



iconic**global**limited

annual report 2008

iconic**global**limited

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Corporate Information

BOARD OF DIRECTORS

Tan Kong King
Non-Executive Chairman
Effective from 3 December 2007

Jayapalasingam Kandiah
Non-independent Non-executive Director
Appointed on 28 November 2007

Gomathi A. Vaidyanathan
Non-independent Non-executive Director
Appointed on 28 November 2007

Shanker Iyer
Independent Director
Appointed on 28 November 2007

Desmond Ong Tai Tiong
Independent Director

Lim Seck Yeow (resigned on 6 February 2007)
Tarn Teh Chuen (resigned on 28 November 2007)
Wee Phui Gam (resigned on 28 November 2007)
Say Kin Heng (resigned on 28 November 2007)

AUDIT COMMITTEE

Shanker Iyer (Chairman)
Desmond Ong Tai Tiong
Gomathi A. Vaidyanathan

NOMINATING COMMITTEE

Shanker Iyer (Chairman)
Desmond Ong Tai Tiong
Gomathi A. Vaidyanathan

REMUNERATION COMMITTEE

Shanker Iyer (Chairman)
Desmond Ong Tai Tiong
Gomathi A. Vaidyanathan

COMPANY SECRETARY

Helen Campos

COMPANY REGISTRATION NO.

200107537D

REGISTERED OFFICE

No. 1 Tuas Link 3
Jurong Industrial Estate
Singapore 638522

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
3 Church Street #08-01
Samsung Hub
Singapore 049483
Tel: (65) 6536 5355
Fax: (65) 6536 1360

AUDITORS

Moore Stephens
11 Collyer Quay #10-02
The Arcade
Singapore 049317

Partner-in-charge:
Christopher Bruce Johnson
(Appointed on 23 May 2008)

SOLICITOR

Drew & Napier LLC

PRINCIPAL BANKER

United Overseas Bank

Chairman's Review

Business Overview

Since the last financial year end, the Company has actively explored various ways and means to secure new investors to inject funds or viable businesses into the Company to revive it as a going concern and lift the trading suspension on its shares.

In this regard, I am pleased to inform Shareholders that our efforts were rewarded when our search for a suitable investor culminated in the execution of a Subscription Agreement with Sitt Tatt Berhad ("Sitt Tatt"), a public company listed on Bursa Malaysia Securities Berhad, in August 2007. Under this Agreement, Sitt Tatt agreed to acquire a 75% stake comprising of 527,000,001 new shares in the enlarged issued and paid-up share capital of the Company.

Around the same period, in September 2007, the Company was able to successfully restructure its operations and dispose of its two financially troubled PRC subsidiaries, namely, Junan Hengxing Foodstuff Co., Ltd and Shandong Xinquan Grain & Oil Co., Ltd. The winding down of the trading activities of the Company's remaining subsidiary, Thye Seng Trading Company Private Limited ("Thye Seng"), was also completed, and Thye Seng ceased operations in September 2007. On completion of the restructuring, the Group was left with no viable businesses or activities and became dormant.

In November 2007, the Subscription Agreement with Sitt Tatt was completed, and the proceeds of S\$8,500,000 were utilised to repay the Group's outstanding bank loans and for general working capital.

Following upon the completion of the Subscription Agreement, the Company moved to identify viable assets for acquisition and this resulted in the execution of a Sale and Purchase agreement in December 2007 wherein the Company agreed to acquire a 75% equity interest in Pyramid Manufacturing Industries Pte Ltd ("Pyramid"), a wholly-owned subsidiary of Sitt Tatt, for S\$18,750,000. Pyramid is engaged in the manufacture and distribution of chemical products for electroplating processes. The consideration for the share acquisition will be satisfied by the issue and allotment of 1,171,875,000 new shares in the Company at S\$0.016 per share.

The Circular for the proposed acquisition of shares in Pyramid has since been submitted to the SGX-ST for review and approval. Upon receipt of in-principle approval from the SGX-ST, an Extraordinary General Meeting will be convened to seek shareholder's approval for the proposed acquisition.

Change of name of Company

To reflect the anticipated change in business focus, strategy and ownership of the Company, the name of the Company was changed to Iconic Global Limited in May 2008.

Chairman's Review

Change of financial year end

The financial year end of the Company was changed from 31 December to 31 March in order to be co-terminus with the financial year end of its new holding company, Sitt Tatt. The financial statements for the period under review covers a 15-month period from 1 January 2007 to 31 March 2008.

Outlook

This is a time of new beginnings for the Company and its shareholders. Should the proposed share acquisition be approved by shareholders, the Company will embark on a new business in the chemical manufacturing industry, and will be in a position to apply for the lifting of the trading suspension on its shares. Shareholders will thus have an opportunity to participate in the new manufacturing sector, as well as the opportunity to realise the value of their investment in the shares.

Dividend

No dividend has been declared for the financial period ended 31 March 2008 in view of the present uncertain financial position of the Company.

Acknowledgements

On behalf of the Board, I extend a warm welcome to Mr. Jayapalasingam Kandiah, Ms. Gomathi A. Vaidyanathan and Mr. Shanker Iyer, who joined the Board in November 2007.

I wish to acknowledge the substantial contributions of Ms. Tarn Teh Chuen, Mr. Wee Phui Gam and Mr. Say Kin Heng who resigned as directors, for their guidance during an extremely difficult period. I thank all three directors for their contributions to the Company and wish them well for the future.

I also extend my sincere appreciation to my team members for their dedication and assistance during this crucial period of the Company's reorganization, and to all our shareholders, business partners and customers for their invaluable and continuing support.

TAN KONG KING

NON-EXECUTIVE CHAIRMAN

30 June 2008

Board of Directors

TAN KONG KING

Non-Executive Chairman

Mr. Tan Kong King, aged 57, was appointed the Executive Chairman of the Company on 20 June 2005 and re-designated a Non-Executive Chairman on 3 December 2007. He was last re-elected to the Board on 26 April 2006.

Mr. Tan is currently the Group Managing Director of QAF Limited, a company listed on the Singapore Exchange. QAF Limited is a leading multi-industry food company with operations across the Asia-Pacific region, including Singapore, Malaysia, the Philippines, China and Australia. Its core businesses comprise food manufacturing in the dairy and fruit juice industries, bakery, primary production, and trading and logistics.

Mr. Tan has over 27 years of experience in managing group companies to-date, and has much knowledge in the area of corporate restructuring and financing, investment strategies and group operations management. In the early part of his career, Mr. Tan worked with an international accounting firm for 5 years. He was the Group Managing Director of the KMP Private Ltd group of companies from 1981 to 2004.

Mr. Tan holds a Bachelor of Science degree in Economics from the London School of Economics, University of London.

JAYAPALASINGAM KANDIAH

Non-independent Non-executive Director

Mr. Jayapalasingam Kandiah, aged 59, was appointed a non-independent, non-executive director of the Company on 28 November 2007. He is also a non-executive director and a member of the Audit Committee of Sitt Tatt Berhad and Chase Perdana Berhad.

He has been in practice as a Chartered Accountant since 1975 and is currently a partner in SSY Partners and Noordin Jaafar Chartered Accountants, member firms of Nexia International. He is currently the review partner overseeing the Corporate Management Services including insolvencies, mergers and restructuring and also for the audit of Government statutory bodies. He has also been involved in corporate management training programmes organised for company directors under the supervision of the Companies Commission of Malaysia.

He is a member of the Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants and a graduate in Bachelor of Law, University of London and possesses the Certificate of Legal Practice.

SHANKER IYER

Independent Director

Mr. Shanker Iyer, aged 57, qualified as a Chartered Accountant in London in 1973. He was appointed an independent director of the Company and Chairman of the Audit Committee, Nominating Committee and Remuneration Committee on 28 November 2007.

Board of Directors

He was the partner of a major UK firm of Chartered Accountants for over 10 years, and has been practising as an accountant in Singapore since 1984. He is the Chairman and Chief Executive Officer of Shanker Iyer & Co., a firm of Certified Public Accountants, which he founded in 1993. Mr. Shanker Iyer is a member of the Accounting Standards Committee of the Institute of Certified Public Accountants of Singapore, and he is the Chairman of the International Fiscal Association, Singapore Branch. He is also a Deputy Chairman of the Singapore International Chamber of Commerce. He is the Immediate Past President of the European Chamber of Commerce, Singapore, and a Past President of the British Chamber of Commerce, Singapore. In January 2002, Mr. Shanker Iyer was conferred the honour of OBE or an Officer of the British Empire by the Queen of England for his services to British commercial interests in Singapore.

GOMATHI A. VAIDYANATHAN

Non-independent, non-executive Director

Ms. Gomathi A. Vaidyanathan, aged 38, was appointed a non-independent, non-executive director of the Company on 28 November 2007. She was also appointed a member of the Audit Committee, Nominating Committee and Remuneration Committee on 28 November 2007.

She is also an independent non-executive director of Sitt Tatt Berhad and Chase Perdana Berhad (“CPB”) and a non-executive director of Epsom Properties Limited, a company listed on Bombay Stock Exchange and Chennai Stock Exchange. She joined CPB on 1 September 1994 in the Corporate Affairs & Business Development Department. Prior to joining CPB, she was attached to a pharmaceutical multinational company in the Product Development Department.

She holds a Bachelors Degree in Business Administration from the International Islamic University, Malaysia.

MR. DESMOND ONG TAI TIONG

Independent Director

Mr. Desmond Ong Tai Tiong, aged 39, was appointed an independent, non-executive director of the Company, Chairman of the Nominating Committee and member of the Audit Committee and Remuneration Committee on 7 August 2003. Subsequently, on 28 November 2007, he was re-designated a member of the Nominating Committee. He was last re-elected to the Board on 28 April 2005.

Mr. Ong is currently the Managing Director of DLA Piper Singapore Pte Ltd, with overall responsibility for the performance of its South-east Asian operations. Prior to his current appointment, Mr. Ong was the Managing Partner of Messrs. J Koh & Co, a law firm in Singapore, from December 1998 to May 2003. He worked at Rajah & Tann from February 1996 to August 1998, and at Allen & Gledhill, from May 1994 to January 1996. Mr. Ong sits on the Boards of Teledata (Singapore) Limited and Fabchem China Limited; he is the Deputy Chairman of China Powerplus Limited, all companies listed on the Singapore Exchange. He is also a director of the Singapore Dance Theatre Limited.

Mr. Ong holds a Bachelor of Laws degree from the National University of Singapore.

Operations Review

Background

Prior to their disposal in September 2007, the Group's pig farming, stockfeed milling and soybean processing businesses were carried out by its two wholly-owned PRC subsidiaries, namely, Junan Hengxing Foodstuff Co., Ltd and Shandong Xinquan Grain & Oil Co., Ltd. These two subsidiaries contributed to the bulk of the Group's revenue.

However the subsequent discovery of fraudulent and fictitious accounting activities and other business malpractices in the subsidiaries' operations in October 2006, and the ensuing legal claims and garnishee orders issued by creditors, created a severe cashflow crunch that resulted in a standstill of business operations. Unable to function as viable going concerns, the two subsidiaries were placed under voluntary liquidation by the Company in December 2006.

In a subsequent restructuring of the Group's operations, the Company disposed of the two PRC subsidiaries to a third party in September 2007.

The food distribution and trading activities carried out by the Company's remaining subsidiary in Singapore, Thye Seng Trading Company Private Limited ("Thye Seng"), was minimal, and a decision was taken to wind down its operations in 2007. The company ceased operations in September 2007 and its outstanding bank loan was repaid in November 2007 from the share subscription proceeds received from Sitt Tatt Berhad.

With the completion of the restructuring, the Group was left with no viable businesses or activities and became dormant.

Business and Financial Review

Group

For the financial period under review, the Group recorded a net loss after tax of S\$15.5 million for the 15-month financial period ended 31 March 2008, compared to S\$19.3 million for the financial year ended 31 December 2006.

The loss was mainly attributable to losses from discontinued operations arising from the disposal of the PRC subsidiaries and the cessation of the business operations of Thye Seng in September 2007.

Total losses from discontinued operations amounted to approximately S\$14.4 million for the financial period ended 31 March 2008, and S\$17.4 million for the financial year ended 31 December 2006.

Disposal of PRC Subsidiaries

On 10 September 2007, the Company's two PRC subsidiaries, Junan Hengxing Foodstuff Co., Ltd and Shandong Xinquan Grain & Oil Co., Ltd were disposed of to New Zealand Pig Breeding Co. Ltd. for the sum of RMB1.0 million (S\$0.2 million). Losses arising from the disposal of the two subsidiaries and allowance for doubtful debts total S\$13.9 million and represent 96.5% of the total losses from discontinued operations in the current financial period ended 31 March 2008.

Operations Review

Thye Seng Trading Company Private Limited (“Thye Seng”)

Revenue from Thye Seng’s trading operations declined significantly from S\$18.5 million in the financial year ended 31 December 2006, to S\$1.7 million in the financial period ended 31 March 2008. This was due to the winding down of Thye Seng’s operations in 2007.

Thye Seng recorded a loss of S\$4.7 million for the financial year ended 31 December 2006 compared to S\$516,798 for the financial period ended 31 March 2008.

Proceeds from Sitt Tatt Berhad’s subscription of shares in the Company

On 29 August 2007, the Company entered into a Subscription Agreement with Sitt Tatt Berhad (“Sitt Tatt”) pursuant to which the Company agreed to allot and issue 527,000,001 new shares to Sitt Tatt for a cash consideration of S\$8.5 million. The subscription was completed on 22 November 2007 and the subscription proceeds were utilised to repay bank loans of the Company and Thye Seng, and for general working capital. With the completion of the Subscription Agreement, Sitt Tatt became a controlling shareholder of the Company, holding a 75% equity interest.

Corporate Governance Report

The Board of Directors of Iconic Global Limited (the “Company”) is committed to good standards of corporate governance, so as to ensure greater transparency and protection of shareholders’ interests. This statement describes the main corporate governance policies and practices that were in place during the reported financial period of fifteen months ended 31 March 2008, together with appropriate explanations where there were deviations from the Code of Corporate Governance 2005 (the “Code”).

Principle 1: THE BOARD’S CONDUCT OF ITS AFFAIRS

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.

- 1.1 The Board is entrusted with the overall management of the business affairs of the Group, and sets its overall corporate strategy and business direction.
- 1.2 The principal functions of the Board include:
 - a) Approving the overall policies, strategic plans, key operational initiatives, major investments and funding decisions;
 - b) Approving the budget and monitoring the performance of the business;
 - c) Approving the financial results of the Group for release to the shareholders;
 - d) Ensuring the implementation of appropriate control systems to manage the Group’s business and financial risks; and
 - e) Considering and approving the nominations and re-nominations to the Board as well as the appointment of key management personnel.
- 1.3 The Board has identified a number of areas for which the Board has direct responsibility for decision-making. These comprise:
 - Matters classified as Interested Person Transactions
 - Major investments and funding decisions
 - Approval of periodic financial results announcements
 - Approval of the annual reports and accounts
 - Convening of shareholders’ meetings
 - Material acquisitions and disposal of assets
 - Internal control procedures and evaluating the adequacy of internal controls
- 1.4 In the discharge of its functions, the Board is supported by Board Committees that operate independent of management. They are the Audit Committee (“AC”), Nominating Committee (“NC”) and Remuneration Committee (“RC”). These committees function within clearly defined terms of references and operating procedures.
- 1.5 The Board meets as and when necessary to address any specific significant matters that may arise. The frequency of meetings and the attendance of each director at every Board and Board Committee meeting for the period under review are set out in the table on page 18.

Corporate Governance Report

- 1.6 Ad-hoc meetings may be convened as warranted by particular circumstances. The Articles of Association of the Company allows directors to participate in a meeting of the Board by means of the contemporaneous linking together by telephone of a number of the directors.
- 1.7 Directors are briefed on regulatory changes, especially those on the Company's or director's disclosure obligations.
- 1.8 New directors will be appointed to the Board by way of a formal letter of appointment indicating the amount of time commitment required and the scope of duties. Newly-appointed directors will be briefed by the management on the history and business operations of the Group, its strategic direction and corporate governance practices.

Principle 2: BOARD COMPOSITION AND BALANCE

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

- 2.1 The Board presently comprises five directors. Mr. Tan Kong King is the Non-Executive Chairman and is considered a non-independent director as he is also a director of Pacfi Pte Ltd, a substantial shareholder of the Company. The two Independent Directors are Mr. Shanker Iyer and Mr. Desmond Ong Tai Tiong. Mr. Jayapalasingam Kandiah and Ms. Gomathi A. Vaidyanathan are non-executive directors who are considered non-independent directors, as they are also directors of Sitt Tatt Berhad, the holding company of the Company. The profiles of individual directors can be found in the 'Board of Directors' section of this annual report. Key information regarding the directors is listed on pages 19 and 20.
- 2.2 The NC conducts an annual review of director independence. Based on the Code's criteria of independence, the NC is of the view that all the independent non-executive directors are independent. As one third of the Board is comprised of Independent Directors, the Board is able to exercise objective judgement independently from management and ensure that no individual or small group of individuals, dominates the Board's decision-making process. It is the intention of the NC to increase the number of Independent Directors to three in due course.
- 2.3 On 28 November 2007, following the restructuring of the Company and the change in controlling shareholder to Sitt Tatt Berhad, three non-executive directors resigned from office. They are Ms. Tarn Teh Chuen, Mr. Wee Phui Gam and Mr. Say Kin Heng.
- 2.4 The Board is of the view that the present size and composition of the Board is appropriate in facilitating effective decision-making. The current Board comprises individuals from various disciplines with different working experiences and backgrounds, which may be tapped for assistance in furthering the Group's business objectives and shaping its business strategies. The Board considers that its directors possess the necessary competencies and experience to govern and manage the Group's affairs.

Corporate Governance Report

Principle 3: CHAIRMAN AND CEO

There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

- 3.1 Since the re-designation of Mr. Tan Kong King as Non-Executive Chairman on 3 December 2007, the Company does not have a CEO. The Company will appoint a CEO to assume responsibility for the running of the Group upon the successful completion of the proposed acquisition of a 75% equity interest in Pyramid Manufacturing Industries Pte Ltd from Sitt Tatt Berhad.
- 3.2 The Chairman is responsible for the effective working of the Board as a whole. As the Chairman is a non-executive director, the Company Secretary assists the Chairman to schedule and prepare agendas for Board meetings.
- 3.3 As one third of the Board is made up of Independent Directors who also sit on the boards of the AC, NC and RC, the Board believes that there are adequate safeguards against an uneven concentration of power and authority in a single individual.

Principle 4: BOARD MEMBERSHIP

There should be a formal and transparent process for the appointment of new directors to the Board.

- 4.1 The NC makes recommendations to the Board on all Board appointments and re-nominations.
- 4.2 The NC is chaired by Mr. Shanker Iyer, an independent non-executive director who is not associated with a substantial shareholder. The remaining two members of the NC consist of an Independent Director and a non-independent non-executive director who also sits on the Board of the holding company of the Company. The members of the NC comprise:

Shanker Iyer (Chairman)
Desmond Ong Tai Tiong
Gomathi A. Vaidyanathan
- 4.3 The NC has written terms of reference that describes the responsibilities of its members. Its duties are outlined as follows:
 - a) to make recommendations to the Board on all board appointments and re-nominations having regard to the director's contribution and performance (e.g. attendance, preparedness, participation, candour and any other salient factors);
 - b) to ensure that all directors submit themselves for re-nomination and re-election at regular intervals and at least once in every three years;
 - c) to determine annually whether a director is independent, in accordance with the independence guidelines contained in the Code;

Corporate Governance Report

- d) to decide whether a director is able to and has adequately carried out his duties as a director of the Company in particular where the director concerned has multiple board representations; and
 - e) to decide how the Board's performance may be evaluated and to propose objective performance criteria.
- 4.4 Notwithstanding that some of the directors have multiple board representations, the NC is satisfied that each director is able to, and has been adequately carrying out his duties as a director of the Company.
- 4.5 The search and nomination process for new directors will be through search companies and contacts and recommendations, that go through the normal selection process to secure the best candidate that will further the objectives of the Group.

Principle 5: BOARD PERFORMANCE

There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

- 5.1 The NC reviews the Board's performance collectively as a whole, and the individual performance of each director. In assessing the contribution of the directors, it ensures that each director brings to the Board an independent and objective perspective to enable sound, balanced and well considered decisions to be made.
- 5.2 In assessing the Board's effectiveness, the NC considers the discharge of the Board's functions, access to information, and decisions taken on the strategic and business direction of the Group. It also considers a number of objective criteria including financial performance indicators (where applicable), although it takes the view that these indicators are a more appropriate measure of management performance, and do not relate to the supervisory and oversight functions of the Board.
- 5.3 The NC, in considering the re-appointment of any director, evaluates the performance of the director. The assessment parameters include attendance records at meetings of the Board and Board Committees and the director's contribution and performance.

Principle 6: ACCESS TO INFORMATION

In order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.

- 6.1 The Board has separate and independent access to the Company Secretary and senior management at all times. Requests for information from the Board are dealt with promptly by management. The Board is informed of all material events and transactions as and when they occur.

Corporate Governance Report

- 6.2 In order to ensure that the Board is able to fulfil its responsibilities, all necessary documents, relevant background or explanatory information, analysis, conclusions and recommendations are provided to the directors prior to Board Meetings. Board and Board Committee papers are distributed in advance of each meeting to directors. The appropriate personnel who are able to provide additional insight into matters to be discussed will be present at the relevant time during Board and Board Committee meetings.
- 6.3 Board decisions are also made through circulating Directors' Resolutions in accordance with the Company's Articles of Association, accompanied by the necessary documents and information. The Company supports the directors, either individually or as a group, if they require independent professional advice in furthering their duties to the Company.

Principle 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

- 7.1 The RC comprises three members, two of whom are Independent Directors who act independently of management and are free from any business or other relationships, which may materially interfere with the exercise of their independent judgment. The third member is a non-independent non-executive director who also sits on the Board of the holding company of the Company.
- 7.2 The RC is chaired by Mr. Shanker Iyer, who possesses many years of experience in senior management positions, and is knowledgeable in the field of executive compensation. In addition, the RC has access to expert advice inside and/or outside the Company. The RC comprises:
- Shanker Iyer (Chairman)
Desmond Ong Tai Tiong
Gomathi A. Vaidyanathan
- 7.3 The RC is tasked with recommending to the Board a framework of remuneration for key executives and executive directors. The review covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits in kind. The RC's recommendations are made in consultation with, and subject to the final endorsement of the Board.
- 7.4 The Board has decided that the remuneration policies and packages of key executives and senior management of the Group are best determined by management. The remuneration policy for key executives and senior management will be determined by the CEO and will be based on an annual appraisal system. Remuneration shall include a fixed base salary component, and a variable component in the form of a variable bonus linked to criteria that includes competencies and performance, seniority, level of responsibilities and the prevailing market pay.

Corporate Governance Report

7.5 No director is involved in the deliberation of his own remuneration.

Principle 8: LEVEL AND MIX OF REMUNERATION

The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.

- 8.1 Currently all members of the Board are non-executive and none of the directors receive any salary.
- 8.2 The remuneration of non-executive directors is set at a competitive level, appropriate to their level of contribution, taking into account their respective responsibilities.
- 8.3 Non-executive directors' fees comprise a basic fee, and an additional fee for serving as the Chairman of the Board or members of the AC. Such fees will be subject to approval by the shareholders of the Company as a lump sum payment at each AGM of the Company.

Principle 9: DISCLOSURE ON REMUNERATION

Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.

9.1 The remuneration of senior management for the financial period ended 31 March 2008 is set out below:

Disclosure on remuneration

		Salary	Bonus	Other Benefits	Total
		%	%	%	%
a.	Director of the Company				
	Below \$150,000				
	Lim Seck Yeow	85	15	-	100
	<i>(Resigned on 6 February 2007)</i>				

Corporate Governance Report

		Salary	Bonus	Other Benefits	Total
		%	%	%	%
b.	Key executives/senior management of the Group				
	Below \$150,000				
	Yeo Chee Beng <i>(Resigned on 30 September 2007)</i>	100	-	-	100
	Chan Led Chow <i>(Resigned on 19 March 2007)</i>	100	-	-	100
	Mei Xiao Nan <i>(Resigned on 30 November 2007)</i>	100	-	-	100
	Lee Seng Giap <i>(Resigned on 31 October 2007)</i>	100	-	-	100

Disclosure on directors' fees

There were no directors' fees paid for the financial period ended 31 March 2008. Directors' fees will be paid in the next financial year upon approval by shareholders at the forthcoming Annual General Meeting of the Company.

Disclosure on employees related to Directors

The Group does not have any employee who is related to the Directors.

The Company does not have a share option scheme.

Principle 10: ACCOUNTABILITY

The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

10.1 Until 28 February 2007, the Board provided shareholders with a detailed and balanced explanation and analysis of the Company's performance, position and prospects on a half-yearly and annual basis. On 10 August 2007, the Company obtained a waiver from SGX-ST from the requirement of announcing its financial results for the half-year ended 30 June 2007. On 29 February 2008, the Company announced the change of its financial year end from 31 December to 31 March to be co-terminus with the financial year end of its holding company, Sitt Tatt Berhad. The Company will continue to announce its first-half and full year results.

Corporate Governance Report

Principle 11: AUDIT COMMITTEE

The Board should establish an Audit Committee (“AC”) with written terms of reference which clearly set out its authority and duties.

11.1 The AC has written terms of reference that are approved by the Board, and clearly set out its responsibilities (see paragraph 11.5 below).

11.2 The Chairman of the AC is Mr. Shanker Iyer. The AC comprises three members, two of whom are Independent Directors who act independently of management and are free from any business or other relationships, which may materially interfere with the exercise of their independent judgement. The third member is a non-independent non-executive director who also sits on the Board of the holding company of the Company. The AC comprises:

Shanker Iyer (Chairman)
Desmond Ong Tai Tiong
Gomathi A. Vaidyanathan

11.3 The members of the AC, collectively, have expertise or experience in financial management and are qualified to discharge the AC’s responsibilities. Mr. Shanker Iyer is a practising accountant and Mr. Desmond Ong Tai Tiong is a qualified lawyer, who also sits on the Audit Committees of other public listed companies.

11.4 There are corporate governance practices in place where a director will not recommend or participate in decisions of the Board or a Board Committee he sits on, if he is interested or deemed to be interested in the said decisions. The Independent Directors have performed and will continue to perform their duties independently of management. The Board is confident that the corporate governance of the Company has not been and will not be compromised by the existing composition of the AC.

11.5 The functions of the AC are as follows:

- a) to review with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their audit report, their management letter and the management’s response;
- b) to review the periodic financial statements, announcements, balance sheets and income statement before submission to the Board for its approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;
- c) to review the internal controls and procedures and ensure co-ordination between the external auditors and the management, review the assistance given by management to the auditors and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of management where necessary);
- d) to review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group’s operating results or financial position, and the management’s response;

Corporate Governance Report

- e) to consider the appointment or re-appointment of the external auditors, the audit fees, and matters relating to the resignation or dismissal of the auditors;
- f) to review transactions falling within the scope of the Audit Committee Charter in respect of Interested Person Transactions and the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST");
- g) to undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- h) to generally undertake such other functions and duties as may be required under the Audit Committee Charter, by statute or the Listing Manual of SGX-ST, and by such amendments made thereto from time to time.

11.6 The AC has full access to and co-operation of the management and external auditors. It also has the discretion to invite any director and executive officer to attend its meetings. The AC meets with the external auditors without the presence of the management at least once a year.

11.7 The AC has reviewed the non-audit services performed by the external auditors and is satisfied that the nature of non-audit services provided would not affect the independence of the auditors. The non-audit services relate to Moore Stephens acting as the Reporting Accountants in connection with the proposed acquisition of a 75% equity interest in Pyramid Manufacturing Industries Pte Ltd by the Company.

11.8 The AC has put in place a whistle-blowing framework where directors, officers and employees can access the Non-Executive Chairman or AC Chairman to raise concerns about improprieties.

Principle 12: INTERNAL CONTROLS

The Board should ensure that the management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

12.1 The AC is fully aware of the need to put in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets, and to manage risks. Certain internal controls have already been put in place, and the AC will continue to make changes and adjustments where necessary, to ensure that the interests of all shareholders are safeguarded.

12.2 The AC has reviewed with the external auditors as part of their statutory audit, the effectiveness of the Company's financial, operational and compliance controls, risk management and interested persons transactions on an annual basis.

Principle 13: INTERNAL AUDIT

The company should establish an internal audit function that is independent of the activities it audits.

Corporate Governance Report

- 13.1 The internal audit function will be re-activated upon the completion of the proposed acquisition of 75% equity interest in Pyramid Manufacturing Industries Pte Ltd. It is proposed that the internal audit will be undertaken by the Head of Internal Audit of Sitt Tatt Berhad, the Company's holding company.

Principle 14: COMMUNICATION WITH SHAREHOLDERS

Companies should engage in regular, effective and fair communication with shareholders.

- 14.1 The Board is mindful of its obligation to provide shareholders with information on all major developments that affect the Group.
- 14.2 The Company strives to maintain a high standard of transparency and to promote better investor communications. The Company does not practise selective disclosure of material information. It issues announcements and news releases on an immediate basis where required under the Listing Manual.
- 14.3 The Company adopts the practice of regularly communicating major developments in its businesses and operations to shareholders in a timely manner through:
- annual reports that are prepared and issued to all shareholders within the mandatory period;
 - SGXNET and the press; and
 - notices of annual general meetings;

Principle 15: GREATER SHAREHOLDER PARTICIPATION

Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

- 15.1 The Articles allow a shareholder to appoint up to two proxies to attend and vote in his place at general meetings.
- 15.2 To facilitate voting by shareholders, shareholders may vote in absentia through the use of proxies. Proxy forms can be sent to the Company by mail. At the AGMs, each distinct issue is voted via separate resolutions.
- 15.3 The Board and management are on hand at general meetings to address questions by shareholders. The members of the AC, NC and RC will be present at the AGM to address queries relating to the work of these committees. The external auditors are also present to address shareholders' queries on the conduct of the audit and the preparation and content of the auditors' report.
- 15.4 At AGMs, shareholders are given the opportunity to air their views and ask directors or management questions regarding the Company. Shareholders are encouraged to attend the AGMs to ensure a high level of accountability and to stay informed of the Group's strategies and goals. The AGM is the principal forum for dialogue with shareholders.

Corporate Governance Report

DEALINGS IN SECURITIES

The Company has in place a procedure whereby a circular will be issued to its directors, officers and employees prohibiting dealings in listed securities of the Company for a period of one month to two weeks, as the case may be, before the announcement of the Company's half-year and full-year financial results, and any time they are in possession of unpublished, material, price sensitive information. This procedure was temporarily discontinued when trading in the Company's shares was suspended in December 2006.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS IN THE 15-MONTH PERIOD ENDED 31 MARCH 2008

Directors	Board		Audit		Nominating		Remuneration	
	No. of meetings	No. of meetings attended	No. of meetings	No. of meetings attended	No. of meetings	No. of meetings attended	No. of meetings	No. of meetings attended
Tan Kong King	6	6	N/A	N/A	N/A	N/A	N/A	N/A
Jayapalasingam Kandiah †	6	3	N/A	N/A	N/A	N/A	N/A	N/A
Shanker Iyer †	6	3	5	3	2	0	1	0
Gomathi A. Vaidyanathan †	6	3	5	1	2	0	1	0
Desmond Ong Tai Tiong	6	5	5	5	2	2	1	1
Lim Seck Yeow #	6	0	N/A	N/A	N/A	N/A	N/A	N/A
Tarn Teh Chuen *	6	3	N/A	N/A	N/A	N/A	N/A	N/A
Wee Phui Gam *	6	3	5	2	2	2	1	1
Say Kin Heng *	6	2	5	1	2	1	1	0

† Appointed on 28 November 2007

Resigned on 6 February 2007

* Resigned on 28 November 2007

Corporate Governance Report

PARTICULARS OF DIRECTORS

Director	Age	Academic & Professional Qualifications	Board Committees as Chairman or Member	Directorship: Date first appointed Date last re-elected	Board appointment whether executive or non-executive Whether considered by Nominating Committee to be independent	Due for re-election at next AGM
Tan Kong King	57	Bachelor of Science degree in Economics, London School of Economics, University of London	Nil	20.06.2005 26.04.2006	Non-executive Non-independent	Retirement by rotation
Jayapalasingam Kandiah	59	Member of Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants. Bachelor of Laws degree, University of London. Certificate of Legal Practice.	Nil	28.11.2007	Non-executive Non-independent	Retirement on new appointment
Gomathi A. Vaidyanathan	38	Bachelors Degree in Business Administration, International Islamic University, Malaysia	Member of Audit Committee, Nominating Committee and Remuneration Committee	28.11.2007	Non-executive Non-independent	Retirement on new appointment
Shanker Iyer	57	Fellow of The Institute of Chartered Accountants in England & Wales	Chairman of Audit Committee, Nominating Committee and Remuneration Committee	28.11.2007	Non-executive Independent	Retirement on new appointment

Corporate Governance Report

Director	Age	Academic & Professional Qualifications	Board Committees as Chairman or Member	Directorship: Date first appointed Date last re-elected	Board appointment whether executive or non-executive Whether considered by Nominating Committee to be independent	Due for re-election at next AGM
Desmond Ong Tai Tiong	39	Bachelor of Laws, National University of Singapore	Member of Audit Committee, Nominating Committee and Remuneration Committee	07.08.2003 28.04.2005	Non-executive Independent	Retirement by rotation

Note

Information on Directorships or Chairmanships in other listed companies and other major appointments is set out on page 21.

Corporate Governance Report

PAST AND PRESENT DIRECTORSHIPS

Name of director	Present directorships in other listed companies and major appointments (as at 12 June 2008)	Past directorships over the preceding three years (from 12 June 2005 to 11 June 2008)
Tan Kong King	QAF Limited <i>(Group Managing Director)</i>	Peaktop International Holdings Limited <i>(Listed in Hong Kong)</i> PSC Corporation Ltd Zhongguo Jilong Limited
Jayapalasingam Kandiah	Sitt Tatt Berhad	-
Gomathi A. Vaidyanathan	Sitt Tatt Berhad Epsom Properties Limited <i>(Listed in India – Bombay and Chennai)</i>	-
Shanker Iyer	Shanker Iyer & Co. <i>(Chairman and Chief Executive Officer)</i> Singapore International Chamber of Commerce <i>(Deputy Chairman)</i>	-
Desmond Ong Tai Tiong	China Powerplus Limited DLA Piper Singapore Pte Ltd <i>(Managing Director, South-East Asia)</i> Fabchem China Ltd Singapore Dance Theatre Limited Teledata (Singapore) Limited	Airocean Group Limited KLW Holdings Limited

Supplementary Information

Required by the Listing Manual

INFORMATION RELATING TO RISKS

1. Going Concern Risk

The ability of the Group to continue as a going concern is dependent, inter alia, on the continuing support from the holding company, Sitt Tatt Berhad and the approval of the SGX-ST and shareholders of the Company to the proposed acquisition of a 75% equity interest in Pyramid Manufacturing Industries Pte Ltd pursuant to a conditional Sale and Purchase Agreement dated 27 December 2007. In a letter dated 6 May 2008, the SGX-ST requested the Company to complete the proposed acquisition by 30 September 2008 at the latest, failing which the SGX-ST will remove the Company from the Official List.

2. Financial Risks

During the financial period under review, the Group was subject to the following major risk factors:-

(a) Interest Rate Risk

The Group and the Company are exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. Interest-bearing financial assets are mainly bank balances and fixed deposits which are all short-term in nature. Therefore, any future variations in interest rates will not have a material impact on the results of the Group and the Company.

Interest-bearing financial liabilities are mainly bank loans, bank overdrafts and finance leases. The interest rates and terms of repayment of bank loans, bank overdrafts and finance leases of the Group are disclosed in the notes to the financial statements.

(b) Credit Risk

The Group's principal financial assets are cash and cash balances, fixed deposits, trade and other receivables and available-for-sale investments. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Group's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the balance sheet are net of allowance for doubtful debts. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

(c) Liquidity Risk

The Group and the Company maintain cash and cash equivalents to fund its day to day activities. In the short-term the Company is dependent on the continued financial support of its holding company, Sitt Tatt Berhad, as disclosed in Note 2(b) of the notes to the financial statements.

Supplementary Information

Required by the Listing Manual

INTERESTED PERSON TRANSACTION FOR FINANCIAL PERIOD ENDED 31 MARCH 2008

There is no interested person transaction during the financial period under review.

MATERIAL CONTRACTS

There are no material contracts entered into by the Company or Thye Seng Trading Company Private Limited involving the interests of the directors or substantial shareholders of the Company, which were still subsisting at the end of the financial period under review, or if not then subsisting, entered into since the end of the previous financial year save for the conditional Sale and Purchase Agreement dated 27 December 2007 executed between the Company, Sitt Tatt Berhad and STB Technologies Pte Ltd for the acquisition by the Company of a 75% equity interest in Pyramid Manufacturing Industries Pte Ltd for a consideration of S\$18,750,000 to be fully satisfied by the allotment and issue of 1,171,875,000 new shares in the Company to Sitt Tatt Berhad at an issue price of S\$0.016 per share. Sitt Tatt Berhad is the ultimate holding company of STB Technologies Pte Ltd and Pyramid Manufacturing Industries Pte Ltd. The acquisition is subject to the approval of the SGX-ST and shareholders of the Company.

NON-AUDIT SERVICES OF AUDITORS

The non-audit services accrued in the accounts in relation to services provided by the auditors, Moore Stephens in the financial period ended 31 March 2008 amounted to approximately S\$170,000. This fee relates to their engagement as Reporting Accountants in connection with the proposed acquisition of a 75% equity interest in Pyramid Manufacturing Industries Pte Ltd by the Company. The Audit Committee has undertaken a review of such non-audit services and was of the opinion that they would not affect the independence of the auditors.

Financial Statements

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Report of the Directors

The directors present their report to the members together with the audited consolidated financial statements of Iconic Global Limited (the “Company”) and its subsidiary companies (the “Group”) and the balance sheet of the Company for the financial period from 1 January 2007 to 31 March 2008.

1 Directors

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

Tan Kong King	
Desmond Ong Tai Tiong	
Jayapalasingam Kandiah	(appointed on 28.11.2007)
Gomathi A. Vaidyanathan	(appointed on 28.11.2007)
Shanker Iyer	(appointed on 28.11.2007)

Tan Kong King and Desmond Ong Tai Tiong will retire at the forthcoming annual general meeting pursuant to Article 107 of the Company’s Articles of Association and, being eligible, will offer themselves for re-election.

Jayapalasingam Kandiah, Gomathi A. Vaidyanathan and Shanker Iyer will retire at the forthcoming annual general meeting pursuant to Article 117 of the Company’s Articles of Association and, being eligible, will offer themselves for re-election.

During the financial period and up to the date of this report, the following directors resigned as directors of the Company:

Lim Seck Yeow	(resigned on 06.02.2007)
Tarn Teh Chuen	(resigned on 28.11.2007)
Wee Phui Gam	(resigned on 28.11.2007)
Say Kin Heng	(resigned on 28.11.2007)

2 Arrangements to Enable Directors to Acquire Shares and/or Debentures

Neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares and/or debentures of the Company or any other body corporate.

3 Directors’ Interests in Shares or Debentures

The directors holding office at the end of the financial period had no interests in the shares of the Company and related corporations as recorded in the register kept by the Company for the purposes of Section 164 of the Companies Act, Cap. 50.

There were no changes in any of the above mentioned interests in the Company between the end of the financial period and 21 April 2008.

Report of the Directors

4 Directors' Contractual Benefits

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in the financial statements. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

5 Options to Take Up Unissued Shares

During the financial period, no option to take up unissued shares of the Company or any corporation in the Group was granted.

6 Options Exercised

During the financial period, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

7 Unissued Shares Under Option

At the end of the financial period, there were no unissued shares of the Company or any corporation in the Group under option.

8 Disposal of Junan Hengxing Foodstuff Co., Ltd and Shandong Xinquan Grain & Oil Co., Ltd (the "PRC subsidiary companies")

The PRC subsidiary companies were disposed of in September 2007 for S\$201,865 due to various irregularities uncovered in these companies as highlighted in the previous audited financial statements for the year ended 31 December 2006 and announcements made to the Singapore Exchange Securities Trading Limited since August 2006.

The effect of the disposal and deconsolidation of the PRC subsidiary companies of a loss of S\$13.9 million has been disclosed as a loss recognised on the measurement to fair values less cost to sell on assets held for sale disclosed under discontinued operations in the consolidated income statement.

Report of the Directors

9 Cessation of Thye Seng Trading Company Private Limited (“Thye Seng” or “subsidiary company”) Operations

The subsidiary company ceased trading in frozen food products and became inactive during the financial period. Its results for the financial period have been disclosed under discontinued operations in the consolidated income statement.

10 Subscription Agreement

The Company entered into a subscription agreement dated 29 August 2007 with Sitt Tatt Berhad, a company incorporated and domiciled in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad. The Company allotted and issued 527,000,001 new ordinary shares for a cash consideration of S\$8.5 million on the basis of S\$0.016 per share. Upon completion of the subscription, Sitt Tatt Berhad owned 527,000,001 shares representing 75% of the existing issued and paid up shares of the Company. The holding company of the Company is now Sitt Tatt Berhad.

11 Change of Company’s Name

The Company changed its name from China Food Industries Limited to Iconic Global Limited on 30 May 2008.

12 Change of Financial Year End

The Company changed its financial year end from 31 December to 31 March to be co-terminus with the financial year end of Sitt Tatt Berhad, the holding company of the Company.

The financial statements of the Group and the Company for the period ended 31 March 2008 cover a period of 15 months from 1 January 2007 to 31 March 2008.

13 Audit Committee

The members of the Audit Committee at the end of the financial period were as follows:

Shanker Iyer (Chairman)	(Independent and non executive director)
Desmond Ong Tai Tiong	(Independent and non executive director)
Gomathi A. Vaidyanathan	(Non Independent and non executive director)

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, the Singapore Exchange Securities Trading Limited Listing Manual and the Code of Corporate Governance.

Report of the Directors

13 **Audit Committee** (cont'd)

The Audit Committee has recommended to the Board that the independent auditors, Moore Stephens, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

14 **Auditors**

The independent auditors, Moore Stephens, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

TAN KONG KING
Director

GOMATHI A. VAIDYANATHAN
Director

Singapore

30 June 2008

Statement by Directors

We, Tan Kong King and Gomathi A. Vaidyanathan, being two of the directors of Iconic Global Limited, do hereby state that, in the opinion of the directors:

- (i) During the financial period, the Company disposed of its PRC subsidiary companies, Junan Hengxing Foodstuff Co., Ltd and Shandong Xinquan Grain & Oil Co., Ltd. The financial statements of these subsidiary companies up to the date of disposal were not available. Consequently, the Company was unable to consolidate the results of these subsidiary companies up to the date of disposal as required by Section 201(3A) of the Companies Act and Singapore Financial Reporting Standard 27.

Notwithstanding the above matter, the Board has used its best efforts to prepare the consolidated financial statements in accordance with the provisions of the Companies Act and Singapore Financial Reporting Standards.

The independent auditors have highlighted the matter discussed above in their Independent Auditors' Report dated 30 June 2008 and the Board concurs with their findings;

- (ii) Except for the matter highlighted above, the balance sheet of the Company and the consolidated financial statements of the Group set out on pages 33 to 90 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2008 and of the results of the business, changes in equity and cash flows of the Group for the financial period from 1 January 2007 to 31 March 2008;
- (iii) at the date of this statement, the ability of the Company and the Group to continue as going concerns in the short term is dependent on the continuing support of the holding company, Sitt Tatt Berhad. In the longer term, the going concern status of the Company and the Group is dependent on the successful injection of Pyramid Manufacturing Industries Pte Ltd, a subsidiary company of Sitt Tatt Berhad, into the operations of the Group. This process is currently ongoing and subject to the Singapore Exchange Securities Trading Limited and shareholders' approval; and
- (iv) at the date of this statement, for the reasons set out in paragraph (iii) above, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

TAN KONG KING
Director

GOMATHI A. VAIDYANATHAN
Director

Singapore

30 June 2008

Independent Auditors' Report

To the members of Iconic Global Limited
(formerly known as CHINA FOOD INDUSTRIES LIMITED)
(Incorporated in Singapore)

1. We have audited the accompanying financial statements of Iconic Global Limited (the "Company") and its subsidiary companies (the "Group"), as set out on pages 33 to 90, which comprise the balance sheet of the Company and the Group as at 31 March 2008, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the period from 1 January 2007 to 31 March 2008, and a summary of significant accounting policies and other explanatory notes. The financial statements for the previous year ended 31 December 2006 were audited by another firm of certified public accountants who expressed a disclaimer opinion on 29 March 2007. The contents of the disclaimer audit report and the extent to which the matters giving rise to the disclaimer opinion have been dealt with in the current financial period are disclosed in Note 35 to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of the financial misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Independent Auditors' Report

To the members of Iconic Global Limited

(cont'd)

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

Basis of Qualified Opinion

Disposal of PRC Subsidiaries

6. As disclosed in Note 1(b)(i) to the financial statements, the Company disposed of its subsidiaries, Junan Hengxing Foodstuff Co., Ltd and Shandong Xinquan Grain & Oil Co., Ltd (the "PRC subsidiary companies"), in September 2007. The financial statements of the subsidiaries up to the date of disposal were not available. Consequently, the Company was unable to consolidate the financial statements of these subsidiaries up to the date of disposal as required by Section 201(3A) of the Companies Act and Singapore Financial Reporting Standard 27. As there was insufficient information, we were unable to apply normal audit procedures to ascertain the recognised loss on disposal disclosed at S\$13.9 million in the financial statements. We were therefore unable to satisfy ourselves as to the completeness and appropriateness of disclosures in the Company's financial statements in relation to the disposal of the subsidiaries as well as related party transactions up to the date of disposal.

Qualified Audit Opinion

7. In our opinion,
- (a) except for the matter discussed in paragraph 6 above, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2008 and the results, changes in equity and cash flows of the Group for the period from 1 January 2007 to 31 March 2008; and
 - (b) the accounting and other records required by the Act to be kept by the Company and its subsidiary incorporated in Singapore of which we are the independent auditors have been properly kept in accordance with the provisions of the Act.
8. Without qualifying our opinion we draw attention to Note 2(b) to the financial statements which indicates that the Group incurred a net loss of S\$15,525,000 (2006: S\$19,341,000) for the financial period ended 31 March 2008, and as of that date, the Group's current liabilities exceeded its current assets by S\$853,000 (2006: S\$18,257,000) (Company: 2008 net liabilities S\$997,000) and the Group has a deficit in shareholders funds of S\$852,000 (Company: 2008 deficit S\$996,000). The Group currently has no significant sources of revenue. As a result of a restructuring exercise as mentioned in Note 1(b)(v) to the financial statements, it is proposed that a new business, Pyramid Manufacturing Industries Pte Ltd ("Pyramid"), a subsidiary company of Sitt Tatt Berhad, the holding company of the Company, will be injected into the Group. Approval for this transaction is currently pending from the Singapore Exchange Securities Trading Limited and shareholders. Failure to successfully complete this transaction, would significantly impact the Group's and the Company's ability to continue as going concerns.

Independent Auditors' Report

To the members of Iconic Global Limited

(cont'd)

The consolidated financial statements of the Group and the balance sheet of the Company have been prepared on a going concern basis on the premise that the proposed acquisition of Pyramid will be successfully concluded. In the meantime the holding company, Sitt Tatt Berhad, has indicated its intention to provide continuing financial support to the Company and the Group to meet their obligations as and when they fall due. In the event the proposed acquisition of Pyramid is unsuccessful, and should the holding company withdraw its financial support, the Group and the Company may not be able to continue as going concerns. As a result adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group and the Company may have to provide for further liabilities that might arise. No adjustments have been made to these financial statements.

Moore Stephens

Public Accountants and
Certified Public Accountants

Singapore

30 June 2008

Consolidated Income Statement

For the financial period ended 31 March 2008

	Group	
	1.1.2007 to	Restated
<u>Note</u>	<u>31.3.2008</u>	<u>1.1.2006 to</u>
	S\$'000	31.12.2006
		S\$'000
<u>Continuing Operations</u>		
Other operating income	3 25	2
Administrative expenses	(1,147)	(1,632)
Overprovision of non audit fees	447	-
Loss from operating activities	4 (675)	(1,630)
Finance costs	5 (440)	(324)
Loss before taxation	(1,115)	(1,954)
Taxation	6 9	30
Loss from continuing operations	(1,106)	(1,924)
<u>Discontinued operations</u>		
Loss from discontinued operations	7 (14,419)	(17,417)
Loss for the period/year	<u>(15,525)</u>	<u>(19,341)</u>
Loss per ordinary share (cents)		
- Basic and Diluted	8	
Continuing operations	(0.34)	(1.10)
Discontinued operations	(4.42)	(9.91)
	<u>(4.76)</u>	<u>(11.01)</u>

Balance Sheets

As at 31 March 2008

	Note	Group		Company	
		31.3.2008	Restated 31.12.2006	31.3.2008	Restated 31.12.2006
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and bank balances	9	239	1,388	239	11
Fixed deposits	9	-	796	-	784
Trade receivables	10	-	1,793	-	-
Other receivables and prepayments	11	-	3,723	-	-
Due from subsidiary companies	12	-	-	-	10,565
Inventories	13	-	3,272	-	-
Biological assets	14	-	5,758	-	-
		239	16,730	239	11,360
Assets held for sale	7(c)	175	-	-	-
		414	16,730	239	11,360
Non-current assets					
Investments in subsidiary companies	15	-	-	-	4,500
Property, plant and equipment	16	1	22,893	1	9
Land use rights	17	-	4,089	-	-
Available-for-sale investments	18	-	272	-	-
Deferred tax assets	19	-	32	-	-
		1	27,286	1	4,509
Total Assets		415	44,016	240	15,869
LIABILITIES AND EQUITY					
Current liabilities					
Bank overdrafts	20	-	839	-	-
Short-term bank loans	20	300	20,679	300	7,282
Current portion of long-term bank loans	20	-	2,548	-	-
Trade payables	21	-	2,760	-	-
Other payables	22	935	6,892	935	895
Income tax payable		1	1,240	1	-
Current portion of finance leases	23	-	29	-	-
		1,236	34,987	1,236	8,177
Liabilities directly associated with assets held for sale.	7(c)	31	-	-	-
		1,267	34,987	1,236	8,177

Balance Sheets

As at 31 March 2008

	Note	Group		Company	
		31.3.2008	Restated 31.12.2006	31.3.2008	Restated 31.12.2006
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current liabilities					
Due to a subsidiary company	12	-	-	-	1,219
Bank loans	20	-	2,744	-	-
Finance leases	23	-	15	-	-
Deferred tax liabilities	19	-	277	-	-
		-	3,036	-	1,219
Total Liabilities		1,267	38,023	1,236	9,396
Capital and reserves					
Issued capital	24	21,035	12,535	21,035	12,535
Capital reserve	25	-	9,942	-	-
Reserve fund	26	-	1,621	-	-
Deficit on revaluation of available-for-sale investments		-	(180)	-	-
Currency translation deficit		-	(2,005)	-	-
Accumulated losses		(21,887)	(15,920)	(22,031)	(6,062)
		(852)	5,993	(996)	6,473
Total Liabilities and Equity		415	44,016	240	15,869

Consolidated Statement of Changes in Equity

For the financial period ended 31 March 2008

		Attributable to shareholders of the Company						
		Issued capital	Capital reserve	Reserve fund	Deficit on revaluation of available-for-sale investments	Currency translation deficit	Accumulated losses	Total
Note		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group								
<u>31.03.2008</u>								
	Balance at 1 January 2007							
	- as previously reported	12,535	9,942	1,621	(180)	(2,005)	(15,481)	6,432
	- effect of prior year adjustments	34	-	-	-	-	(439)	(439)
	- as restated	12,535	9,942	1,621	(180)	(2,005)	(15,920)	5,993
	Issuance of 527,000,001 new shares during the year	24	8,500	-	-	-	-	8,500
	Fair value adjustments on financial instruments		-	-	180	-	-	180
	Loss for the year		-	-	-	-	(15,525)	(15,525)
	Deconsolidation due to disposal of PRC subsidiary companies		-	(9,942)	(1,621)	2,005	9,558	-
	Balance at 31 March 2008		21,035	-	-	-	(21,887)	(852)

		Attributable to shareholders of the Company								
		Issued capital	Share premium	Capital reserve	Reserve fund	Deficit on revaluation of available-for-sale investments	Currency translation deficit	Accumulated losses	Total	
Note		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Group										
<u>31.12.2006</u>										
	Balance at 1 January 2006									
	- as previously reported	8,783	3,752	9,942	1,621	(356)	(742)	16,869	39,869	
	- effect of prior year adjustments		-	-	-	-	-	(13,184)	(13,184)	
	- as restated	8,783	3,752	9,942	1,621	(356)	(742)	3,685	26,685	
	Translation adjustments		-	-	-	-	(1,263)	-	(1,263)	
	Fair value adjustments on financial instruments		-	-	-	176	-	-	176	
	Loss for the year		-	-	-	-	-	(19,341)	(19,341)	
	Transfer of share premium reserve to share capital	24	3,752	(3,752)	-	-	-	-	-	
	Dividends, net of tax	27	-	-	-	-	-	(264)	(264)	
	Balance at 31 December 2006		12,535	-	9,942	1,621	(180)	(2,005)	(15,920)	5,993

Consolidated Cash Flow Statement

For the financial period ended 31 March 2008

	Group	
	1.1.2007 to	Restated
<u>Note</u>	<u>31.3.2008</u>	<u>31.12.2006</u>
	S\$'000	S\$'000
Cash Flows from Operating Activities		
Total loss for the period/year	(15,525)	(19,341)
Adjustments for:		
Income tax expense	(70)	62
Depreciation of property, plant and equipment	11	1,915
Dividend and interest income	(25)	(196)
Finance costs	544	2,440
Allowance for doubtful debts	-	750
Allowance for doubtful debts for amounts due from PRC subsidiary companies	10,565	-
Allowance for inventories	-	1,099
Amortisation of land use rights	-	114
Impairment loss on property, plant and equipment and land use rights	-	11,635
Impairment loss on available-for-sale investments	255	270
Property, plant and equipment written off	1	-
Gain on disposal of available-for-sale investments	-	(7)
Loss on disposal of subsidiary companies	28 3,337	-
Gain on disposal of property, plant and equipment	(44)	(3,389)
Operating cash flow before movements in working capital	<u>(951)</u>	<u>(4,648)</u>
Receivables	5,032	9,065
Inventories and biological assets	1,482	11,088
Payables	<u>(4,714)</u>	<u>(21,073)</u>
Cash generated from/(used in) operations	849	(5,568)
Interest paid	(544)	(2,196)
Income tax refund/(paid), net	31	(112)
Net cash generated from/(used in) operating activities	<u>336</u>	<u>(7,876)</u>
Cash Flows from Investing Activities		
Interest received	25	190
Purchase of property, plant and equipment	-	(3,463)
Purchase of land use rights	-	(114)
Proceeds from disposal of property, plant and equipment	67	3,827
Proceeds from disposal of available-for-sale investments, net	-	14
Dividends received from available-for-sale investments	-	6
Disposal of PRC subsidiary companies, net of cash disposed	28 <u>(939)</u>	<u>-</u>
Net cash (used in)/generated from investing activities	<u>(847)</u>	<u>460</u>

Consolidated Cash Flow Statement

For the financial period ended 31 March 2008

	Group	
	1.1.2007 to	Restated
<u>Note</u>	<u>31.3.2008</u>	<u>1.1.2006 to</u>
	S\$'000	31.12.2006
		S\$'000
Cash Flows from Financing Activities		
Repayment of obligations under finance leases	(44)	(286)
Reduction in fixed deposits pledged as security	-	2,033
Repayment of bank loans, net	(8,981)	(460)
Subscription of new shares issued during the year	8,500	-
Dividends paid during the year	-	(264)
Net cash (used in) / generated from financing activities	<u>(525)</u>	<u>1,023</u>
Net effect of exchange rate changes in consolidating subsidiary companies	<u>-</u>	<u>(254)</u>
Net decrease in cash and cash equivalents	(1,036)	(6,647)
Cash and cash equivalents at beginning of period/ year	<u>1,345</u>	<u>7,992</u>
Cash and cash equivalents at end of period/ year	<u>9</u> <u>309</u>	<u>1,345</u>

Notes to the Financial Statements

31 March 2008

These notes form an integral part of and should be read in conjunction with the accompanying financial statements:

1 General

(a) Corporate Information

Iconic Global Limited (the "Company") is a limited liability company, which is incorporated and domiciled in Singapore with its principal place of business at 10 Kian Teck Crescent, Singapore 628876 and registered office at No. 1 Tuas Link 3 Jurong Industrial Estate, Singapore 638522. The Company is listed on the Singapore Exchange Securities Trading Limited. The immediate holding company was Pacfi Pte Ltd and ultimate holding company was QAF Limited, both incorporated in Singapore. During the year, as a result of the acquisition by way of subscription for new shares of the Company by Sitt Tatt Berhad, the holding company is now Sitt Tatt Berhad, a company incorporated and domiciled in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad.

The Company changed its name from China Food Industries Limited to Iconic Global Limited on 30 May 2008.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiary companies are disclosed in Note 15 to the financial statements.

(b) Significant Events

(i) *Disposal of Junan Hengxing Foodstuff Co., Ltd and Shandong Xinquan Grain & Oil Co., Ltd (the "PRC subsidiary companies")*

The PRC subsidiary companies were disposed of in September 2007 for S\$201,865 due to various irregularities uncovered in these companies as highlighted in the previous audited financial statements for the financial year ended 31 December 2006 and announcements made to the Singapore Exchange Securities Trading Limited since August 2006.

The effect of the disposal and deconsolidation of the PRC subsidiary companies of a loss of S\$13.9 million has been disclosed as a loss recognised on the measurement to fair values less cost to sell of assets held for sale under discontinued operations in the consolidated income statement.

(ii) *Cessation of Thye Seng Trading Company Private Limited (the "Thye Seng" or "subsidiary company") operations*

The subsidiary company ceased its trading in frozen food products and became inactive during the financial period. Its results for the financial period have been disclosed under discontinued operations in the consolidated income statement.

Notes to the Financial Statements

31 March 2008

1 General (cont'd)

(b) Significant Events (cont'd)

(iii) *Subscription Agreement*

The Company entered into a subscription agreement dated 29 August 2007 with Sitt Tatt Berhad and the Company allotted and issued 527,000,001 new ordinary shares for a cash consideration of S\$8.5 million, as disclosed in Note 24, on the basis of S\$0.016 per share. Upon completion of the subscription, Sitt Tatt Berhad owned 527,000,001 shares representing 75% of the existing issued and paid up shares of the Company.

(iv) *Change of financial year end*

The Company changed its financial year end from 31 December to 31 March to be co-terminus with the financial year end of Sitt Tatt Berhad, the holding company of the Company.

The financial statements of the Group and Company for the period ended 31 March 2008 cover a period of 15 months from 1 January 2007 to 31 March 2008.

(v) *Proposed acquisition of 75% of the total issued and fully paid-up share capital of Pyramid Manufacturing Industries Pte. Ltd. ("Pyramid") by the Company from STB Technologies Pte. Ltd.*

On 27 December 2007, the Company announced that it has entered into a conditional sale and purchase agreement for the sale by STB Technologies Pte Ltd and the purchase by the Company, of 750,000 ordinary shares in the issued and fully paid-up share capital of Pyramid (amounting to 75% of the total issued and fully paid-up share capital of Pyramid) ("the proposed acquisition"), for a consideration of S\$18,750,000, which shall be fully satisfied by the allotment and issue, credited as fully paid-up, of 1,171,875,000 new ordinary shares of the Company to Sitt Tatt Berhad at an issue price of S\$0.016 per consideration share.

Both of these companies are subsidiary companies of Sitt Tatt Berhad, the holding company of the Company.

At the date of this report, the proposed acquisition is subject to the approval of the Singapore Exchange Securities Trading Limited and shareholders.

(c) Prior Year Adjustments

The Group has recognised prior year adjustments regarding allowances for inventory amounting to S\$439,146 as cost of sales in the income statement as disclosed in Note 34.

Notes to the Financial Statements

31 March 2008

2 Significant Accounting Policies

(a) Basis of Preparation

The consolidated financial statements of the Group and the balance sheet of the Company have been prepared in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or S\$) and all values are rounded to the nearest thousand (S\$'000) except when otherwise indicated.

(b) Going Concern Assumption

The Group incurred a loss of S\$15.5 million for the financial period ended 31 March 2008 [2006 (as restated): Loss S\$19.3 million]. Following the disposal of the operations of the PRC subsidiary companies as disclosed in Note 1b(i) to the financial statements, and the cessation of business of Thye Seng, the Group has no other significant sources of revenue. These conditions cast doubt on the ability of the Group and the Company to continue as going concerns.

The ability of the Group and the Company to continue as going concerns and to meet their liabilities as and when they fall due is dependent, inter alia, on the continuing support from the holding company, Sitt Tatt Berhad, and the ability of the directors of the Company to secure new businesses and/or new investors for the Group.

The Company has signed a sale and purchase agreement to acquire and to inject Pyramid Manufacturing Industries Pte Ltd, a subsidiary company of Sitt Tatt Berhad, the holding company of the Company, into the operations of the Group. The proposed acquisition is subject to the Singapore Exchange Securities Trading Limited and shareholders' approval.

(c) Interpretations and amendments to published standards effective in 2007

(i) *Adoption of new and revised FRS*

On 1 January 2007, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date.

The Group and the Company have applied the following FRS and INT FRS that have been issued as at the balance sheet date:

Notes to the Financial Statements

31 March 2008

2 Significant Accounting Policies (cont'd)

(c) Interpretations and amendments to published standards effective in 2007 (cont'd)

(i) *Adoption of new and revised FRS (cont'd)*

FRS 1 - Amendment to FRS 1 (revised),
Presentation of Financial Statements
(Capital Disclosures)

FRS 107 - Financial Instruments: Disclosures

INT FRS 110 - Interim Financial Reporting and Impairment

The adoption of the above FRS or INT FRS did not result in any substantial changes to the Group's accounting policies, nor any significant impact on these financial statements. FRS 107 and the complementary amended FRS 1 introduce new disclosures relating to financial instruments and capital respectively.

(ii) *New and revised FRS and INT FRS issued but not yet effective*

As at the date of these financial statements, the new and revised FRS and INT FRS that are relevant to the Group's operations that were in issue but not yet effective:

FRS 23 (revised) Borrowing Costs
(effective for annual periods beginning on or after 1 January 2009)

FRS 108 Operating Segments
(effective for annual periods beginning on or after 1 January 2009)

INT FRS 111 Group and Treasury Share Transactions (effective for annual periods beginning on or after 1 March 2009)

INT FRS 112 Service Concession Arrangements
(effective for annual periods beginning on or after 1 January 2008)

The Group's assessment is that the adoption of the above new FRS and INT FRS will have no material impact on the financial statements of the Group.

Notes to the Financial Statements

31 March 2008

2 Significant Accounting Policies (cont'd)

(d) Significant Accounting Estimates and Judgements

Estimates and assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no significant estimates and assumptions made in the preparation of the financial statements for the current financial period ended 31 March 2008.

(e) Subsidiary Companies and Principles of Consolidation

(i) *Subsidiary companies*

A subsidiary company is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. The Group generally has such power when it, directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors.

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

(ii) *Principles of consolidation*

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

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets, are eliminated in full.

Acquisitions of subsidiary companies are accounted for using the purchase method. Subsidiary companies are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Notes to the Financial Statements

31 March 2008

2 Significant Accounting Policies (cont'd)

(f) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost, other than construction-in-progress, over their estimated useful lives, using the straight-line method, on the following basis:

Leasehold buildings	-	3.33% to 4%
Plant, machinery and refrigerators	-	6.67% to 15%
Motor vehicles	-	10% to 20%
Office equipment, furniture and fittings	-	7.5% to 20%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the income statement.

(g) Land Use Rights

Leasehold land premiums are up-front payments to acquire long term interest in lessee-occupied properties. The premiums are stated at cost and are amortised over the period of the lease of between 14 to 50 years on a straight-line basis to the income statement.

(h) Impairment of Non-financial Assets

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to

Notes to the Financial Statements

31 March 2008

2 Significant Accounting Policies (cont'd)

(h) Impairment of Non-financial Assets (cont'd)

its recoverable amount. Impairment losses are recognised in the income statement or treated as a revaluation decrease for assets carried at revalued amount to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for that same asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses recognised for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversal of an impairment loss is recognised in the income statement unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss previously recognised through the income statement is treated as a revaluation increase. After such a reversal, the depreciation charge, if any, is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(i) Financial Assets

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

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

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivative financial instruments are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in the income statement.

Notes to the Financial Statements

31 March 2008

2 Significant Accounting Policies (cont'd)

(i) Financial Assets (cont'd)

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

The Group does not designate any financial assets not held for trading as financial assets at fair value through income statement.

(ii) *Held-to-maturity investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the assets to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount and minus any reduction for impairment or uncollectibility. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in the income statement when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest method, less impairment losses. Gains and losses are recognised in income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

The Group classifies the following financial assets as loans and receivables:

- cash and bank balances and fixed deposits;
- trade receivables, other receivables and prepayments and amounts due from subsidiary companies.

Notes to the Financial Statements

31 March 2008

2 Significant Accounting Policies (cont'd)

(i) Financial Assets (cont'd)

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

The Group classifies its investment securities as available-for-sale financial assets.

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognised in the fair value adjustment reserve until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

The fair value of investments where there is no active market is determined using valuation techniques.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment losses.

(j) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, fixed deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

(k) Impairment of Financial Assets

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

(i) *Assets carried at amortised cost*

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

Notes to the Financial Statements

31 March 2008

2 Significant Accounting Policies (cont'd)

(k) Impairment of Financial Assets (cont'd)

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

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

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

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

(l) Derecognition of Financial Assets

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

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

(m) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost comprises direct materials and, where applicable, direct labour costs and those overhead and that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Notes to the Financial Statements

31 March 2008

2 Significant Accounting Policies (cont'd)

(n) Biological Assets

Biological assets principally represents pigs which are measured at cost on initial recognition and, at each balance sheet date, at their fair values less estimated point-of-sale costs. The fair value of the biological asset is determined principally with reference to the most recent transaction price.

Gain or loss arising from initial recognition of biological asset at fair value less estimated point-of-sale costs, or from a change in fair value less estimated point-of-sale costs of biological asset is included in the income statement for the period in which it arises.

(o) Financial Liabilities

Financial liabilities include trade payables, which are normally settled on 30-90 day terms, other payables, payables to related parties and bank overdrafts and bank loans. Financial liabilities are recognised on the balance sheet when and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

(p) Borrowing Costs

Borrowings are generally expensed as incurred. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are ready for their intended use. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

(q) Provisions

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

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Notes to the Financial Statements

31 March 2008

2 Significant Accounting Policies (cont'd)

(r) Employee Benefits

(i) *Defined contribution plan*

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

(ii) *Employee leave entitlement*

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

(s) Leases

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

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

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

(t) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

(i) *Sale of goods*

Revenue is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Notes to the Financial Statements

31 March 2008

2 Significant Accounting Policies (cont'd)

(t) Revenue (cont'd)

(ii) *Interest income*

Interest income is recognised as interest accrues (using the effective interest method) unless collectibility is in doubt.

(iii) *Dividend income*

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

(u) Income Taxes

(i) *Current tax*

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

(ii) *Deferred tax*

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

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

- Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of temporary differences associated with investments in subsidiary companies, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences (other than those mentioned above), carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

Notes to the Financial Statements

31 March 2008

2 Significant Accounting Policies (cont'd)

(u) Income Taxes (cont'd)

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

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

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

Income tax relating to items recognised directly in equity is recognised directly in equity.

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

(iii) *Sales tax*

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

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

Receivables and payables that are stated with the amount of sales tax included.

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

(v) Goodwill

Goodwill arising on the acquisition of a subsidiary company represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary company recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Notes to the Financial Statements

31 March 2008

2 Significant Accounting Policies (cont'd)

(v) Goodwill (cont'd)

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary company, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(w) Reserve Fund

Reserve fund represents the amount transferred from the profit after taxation of the company in accordance with PRC requirements. The balance of the reserve fund cannot be reduced except where approval is obtained from the relevant PRC authority to apply the amount either in offsetting accumulated losses or increasing capital.

(x) Functional and Foreign Currency

(i) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Singapore dollars, which is the Company's functional and presentation currency that reflects the primary economic environment in which the Company operates.

(ii) *Foreign currency transactions*

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

Notes to the Financial Statements

31 March 2008

2 Significant Accounting Policies (cont'd)

(x) Functional and Foreign Currency (cont'd)

(ii) *Foreign currency transactions (cont'd)*

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the income statement except for exchange differences arising on monetary items that form part of the Group's net investment in foreign subsidiary companies, which are recognised initially in a separate component of equity as currency translation deficit in the consolidated balance sheet and recognised in the consolidated income statement on disposal of the subsidiary company.

(iii) *Foreign currency translation*

The results and financial position of foreign operations are translated into Singapore Dollar using the following procedures:

- Assets and liabilities for each balance sheet presented are translated at the rate ruling at that balance sheet date; and
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions.

All resulting exchange differences are recognised in a separate component of equity as currency translation deficit.

On disposal of a foreign operation, the cumulative amount of exchange differences deferred in equity relating to that foreign operation is recognised in the income statement.

(y) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held for sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised in the income statement. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in the income statement.

Notes to the Financial Statements

31 March 2008

2 Significant Accounting Policies (cont'd)

(y) Non-current assets (or disposal groups) held for sale and discontinued operations (cont'd)

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and (a) represents a separate major line of business or geographical area of operations; or (b) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or (c) is a subsidiary acquired exclusively with a view to resale.

3 Other Operating Income

	Group	
	1.1.2007 to <u>31.3.2008</u> S\$'000	Restated 1.1.2006 to <u>31.12.2006</u> S\$'000
Interest income	<u>25</u>	<u>2</u>

4 Loss from Operating Activities

	Group	
	1.1.2007 to <u>31.3.2008</u> S\$'000	Restated 1.1.2006 to <u>31.12.2006</u> S\$'000
Loss from operating activities is stated after charging/ (crediting):		
Staff costs	265	393
Cost of defined contribution plans included in staff costs	7	14
Directors' remuneration:		
Directors of the Company	-	170
Directors' fees	-	115
Depreciation of property, plant and equipment	8	23
Foreign exchange gain	(396)	(165)
Non-audit fees charged by auditors	170	888
Overprovision of non-audit fees	<u>(447)</u>	<u>-</u>

Notes to the Financial Statements

31 March 2008

5 Finance Costs

	Group	
	1.1.2007 to <u>31.3.2008</u> S\$'000	Restated 1.1.2006 to <u>31.12.2006</u> S\$'000
Interest expense from:		
Bank loans	439	323
Finance leases	-	1
Others	1	-
	<u>440</u>	<u>324</u>

6 Taxation

(a) Tax expense attributable to profit is made up of:

	Group	
	1.1.2007 to <u>31.3.2008</u> S\$'000	Restated 1.1.2006 to <u>31.12.2006</u> S\$'000
Loss from current financial period/year:		
<u>From continuing operations</u>		
Over provision in prior years - current tax	9	30
<u>From discontinued operations</u>		
Over/(Under)provision in prior years - current tax	61	(92)
	<u>70</u>	<u>(62)</u>

(b) The income tax expense on the results of the Group differ from the amount of tax determined by applying the Singapore statutory tax rate of 18% (2006: 20%) to the loss before taxation due to the following factors:

Notes to the Financial Statements

31 March 2008

6 Taxation (cont'd)

	Group	
	1.1.2007 to <u>31.3.2008</u> S\$'000	Restated 1.1.2006 to <u>31.12.2006</u> S\$'000
Loss before tax from:		
- continuing operations	(1,115)	(1,954)
- discontinued operations	<u>(14,480)</u>	<u>(17,325)</u>
	<u>(15,595)</u>	<u>(19,279)</u>
Tax benefit calculated at tax rate of 18% (2006: 20%)	(2,807)	(3,856)
Adjustments:		
Non-allowable items	3,058	3,384
Tax benefit on losses not recognized	(251)	585
Tax savings on qualifying exempt income	-	(3)
Others	-	(110)
Over/(Under)provision in prior years	<u>70</u>	<u>(62)</u>
Tax expense	<u>70</u>	<u>(62)</u>

The Group has tax losses and capital allowances carried forward of approximately \$1,839,000 (2006: \$495,000) and nil (2006: \$30,000) respectively, which can, subject to the provisions of relevant local tax legislation and subject to the agreement with the relevant tax authorities, be carried forward and utilised to set off against future taxable profits. The potential tax benefit arising from such unutilised tax losses and capital allowances has not been recognised in the financial statements due to the uncertainty of its recoverability.

7 Discontinued Operations

Discontinued operations represent results from:

- (i) The PRC subsidiary companies as these companies were disposed of in September 2007.
- (ii) Thye Seng as the subsidiary company ceased its operation and is now inactive.

As at 31 March 2008, the assets and liabilities of Thye Seng have been presented in the consolidated balance sheet as assets held for sale and liabilities directly associated with assets held for sale respectively (Note 7(c)).

Notes to the Financial Statements

31 March 2008

7 Discontinued Operations (cont'd)

(a) Results from discontinued operations are as follows:

(i) Period ended 1.1.2007 to 31.3.2008

	S\$'000
Revenue	1,694
Cost of sales	(1,754)
Gross Loss	<u>(60)</u>
Other operating income	45
Distribution costs	(11)
Administrative expenses	(184)
Other operating expenses	(264)
Loss from operating activities	<u>(474)</u>
Finance costs	(104)
Loss from discontinued operations before taxation	<u>(578)</u>
Taxation	61
Loss from discontinued operations	<u>(517)</u>
Loss recognised on the measurement to fair value less cost to sell on assets held for sale	*(13,902)
Total loss from discontinued operations	<u><u>(14,419)</u></u>

* Loss recognised on the measurement to fair value less cost to sell on assets held for sale consists of the following:

(i) Allowance for doubtful debts for amounts due from disposed PRC subsidiary companies during the period.	(10,565)
(ii) Loss on disposal of PRC subsidiary companies during the period (Note 28).	(3,337)
	<u><u>(13,902)</u></u>

Notes to the Financial Statements

31 March 2008

7 Discontinued Operations (cont'd)

(a) Results from discontinued operations are as follows: (cont'd)

(ii) Year ended 1.1.2006 to 31.12.2006

	S\$'000
Revenue	132,979
Cost of sales	<u>(133,691)</u>
Gross Loss	(712)
Other operating income	3,945
Distribution costs	(2,377)
Administrative expenses	(4,116)
Other operating expenses	(385)
Impairment on property, plant and equipment and land use rights	<u>(11,564)</u>
Loss from operating activities	(15,209)
Finance costs	<u>(2,116)</u>
Loss from discontinued operations before taxation	(17,325)
Taxation	<u>(92)</u>
Loss from discontinued operations	<u><u>(17,417)</u></u>

(b) The cash flows attributable to discontinued operations are as follows:

(i) Period ended 1.1.2007 to 31.3.2008

	S\$'000
Operating cash inflows	1,410
Investing cash inflows	67
Financing cash outflows	<u>(2,044)</u>
Net cash outflows	<u><u>(567)</u></u>

(ii) Year ended 1.1.2006 to 31.12.2006

	S\$'000
Operating cash outflows	(3,649)
Investing cash inflows	325
Financing cash outflows	<u>(5,902)</u>
Net cash outflows	<u><u>(9,226)</u></u>

Notes to the Financial Statements

31 March 2008

7 Discontinued Operations (cont'd)

(c) The following major classes of assets and liabilities classified as held for sale on the consolidated balance sheet as at 31 March 2008:

	S\$'000
<u>Current assets held for sale</u>	
Cash and bank balances	70
Available for sale investment	105
	<u>175</u>
<u>Current liabilities directly associated with assets held for sale</u>	
Trade Payables	6
Other payables	25
	<u>31</u>

8 Loss per Ordinary Share

	Group	
	<u>1.1.2007 to 31.3.2008</u>	<u>Restated 1.1.2006 to 31.12.2006</u>
- Continuing operations	(0.34) cents	(1.10) cents
- Discontinued operations	(4.42) cents	(9.91) cents
	<u>(4.76) cents</u>	<u>(11.01) cents</u>
Weighted average number of ordinary shares in issue for basic earnings per share ('000s)	<u>326,238</u>	<u>175,667</u>

The calculation of loss per ordinary share is based on the Group's loss for the period/year divided by the weighted average number of ordinary shares in issue during the period/year.

As there are no potential ordinary shares there is no requirement to disclose diluted earnings per share.

9 Cash and Cash Equivalents

	Group		Company	
	<u>31.3.2008</u>	<u>Restated 31.12.2006</u>	<u>31.3.2008</u>	<u>Restated 31.12.2006</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances	239	1,388	239	11
Fixed deposits	-	796	-	784
	<u>239</u>	<u>2,184</u>	<u>239</u>	<u>795</u>

Notes to the Financial Statements

31 March 2008

9 Cash and Cash Equivalents (cont'd)

Fixed deposits of the Group and the Company had an original maturity of three months or less. The carrying amounts of these assets approximate their fair values. The effective interest rate of the fixed deposits range from 3.18% to 5.17% (2006: 5.17%) per annum.

Cash and cash equivalents were denominated in the following currencies:

	Group		Company	
	31.3.2008	Restated 31.12.2006	31.3.2008	Restated 31.12.2006
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore Dollars	239	255	239	7
United States Dollars	-	788	-	788
Chinese Renminbi	-	1,141	-	-
	<u>239</u>	<u>2,184</u>	<u>239</u>	<u>795</u>

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following:

	Group	
	31.3.2008	Restated 31.12.2006
	S\$'000	S\$'000
(i) <u>Continuing operations</u>		
Cash and bank balances (including fixed deposits)	239	2,184
Less: Bank overdrafts	-	(839)
	<u>239</u>	<u>1,345</u>
(ii) <u>Discontinued operations</u>		
Cash and bank balances	70	-
	<u>309</u>	<u>1,345</u>

10 Trade Receivables

	Group	
	31.3.2008	Restated 31.12.2006
	S\$'000	S\$'000
Outside parties	-	8,354
Less: allowance for doubtful receivables	-	(6,696)
Net	-	1,658
Related companies	-	43
Related parties	-	92
	<u>-</u>	<u>1,793</u>

Notes to the Financial Statements

31 March 2008

10 Trade Receivables (cont'd)

The amounts due from related companies and related parties were unsecured, interest-free and repayable on demand.

Trade receivables were denominated in the following currencies:

	Group	
	<u>31.3.2008</u>	<u>Restated 31.12.2006</u>
	S\$'000	S\$'000
Singapore Dollars	-	553
Chinese Renminbi	-	1,240
	<u>-</u>	<u>1,793</u>

11 Other Receivables and Prepayments

	Group	
	<u>31.3.2008</u>	<u>Restated 31.12.2006</u>
	S\$'000	S\$'000
Prepayments and deposits	-	1,333
Tax recoverable	-	28
Other taxes recoverable	-	1,125
Others	-	1,237
	<u>-</u>	<u>3,723</u>

Other taxes recoverable represented the excess of Value Added Tax ("VAT") from domestic purchases of the PRC subsidiary companies over the VAT-out arising from their domestic and export sales which would be refunded by the PRC local tax bureau in cash or entitled to offset against future VAT-liabilities.

Other receivables and prepayments were denominated in the following currencies:

	Group	
	<u>31.3.2008</u>	<u>Restated 31.12.2006</u>
	S\$'000	S\$'000
Singapore Dollars	-	36
Chinese Renminbi	-	3,687
	<u>-</u>	<u>3,723</u>

Notes to the Financial Statements

31 March 2008

12 Due from/(to) Subsidiary Companies

	Company	
	<u>31.3.2008</u>	<u>31.12.2006</u>
	S\$'000	S\$'000
Receivable within one year	-	10,565
Payable after one year	-	(1,219)

During the financial period, the Company made a provision for impairment for the amount due from the PRC subsidiary companies of \$10,565,000 as a result of the disposal of these companies in September 2007.

The amounts due to a subsidiary company, denominated in Singapore Dollars, were unsecured, interest-free and had no fixed terms of repayment. The amount due was settled in the current year.

13 Inventories

	Group	
	<u>31.3.2008</u>	<u>31.12.2006</u>
	S\$'000	S\$'000
Raw materials	-	856
Finished goods	-	2,416
Total inventories at lower of cost and net realisable value	-	3,272
Inventories are stated after deducting allowance for obsolescence of	-	1,099

14 Biological Assets

(a) A reconciliation of the carrying value of livestock is as follows:

	Group	
	<u>31.3.2008</u>	<u>31.12.2006</u>
	S\$'000	S\$'000
Carrying amount at beginning of period/year	5,758	6,322
Net change in carrying amount during the period/year – as a result of disposal of PRC subsidiary companies	(5,758)	(564)
Carrying amount at end of the period/year	-	5,758

Notes to the Financial Statements

31 March 2008

14 Biological Assets (cont'd)

(b) Measurement base

The fair value of the biological assets, other than immature pigs below certain weight, was determined based on the most recent market transaction price, provided that there has not been a significant change in economic circumstances between the date of that transaction and the balance sheet date. The point-of-sale costs include commission to brokers and dealers, levies by regulatory agencies and commodity exchanges, and transfer taxes and duties. A gain or loss arising on initial recognition of the biological assets at fair value less estimated point-of-sale costs and from a change in fair value less estimated point-of-sale costs of biological assets is included in the income statement for the period in which it arises.

(c) Specific risk management strategies

There were no financial derivatives in the People's Republic of China (the "PRC") to hedge against the future selling price of pigs and purchase prices of animal feed.

Similarly, there were no insurance policies in the PRC against losses due to uncontrollable and extraordinary weather conditions and outbreaks of virulent diseases.

(d) Biological assets at fair value less estimated point-of-sale costs, unless otherwise stated:

	Group	
	<u>31.3.2008</u>	<u>Restated 31.12.2006</u>
	S\$'000	S\$'000
Mature pigs	-	2,384
Immature pigs	-	1,440
Immature pigs (below certain weight) – at cost	-	1,934
	<u>-</u>	<u>5,758</u>

(e) Non-financial measures or estimates of the physical quantities of:

Each group of the farm's biological assets at the end of the year:

	Group	
	<u>31.3.2008</u>	<u>Restated 31.12.2006</u>
Mature pigs	-	8,546
Immature pigs	-	57,406
	<u>-</u>	<u>65,952</u>

Notes to the Financial Statements

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15 Investments in Subsidiary Companies and Due from Subsidiary Company

	Company	
	<u>31.3.2008</u> S\$'000	<u>Restated</u> <u>31.12.2006</u> S\$'000
Unquoted equity shares/capital, at cost	4,500	21,115
Impairment loss	<u>(4,500)</u>	<u>(16,615)</u>
	<u>-</u>	<u>4,500</u>

During the financial year, the Company made an impairment loss of \$4,500,000 to write down the carrying amount of its investment in Thye Seng in view of its dormant status after the cessation of its operations in the current financial period.

In the prior year, the Company made an impairment loss of \$16,615,000 resulting from the write down of the carrying amount of its investment in its PRC subsidiary companies in view of the commencement at that time of the process for voluntary liquidation of these subsidiary companies. Subsequently the PRC subsidiary companies were disposed of in September 2007.

Details of the subsidiary companies are as follows:

Name of subsidiary company (Country of incorporation)	Principal activities (Place of business)	<u>Cost of investment</u>		<u>Percentage of equity held by the Group</u>	
		<u>31.3.2008</u> S\$'000	<u>31.12.2006</u> S\$'000	<u>31.3.2008</u> %	<u>31.12.2006</u> %
(1) Thye Seng Trading Company Private Limited (Singapore)	Dormant	4,500	4,500	100	100
(2) Junan Hengxing Foodstuff Co., Ltd (People's Republic of China)	Breeding and sale of pigs, production and sale of animal feed and processing of meat and sale of processed meat (People's republic of China)	-	5,607	-	100

Notes to the Financial Statements

31 March 2008

15 Investments in Subsidiary Companies and Due from Subsidiary Company (cont'd)

Name of subsidiary company (Country of incorporation)	Principal activities (Place of business)	Cost of investment		Percentage of equity held by the Group	
		31.3.2008 S\$'000	31.12.2006 S\$'000	31.3.2008 %	31.12.2006 %
(2) Shandong Xinquan Grain & Oil Co., Ltd (People's Republic of China)	Producing and sale of soy oil and soy meals (People's Republic of China)	-	11,008	-	100
		<u>4,500</u>	<u>21,115</u>		

(1) Audited by Moore Stephens, Singapore.

(2) The subsidiary companies were disposed of in September 2007.

16 Property, Plant and Equipment

	Leasehold buildings S\$'000	Plant, machinery and refrigerators S\$'000	Motor vehicles S\$'000	Office equipment, furniture and fittings S\$'000	Construction in-progress S\$'000	Total S\$'000
Group						
31.3.2008						
<u>Cost</u>						
As at 1 January 2007	21,705	12,642	498	358	4,082	39,285
Disposals	(21,705)	(12,642)	(498)	(339)	(4,082)	(39,266)
Written off	-	-	-	(18)	-	(18)
As at 31 March 2008	-	-	-	1	-	1
<u>Accumulated depreciation</u>						
As at 1 January 2007	8,788	5,789	302	288	1,225	16,392
Depreciation for the year	-	1	-	10	-	11
Disposals	(8,788)	(5,790)	(302)	(279)	(1,225)	(16,384)
Written off	-	-	-	(19)	-	(19)
As at 31 March 2008	-	-	-	-	-	-
<u>Net book value</u>						
As at 31 March 2008	-	-	-	1	-	1

Notes to the Financial Statements

31 March 2008

16 Property, Plant and Equipment (cont'd)

	Leasehold buildings S\$'000	Plant, machinery and refrigerators S\$'000	Motor vehicles S\$'000	Office equipment, furniture and fittings S\$'000	Construction in-progress S\$'000	Total S\$'000
Restated						
31.12.2006						
<u>Cost</u>						
As at 1 January 2006	23,641	17,034	1,088	650	1,567	43,980
Additions	9	178	168	70	3,038	3,463
Disposals	(1,007)	(4,225)	(741)	(215)	-	(6,188)
Exchange differences	(1,193)	(631)	(17)	(14)	(115)	(1,970)
Transfer	255	286	-	(133)	(408)	-
As at 31 December 2006	21,705	12,642	498	358	4,082	39,285
<u>Accumulated depreciation</u>						
As at 1 January 2006	3,801	5,931	558	340	-	10,630
Depreciation for the year	655	1,080	129	51	-	1,915
Disposals	(1,007)	(4,115)	(455)	(173)	-	(5,750)
Exchange differences	(198)	(44)	(13)	(30)	-	(285)
Impairment loss	5,537	2,937	83	100	1,225	9,882
As at 31 December 2006	8,788	5,789	302	288	1,225	16,392
<u>Net book value</u>						
As at 31 December 2006	12,917	6,853	196	70	2,857	22,893

- (a) Certain property, plant and equipment of the PRC subsidiary companies with a total carrying amount of S\$9,607,000 was pledged to PRC financial institutions as securities for bank loans utilised by its PRC subsidiary companies, which were discharged on the day of disposal of the PRC subsidiary companies in the current financial period.
- (b) Certain assets with a carrying amount of S\$24,000 were under finance lease obligations. The assets were disposed of in the current financial period and the finance lease has been fully settled during the financial period.
- (c) In view of the commencement of the process for voluntary liquidation of the Group's PRC subsidiary companies in 2006, the directors of the Company exercised their judgement, based on the proposed liquidation of the PRC subsidiary companies which normally entails a sale of assets at amounts lower than the book values. The net book value of the property, plant and equipment was written down by approximately 30% (amounting to S\$9,811,000) as at 31 December 2006. This impairment loss has been included under discontinued operations in the consolidated income statement for the financial year ended 31 December 2006.

Notes to the Financial Statements

31 March 2008

16 Property, Plant and Equipment (cont'd)

Other than the above, the Group made an impairment loss of S\$71,000 included under discontinued operations, to write down the carrying amount of certain property, plant and equipment to its recoverable amount.

	Motor vehicles S\$'000	Office equipment, furniture and fittings S\$'000	Total S\$'000
Company			
31.3.2008			
<u>Cost</u>			
As at 1 January 2007	-	19	19
Written off	-	(18)	(18)
As at 31 March 2008	-	1	1
<u>Accumulated depreciation</u>			
As at 1 January 2007	-	10	10
Depreciation for the year	-	9	9
Written off	-	(19)	(19)
As at 31 March 2008	-	-	-
<u>Net book value</u>			
As at 31 March 2008	-	1	1
Restated			
31.12.2006			
<u>Cost</u>			
As at 1 January 2006	325	30	355
Additions	-	6	6
Disposals	(325)	(17)	(342)
As at 31 December 2006	-	19	19
<u>Accumulated depreciation</u>			
As at 1 January 2006	146	16	162
Depreciation for the year	16	7	23
Disposals	(162)	(13)	(175)
As at 31 December 2006	-	10	10
<u>Net book value</u>			
As at 31 December 2006	-	9	9

Notes to the Financial Statements

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17 Land Use Rights

	Group	
	31.3.2008 S\$'000	31.12.2006 S\$'000
<u>Cost</u>		
At beginning of period/year	6,409	6,548
Additions	-	114
Exchange differences	-	(253)
Disposal	(6,409)	-
At end of period/year	<u>-</u>	<u>6,409</u>
<u>Accumulated amortisation and impairment loss</u>		
At beginning of period/year	2,320	275
Amortisation for the period/year	-	114
Exchange differences	-	178
Impairment loss	-	1,753
Disposal	(2,320)	-
At end of period/year	<u>-</u>	<u>2,320</u>
<u>Net book value</u>		
At end of period/year	<u>-</u>	<u>4,089</u>
At beginning of period/year	<u>4,089</u>	<u>6,273</u>

This represents land use rights for 10 plots of land with lease terms ranging from 14 to 50 year commencing from 2002.

In 2006, amortisation of S\$114,000 had been included under administrative expenses. In view of the commencement of the process for voluntary liquidation of the Group's PRC subsidiary companies as well as the ambiguity of the ownership rights of certain parcels of land reflected in a PRC subsidiary's books, the directors of the Company have exercised their judgement, based on the proposed liquidation of the PRC subsidiary companies which normally entails sale of assets lower than the book values, and have written down the net book value of the land use rights by approximately 30% (amounting to S\$1,753,000) as at 31 December 2006. This impairment loss had been included under discontinued operations in the consolidated income statement.

18 Available-for-sale Investments

	Group	
	31.3.2008 S\$'000	Restated 31.12.2006 S\$'000
Quoted equity shares, at fair value	105	180
Reclassified to Assets held for sale	(105)	-
Unquoted equity shares, at fair value	-	92
Total	<u>-</u>	<u>272</u>

Notes to the Financial Statements

31 March 2008

18 Available-for-sale Investments (cont'd)

The investments above include investments in quoted equity securities that offer the Group the opportunity for return through dividend income and fair value gains. The fair values of these securities are based on the quoted closing market prices on the last market day of the financial year.

During the year, the Group made an impairment loss of S\$255,000 (2006: S\$270,000) to write down the carrying amount of its quoted equity shares to the recoverable amount.

19 Deferred Tax Assets/(Liabilities)

	Group	
	31.3.2008	Restated 31.12.2006
	S\$'000	S\$'000
Deferred tax assets	-	32
Deferred tax liabilities	-	(277)
	<u>-</u>	<u>(245)</u>

The following is the major deferred tax assets and liabilities recognised by the Group and the movement thereon:

	Accelerated tax depreciation	Fair value adjustments on biological assets	Tax losses carried forward	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
31.3.2008				
At beginning of period	18	259	(32)	245
Write-back during the period	(18)	-	-	(18)
Disposal of PRC subsidiary companies	-	(259)	32	(227)
At end of period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
31.12.2006 (Restated)				
At beginning of year	18	273	(34)	257
Exchange difference	-	(14)	2	(12)
At end of year	<u>18</u>	<u>259</u>	<u>(32)</u>	<u>245</u>

Notes to the Financial Statements

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20 Bank Overdrafts and Loans

	Group		Company	
	31.3.2008 S\$'000	Restated 31.12.2006 S\$'000	31.3.2008 S\$'000	Restated 31.12.2006 S\$'000
Bank overdrafts	-	839	-	-
Short-term bank loans				
Bank loans	300	20,679	300	7,282
Long-term bank loans				
Within one year	-	2,548	-	-
In the second year	-	1,764	-	-
In the third year	-	980	-	-
	-	5,292	-	-
Less: Amount due for settlement within 12 months (shown as current liabilities)	-	(2,548)	-	-
Amount due for settlement after 12 months	-	2,744	-	-

- (a) Bank overdrafts were repayable on demand. The average effective interest rate on bank overdrafts approximated nil (2006: 5.0%) per annum and was determined based on the bank's prevailing prime rate.
- (b) The bank loans bear an effective interest rate ranging from 3.59 % to 7.16 % (2006: 6.00% to 18.09%) per annum, and are repayable within 12 months (2006: within 30 months). As at 31 March 2008, the bank loan is secured by a related party placement of a fixed deposit and guaranteed by the holding company.

Bank overdrafts, short-term and long-term bank loans were denominated in the following currencies:

	Group		Company	
	31.3.2008 S\$'000	Restated 31.12.2006 S\$'000	31.3.2008 S\$'000	Restated 31.12.2006 S\$'000
Singapore Dollars	300	2,839	300	-
United States Dollars	-	7,282	-	7,282
Chinese Renminbi	-	16,689	-	-
	300	26,810	300	7,282

Notes to the Financial Statements

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21 Trade Payables

	Group	
	<u>31.3.2008</u> S\$'000	<u>Restated</u> <u>31.12.2006</u> S\$'000
Trade payables	-	2,724
Related company	-	36
	<u>-</u>	<u>2,760</u>

The amount due to a related company was unsecured, interest-free and was repayable on demand.

Trade payables were denominated in the following currencies:

	Group	
	<u>31.3.2008</u> S\$'000	<u>Restated</u> <u>31.12.2006</u> S\$'000
Singapore Dollars	-	36
Chinese Renminbi	-	2,724
	<u>-</u>	<u>2,760</u>

22 Other Payables

	Group		Company	
	<u>31.3.2008</u> S\$'000	<u>Restated</u> <u>31.12.2006</u> S\$'000	<u>31.3.2008</u> S\$'000	<u>Restated</u> <u>31.12.2006</u> S\$'000
Accrued expenses	731	1,560	731	781
Advances from				
- customers	-	32	-	-
Other payables	204	5,300	204	114
	<u>935</u>	<u>6,892</u>	<u>935</u>	<u>895</u>

Advances from customers were unsecured, interest-free and were repayable on demand.

Notes to the Financial Statements

31 March 2008

22 Other Payables (cont'd)

Other payables are denominated in the following currencies:

	Group		Company	
	31.3.2008	Restated 31.12.2006	31.3.2008	Restated 31.12.2006
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore Dollars	935	1,200	935	895
Chinese Renminbi	-	5,692	-	-
	<u>935</u>	<u>6,892</u>	<u>935</u>	<u>895</u>

23 Finance Leases

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	31.3.2008	Restated 31.12.2006	31.3.2008	Restated 31.12.2006
	S\$'000	S\$'000	S\$'000	S\$'000
Amount payable under finance leases:				
Within one year	-	31	-	29
In the second to fifth year inclusive	-	15	-	15
	<u>-</u>	<u>46</u>	<u>-</u>	<u>44</u>
Less: Future finance charges	-	(2)	-	-
Present value of lease obligations	<u>-</u>	<u>44</u>	<u>-</u>	<u>44</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)			<u>-</u>	<u>(29)</u>
Amount due for settlement after 12 months but no later than 60 months			<u>-</u>	<u>15</u>

The average lease term was for 5 years. The average effective borrowing rate was 5.0% per annum for the Group.

Interest rates were fixed at the contract date, and thus exposed the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Notes to the Financial Statements

31 March 2008

23 Finance Leases (cont'd)

The fair value of the Group's lease obligations approximate their carrying amounts. The Group's obligations under finance leases were secured by the lessors' title to the leased assets. All lease obligations were denominated in Singapore Dollars.

24 Issued Capital

	Group and Company	
	<u>31.3.2008</u>	<u>Restated 31.12.2006</u>
	S\$'000	S\$'000
Issued and fully paid:		
Balance at beginning of year		
175,666,667 shares	12,535	8,783
Transfer of share premium reserve to share capital	-	3,752
Issuance of 527,000,001 new shares	8,500	-
Balance at end of year		
(2008: 702,666,668) (2006: 175,666,667) shares	<u>21,035</u>	<u>12,535</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

On 30 January 2006, in accordance with the Singapore Companies (Amendment) Act 2005, the concepts of "par value" and "authorised capital" were abolished and with effect from that date, the shares of the Company ceased to have a par value.

25 Capital Reserve

In 2006, the capital reserve represented the difference between the total assets injected in 2002 and the registered capital of the PRC subsidiary company, Hengxing.

26 Reserve Fund

In accordance with the regulations applicable to foreign investment enterprises in the PRC, the PRC subsidiary company was required to appropriate 10% of its profit to a reserve fund before any dividend declaration.

The reserve fund can be used to offset accumulated losses and to increase capital upon approval of the relevant government authority.

27 Dividends

- (a) In 2006, the Company paid a final dividend of 0.15 cents per ordinary share, one-tier tax exempt, totalling S\$263,500 in respect of the financial year ended 2005.

Notes to the Financial Statements

31 March 2008

27 Dividends (cont'd)

(b) The directors do not propose any dividends for the current financial period.

28 Disposal of PRC Subsidiary Companies

As disclosed in Note 1(b)(i) and (ii), the Company disposed of its PRC subsidiary companies in September 2007 for a consideration of S\$201,865. The subsidiary company, Thye Seng, ceased trading during the financial period.

The aggregate effect of the disposal of the PRC subsidiary companies, net of cash disposed:

	Carrying amount As at 10 September 2007 S\$'000
<u>Assets</u>	
Property, plant and equipment	22,859
Land use rights	4,089
Other investment	92
Deferred tax assets	32
Biological assets	5,758
Inventories	1,790
Trade debtors and other debtors	9,582
Tax receivable	28
Cash and bank balances	1,140
	<u>45,370</u>
<u>Liabilities</u>	
Trade and other creditor	(23,664)
Short and long term liabilities	(16,690)
Tax payable	(1,219)
Deferred tax	(259)
	<u>(41,832)</u>
Net assets of disposed subsidiary companies	3,538
Loss on disposal of subsidiary companies (Note 7)	(3,337)
Proceeds from disposal	201
Less:	
Cash and bank balances of the PRC subsidiary companies	<u>(1,140)</u>
Effect of disposal of the PRC subsidiary companies , net of cash disposed	<u><u>(939)</u></u>

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29 Contingent Liabilities

	Group		Company	
	<u>31.3.2008</u>	<u>Restated 31.12.2006</u>	<u>31.3.2008</u>	<u>Restated 31.12.2006</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Corporate guarantee	-	14,400	-	8,000

30 Commitments

Future minimum lease payments under non-cancellable operating leases as at 31 December are as follows:

	Group		Company	
	<u>31.3.2008</u>	<u>Restated 31.12.2006</u>	<u>31.3.2008</u>	<u>Restated 31.12.2006</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Within one year	-	9	-	3
In second to fifth year inclusive	-	26	-	3
After five years	-	48	-	-
	<u>-</u>	<u>83</u>	<u>-</u>	<u>6</u>

The operating lease payments represent rentals payable by the Group for certain of its office premises and pig farms.

31 Related Party Transactions

- (a) Related companies refer to members of the former ultimate holding company group of companies. Related parties refer to directors-related companies.

The following related party transactions took place during the financial year on terms agreed by the parties concerned:

Notes to the Financial Statements

31 March 2008

31 Related Party Transactions (cont'd)

	Group		Company	
	1.1.2007 to 31.3.2008 S\$'000	1.1.2006 to 31.12.2006 S\$'000	1.1.2007 to 31.3.2008 S\$'000	1.1.2006 to 31.12.2006 S\$'000
With related parties				
- Sales of goods	-	222	-	-
- Purchase of goods and services	-	90	-	-
- Rental income	-	4	-	-
With related companies				
- Sales of property, plant and equipment	-	134	-	-
- Sales of goods	543	658	-	-
- Purchase of goods and services	143	180	-	-
- Storage charges	91	-	-	-
With subsidiary companies				
- Rental expense	-	-	-	5

(b) Compensation of directors and key management personnel:

	Group	
	1.1.2007 to 31.3.2008 S\$'000	1.1.2006 to 31.12.06 S\$'000
Salaries and allowances	206	360
Bonus	-	27
Cost of defined contribution plans	-	15
	<u>206</u>	<u>402</u>

The remuneration of directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

32 Financial Instruments

(a) Financial Risk Management Objectives and Policies

The Group's activities expose it to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk, price risk and liquidity risk.

Notes to the Financial Statements

31 March 2008

32 Financial Instruments (cont'd)

(a) Financial Risk Management Objectives and Policies (cont'd)

In the presentation of financial risks below, only certain financial information in relation to the comparative information for the financial year ended 31 December 2006 is presented. Management was unable to obtain all the necessary information required.

(i) Foreign currency risk

The Group and the Company has no exposure to foreign currency risk in the current period.

The Group's exposure to foreign currency risk in the year ended 31 December 2006 arose mainly from exchange rate movements of the United States Dollar and Chinese Renminbi against the Singapore Dollar which was the Company's functional currency and the Group's presentation currency. The Group and the Company did not utilise any derivative instrument to hedge its foreign currency risk. The Group and Company managed this risk by monitoring the foreign currency exchange rates movement closely to ensure that this exposure was minimised.

The Group's exposure based on the information provided by key management is as follows:

	SGD S\$'000	RMB S\$'000	USD S\$'000	Total S\$'000
Group				
31.3.2008				
Financial assets				
Cash and bank balances	239	-	-	239
Other financial assets	175	-	-	175
	<u>414</u>	<u>-</u>	<u>-</u>	<u>414</u>
Financial liabilities				
Borrowing	(300)	-	-	(300)
Other financial liabilities	(967)	-	-	(967)
	<u>(1,267)</u>	<u>-</u>	<u>-</u>	<u>(1,267)</u>
Net financial liabilities	(853)	-	-	(853)
Less: Net financial liabilities denominated in the Company's functional currency	853	-	-	853
Currency exposure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements

31 March 2008

32 Financial Instruments (cont'd)

(a) Financial Risk Management Objectives and Policies (cont'd)

(i) Foreign currency risk (cont'd)

	SGD S\$'000	RMB S\$'000	USD S\$'000	Total S\$'000
Group				
31.12.2006				
Financial assets				
Cash and bank balances	255	788	1,141	2,184
Trade and other receivables	589	4,927	-	5,516
Other financial assets	180	92	-	272
	<u>1,024</u>	<u>5,807</u>	<u>1,141</u>	<u>7,972</u>
Financial liabilities				
Borrowing	(2,839)	(16,689)	(7,282)	(26,810)
Other financial liabilities	(44)	-	-	(44)
	<u>(2,883)</u>	<u>(16,689)</u>	<u>(7,282)</u>	<u>(26,854)</u>
Net financial liabilities	(1,859)	(10,882)	(6,141)	(18,882)
Less: Net financial liabilities denominated in the Company's functional currency	1,859	-	-	1,859
Currency exposure	<u>-</u>	<u>(10,882)</u>	<u>(6,141)</u>	<u>(17,023)</u>

(ii) Interest rate risk

The Group and the Company has no significant exposure to interest rate risk in the current financial period. The maximum exposure of the Group and Company to interest rate risk is the carrying amount of the cash at bank, fixed deposits and bank borrowing disclosed in the balance sheet.

The Group and the Company were exposed to interest rate risk in the financial year ended 31 December 2006 through the impact of rate changes on interest-bearing liabilities and assets. Interest-bearing financial assets were mainly bank balances and fixed deposits which were all short-term in nature. Therefore, any future variations in interest rates would not have a material impact on the results of the Group and the Company.

Notes to the Financial Statements

31 March 2008

32 Financial Instruments (cont'd)

(a) Financial Risk Management Objectives and Policies (cont'd)

(ii) *Interest rate risk (cont'd)*

Interest-bearing financial liabilities were mainly bank loans, bank overdrafts and finance leases. The interest rates and terms of repayment of bank loans, bank overdrafts and finance leases of the Group were disclosed in the notes to the financial statements.

The Group and Company did not use derivative financial instruments to hedge its debt obligations. The Group and Company's policy was to obtain the most favourable interest rates available for its borrowings and deposits.

(iii) *Credit risk*

The Group and the Company's principal financial assets at 31 March 2008 is cash and bank balances and fixed deposits. The credit risk on liquid funds is limited due to the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group's principal financial assets as at 31 December 2006 were cash and bank balances, fixed deposits, trade and other receivables and available-for-sale investments.

The credit risk on liquid funds was limited because the counterparties were banks with high credit-ratings.

The Group's credit risk was primarily attributable to its trade and other receivables. The amounts presented in the balance sheet were net of impairment losses on trade and other receivables. An allowance for impairment was made where there was an identified loss event which, based on previous experience, was evidence of a reduction in the recoverability of the cash flows.

Financial assets that are neither past due nor impaired

The major class of financial assets of the Group and the Company is bank deposits that are neither past due nor impaired and are mainly deposits with banks with high credit ratings.

Notes to the Financial Statements

31 March 2008

32 Financial Instruments (cont'd)

(a) Financial Risk Management Objectives and Policies (cont'd)

(iii) Credit risk (cont'd)

Financial assets that are past due nor impaired

There is no other class of financial assets that is past due and/or impaired.

(iv) Liquidity risk

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows:

	Less than 1 year S\$'000
Company	
<u>31.3.2008</u>	
Borrowing	<u>300</u>
<u>31.12.2006</u>	
Borrowing	<u>7,282</u>

The Group and the Company maintains sufficient cash and cash equivalents to fund its day to day activities. In the short-term the Company is dependent on the continued financial support of its holding company, Sitt Tatt Berhad, as disclosed in Note 2(b).

(b) Capital risk management

The capital structure of the Group consists of equity attributable to equity holders of the Company, comprising share capital, retained earnings and net debts, which includes the borrowings, net of cash and cash equivalents.

The debt-to-equity ratio as at 31 March 2008 and 31 December 2006 are as follows:

	<u>31.3.2008</u> RMB'000	<u>31.12.2006</u> RMB'000
Group		
Total borrowings	300	24,387
Cash and cash equivalents	<u>(239)</u>	<u>(2,184)</u>
Net debts	<u>61</u>	<u>22,203</u>
Equity attributable to equity holders of the Company	<u>(852)</u>	<u>5,993</u>
Debt-to-equity ratio	<u>N.M. ⁽¹⁾</u>	<u>3.70</u>

⁽¹⁾ N.M. - Not meaningful

Notes to the Financial Statements

31 March 2008

32 Financial Instruments (cont'd)

(c) Fair Value of Financial Assets and Liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities, where they are different from their carrying amounts, are disclosed in the respective notes to the financial statements.

33 Business and Geographical Segment Information

The Group is currently dormant with the disposal of the PRC subsidiary companies and a subsidiary company in Singapore now ceasing its operations.

Previously the Group operated in the following major product segments - pig farming, animal feed production, production of pork and other food products ("Primary production"), soy bean processing ("Soy bean processing") and distribution of food products ("Food distribution"). The dominant source and nature of the Group's risks and returns are based on the business segments.

Segment revenue and expense are the operating revenue and expenses reported in the Group's income statement that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets include all operating assets used by a segment and consist principally of operating receivables, inventories and property, plant and equipment, net of allowances and provisions.

Capital expenditure includes the total cost incurred to acquire property, plant and equipment, and land use rights directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of accounts payable and accrued expenses.

Notes to the Financial Statements

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33 Business and Geographical Segment Information (cont'd)

Business segments (Primary Segment)

	Discontinued operations				Total S\$'000
	Primary production S\$'000	Soy bean processing S\$'000	Food distribution S\$'000	Elimination S\$'000	
(a) Period ended 1.1.2007 to 31.3.2008					
<u>Revenue</u>					
External sales	-	-	1,694	-	1,694
<u>Results</u>					
Segment results	-	-	(474)	-	(474)
Unallocated corporate expenses					(700)
Interest income					25
Finance costs					(544)
Loss recognised on the measurement to fair value less cost to sell on assets held for sale					(13,902)
Loss before taxation					(15,595)
Taxation					70
Loss for the period					(15,525)
(b) Year ended 1.1.2006 to 31.12.2006 (Restated)					
<u>Revenue</u>					
External sales	44,549	69,913	18,517	-	132,979
Inter-segment sales	8,900	5,344	-	(14,244)	-
	53,449	75,257	18,517	(14,244)	132,979
<u>Results</u>					
Segment results	(1,478)	(978)	(1,377)	-	(3,833)
Unallocated corporate expenses					(1,632)
Interest income					190
Finance costs					(2,440)
Exceptional items					(11,564)
Loss before taxation					(19,279)
Taxation					(62)
Loss for the year					(19,341)

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33 Business and Geographical Segment Information (cont'd)

Business segments (Primary Segment) (cont'd)

(1) **As at 31.3.2008**

	Primary production S\$'000	Soy bean processing S\$'000	Food distribution S\$'000	Total S\$'000
Assets				
Segment assets	-	-	175	175
Unallocated corporate assets				240
				<u>415</u>
Liabilities				
Segment liabilities	-	-	6	6
Bank loans				300
Income tax payable				1
Unallocated corporate liabilities				960
				<u>1,267</u>
Other information				
Depreciation	-	-	3	3
<u>Unallocated corporate expenditure</u>				
- Depreciation	-	-	-	8
Loss recognised on the measurement to fair value less cost to sell on assets held for sale	-	-	-	13,902

Notes to the Financial Statements

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33 Business and Geographical Segment Information (cont'd)

Business segments (Primary Segment) (cont'd)

(2) As at 31.12.2006 (Restated)

	Primary production S\$'000	Soy bean processing S\$'000	Food distribution S\$'000	Total S\$'000
Assets				
Segment assets	26,547	14,081	2,524	43,152
Deferred tax assets				32
Unallocated corporate assets				832
				<u>44,016</u>
Liabilities				
Segment liabilities	4,973	3,443	385	8,801
Bank overdrafts and bank loans				26,810
Income tax payable				1,240
Deferred tax liabilities				277
Unallocated corporate liabilities				895
				<u>38,023</u>
Other information				
Capital expenditure	3,181	276	6	3,463
Additions to land use rights	114	-	-	114
Depreciation and amortisation	870	1,024	112	2,006
<u>Unallocated corporate expenditure</u>				
- Depreciation	-	-	-	23
<u>Impairment loss</u>				
(i) Impairment on property, plant and equipment and land use rights	6,691	4,873	-	11,564
(ii) Others	-	-	341	341

Geographical segments (Secondary Segment)

The Group's activities were primarily based in the People's Republic of China and Singapore.

Revenue by geographical segment is based on location of customers. The other geographical segment information on assets is based on the geographical area in which the assets are located.

Notes to the Financial Statements

31 March 2008

33 Business and Geographical Segment Information (cont'd)

Geographical segments (Secondary Segment) (cont'd)

Secondary segment information for the Group based on geographical segments is as follows:

	Continuing operations		Discontinued operations	
	Singapore S\$'000	Singapore S\$'000	People's Republic of China S\$'000	Total S\$'000
(a) <u>Period ended 1.1.2007 to 31.3.2008</u>				
Revenue	-	1,694	-	1,694
Carrying amount of segment assets	1	-	-	1
(b) <u>Year ended 1.1.2006 to 31.12.2006 (Restated)</u>				
Revenue	-	18,517	114,462	132,979
Carrying amount of segment assets	-	3,767	40,688	44,455
Additions to property, plant and equipment and land use rights	6	-	3,571	3,577

34 Prior Year Adjustment

Certain comparative figures have been restated as a result of a prior year adjustment:

	As previously stated S\$'000	Increase/ (Decrease) S\$'000	As restated S\$'000
Group			
Balance Sheet as at 31 December 2006			
Inventories	3,711	(439)	3,272
Income statement for the year ended 31 December 2006			
Cost of sales	132,592	1,099	133,691
Administrative expenses	6,220	(660)	5,560

Notes to the Financial Statements

31 March 2008

34 Prior Year Adjustment (cont'd)

- (i) Prior year adjustment made to inventory due to loss on sale of inventories amounting to S\$439,146, which should have been impaired as at the year ended 31.12.2006.
- (ii) Impairment loss on inventories recognised as administrative expenses in the year ended 31.12.2006 has been reclassified to cost of sales in order to conform with the current year's presentation.

	As previously stated S\$'000	Increase/ (Decrease) S\$'000	As restated S\$'000
Company			
Balance Sheet as at 31 December 2006			
Amount due to a subsidiary company	4,445	(3,226)	1,219
Income statement for the year ended 31 December 2006			
Waiver of debt due to a subsidiary company	-	3,226	3,226

The amount due to a subsidiary company as at 31 December 2006, prior to the restatement, amounted to S\$4,445,064, out of which, S\$1,219,045 has been settled in the current year. The remaining balance of S\$3,226,019, which should have been recognised as a waiver of debt due to a subsidiary company in the year ended 31 December 2006.

35 Qualified Audit Opinion for Year Ended 31 December 2006

The consolidated financial statements for the year ended 31 December 2006 were qualified by the auditors. The auditors' opinion dated 29 March 2007 was a disclaimer opinion and contained the following paragraph:

PRC Subsidiary Companies

The financial statements of the Group include the unaudited management accounts of Junan Hengxing Foodstuff Co., Ltd ("Hengxing") and Shandong Xinquan Grain & Oil Co., Ltd ("Xinquan") (collectively known as "PRC subsidiary companies").

Note 1(b) describe the significant events relating to the investigation of suspect fraudulent conduct relating to the PRC subsidiary companies and its subsequent developments.

The investigation by the Commercial Affairs Department ("CAD") in respect of the complaint lodged by the Company regarding the various matters is ongoing. The outcome of the investigation might uncover other information which might require adjustments to be made to the financial statements for the current and previous financial periods.

Notes to the Financial Statements

31 March 2008

35 Qualified Audit Opinion for Year Ended 31 December 2006 (cont'd)

PRC Subsidiary Companies (cont'd)

In view of the significant events as described in Note 1(b) of the accompanying financial statements, the Group has recorded certain restatements to the 2005 consolidated financial statements by recognising allowances for inventories and doubtful debts amounting to \$5,747,000 and \$7,437,000 respectively. However, we are unable to assess the appropriateness of these restatements or the financial periods in which these amounts should have been made.

Because of the pervasive nature of the matters described above and in Note 1(b) to the accompanying financial statements, the ownership, valuation and existence of the assets and liabilities, and the going concern of the PRC subsidiary companies cannot be ascertained reliably.

In view of the above, the unaudited management accounts may not be in the form and content reliable and appropriate for the purpose of the preparation of the financial statements of the Group for the year ended 31 December 2006.

In addition, as disclosed in Note 13 to the financial statements, the Company has an amount of \$10,565,000 due from the PRC subsidiary companies as at 31 December 2006. Due to the limited information available on the PRC subsidiary companies, we are unable to assess the appropriateness of the carrying value and the recoverability of this outstanding amount.

Current Year Update

On 10 September 2007, the PRC subsidiary companies were sold for a consideration of RMB1 million (equivalent to S\$0.2 million) to a third party. The effect of the disposal of the PRC subsidiary companies is disclosed in Note 7: Discontinued Operations. The total loss on disposal amounted to S\$13,902,000, which included the provision for impairment of a loan advanced to the PRC subsidiary companies of RMB53 million (equivalent to S\$10,565,000). In the event the purchaser of the PRC subsidiary companies is able to achieve a profit before tax of RMB100 million within the next three years, after the date of acquisition, the purchaser shall have the responsibility to procure the PRC subsidiary companies to repay the loan advanced by the Company.

The financial statements of the PRC subsidiary companies up to the date of disposal were not available. Consequently, the Company was unable to consolidate the results of the PRC subsidiary companies up to the date of disposal as required by Section 201(3A) of the Companies Act and Singapore Financial Reporting Standard 27. This matter is referred to in the auditors' report.

Notes to the Financial Statements

31 March 2008

35 **Qualified Audit Opinion for Year Ended 31 December 2006** (cont'd)

Valuation of Inventories

The inventories of a subsidiary company, Thye Seng Trading Company Private Limited, are stated at a net realisable value amounting to \$1,920,000 as at 31 December 2006 based on the best estimate of the directors of this subsidiary company. Based on the limited information available on the subsequent sales, we are unable to assess the appropriateness of the carrying value of the inventories of this subsidiary company.

Current Year Update

All inventory held by the Company has been sold during the current financial period. Loss on sale of inventories which amounted to S\$439,146 which should have been impaired in the prior year, has been adjusted by restating the consolidated income statement for the year ended 31 December 2006.

Going Concern Assumption

We draw attention to Note 2.2 to the financial statements which discloses the Group has incurred a loss of \$18,902,000 for the financial year ended 31 December 2006. In addition, as disclosed in Note 1(b)(viii) to the financial statements, the subsidiary companies in China were put into the process of voluntary liquidation in view of the legal claims as disclosed in Note 1(b)(vii) to the financial statements, and consequently, the Group has no other significant source of revenue. These factors indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Group and Company to continue as going concern.

The ability of the Group and the Company to continue as going concern and to meet their liabilities as and when they fall due is dependent, inter alia, on the continuing support of the Group's and the Company's creditors, including a bank loan for sum of \$7,282,000 which is supported by a corporate guarantee from the ultimate holding company, continuing to be extended to the Group and the ability of the directors of the Company to secure new businesses and/or new investors for the Group.

If the Group and the Company are unable to continue in operational existence, the Group and the Company may be unable to discharge their liabilities in the normal course of business and, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may need to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

Notes to the Financial Statements

31 March 2008

35 **Qualified Audit Opinion for Year Ended 31 December 2006** (cont'd)

Going Concern Assumption (cont'd)

Current Year Update

The Group disposed of its interest in the PRC subsidiary companies and its remaining subsidiary, Thye Seng Trading Company Private Limited, ceased trading during the current financial period. The uncertainty surrounding the future of the Group is referred in the Note 2(b) to the financial statements and in the auditors' report.

36 **Subsequent Events**

- (i) On the 6 May 2008, the Company received a letter from the Singapore Exchange Securities Trading Limited on the requirements for continued listing. The Company is required to complete the proposed acquisition, as disclosed in Note 1(b)(v), by 30 September 2008 at the latest.

The Singapore Exchange Securities Trading Limited will remove the Company from the official list if the Company is unable to complete the proposed acquisition by 30 September 2008.

- (ii) On 30 May 2008, the Company changed its name to "Iconic Global Limited" from "China Food Industries Limited".

37 **Authorisation of Financial Statements for Issue**

These financial statements were authorised for issue in accordance with the date of the report of the directors.

Statistics of Shareholdings

As at 12 June 2008

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF		NO. OF SHARES	
	SHAREHOLDERS	%		%
1 – 999	38	2.38	2,366	0.00
1,000 – 10,000	839	52.53	5,353,029	0.76
10,001 – 1,000,000	713	44.65	34,234,023	4.87
1,000,001 and above	7	0.44	663,077,250	94.37
Total	1,597	100.00	702,666,668	100.00

TWENTY LARGEST SHAREHOLDERS

NO	NAME	NO. OF SHARES	%
1	SITT TATT BERHAD	527,000,001	75.00
2	PACFI PTE LTD	96,616,667	13.75
3	GREAT CHINA HOLDINGS PTE LTD	19,341,322	2.75
4	CHINAPOINT INVESTMENTS PTE LTD	10,850,000	1.54
5	SMETTWICK RESOURCES LIMITED	7,087,000	1.01
6	HL BANK NOMINEES (SINGAPORE) PTE LTD	1,120,000	0.16
7	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,062,260	0.15
8	OCBC SECURITIES PRIVATE LTD	542,000	0.08
9	SIM YONG TENG	500,000	0.07
10	TENG TECK SENG	490,000	0.07
11	CHONG CHIE SENG PETER	465,000	0.07
12	CHAI CHONG YII	400,000	0.06
13	DOY SEW HAI	400,000	0.06
14	DBS NOMINEES PTE LTD	385,020	0.05
15	KOH HOCK SOON	360,000	0.05
16	GAN BOON HOCK	350,000	0.05
17	KIM ENG SECURITIES PTE LTD	343,400	0.05
18	NEO YONG KENG	333,000	0.05
19	CHNG GIM HUAT	315,000	0.04
20	CHENG CHU GIAK	300,000	0.04
		668,260,670	95.10

Statistics of Shareholdings

As at 12 June 2008

Issued and fully paid share capital	:	S\$ 21,035,170
Number of issued and fully paid shares	:	702,666,668
Class of shares	:	Ordinary shares
Voting Rights	:	One vote per share

Substantial Shareholders as at 12 June 2008

as recorded in the Register of Substantial Shareholders

Substantial Shareholder	Direct Interest		Deemed Interest		Total Interest	
	No.of Shares	%	No.of Shares	%	No.of Shares	%
Sitt Tatt Berhad ("STB")	527,000,001	75.00	-	-	527,000,001	75.00
Tan Sri Datuk Dr. Mohan	-	-	527,000,001	75.00 ⁽¹⁾	527,000,001	75.00
M. K. Swami, J. P. ("TSDDMS")	-	-	527,000,001	75.00 ⁽¹⁾	527,000,001	75.00
Empire Holdings Ltd ("EHL")	-	-	527,000,001	75.00 ⁽¹⁾	527,000,001	75.00
Pacfi Pte Ltd ("Pacfi")	96,616,667	13.75	-	-	96,616,667	13.75
QAF Limited ("QAF")	-	-	96,616,667	13.75 ⁽²⁾	96,616,667	13.75
Andree Halim	-	-	96,616,667	13.75 ⁽²⁾	96,616,667	13.75

Notes:-

- (1) TSDDMS and EHL are deemed to have interest in the Shares of the Company held by STB by virtue of 82.76% shareholding in STB held by EHL. EHL is wholly owned by TSDDMS.
- (2) Pacfi is a wholly-owned subsidiary of QAF. QAF is deemed to have an interest in the Shares of the Company held by Pacfi. Mr. Andree Halim is deemed to have an interest in the Company by virtue of him having a controlling interest in QAF.

Percentage of Shareholding in Public Hands

As at 12 June 2008, approximately 11.25% of the Company's issued ordinary shares is held by the public and Rule 723 of the Listing Manual is not complied with. To meet the minimum shareholding spread, a compliance placement of shares will be undertaken as announced by the Company to the SGX-ST on 27 December 2007.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held at No. 10, Kian Teck Crescent, Singapore 628876 on Wednesday, 23 July 2008 at 10.00 a.m. to transact the following businesses:-

AS ORDINARY BUSINESS

Resolution 1

To receive and adopt the Report of the Directors and the Audited Financial Statements of the Company for the financial period of 15 months from 1 January 2007 to 31 March 2008, together with the Auditors' Report thereon.

Resolution 2

To re-elect Mr. Tan Kong King, who retires by rotation under Article 107 of the Company's Articles of Association, and being eligible, offers himself for re-election as a Director of the Company.

Resolution 3

To re-elect Mr. Desmond Ong Tai Tiong, who retires by rotation under Article 107 of the Company's Articles of Association, and being eligible, offers himself for re-election as a Director of the Company.

Resolution 4

To re-elect Mr. Jayapalasingam Kandiah who retires under Article 117 of the Company's Articles of Association, and being eligible, offers himself for re-election as a Director of the Company.

Resolution 5

To re-elect Ms. Gomathi A. Vaidyanathan who retires under Article 117 of the Company's Articles of Association, and being eligible, offers herself for re-election as a Director of the Company.

Resolution 6

To re-elect Mr. Shanker Iyer who retires under Article 117 of the Company's Articles of Association, and being eligible, offers himself for re-election as a Director of the Company.

Resolution 7

To approve the sum of S\$50,000 as directors' fees for the financial period ended 31 March 2008 (FY2006: S\$115,000).

Resolution 8

To re-appoint Messrs. Moore Stephens as Auditors of the Company and to authorize the directors to fix their remuneration.

Resolution 9

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

Notice of Annual General Meeting

AS SPECIAL BUSINESS

Resolution 10

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

“THAT authority be and is hereby given to the Directors of the Company to:-

- (a) (i) issue shares in the capital of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

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

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

provided that:-

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the issued shares of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company with registered addresses in Singapore (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent of the issued shares of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“SGX-ST”) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the number of issued shares of the Company at the time this Resolution is passed, after adjusting for:-
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options which are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent consolidation or sub-division of shares;

Notice of Annual General Meeting

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and
- (4) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”

By Order of the Board

Helen Campos
Company Secretary

Singapore, 8 July 2008

Explanatory Notes

Resolution 2 – Mr. Tan Kong King is a non-executive Chairman of the Company. If re-elected, he will continue to serve in the said office.

Resolution 3 – Mr. Desmond Ong Tai Tiong is an Independent Director and member of the Audit Committee, Remuneration Committee and Nominating Committee. If re-elected, he will continue to serve in the said offices.

Resolution 4 – Mr. Jayapalasingam Kandiah is a non-executive Non-independent Director of the Company. If re-elected, he will continue to serve in the said office.

Resolution 5 – Ms. Gomathi A. Vaidyanathan is a non-executive Non-independent Director and member of the Audit Committee, Remuneration Committee and Nominating Committee. If re-elected, she will continue to serve in the said offices.

Resolution 6 – Mr. Shanker Iyer is an Independent Director and Chairman of the Audit Committee, Remuneration Committee and Nominating Committee. If re-elected, he will continue to serve in the said offices.

Further information on the above Directors can be found on the ‘Board of Directors’ page of the Annual Report.

Notice of Annual General Meeting

Resolution 10 is to empower the Directors of the Company to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding 50 per cent of the issued shares of the Company, with a sub-limit of 20 per cent for issues other than on a pro rata basis to shareholders with registered addresses in Singapore. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the number of issued shares of the Company at the time that Resolution 10 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options which are outstanding or subsisting at the time that Resolution 10 is passed, and (b) any subsequent consolidation or sub-division of shares.

Notes:

1. A member of the Company entitled to attend and vote at the above meeting is entitled to appoint one or two proxies to attend and vote on his behalf.
2. A proxy need not be a member of the Company.
3. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
4. The instrument appointing a proxy or proxies, duly executed, must be deposited at the Registered Office of the Company at No. 1, Tuas Link 3, Jurong Industrial Estate, Singapore 638522, not less than 48 hours before the time appointed for holding the Annual General Meeting.

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PROXY FORM

IMPORTANT:

1. For investors who have used their CPF monies to buy shares, this Circular is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the meeting as observers have to submit their requests through their respective CPF Approved Nominees within the time frame specified.

ICONIC GLOBAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200107537D)

I/We _____, with NRIC/Passport Number _____ of _____

being a member/ members of **ICONIC GLOBAL LIMITED** (the “**Company**”), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholding	
			No. of Shares	%
and/or (delete as appropriate)				

or failing him/her, the Chairman of the Annual General Meeting of the Company, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 23 July 2008 at 10.00 a.m. at No. 10 Kian Teck Crescent, Singapore 628876 or at any adjournment thereof.

No.	Resolution	For	Against
ORDINARY BUSINESS			
1.	To adopt the Audited Financial Statements and Reports of the Directors and Auditors		
2.	To re-elect Mr. Tan Kong King as Director		
3.	To re-elect Mr. Desmond Ong Tai Tiong as Director		
4.	To re-elect Mr. Jayapalasingam Kandiah as Director		
5.	To re-elect Ms. Gomathi A. Vaidyanathan as Director		
6.	To re-elect Mr. Shanker Iyer as Director		
7.	To approve the Directors' Fees		
8.	To re-appoint Moore Stephens as Auditors		
9.	To transact any other business		
SPECIAL BUSINESS			
10.	To authorise the Directors to issue shares and convertible securities		

If you wish to exercise all your votes For or Against, please tick with “√”. Alternatively, please indicate the number of votes For or Against each resolution.

If this Proxy Form contains no indication as to how the proxy should vote in relation to each resolution, the proxy shall vote as the proxy deems fit.

Dated this _____ day of _____ 2008

Total No. of Ordinary Shares Held

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

(Please fill in)

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes to the Proxy Form:

1. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion (expressed as a percentage of the whole) of his shareholding to be represented by each proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised, or if such appointor is a corporation under its common seal, or under the hand of its attorney.
3. An instrument appointing a proxy must be deposited at the registered office of the Company at No. 1, Tuas Link 3, Jurong Industrial Estate, Singapore 638522, not less than 48 hours before the time appointed for holding the Meeting.
4. Completion and return of this Proxy Form 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 or proxies, to the Meeting.
5. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Shares entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at forty eight (48) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Fold along this line (1)

*Please
affix
postage
stamp*

**The Company Secretary
Iconic Global Limited
No. 1, Tuas Link 3,
Jurong Industrial Estate,
Singapore 638522**

Fold along this line (2)