, representing a decrease of approximately 56% as compared to FY2008. The decline was mainly due to the disposal of subsidiaries as mentioned above.

Distribution and selling expense and administration expenses decreased from S\$8.1 million in FY2008, by S\$4.3 million or 53% to S\$3.8 million in FY2009. This was mainly due to the disposal of Macau Express and Xpress Travel and cessation of SingXpress Travel and the

adoption of effective initiatives aimed at assuring survival by focusing on costs control by the Group.

Fair value loss on financial assets at fair value through profit or loss decreased from S\$0.53 million in FY2008 by S\$0.48 million or 91% to S\$0.05 million in FY2009. This was mainly due to a recovery in global stock markets since the downturn in the last quarter of 2008, resulting in a S\$0.07 million gain on disposal of marketable securities (FY2008: Nil) and decline to S\$0.12 million of unrealised loss on marketable securities as at 31 December 2009 (31 December 2008: \$0.53 million).

In FY2009, there was no gain on disposal on available-for-sale financial assets vis-à-vis a gain of \$1.1 million in FY2008, and there were no impairment losses in value of goodwill on consolidation and intangible assets vis-à-vis a loss of S\$0.9 million in FY2008. These were mainly due to the disposal of quoted investments in Global Med Technologies Inc in FY2008.

As a result of the above, the loss attributable to shareholders was approximately \$1.2 million for FY2009, representing a decrease of S\$3.0 million or 70.5%, compared to a loss of \$4.2 million for FY2008.

FY2008 vs FY2007

Revenue rose to S\$58.6 million for FY2008, representing an increase of S\$8.4 million or 17% from S\$50.2 million in FY2007. This was mainly due to the acquisition of Green Travel Service Pty Limited ("**GTS**") in Sydney, Australia.

Gross profit and gross profit margins increased to S\$4.0 million and 6.7% in FY2008 respectively, from S\$1.6 million and 3.1% in FY2007 respectively. The improvement were mainly attributable to the acquisition of GTS and the discontinuation of the wholesales segment in Singapore which had negligible margins while focussing on higher added value services.

Other income increased to S\$0.9 million in FY2008, representing an increase of S\$0.2 million or 36% from S\$0.7 million in FY2007. The other income arose mainly from the gain on disposal of quoted investments in Global Med Technologies Inc of S\$1.05 million and fair value loss on quoted investment of S\$0.5 million.

Distribution and selling expenses increased to S\$5.4 million in FY2008, representing an increase of S\$1.5 million or 39% from S\$3.9 million in FY2007, resulting mainly from the contributions from GTS.

Administration expenses increased to S\$3.6 million in FY2008, representing an increase of S\$1.7 million or 92% from S\$1.9 million in FY2007, mainly due to (i) the contributions from GTS, (ii) legal costs relating to the abandonment of a planned injection of assets and rights issue of S\$212,000 and (iii) allowance for impairment of goodwill (S\$541,000) and allowance of impairment of customer database (S\$413,000) arising from acquisition of GTS and 3 outlets from Fer Kor Pty Ltd respectively.

As a result of the above, the loss attributable to shareholders was S\$4.2 million in FY2008, representing an increase of S\$0.5 million or 12%, from S\$3.7 million in FY2007.

4.2 Balance Sheet

The audited consolidated balance sheets of the Group for the past three financial years as at 31 December 2008, 31 December 2009 and 31 March 2011 are set out overleaf.

| | Audited As at 31 December 2008 | Audited As at 31 December 2009 | Audited As at 31 March 2011 |
|---|---|---|--|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 266 | 27 | 88 |
| Investment property | - | - | 23,565 |
| Intangible assets | 102 | - | - |
| | <u>368</u> | <u>27</u> | <u>23,653</u> |
| Current assets | | | |
| Trade and other receivables, deposits and prepayments | 1,639 | 437 | 2,475 |
| Properties under development | - | - | 23,061 |
| Financial assets at fair value through profit and loss | 22 | 3,380 | 3 |
| Cash and cash equivalents | 6,555 | 3,508 | 4,387 |
| | <u>8,216</u> | <u>7,325</u> | <u>29,926</u> |
| Total assets | <u>8,584</u> | <u>7,352</u> | <u>53,579</u> |
| EQUITY AND LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 2,166 | 1,974 | 647 |
| Amount due to related parties | 1,773 | 1,738 | 2,541 |
| Provision for taxation | 21 | - | - |
| Bank Borrowings | - | - | 736 |
| | <u>3,960</u> | <u>3,712</u> | <u>3,924</u> |
| Non-current liabilities | | | |
| Bank Borrowings and Convertible Bonds | - | - | 35,187 |
| Deferred taxation | - | - | 744 |
| | <u>-</u> | <u>-</u> | <u>35,931</u> |
| Total Liabilities | <u>3,960</u> | <u>3,712</u> | <u>39,855</u> |
| Equity attributable to equity holders of the Company | | | |
| Share capital | 21,974 | 21,974 | 24,974 |
| Accumulated losses | (17,471) | (18,626) | (17,034) |
| Reserves | 121 | 292 | 5,484 |
| | <u>4,624</u> | <u>3,640</u> | <u>13,424</u> |
| Equity attributable to owners of the Company | 4,624 | 3,640 | 13,424 |
| Non-controlling interests | - | - | 300 |
| | <u>-</u> | <u>-</u> | <u>300</u> |
| Total equity | <u>4,624</u> | <u>3,640</u> | <u>13,724</u> |
| Total equity and liabilities | <u>8,584</u> | <u>7,352</u> | <u>53,579</u> |

4.3 Cash Flow Statements

The audited consolidated cash flow statements of the Group for the past three financial years / period ended 31 December 2008, 31 December 2009 and 31 March 2011, as the case may be, are set out below.

| | Audited FY2008 S\$'000 | Audited FY2009 S\$'000 | Audited FP2010 S\$'000 |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
| Cash flow from operating activities | | | |
| (Loss)/Profit before taxation | (4,140) | (1,236) | 2,360 |
| Adjustments for depreciation and amortization | 265 | 61 | 28 |
| Impairment in value of property, plant and equipment | 67 | - | - |
| Loss on disposal of property, plant and equipment | 69 | 5 | - |
| Gains on disposal of available-for-sale financial assets | (1,086) | - | - |
| Loss on disposal of subsidiaries | - | 22 | - |
| Gain on reclassification of properties | - | - | (983) |
| Impairment loss in value of goodwill and other intangible assets | 917 | - | - |
| Fair value loss on financial assets at fair value through profit and loss | 525 | 119 | 145 |
| Fair value gain on revaluation of investment property | - | - | (3,424) |
| Impairment on doubtful trade receivables | 46 | 58 | - |
| Interest expenses | - | - | 117 |
| Interest income | (104) | (395) | (44) |
| Write back of tax provision | (43) | - | - |
| Unrealised exchange loss/(gain) | (109) | 229 | - |
| Operating loss before working capital changes | (3,593) | (1,137) | (1,801) |
| Changes in working capital: | | | |
| Trade and other receivables | 711 | 489 | (2,038) |
| Financial assets at fair value through profit or loss | - | (3,477) | 3,232 |
| Development properties | - | - | (23,061) |
| Trade and other payables | 118 | 1,215 | (524) |
| Cash flows used in operations | (2,764) | (2,910) | (24,192) |
| Interest received | 104 | 395 | 44 |
| Income tax paid | (32) | (22) | (6) |
| Net cash used in operating activities | (2,692) | (2,537) | (24,154) |
| Cash flow from investing activities | | | |
| Proceeds from disposal of available-for-sale financial assets | 3,853 | 137 | - |
| Purchase of investment property | - | - | (19,158) |
| Proceeds from disposal of property, plant and equipment | 1 | - | - |
| Purchase of property, plant and equipment | (275) | (18) | (89) |
| Purchase of intangible assets | (437) | - | - |
| Purchase of investment securities | (1,004) | - | - |
| Net cash outflow on acquisition of subsidiaries | (340) | - | - |
| Net cash outflow on disposal of subsidiaries | - | (629) | - |
| Net cash (used in)/ from investing activities | 1,798 | (510) | (19,247) |

Cash flow from financing activities

| | | | |
|--|--------------|----------------|---------------|
| Interest paid | - | - | (117) |
| New bank loans | - | - | 28,069 |
| Capital contribution from minority shareholder of a subsidiary | - | - | 300 |
| Proceeds from issuance of convertible bonds | - | - | 15,939 |
| | | | <hr/> |
| Net cash generated from financing activities | - | - | 44,191 |
| | | | <hr/> |
| Net (decrease)/increase in cash and cash equivalents | (894) | (3,047) | 790 |
| | | | |
| Cash and cash equivalents, beginning balance | 7,449 | 6,555 | 3,508 |
| Effect of foreign exchange rate changes, net | - | - | 89 |
| | | | <hr/> |
| Cash and cash equivalents, ending balance | 6,555 | 3,508 | 4,387 |
| | | | <hr/> <hr/> |

FP2010

The Group's operating activities utilised S\$24.2 million, mainly attributable to an increase in the acquisition of development properties amounting to S\$23.1 million. The Group also engaged in investing activities utilising S\$19.2 million for the purchase of an investment property. Cash flow generated from financing activities amounting to S\$44.2 million was mainly raised from bank loans of S\$28.1 million and the net proceed from the issuance of convertible bonds amounting to S\$15.9 million.

FY2009

The Group's operating activities utilised S\$2.5 million, mainly attributable to a loss before taxation of S\$1.2 million, an increase in the financial assets at fair value through profit and loss amounting to S\$3.5 million, offset partially by an increase in trade and other payables of S\$1.2 million and a decline in trade and other receivables of S\$0.5 million. The Group also utilised S\$0.6 million for investing activities arising from the disposal of its subsidiaries.

FY2008

The Group's operating activities utilised S\$2.7 million, mainly attributable to a loss before taxation of S\$4.1 million, and gains of disposal of available-for-sale financial assets amounting to S\$1.1 million, offset partially by an decrease in trade and other receivables of S\$0.7 million, impairment losses in value of goodwill and other intangible assets of S\$0.9 million and fair value loss on financial assets at fair value through profit and loss of S\$0.5 million. The Group generated S\$1.8 million from investing activities mainly from the proceeds following the disposal of available-for-sale financial assets of S\$3.9 million, offset partially by investments in the purchase of investment securities of S\$1.0 million.

5. WORKING CAPITAL

The total current assets, total current liabilities and working capital of the Group as at 31 December 2008, 31 December 2009 and 31 March 2011 are set out below.

| | Audited As at 31 December 2008 S\$'000 | Audited As at 31 December 2009 S\$'000 | Audited As at 31 March 2011 S\$'000 |
|----------------------------------|---|---|--|
| Total current assets | 8,216 | 7,325 | 29,926* |
| Total current liabilities | (3,960) | (3,712) | (3,924) |
| Working Capital | 4,256 | 3,613 | 26,002 |

* Includes S\$23,061,000 properties under development.

As at 31 March 2011

The Group's working capital increased by S\$22.4 million or 6.2 times from S\$3.6 million as at 31 December 2009 to S\$26.0 million as at 31 March 2011. This was mainly due to an increase in total current assets by S\$22.6 million.

Current assets increased mainly due to properties under development arising from our property development activities in FP2010.

As at 31 December 2009

The Group's working capital decreased by S\$0.6 million or 15.1% from S\$4.3 million as at 31 December 2008 to S\$3.6 million as at 31 December 2009. This was mainly due to a decrease in total current assets by S\$0.9 million.

Current assets decreased mainly due to a decline in trade and other receivables resulting from a disposal of subsidiaries.

6. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection by Shareholders during normal business hours (from 9.00 a.m. to 5.30 p.m.) at the registered office of the Company at 883 North Bridge Road, #15-04 SouthBank, Singapore 198785 from the date of this Circular up to and including the date of the EGM:-

- (a) the Letter of Undertaking from XCL which was referred to in **Section 2.6** of this Circular;
- (b) the material contracts referred to in paragraph 3 above;
- (c) the letter of consent of the Underwriter which was referred to in **Section 14** of this Circular; and
- (d) the Memorandum and Articles of Association of the Company.

SINGXPRESS LAND LTD.
(Company Registration No. 198803164K)
(Incorporated in Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

All capitalised terms in this Notice of Extraordinary General Meeting and defined in the circular dated 27 September 2011 (the "Circular") shall, unless otherwise defined herein, bear the respective meanings ascribed thereto in the Circular.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of SingXpress Land Ltd. (the "**Company**") will be held at 883 North Bridge Road, #09-05 Southbank, Singapore 198785 on 12 October 2011 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution:-

ORDINARY RESOLUTION: THE RIGHTS ISSUE

That approval be and is hereby given to the directors of the Company ("**Directors**"):-

- (a) to allot and issue up to 2,997,515,464 new ordinary shares in the capital of the Company ("**Rights Shares**") at an issue price of S\$0.01 for each Rights Share on the basis of eight (8) Rights Shares for every one (1) existing ordinary share in the capital of the Company held by shareholders of the Company as at a date and time to be determined by the Directors, fractional entitlements to be disregarded (the "**Rights Issue**"), on such terms and conditions to be set out in the Offer Information Statement to be lodged with the Singapore Exchange Securities Trading Limited acting as agent for and on behalf of the Monetary Authority of Singapore; and
- (b) to complete and do all acts and things (including executing all such documents as may be required in connection with the Rights Issue, and the issue of the Rights Shares) and exercise such discretion as the Directors may in their absolute discretion deem fit, advisable or necessary to give full effect to this Ordinary Resolution and the issue of the Rights Shares.

By Order of the Board

Chan Heng Fai
Managing Director

27 September 2011

Notes:

- (1) A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
- (2) If the appointer is a corporation, the instrument appointing a proxy must be under seal or the hand of its duly authorised officer or attorney.
- (3) The instrument appointing a proxy must be deposited at the Company's Registered Office not less than 48 hours before the time set for the Extraordinary General Meeting or any postponement or adjournment thereof.

SINGXPRESS LAND LTD.
(Company Registration No. 198803164K)
(Incorporated in Singapore)

PROXY FORM

EXTRAORDINARY GENERAL MEETING

IMPORTANT

1. For investors who have used their CPF monies to buy **SingXpress Land Ltd.** shares, the **Circular to Shareholders** is forwarded to them at the request of their CPF Agent Banks 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 Extraordinary General Meeting as OBSERVERS must submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format with the Company Secretary, by the time frame specified. (Agent Banks: Please see Note 8 overleaf on required format). Any voting instructions must also be submitted to their Agent Banks within the time frame specified to enable them to vote on the CPF investor's behalf.

I/We _____ (Name) _____ (NRIC No.)

of _____ (Address)

being a shareholder/member of **SINGXPRESS LAND LTD.** (the "**Company**") hereby appoint the following person(s):

| Name | Address | NRIC/ Passport Number | Proportion of Shareholding (%) |
|------|---------|--------------------------|-----------------------------------|
| | | | |

and/or (delete as appropriate)

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Extraordinary General Meeting of the Company to be held at 883 North Bridge Road, #09-05 Southbank, Singapore 198785 on 12 October 2011 at 10.00 a.m., and at any adjournment thereof ("**Meeting**"). I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting.

| ORDINARY RESOLUTION | For | Against |
|---|-----|---------|
| To approve the allotment and issue of up to 2,997,515,464 new ordinary shares in the capital of the Company (" Rights Shares ") at an issue price of S\$0.01 for each Rights Share, on the basis of eight (8) Rights Shares for every one (1) existing ordinary share in the capital of the Company held by Shareholders as at a date and time to be determined, fractional entitlements to be disregarded | | |

Dated this _____ day of _____ 2011.

| | |
|-----------------------|--|
| Number of Shares held | |
|-----------------------|--|

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF



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 of the Company, 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 883 North Bridge Road, #15-04 Southbank, Singapore 198785 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.
- (8) Agent Banks acting on the request of CPF Investors who wish to attend the Meeting as observers are requested to submit in writing, a list of details of the Investors' names, NRIC/Passport numbers, addresses and numbers of Shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for the Meeting.

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.

