

bridge to the golden land

Annual Report 2011



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Corporate Profile

Yoma Strategic Holdings Ltd ("YSH" or the "Company") is a Singapore registered company listed on the Mainboard of the Singapore Exchange ("SGX") on 24 August 2006. Together with its subsidiaries and associated companies (collectively, the "Group"), its principal activities include the development of land, agricultural activities, sale of private residential properties, automobile dealership, construction, as well as design and project management for real estate developments in Myanmar and the People's Republic of China (the "PRC").

The Group's long term vision is to be a multinational group with a diversified portfolio of businesses located in various countries across the Asia Pacific.



The Group's growth will be derived from organic business expansion as well as via new acquisitions. With the recently-forged strategic partnership with Dongfeng Automobile Co., Ltd. ("DFAC"), the Group has also entered the automobile business in Myanmar.

The Group sees itself as an ideal business partner for multinational corporations from within and beyond the Asia Pacific, as it has the requisite and relevant experience in developing and managing successful business ventures in emerging markets such as Myanmar.



Chairman's Message



Dear Shareholders

As we celebrate our 5th anniversary as a listed company, it would be befitting to state that this has been an important turnaround year for the Company and the Group. I am pleased to report that despite all the challenges that we faced in Myanmar and China, the Group reported a Net Profit Attributable to Shareholders of S\$2.79 million for the financial year ended 31 March 2011 ("FY2011"). This compares favourably against a Net Profit Attributable to Shareholders of S\$0.53 million for the preceding financial year ("FY2010").

FY2011 Highlights

For FY2011, the Group's overall revenue increased 142% to S\$11.22 million compared to S\$4.64 million in FY2010. The huge jump in revenue was mainly contributed by the significant increase in sales of housing and Land Development Rights ("LDRs") in Myanmar from S\$3.19 million in FY2010 to S\$10.24 million in FY2011.

As at 31 March 2011, the Group had lower borrowings amounting to S\$4.25 million as compared to S\$7.61 million as at 31 March 2010, as a result of full repayment of the loan in respect of plantation equipment financing for our agriculture business. The Group generated S\$1.31 million of cash from operations and cash and cash equivalents amounted to S\$2.51 million as at 31 March 2011. The net asset value per ordinary share stood at S\$0.247 for FY2011 compared to S\$0.246 recorded in FY2010.

During the last quarter of FY2011, we witnessed the change in the political landscape of Myanmar following the peaceful elections in November 2010. With the formation of the new government at the end of March 2011, we are optimistic that economic development will take centre stage in the next five years of nation building and national development.

“ That momentum gained further impetus in April and May of 2011 following the inauguration of the new government. It is noteworthy that in the first two months of the current financial year (April and May 2011) in FMI Orchid Garden alone, we have already sold 26 lots of LDRs with a total square feet of 214,928, which is more than the 17 lots of LDRs with a total square feet of 116,530 sold in FY2011. ”



Real Estate Business

Since the beginning of the year, we have witnessed a marked increase in the sales of our LDRs in both of our real estate projects in Myanmar. That momentum gained further impetus in April and May of 2011 following the inauguration of the new government. It is noteworthy that in the first two months of the current financial year (April and May 2011) in FMI Orchid Garden alone, we have already sold 26 lots of LDRs with a total square feet of 214,928, which is more than the 17 lots of LDRs with a total square feet of 116,530 sold in FY2011. Barring any unforeseen circumstances, we expect the real estate sector to be buoyant and sales of our LDRs to be active for the remainder of the financial year ending 31 March 2012 ("FY2012").

The real estate market in China was still buoyant during FY2011 with a steady increase in real demand especially in second and third-tier cities. However, the general market was heavily overcast with numerous measures implemented by the central government in an effort to prevent a property bubble. The result has been a rather confused and cautious market. Notwithstanding this, our stake in the Grand Central project in Dalian continued to hold its value and in fact recorded an increase in valuation based on a valuation report by an international firm dated 5 January 2011. Furthermore, the occupancy rates for the service apartment, lifestyle centre and office tower have improved during FY2011, standing at approximately 91%, 61% and 26% respectively, as at 31 March 2011.

Design and Project Management Business

Our fee earning businesses relating to real estate, namely, design and project management services, received a boost with the incorporation of our new subsidiary, Tol & SPA Design. This collaboration allows SPA Design to tap on the more than 20 years of extensive experience of Toland Williams of Australia to expand the Group's design business.

For FY2011, our design and project management business remained stable during the year with the bulk of activities in Myanmar. We expect this trend to continue into FY2012.

Agriculture Business

On the jatropha front, we continue to move steadily forward in the cultivation of this biodiesel crop as it still holds promise with an increasing demand for jatropha seeds for both R&D and commercial purposes. New methods of extracting oil from jatropha seeds efficiently are also being developed. In addition, in order to maximise our investment returns from Plantation Resources Pte. Ltd., we have been looking into the cultivation of other alternative crops such as rubber and paper trees, as well as certain food crops at our Maw Tin estate. Negotiations

with interested parties for these alternative crops are in progress and we look forward to future diversification of our agriculture business.

Automobile Distribution Business

Last year, YSH entered into a conditional 10-year tripartite strategic cooperation agreement (the "Tripartite Agreement") with Dongfeng Automobile Co., Ltd ("DFAC") and Guangdong Machinery Imp. & Exp. Co., Ltd. ("GMG") to establish and develop the sales and distribution of Dongfeng light trucks in Myanmar, with the intention to ultimately progress to assembly and manufacturing.

Under the Tripartite Agreement, YSH has the exclusive distribution rights for all Dongfeng light trucks in Myanmar and will procure the necessary import permits from the relevant Myanmar authorities, establish sales and post sales service centres as well as promote the Dongfeng brand in the Myanmar automobile market.

I am pleased to report that our first batch of imported Dongfeng trucks are now on display in Myanmar and we look forward to an active year of sales and an acceleration towards assembly and manufacturing in the future.

New Appointments

Firstly, I would like to take this opportunity to welcome my son, Mr Cyrus Pun Chi Yam, to the Board. He was my alternate director while taking charge of corporate development for the past year. On 21 February 2011, he was appointed an Executive Director on the board. Cyrus will continue to be responsible for corporate development.

Secondly, I would like to welcome Mr Richard Neo, who was appointed Group General Manager on 3 January 2011. Richard has 25 years of working experience in a major international trading house as the Head of Business Department where he was mainly responsible for developing and implementing business policies. In his role at Yoma, Richard is tasked with taking charge of the daily operations of the Group and will submit timely operation reports to the Board.

Lastly, I wish to thank the shareholders, management, staff and all our associates and business partners for their continued support as we seek out to realise the opportunities that lie ahead of the Group in the coming year.

Serge Pun
Chairman & CEO

Board of Directors



Mr Serge Pun



Mr Cyrus Pun Chi Yam

Mr Serge Pun

Chairman and CEO

Serge Pun is a Myanmar national and the Chairman of the SPA Group. He founded Serge Pun & Associates Limited in 1983 in Hong Kong and was then primarily active in real estate brokerage and development. Serge Pun has led many real estate investments as a general partner in real estate limited partnerships, including projects such as Stewart Terrace on the Peak in Hong Kong (1987 to 1988) and Village Gardens in Yau Yat Chuen, Kowloon (1988 to 1990), to name a few. In these partnerships, he was involved in the organisation, development, promotion and management of all the projects. In 1988, Serge Pun & Associates Limited opened its first overseas branch in Bangkok. Branches and subsidiaries in Kuala Lumpur (1990), Shenzhen (1988), Chengdu (1992) and Taipei (1992) followed in the ensuing years. Some of Serge Pun's more notable projects overseas were the Sand River Golf Club in Shenzhen (1991-1997); the 1 million sq. ft. premier office building in Bangkok — Abdulrahim Place at 990 Rama IV (1989 to 2000) and the 1.2 million square feet mixed use development in Dalian PRC known as The Grand Central — a project in which YSH has taken an interest.

In 1991, Serge Pun decided to return to his hometown in Myanmar and set up the SPA Group, which has today grown to include about 30 operating companies active in 6 key businesses including financial services, manufacturing, real estate development, trading and distribution, services, automobile assembly and distribution and agriculture. In 1999, Serge Pun was conferred the title of Doctorate in Philosophy (Ph.D) in Business Administration, honoris causa by the Southern California University for Professional Studies. Serge Pun was appointed an Honorary Business Representative of International Enterprise Singapore for Myanmar from 2004 to 2007. He has been invited to many international forums as guest speaker or panelist on subjects relating to China, Myanmar and ASEAN. He was appointed as a member of the Chinese People Political Consultative Conference (CPPCC) of Dalian, PRC since 2007.

Appointed to the board of YSH on 17 August 2006, Serge Pun is the Chairman and Chief Executive Officer of YSH.

Mr Cyrus Pun Chi Yam

Executive Director

Cyrus Pun was educated in the UK and received a bachelor's degree in Economics from the London School of Economics in 2003. He gained his first work experience in China at the beginning of his career with an established manufacturer of

building materials, where he headed a team to develop the export and trading market. Prior to joining the SPA Group — an affiliated company of the Group — in 2007, Cyrus Pun worked for Hutchison Port Holdings in the South China Commercial Division based in Hong Kong. His major responsibilities involve revenue analysis, setting price strategy, contract negotiation, and was responsible for account management for a substantial client portfolio.

In February 2007, Cyrus Pun joined SPA Group and assumed a leading role in the development of Grand Central in Dalian, China — a real estate project undertaken by SPA Grand Central (Dalian) Enterprise Co., Ltd, an associated company of the Group.

He was appointed as the Head of Corporate Development of the Company and an alternate director to Mr Serge Pun on 11 June 2010. Following his appointment as the Head of Corporate Development, he has since headed various corporate exercises in identifying and developing new business opportunities as well as evaluating existing businesses of the Group.

Appointed to the board of YSH on 21 February 2011, Cyrus Pun is an Executive Director of YSH and resigned as the alternate director to Mr Serge Pun.

Mr Kyi Aye

Non-Executive Director

Kyi Aye is a Myanmar national and a career banker. In his early days, after obtaining his Bachelor of Commerce and Bachelor of Law degrees from the University of Rangoon, he went on to qualify as a Certified Public Accountant and underwent training at the Midland Bank of London and IMF Institute of Washington DC. He started his career in the banking industry in 1960, and was subsequently transferred to The Central Bank of Myanmar in 1965. He held many positions over 25 years in The Central Bank of Myanmar which included Chief Accountant (1987 to 1989) as well as Executive Director (1989 to 1991) of The Central Bank of Myanmar. In 1991, he was appointed as the Managing Director of Myanmar Economic Bank and, subsequently in 1992, as the Governor of The Central Bank of Myanmar. He retired from The Central Bank of Myanmar in 1998 and was invited to become Special Adviser to the Chairman of Yoma Bank Ltd (a member of the SPA Group) in 2000, a position he has retired from since August 2005.

Re-appointed to the board of YSH on 29 July 2010, Kyi Aye is a Non-Executive Director of YSH.



Mr Kyi Aye



Mr Adrian Chan Pengee



Mr Basil Chan



Mr Philip Ng Fook Leong

Mr Adrian Chan Pengee

Lead Independent Director

Adrian Chan is Head of the Corporate Department and a Senior Partner at Lee & Lee. He is Vice-Chairman of the Singapore Institute of Directors and serves on the Corporate Practice Committee of the Law Society of Singapore and the Listed Companies Committee of the Singapore International Chamber of Commerce. He is also an independent director on the Boards of United Pulp & Paper Company Limited, Isetan (Singapore) Limited, AEM Holdings Ltd, Global Investments Limited and Biosensors International Group Limited, which are public-listed companies on the Singapore Stock Exchange. He has been elected to and serves as the Honorary Secretary of the Executive Council of the Association of Small and Medium Enterprises. He holds a law degree from the National University of Singapore and is a member of the Singapore Academy of Law.

Re-elected to the board of YSH on 24 July 2009, Adrian Chan is the Lead Independent Director of YSH and the Chairman of the Nominating Committee of YSH.

Mr Basil Chan

Independent Director

Chairman of Audit Committee

Basil Chan is the Founder and Managing Director of MBE Corporate Advisory Pte. Ltd. He also sits on the boards of several other public listed companies in Singapore, as their independent non-executive director. Basil Chan has more than 30 years of experience in audit, financial and general management, having held senior financial and management positions in both private and listed companies. Basil Chan is also a director and member of the Governing Council of the Singapore Institute of Directors where he is currently its Treasurer. He was a member of the Corporate Governance Committee in 2001 that developed the Singapore Code of Corporate Governance and was a former member of the Accounting Standards Committee of the Institute of Certified Public Accountants of Singapore (ICPAS). He was recently appointed to the Auditing and Assurance Standards Committee of ICPAS. Basil Chan holds a Bachelor of Science (Economics) Honours degree majoring in Business Administration from the University of Wales Institute of Science and Technology, Cardiff, Wales, UK. He is a Chartered Accountant by training and is a member of the Institute of Chartered Accountants in England and Wales as well as a member of ICPAS. He is a Fellow of the Singapore Institute of Directors.

Re-elected to the board of YSH on 24 July 2009, Basil Chan is an Independent Director of YSH and the Chairman of the Audit Committee of YSH.

Mr Philip Ng Fook Leong

Independent Director

Philip Ng is a 26-year veteran with IBM who has held various marketing and technical management as well as executive appointments at IBM Singapore Pte Ltd and the IBM Group, including Chairman and Managing Director of IBM Singapore Pte Ltd (1990 to 1994) and Director of IBM World Trade Corporation — Sri Lanka Branch (1990 to 1994) and IBM Brunei Darussalam (1990 to 1994). Philip Ng has worked in IBM Americas Far East Headquarters in the United States, IBM offices in Taiwan (1985 to 1987) and IBM Regional Headquarters in Hong Kong (1987 to 1989). In 1994, Philip Ng left IBM to join Christie's as its Regional Managing Director, Asia and Australia, and was concurrently Chairman of the Asian Art Board, Chairman of the Asia Management Board and a member of Christie's International Management Board. Subsequently, he was appointed to the main Board of Christie's. In 2001, he left Christie's to pursue his own interest in Asian Art. Philip Ng graduated from the National University of Singapore with a bachelor's degree in Science. Philip Ng has chaired and served on various private companies in Singapore and other countries in Asia and Australia such as Christie's Hong Kong Ltd, Christie's Japan, Christie's Korea, Christie's Australia Pty Ltd, Christie's Auction (Thailand) Co. Ltd. He was also a member of the Governing Council of the Singapore Institute of Management, serving on various committees on information technology and the arts. Currently, he is the Chairman of Very Special Arts Singapore, a non-profit charitable organisation using arts to help the disabled.

Re-elected to the board of YSH on 29 July 2010, Philip Ng is an Independent Director of YSH and the Chairman of the Remuneration Committee of YSH.

Key Management

Mr Cyrus Pun

Head of Corporate Development and Executive Director,
Yoma Strategic Holdings Ltd

(Please see biography under Board of Directors)

Mr Richard Neo

Group General Manager,
Yoma Strategic Holdings Ltd.

Richard received his bachelor's degree in Business Administration from the National University of Singapore in 1985. He worked for a major international trading house as a business executive upon his graduation and diligently served the firm for 25 years. He was promoted through the ranks and retired as the Head of Business Department. His main responsibilities involved formulating business strategies and managing the day-to-day operation of the department to achieve the company's objectives. He has extensive experience in various aspects of business activities including trading, project evaluation, investment analysis and risk management.

He has assumed the position of Group General Manager in Yoma Strategic Holdings Ltd in January 2011 and assists the CEO in the daily operations of the Group.

Ms Joycelyn Siow

Group Finance Manager,
Yoma Strategic Holdings Ltd.

Joycelyn was educated in Singapore Polytechnic and obtained her Diploma in Banking and Financial Services. She went on to pursue her studies in ACCA. Joycelyn has 10 years of audit experience in international audit firms. During her years of audit experience, she was involved in audit services for public listed companies, multinational corporations and small and medium sized enterprises. Besides audit work, she was also involved in special assignments such as internal audit, preparation of accountants' report for IPO and RTO and due diligence review. She left the international audit firm as Senior Audit Manager before she was appointed as Group Finance Manager of Yoma Strategic Holdings Ltd in June 2008.

Mr Steven Howard Nelson

Managing Director, Lion Century Properties Ltd and
SPA Project Management Pte Ltd

Steven was born and educated in Australia where he obtained his TAFE (Technical And Further Education) building diploma. He started his career in 1971 as a building foreman and clerk of works with an established Sydney-based construction and development company in Australia. In 1975, he was transferred to the Australian Capital Territory where he was associated with city infrastructure development. During the 1980s, he worked in the Snowy Mountains of Australia for 5 years. He has experience in construction, civil engineering, site management, quantity survey, value engineering, architectural design, infrastructure development and project management in various hotels, commercial and high-rise office buildings, residential and governmental developments and infrastructure development projects.

Subsequently, Steven set up his own project management, design development and consultancy company. In March 1995, he joined SPAPM as a Construction Manager for the Sand-River Golf Course development in Shenzhen, China. In August 1997, he was recruited to be the Project Manager for PHGE. In February 2001, he was appointed Managing Director of SPAPM as well as Project Director of PHGE. Since January 2007, he has been the Managing Director of Lion Century Properties Ltd and SPA Project Management Pte Ltd.

Mr Tin Htut Oo

Chief Operating Officer,
Plantation Resources Pte. Ltd.

Tin Htut Oo had an illustrious career that spanned 37 years with the Ministry of Agriculture and Irrigation of Myanmar, retiring as Director General, Department of Agriculture Planning. During his tenure with the Ministry of Agriculture, he has amassed vast experience in field work as well as participated in many international and regional forums on food security and eradication of hunger. Most notably, he has attended and actively participated in almost all the important international and regional summits and high level meetings as Myanmar delegation member, such as FAO 50 Years; World Food Summit; Asian Society of Agriculture Economist Meeting, and ASEAN High Level Executive Seminar on Climate Change Adaptation and Mitigation Strategy, to name a few. Tin Htut Oo has been awarded Excellent Performance in Administrative Field (Second Class) in 2001, followed by Excellent Performance in Administrative Field (First Class) in 2002. He holds a bachelor's degree from the Institute of Agriculture, Mandalay, Myanmar and a master's degree from the Ohio State University, USA. He joined Plantation Resources Pte. Ltd. as COO effective 11 June 2010, after acting as a consultant to the company since February 2010.

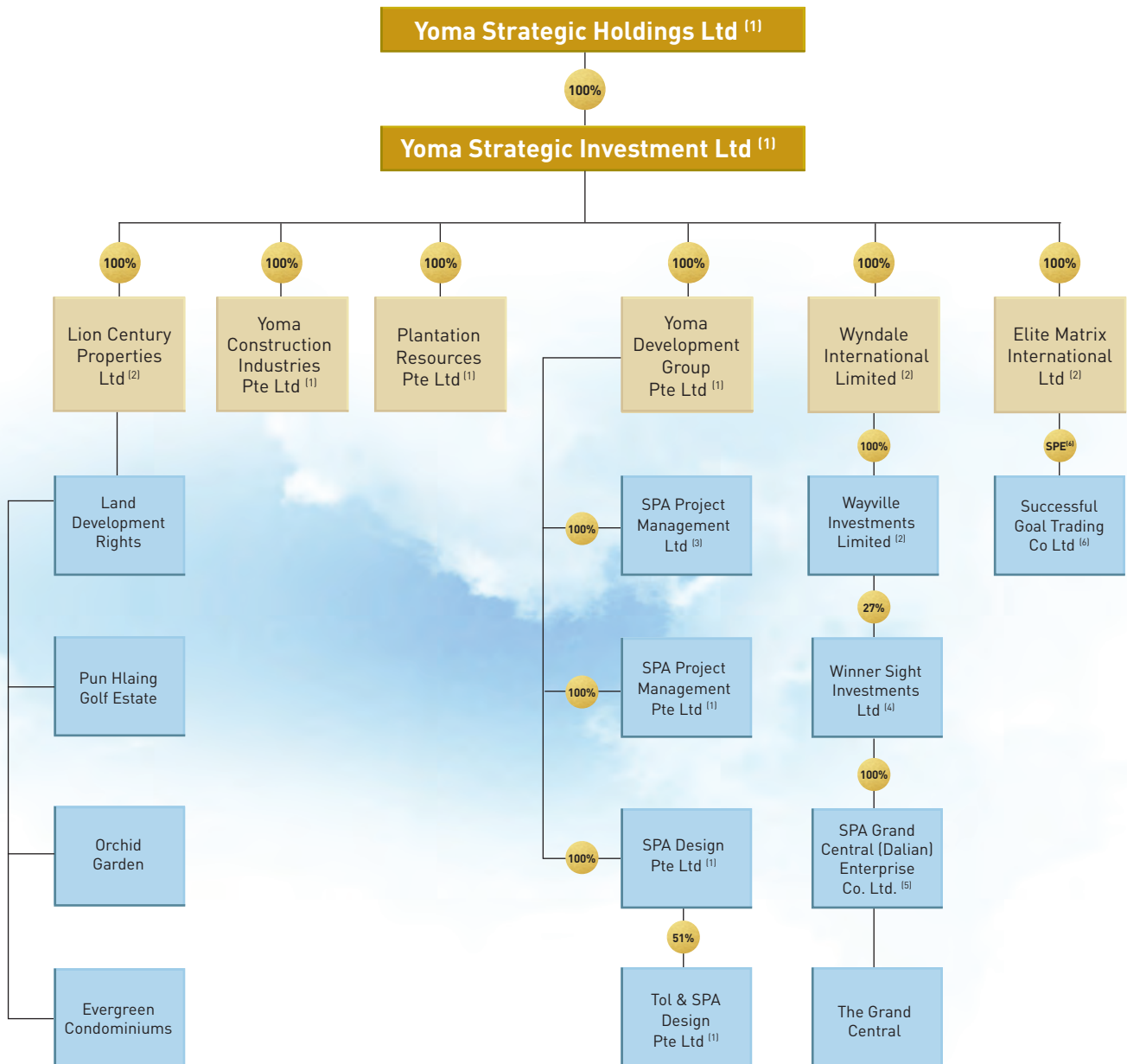
Mr Tun Phone Aung

Project Director, Orchid Garden

Born in Myanmar, Tun Phone Aung received the Diploma in Civil Engineering from the Government Technical Institute, Insein in 1996 and Bachelor of Science degree in Mathematics from the University of Distance Education, Yangon in 2002. In 2009, he obtained his Master's degree in Business Administration (MBA) through the Executive MBA Program of Yangon Institute of Economics.

After obtaining his Diploma in Civil Engineering, he started his career with the United Nations Development Programme/United Nations Center for Human Settlement (UN Habitat) as a WATSAN (Water Supply & Sanitation) Engineer in the Human Development Initiative Programme, which was implemented in the Delta Area of Myanmar. He worked there for 5 years before joining SPA Myanmar Ltd in 2002 as an Administration Manager of Pun Hlaing Golf Estate. Since then, he worked in various capacities within the SPA Group. In January 2010, he was promoted to the position of Project Director of FMI Garden Development Limited, the developer of the Orchid Gardens Project.

Group Structure



1) Incorporated in Singapore

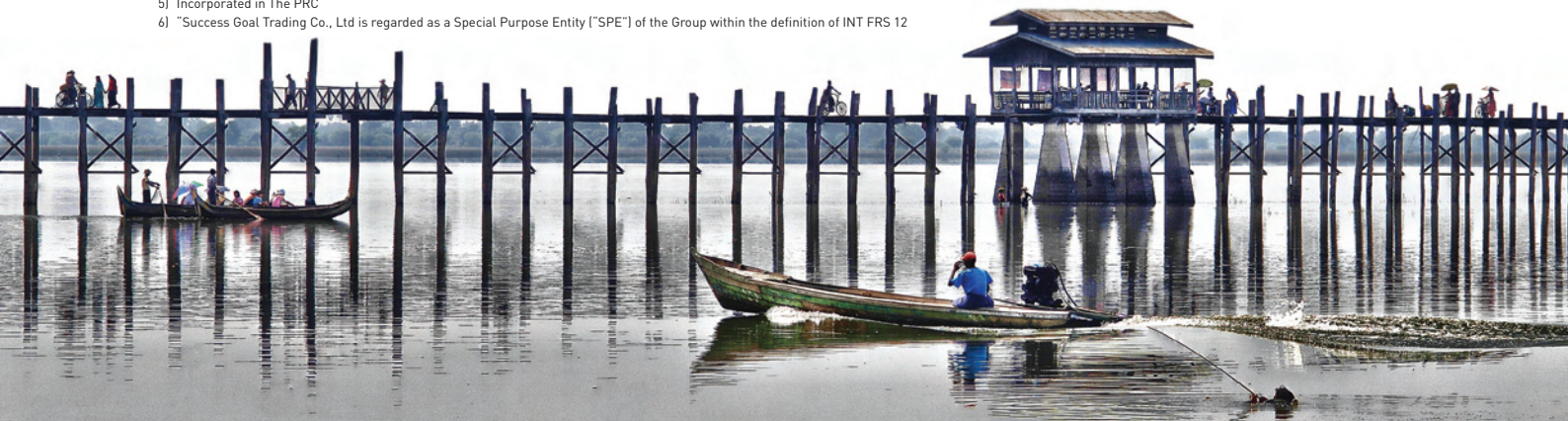
2) Incorporated in British Virgin Islands

3) Incorporated in Myanmar

4) Incorporated in Hong Kong

5) Incorporated in The PRC

6) "Successful Goal Trading Co., Ltd is regarded as a Special Purpose Entity ("SPE") of the Group within the definition of INT FRS 12



Financial Highlights and Reviews

| \$'000 | FY2011 ⁽¹⁾ | FY2010 ⁽¹⁾ | FY2009 ⁽¹⁾ |
|---|-----------------------|-----------------------|-----------------------|
| Revenue | 11,217 | 4,644 | 15,356 |
| PBT | 2,163 | (389) | 2,167 |
| Tax | 180 | 13 | (216) |
| Profit / (Loss) from continuing operations | 2,343 | (376) | 1,951 |
| Profit from discontinued operations | 288 | 1,932 | - |
| Total Profit | 2,631 | 1,556 | 1,951 |
| Attributable to: | | | |
| Equity holders of the company | 2,789 | 526 | 1,533 |
| Minority interest | (158) | 1,030 | 418 |
| | 2,631 | 1,556 | 1,951 |
| Weighted average number of ordinary shares ('000) | 527,647 | 527,647 | 445,039 |
| Earnings per share (cents) | 0.53 | 0.10 | 0.34 |

(1) As announced on 3 December 2010, the shareholders of the Company had approved the disposal of the Company's entire interest in Myanmar V-Pile Co Ltd and its subsidiaries and First Myanmar Construction Co Ltd (the "Disposed Group"). Accordingly, the results of the Disposed Group for FY2011 are presented separately as "Discontinued Operations". Comparative figures for FY2010 have been reclassified to conform to FY2011's presentation.

| \$'000 | FY2011 ⁽¹⁾ | FY2010 ⁽¹⁾ | FY2009 ⁽¹⁾ |
|--|-----------------------|-----------------------|-----------------------|
| Current Asset | 11,019 | 8,381 | 10,382 |
| Current Liabilities | (8,742) | (8,937) | (11,500) |
| Non Current Assets | 127,806 | 135,597 | 132,226 |
| Non Current Liabilities | - | 5,082 | 1,771 |
| Net Assets | 130,083 | 129,959 | 129,337 |
| Shareholders' funds | 130,083 | 129,959 | 129,337 |
| Total number of ordinary shares ('000) | 527,647 | 527,647 | 485,648 |
| Net Tangible assets per share (cents) | 24.7 | 24.6 | 26.6 |

Group Financial Performance

The Group's revenue for financial year ended 31 March 2011 ("FY2011") hit S\$11.22 million, an increase of 141.5% compared to S\$4.64 million recorded in the full year ended 31 March 2010 ("FY2010"). The sharp hike was mainly due to significant increase in revenue from sales of housing and land development rights, which was a result of favourable market sentiments in the real estate sector in Myanmar.

In FY2011, administrative expenses increased to S\$3.82 million as compared to S\$2.93 million in FY2010, due to the set up of the Dongfeng Truck business in Myanmar and the joint venture with Toland Williams of Australia for TOL & SPA Design Pte Ltd. The total administrative expenses for these new businesses amounted to S\$0.79 million.

The Group's share of profit in Winner Sight Investments Limited ("WSI") was approximately S\$3.53 million for FY2011 compared to S\$0.74 million in FY2010, mainly due to a significant fair value gain recognised by WSI.

The Group's piling business which was disposed in December 2010 ("Disposed Group"), generated a revenue of S\$7.07 million for FY2011 compared to S\$12.53 million in FY2010, with gross profit margins decreasing 12.0 percentage points from 29.1% to 17.0% respectively. The main reason for the decrease in revenue and gross profit margin was due to the completion of major contracts and increasing competition leading to lower pricing. The Group recorded a net profit of S\$0.29 million from discontinued operations for FY2011 compared to S\$1.93 million in FY2010.

Overall, the Group recorded a net profit attributable to shareholders of S\$2.79 million in FY2011 as compared to S\$0.52 million in FY2010. The increase in net profit for FY2011 was mainly due to a fair value gain by WSI, an associated company.

Segmental Financial Performance

The Group's business segments comprise sales of housing and land development rights, construction related activities,



agricultural related activities as well as the latest addition of automobile dealership business.

Revenue from sales of housing and land development rights for FY2011 hit S\$10.24 million while the revenue contribution for FY2010 was S\$3.19 million. The profit contribution from sales of houses and land development rights for FY2011 was S\$2.28 million as compared to S\$0.75 million in FY2010.

Since January 2011, the Group has recorded strong sales, indicating a rebound of real estate activities in Myanmar. In addition to a brisk sales activity for land plots, 65% of the units in Evergreen Condominiums Buildings C & D, have been sold since its launch in November 2010, reflecting an active market for condominiums in the city.

Revenue from the Group's project management and design team (classified as "Construction related activities") decreased to S\$0.92 million in FY2011 as compared to S\$1.43 million in FY2010. The decrease was mainly due to the completion of the project management contract for Grand Central in December 2010.

Since the Group's entry into the automobile business in Myanmar in December 2010, via its strategic cooperation with Dongfeng Automobile Company of China, it has started preparations in accordance with the terms of the Strategic Cooperation Agreement. Pre-marketing of the Dongfeng light trucks has started and indicative orders by potential customers show promise. The Group has also received the pre-requisite approval for the import of the first batch of vehicles and will continue to procure the necessary import licenses for vehicles on an ongoing basis.

As part of its strategic review of the businesses of the Group, the Board will be reviewing options that will maximize the returns on the Group's investments in PRPL, which includes exploring the possibilities of developing other plantations.

Balance Sheet

Following the disposal of the Disposed Group and the net profit recognised in the fourth quarter of FY2011 by the Group, the net assets attributable to the equity holders of the Company increased to S\$130.37 million as at 31 March 2011 as compared to S\$126.96 million as at 31 March 2010. As at 31 March 2011, the Group had net current assets of S\$2.28 million, which was an improvement as compared to net current liabilities of S\$0.57 million as at 31 March 2010.

Investment in the associated company, WSI, increased to S\$33.30 million as at 31 March 2011 as compared to S\$29.87 million as at 31 March 2010. The increase was mainly due to share of profit of S\$3.53 million recognised for FY2011. As at 31 March 2011, the investments in WSI comprised of cost

of investments in the share capital of S\$2.97 million and a post acquisition reserve of S\$14.19 million, which includes negative goodwill of S\$2.60 million. Shareholders' loans to WSI amounted to S\$16.15 million, net of exchange differences arising from revaluation.

Prepayments and operating rights recorded in the subsidiary, Plantation Resources Pte Ltd, amounted to a total of S\$20.74 million as at 31 March 2011.

Land development rights decreased from S\$79.22 million as at 31 March 2010 to S\$73.40 million as at 31 March 2011. The decrease was due to sales of land development rights in FY2011.

Total borrowings (an aggregate of non-current and current borrowings) amounted to S\$4.25 million as at 31 March 2011 as compared to S\$7.61 million as at 31 March 2010. The decrease in total borrowings was due to full repayment of the loan in respect of plantation equipment financing for PRPL during the current financial year. As at 31 March 2011, the borrowing of S\$4.25 million was owing to Gifted Champion Limited, a third party, will become due in August 2011.

Cashflow Statement

Cash and bank balances stood at S\$2.51 million as at 31 March 2011, a slight decrease as compared to S\$2.80 million as at 31 March 2010. The decrease in cash and bank balances was mainly due to full repayment of borrowings by PRPL. In addition, the balance portion of the purchase consideration for the Disposed Group amounting to approximately S\$1.06 million remained outstanding as at 31 March 2011.



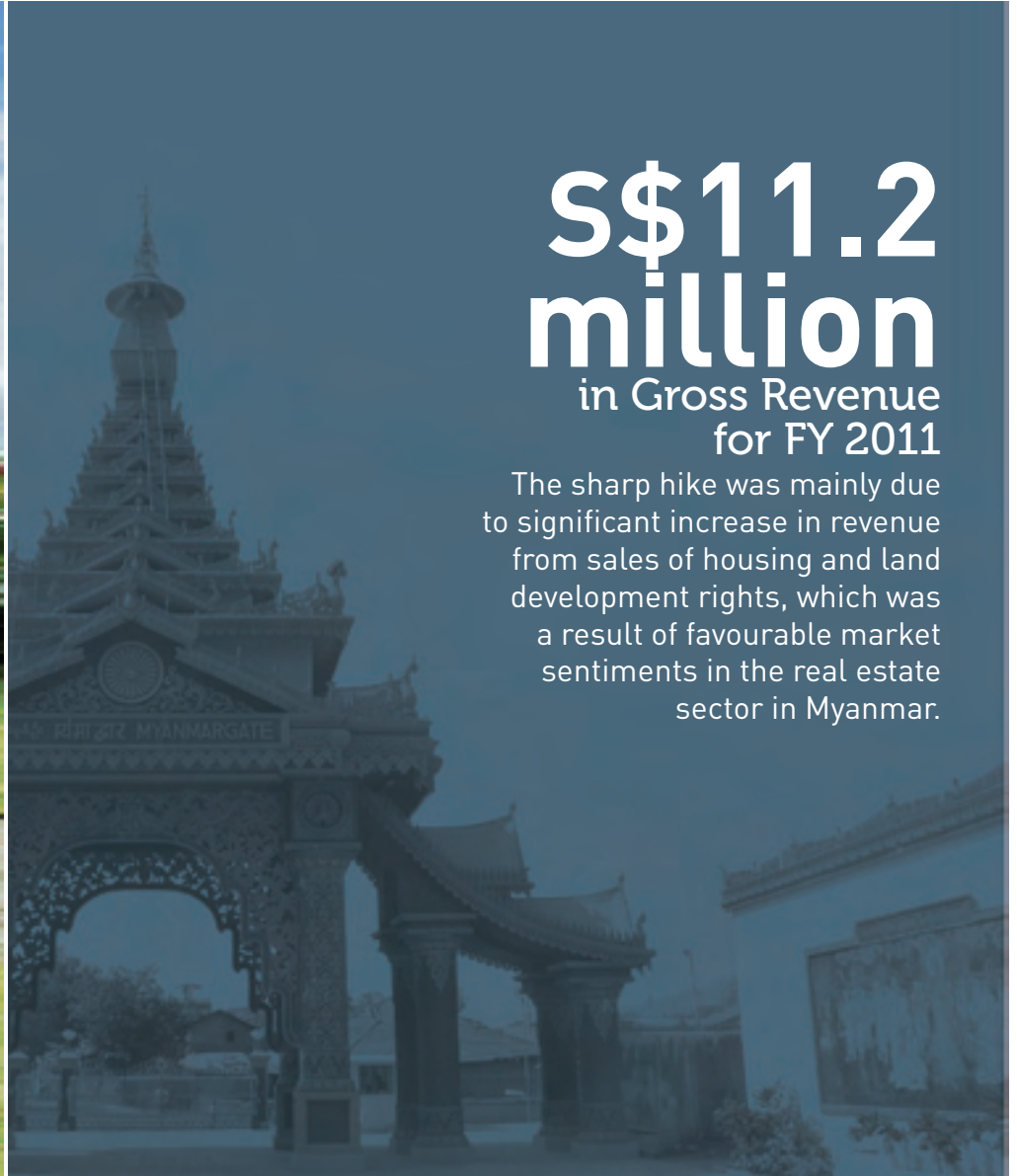
Business Review

Myanmar

At the Forefront of Development

Real Estate in Myanmar

The recently constitutionally elected Myanmar government, has brought with its promises of better governance and administration of policy, resulting in positive sentiments across the country. Foreign investment into Myanmar is on the rise with various infrastructure projects planned and the economy set on a growth path. All these developments have resulted in a buoyant property market in Myanmar. Since the beginning of the year, we have witnessed higher demand for mid-range to high end properties in Yangon and Mandalay, with a more diverse range of buyers, including small business owners. The influx of foreigners resulting from new business opportunities and increased foreign investment over the past year has also led to a strong performance in the rental market.



S\$11.2 million

in Gross Revenue for FY 2011

The sharp hike was mainly due to significant increase in revenue from sales of housing and land development rights, which was a result of favourable market sentiments in the real estate sector in Myanmar.



Business Review



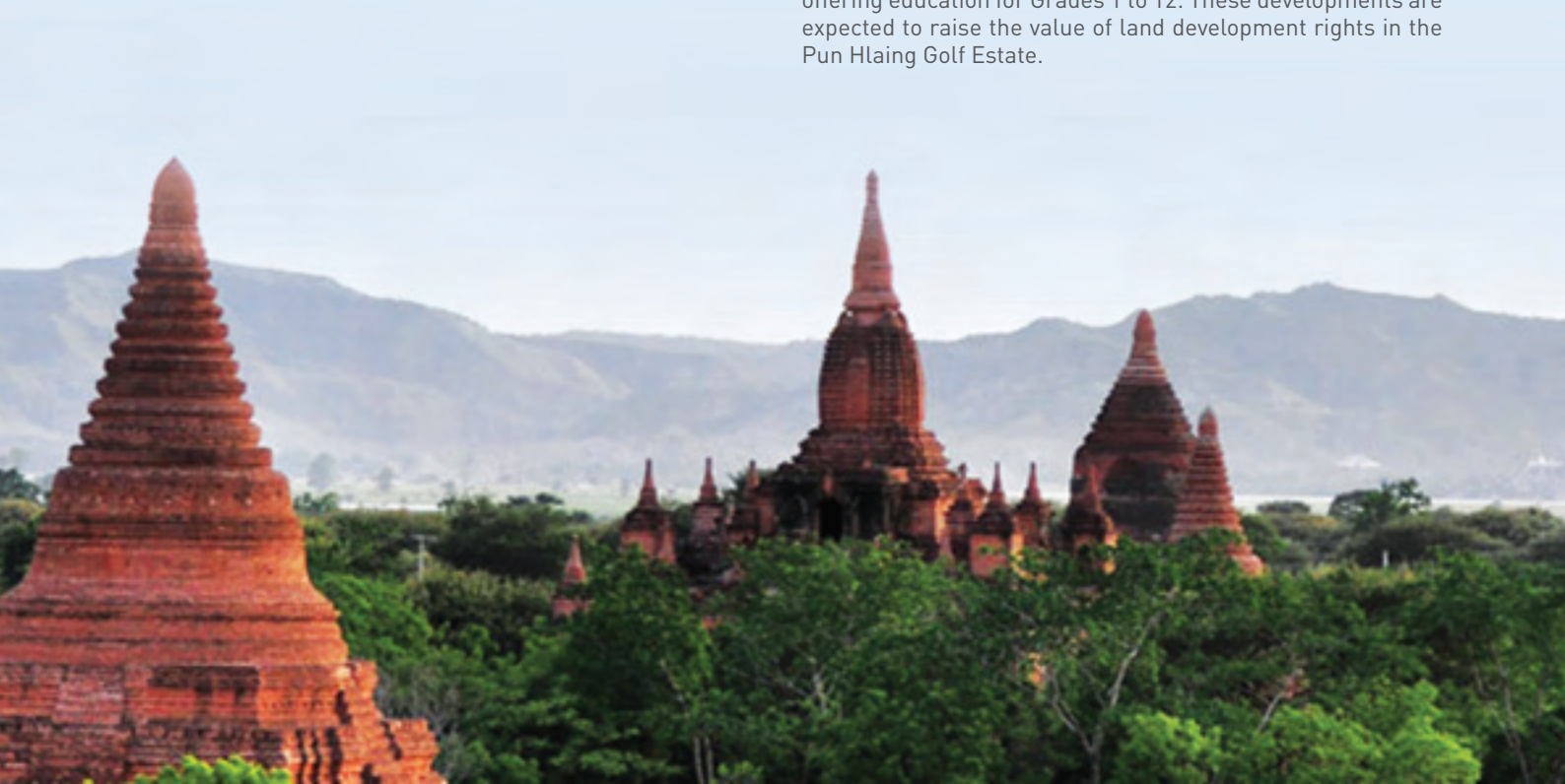
FMI City-Orchid Garden

Complete with its own sports and recreation centre, supermarket and wet market, bank, food stalls and a bus ferry service to downtown, FMI City has become an archetype for mass housing development in Myanmar over the last decade. Being the last subdivision of FMI City, Orchid Garden has a total area of approximately 2 million square feet of land development rights available for sale as at 31 March 2011. Sales of land development rights in Orchid Garden have been on the rise since the beginning of FY2011. Besides selling land development rights, YSH is also constructing 19 bungalows under Phase III of the Orchid Garden development.



Pun Hlaing Golf Estate

The Pun Hlaing Golf Estate offers an exclusive and secure environment for quality living and recreation — a lifestyle that would rival any prime real estate development internationally. The Pun Hlaing name is synonymous with highly sought-after homes of international standards in Myanmar and with the newly completed Pun Hlaing Country Club which comes with a swimming pool, two grass tennis courts, a spa and foot massage parlour, a gym and a beauty parlour, — Pun Hlaing Golf Estate is the epitome of desirable living in Myanmar. The Early Childhood Centre of the Yangon International School (YIS) commenced operations in August 2010, adding another important feature to this community. When fully completed in 2016, YIS will be a full fledged accredited international school offering education for Grades 1 to 12. These developments are expected to raise the value of land development rights in the Pun Hlaing Golf Estate.





Ivory Court Residences

Located at the heart of Pun Hlaing Golf Estate, the Ivory Court Residences is a development set on a total land area of 8,726 square metres. It comprises a total of 13 units of modern, 3-bedroom townhouses, each with a built up area of 317.11 square metres (3,412.11 square feet) with prime views over the 18th fairway of the Pun Hlaing golf course. Construction of six units has been completed and three of the six have been successfully sold. The remaining seven units are currently under construction.



Evergreen Condominiums

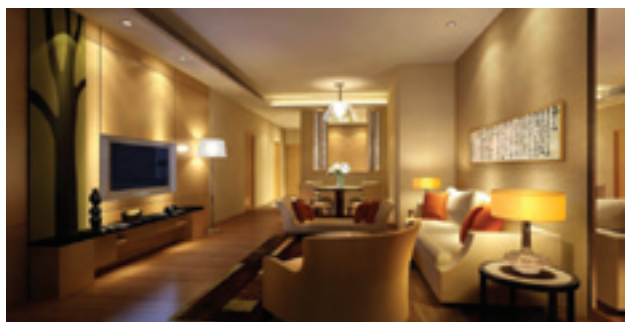
Evergreen Condominiums is a self-contained, affordable low rise condominium development that creates a comfortable environment for residents within the Pun Hlaing Golf Estate. Situated on a prime 9.34 acre plot of land in the North-East corner of the Pun Hlaing Golf Estate, Evergreen Condominiums overlooks the 11th fairway and green of the Pun Hlaing Golf Course. Presently, two blocks of the condominiums, Evergreen buildings A & B, have been fully sold. Following the launch of Evergreen buildings C & D, renamed as Lakeview Apartments, in November 2010, 65% of the two new buildings have already been sold, reflecting a buoyant market for condominiums in the city.



Business Review

Real Estate in China

Located at the heart of Dalian's Development Area ("DDA") is YSH's first major real estate project in the PRC, the Grand Central.



The Grand Central

The Grand Central is a 110,000 square meters composite building situated on the main boulevard of DDA – Jin Ma Road comprising the Grand Central International Lifestyle Centre, Shama Luxe Serviced Apartments and the Yoma International Finance Centre.

Currently, the leasing for the Grand Central International Lifestyle Centre is approximately 60% which includes Korea's largest bank — Woori Bank and Dalian DDA's largest supermarket chain An Sheng as anchor tenants. For Shama Luxe Serviced Apartments, it enjoys a high occupancy of approximately 90% with a diverse and international clientele mostly executives of multinational corporations such as Intel, Volkswagen, Toshiba, Applied Materials, Goodyear and Woori Bank, to name a few. The office tower - Yoma IFC - has attracted international tenants such as Hines, Sumitomo Electric, Secom, Aggrekko International Power Projects, property developer Yida, KLA-Tencor, Ping An Insurance and recently, China International Capital Corporation Limited. However, the current occupancy rate for Yoma IFC is low at around 42% and the Group anticipates that the take-up rate of the office space will improve as the leasing gains momentum.





Design and Project Management

The Group continues to perform well in the field of design and project management. Tapping its strong presence in Myanmar, the Group is able to secure several sizeable design and project management contracts in the region, growing its design and project management business.

SPA Project Management Ltd

SPA Project Management Ltd ("SPAPM") is a wholly owned subsidiary of YSH and comprises three operating divisions, namely SPA Design, Project Management and PM Development. SPAPM provides value added design and construction management, engineering and architectural solutions. Other than serving its international portfolio of clients, SPAPM is also the managing and consulting arm for the Group's real estate development and special projects. A major project undertaken by the company as project manager is the large housing development in Yangon, Myanmar – Star City.



TOL & SPA Design Pte Ltd

Incorporated in July 2010, Tol & SPA Design Pte Ltd is co-owned by SPA Design Pte Ltd ("SPA Design") and Toland (Asia) Ltd ("Toland") with SPA Design holding 51% of its issued and paid up share capital and 49% held by Toland. The principal activity of Tol & SPA Design is to provide design and architectural services. Toland is a design-focused architectural practice with more than 20 years of experience in Master-planning, Architecture and Interior Architecture covering Commercial/Industrial Developments, Corporate Campuses, Medical Research/Development facilities, Public/Civic Developments, Education facilities, Recreational Buildings and Hospitality Projects. By collaborating with Toland, SPA Design will be able to tap on its extensive experience and expand the Group's design business.

Since its incorporation, Tol & SPA Design has been involved in several projects such as the design for Block C and D of Evergreen Condominiums, the impending project with GuangDong Dalong for the strategic planning and concept master-planning for a mixed use of development of 23 hectares and the major housing development in Yangon – Star City.

Business Review



Agriculture in Myanmar

Located in the Ayerwaddy Division of Myanmar, the 100,000 acre Jatropha Curcas plantation (Maw Tin Estate), is managed by Plantation Resources Pte. Ltd. ("PRPL"), YSH's Singapore registered wholly-owned subsidiary. Currently Jatropha Curcas is the main produce of the estate. The Group sees an increasing demand for jatropha oil as the biodiesel component required in diesel usage as stipulated by international pacts concerning environmental issues. With the advent of new technology, more efficient methods of extracting jatropha oil are also being developed.

While the existing planted acreage of jatropha at the Maw Tin Estate has yet to reach a commercial scale, the Group continues to procure seeds via collection of small third party plantations in order to meet the demand. However, the recent earthquake and tsunami in Japan is likely to temporarily affect our sales as most of our international buyers of jatropha seeds are mainly from Japan.

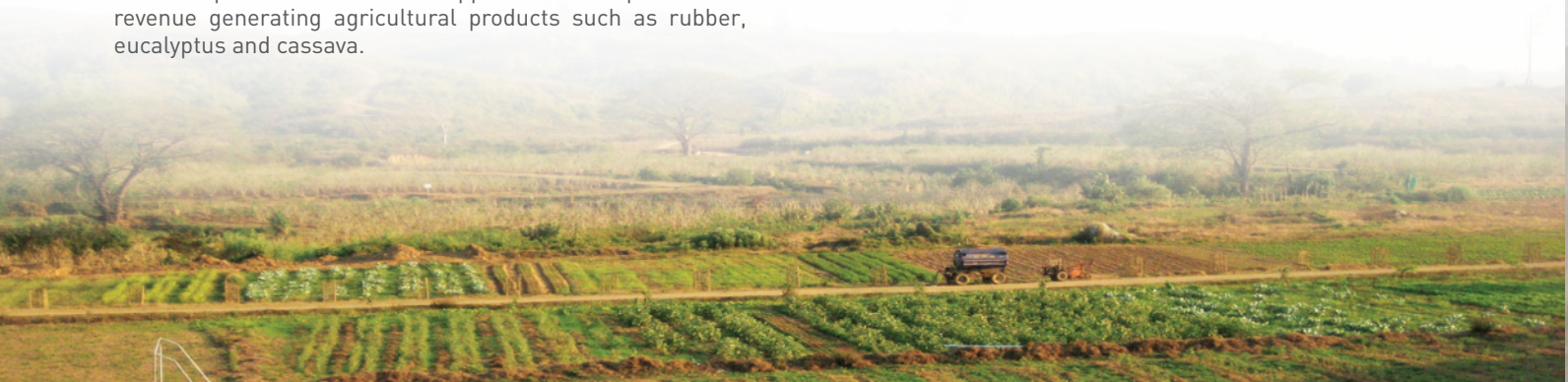
While the Group continues to grow its production and trade in Jatropha Curcas oil ("JCO") and seeds slowly and steadily, it also has embarked on a review of the various options that will maximise the returns on the Group's investments in PRPL, which includes exploring possibilities of developing other plantations. A number of other crops such as pigeon pea, ginger and pepper were experimented with to see if they are viable to be planted in the existing terrain at Maw Tin Estate. The Group will also look into opportunities to plant other revenue generating agricultural products such as rubber, eucalyptus and cassava.



Automobile Distribution in Myanmar

Since the Group's announcement of the Strategic Cooperation Agreement entered into with Dongfeng Automobile Company of China ("DFAC") on 8 June 2010 to market and distribute Dongfeng Light Trucks in Myanmar, it has made the necessary preparations in the country in accordance with the terms of the Strategic Cooperation Agreement. Pre-marketing of the Dongfeng light trucks was carried out and provisional orders by potential customers show promise. To date, the Group has received the pre-requisite approval for the import of the first batch of vehicles and these vehicles have arrived in Yangon and sales activities have begun. The Group is continuing to procure import licenses for subsequent batches.

The Group is optimistic about the potential of the market and the prospects for its venture in the automobile business. Moving forward, the Group will be looking into setting up facilities to support the sales, spare parts and after-sales service for the distribution of Dong Feng light trucks as well as to accelerate the plan to implement assembly and manufacturing of trucks in Myanmar in the future.



Corporate Governance Report

The Board of Directors (the “Board”) is committed to ensuring that the highest standards of corporate governance are practised throughout Yoma Strategic Holdings Ltd. (the “Company”) and its subsidiaries (the “Group”), as a fundamental part of its responsibilities to protect and enhance shareholder value and the financial performance of the Group.

This report describes the Group’s corporate governance practices and structures that were in place during the financial year ended 31 March 2011, with specific reference to the principles and guidelines of the Code of Corporate Governance (the “Code”), and where applicable, the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the Singapore Companies Act and the Audit Committee Guidance Committee (“ACGC”) Guidebook which was issued on 30 October 2008, focusing on areas such as internal controls, risk management, financial reporting, internal and external audit.

The Board has adhered to all principles and guidelines set out in the Code as set out below.

BOARD MATTERS

Principle 1 – Board’s Conduct of its Affairs

The Company is managed by the Board which leads and controls, and is collectively responsible for the success of the Group. The Board works with the management to achieve this and the management remains accountable to the Board.

The role of the Board includes:

- (a) providing entrepreneurial leadership;
- (b) setting strategic aims;
- (c) ensuring the sufficiency of financial and human resources and effective risk controls required for the Company to meet its objectives;
- (d) reviewing management performance;
- (e) setting the Company’s values and standards; and
- (f) ensuring that obligations to shareholders and others are understood and met.

To assist in the efficient discharge of its fiduciary duties, the Board had established three (3) Board Committees namely, the Audit Committee (“AC”), the Nominating Committee (“NC”) and the Remuneration Committee (“RC”). Each Committee has its own terms of references to address their respective areas of focus.

All directors objectively take decisions in the interests of the Company. The management provides the Board with regular financial and operational updates and decisions on all key matters such as material acquisition and disposal of assets or undertakings and the release of the Company’s results are made by the Board.

During the financial year, the Board met on six (6) occasions to review and approve various matters relating to business strategies, activities and performance of the Group. Board meetings were scheduled to coincide with quarterly financial results reporting in order to facilitate a review of the financial statements and announcement of the unaudited quarterly results of the Group. Ad-hoc Board meetings to discuss and approve material acquisition and disposal of assets and major undertakings of the Group were convened when the need arose.

The Company’s Articles of Association provide for meetings to be held via telephone, electronic or other communication facilities which permits all persons participating in the meeting to communicate with each other simultaneously. Where the attendance of certain directors was not physically possible, the meeting was conducted with these directors communicating through teleconferencing. To further facilitate the efficient management of the Group, resolutions of the Board would be passed by way of circulating resolutions pursuant to the Articles of Association of the Company.

The approval of the Board is required for any matters which is likely to have a material impact on the Group’s operating units and/or financial positions as well as matters other than in the ordinary course of business.

Corporate Governance Report

The Company provides a formal letter to each director upon his appointment, setting out clearly the director's duties and obligations. For first-time directors, the Company also provides training appropriate to the level of their previous experience in areas such as accounting, legal and industry-specific knowledge.

The Board consists of businessmen and professionals who keep themselves abreast of the latest developments in the fields of business, law and finance.

The attendance of every member at Board meetings and various Committee meetings held during the reported financial year is set out as follows:-

| Name | Board Meeting Attendance | Audit Committee Meeting Attendance | Nominating Committee Meeting Attendance | Remuneration Committee Meeting Attendance |
|--------------------------------------|--------------------------|------------------------------------|---|---|
| Total number of meetings held | 6 | 4 | 1 | 1 |
| Executive Directors | | | | |
| Mr. Serge Pun | 5 | NA | 1 | NA |
| Mr. Cyrus Pun Chi Yam ⁽¹⁾ | 0 | NA | NA | NA |
| Non-Executive Directors | | | | |
| Mr. Kyi Aye | 6 | 4 | NA | 1 |
| Mr. Adrian Chan Pengee | 6 | 4 | 1 | NA |
| Mr. Basil Chan | 6 | 4 | NA | 1 |
| Mr. Ng Fook Leong Philip | 6 | NA | 1 | 1 |

(1) Appointed on 21 February 2011.

Principle 2 – Board Composition and Balance

The Board presently comprises two (2) executive directors and four (4) non-executive directors (three (3) of whom are independent). Profiles of the directors are set out in the Board of Directors section of this Annual Report.

The compositions of the Board and Board Committees are set out below.

| Name | Date of First Appointment / Last Re-election | Board | Audit Committee | Remuneration Committee | Nominating Committee |
|--------------------------|--|----------|-----------------|------------------------|----------------------|
| Mr. Serge Pun | 17 August 2006 | Chairman | - | - | Member |
| Mr. Cyrus Pun Chi Yam | 21 February 2011 | Member | - | - | - |
| Mr. Kyi Aye | 29 July 2010 | Member | Member | Member | - |
| Mr. Adrian Chan Pengee | 24 July 2009 | Member | Member | - | Chairman |
| Mr. Basil Chan | 24 July 2009 | Member | Chairman | Member | - |
| Mr. Ng Fook Leong Philip | 29 July 2010 | Member | - | Chairman | Member |

There is a strong and independent element on the Board. More than one-third of the Board comprises independent directors and Mr Adrian Chan Pengee serves as the lead independent non-executive director.

The Board adopts the Code's definition of what constitutes an independent director in its review. The Code defines an "independent director" as one who has no relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company. The Board is of the view that no individual or small group of individuals dominates the Board's decision making process. The independence of each director is also reviewed annually by the NC.

Corporate Governance Report

Non-executive directors contribute to the Board process by monitoring and reviewing Management's performance. Their views and opinions provide alternative perspectives to the Group's business. When challenging management proposals or decisions, they bring independent judgment to bear on business activities and transactions involving conflicts of interests and other complexities.

The Board possesses the requisite experience and knowledge in various fields. As a group, the Board is skilled in core competencies such as law, accounting/finance, business/management, knowledge of the industry and strategic planning.

The Board is of the view that the current Board size is appropriate, taking into consideration the nature and scope of the Company's operations.

Principle 3 – Chairman and Chief Executive Officer

Mr. Serge Pun is the Chairman and the Chief Executive Officer of the Company.

The role of the Chairman includes:

- (a) scheduling meetings that enable the Board to perform its duties in a responsible manner while, at the same time, not interfering with the flow of the Company's operations;
- (b) being responsible for preparing meeting agendas;
- (c) exercising control over the quality, quantity and timeliness of the flow of information between the management and the Board; and
- (d) monitoring communications and relations between the Company and its shareholders, between the Board and Management and between the independent and non-independent directors with a view to encouraging constructive feedback and dialogue amongst them.

As the Chairman and Chief Executive Officer are not separate roles, the Board has appointed Mr. Adrian Chan Pengee as Lead Independent Director to lead and co-ordinate the activities of the non-executive directors of the Company.

Principle 4 – Board Membership

The existing NC comprises:-

- (a) Mr. Adrian Chan Pengee (Chairman);
- (b) Mr. Serge Pun; and
- (c) Mr. Ng Fook Leong Philip.

The NC comprises one (1) executive director and two (2) non-executive directors whom are independent. The Chairman of the NC is not directly associated with a substantial shareholder of the Company within the meaning of the Code.

Corporate Governance Report

The NC has written terms of reference that describes the responsibilities of its members. The role of the NC includes:

- (a) developing and maintaining a formal and transparent process for the appointment of new directors, including the nomination and selection process of the new director and how he/she will fit in the overall competency of the Board;
- (b) reviewing all nominations for the re-appointment of members of the Board at the annual general meeting having regard to the director's contribution and performance (e.g. attendance, preparedness, participation, candour and any other salient factors);
- (c) ensuring that all directors submit themselves for re-nomination and re-election at regular intervals and at least every three (3) years in accordance with the Articles of Association of the Company;
- (d) determining annually whether a director is independent, bearing in mind the circumstances set forth in the Code;
- (e) recommending to the Board as to whether the director is to be considered independent, based on the returns submitted by the directors upon appointment and subsequently on an annual basis in the form set out in the NC's terms of reference;
- (f) reviewing the change in circumstances upon notification of an independent director to the Board that he no longer meets the criteria for independence as a result of a change in circumstances and making its recommendation to the Board;
- (g) deciding 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;
- (h) developing and maintaining a formal assessment process for the evaluation of the effectiveness of the Board as a whole and the contributions of each individual director to the Board's effectiveness;
- (i) deciding on how the Board's performance may be evaluated and proposing objective performance criteria for the Board's approval;
- (j) retaining such professional consultancy firm as it may deem necessary to enable it to discharge its duties hereunder satisfactorily;
- (k) considering the various disclosure requirements for the appointment of directors, particularly those required by regulatory bodies such as the SGX-ST; and
- (l) undertaking such other duties as may be agreed to between itself and the Board.

In accordance with the Company's Articles of Association, every director is required to retire by rotation at least once in every three years (3) and, may offer themselves for re-election. All newly appointed directors will have to retire at the next Annual General Meeting ("AGM") following their appointments.

At the forthcoming AGM, Mr. Adrian Chan Pengee and Mr. Basil Chan will retire and seek re-election pursuant to Article 104 of the Company's Articles of Association. Mr. Cyrus Pun Chi Yam will retire and seek re-election pursuant to Article 114 of the Company's Articles of Association. Mr. Kyi Aye will retire and seek re-appointment pursuant to Section 153(6) of the Companies Act (Cap. 50), to hold office until the next Annual General Meeting of the Company.

Notwithstanding the multiple board representations of some directors, the NC is satisfied that sufficient time and attention have been accorded by the directors to the affairs of the Company.

The NC has fulfilled its duty of making the requisite recommendations to the Board on all Board appointments and has also carried out its duty of re-nomination and re-election.

Principle 5 – Board Performance

The Board acknowledges the importance of a formal assessment of the Board's performance and the NC has adopted a formal system of evaluating Board performance as a whole and the contribution of each individual director which has been carried out for the year.

When it comes to evaluating individual directors' performance, the NC has made available a process that would enable the assessment of the contribution by each individual director to the effectiveness of the Board, taking into account numerous factors including the director's attendance, participation and contribution at main Board and Board committee meetings.

Corporate Governance Report

Principle 6 – Access to Information

Management regularly keeps the Board updated on the operational activities, future prospects, progress and development of the Company. Comprehensive quarterly financial reports are submitted to the Board for approval and release to the public including background or explanatory information.

The Board has separate and independent access to the Group's senior management and the Company Secretary. The responsibilities of the Company Secretary include:

- (a) attending all Board meetings;
- (b) preparing minutes of these meetings;
- (c) ensuring compliance with applicable laws and regulations;
- (d) ensuring compliance with internal procedures and guidelines of the Group;
- (e) the maintenance and updating of all statutory books and records; and
- (f) ensuring good information flows within the Board and its Committees and between senior management and non-executive directors.

The appointment and removal of the Company Secretary is a matter for the Board to decide as a whole.

The directors, in the furtherance of their duties, are allowed to take independent professional advice, if necessary, at the Company's expense.

REMUNERATION MATTERS

Principle 7 – Procedures for Developing Remuneration Policies

Principle 8 – Level and Mix of Remuneration

Principle 9 – Disclosure on Remuneration

The existing RC comprises:

- (a) Mr. Ng Fook Leong Philip (Chairman);
- (b) Mr. Kyi Aye; and
- (c) Mr. Basil Chan.

The RC comprises three (3) non-executive directors, two (2) of whom, including the Chairman of the RC, are independent.

The RC has written terms of reference that describes the responsibilities of its members. The role of the RC includes:

- (a) developing and maintaining a formal and transparent policy for the determination of directors' remuneration including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind;
- (b) recommending to the Board a framework of remuneration for directors and specific remuneration packages for each executive director and the chief executive officer, if the chief executive officer is not an executive officer;
- (c) reviewing the remuneration of senior management;
- (d) considering what compensation commitments the directors' contracts of service, if any, would entail in the event of early termination;
- (e) ensuring that the level of remuneration offered is appropriate to the level of contribution, taking into account factors such as effort and time spent, pay and employment conditions within the industry and in comparable companies and responsibilities undertaken;
- (f) reviewing whether directors should be eligible for benefits under long-term incentive schemes and to evaluate the costs and benefits of long-term incentive schemes;

Corporate Governance Report

- (g) making recommendations in consultation with the chief executive officer and submitting its recommendations for endorsement by the entire Board;
- (h) retaining such professional consultancy firm as it may deem necessary to enable it to discharge its duties hereunder satisfactorily;
- (i) considering the various disclosure requirements for directors' remuneration, particularly those required by regulatory bodies such as the SGX-ST, and ensuring that there is adequate disclosure in the financial statements to ensure and enhance transparency between the Company and relevant interested parties; and
- (j) undertaking such other duties as may be agreed to by itself and the Board.

During the year, the RC made recommendations regarding the framework of remuneration for directors and submitted them for endorsement by the entire Board. The RC's recommendations covered all aspects of remuneration, including but not limited to directors' fees, salaries and benefits in kind. The RC also reviewed the remuneration of senior management during the course of the year. No director is involved in deciding his own remuneration.

The Company has a service agreement with Mr. Serge Pun which commenced on 1 April 2010 and lasts for a period of three (3) years, unless otherwise terminated by not less than six (6) months' notice in writing by either party.

The Company also has a service agreement with Mr. Cyrus Pun Chi Yam which commenced on 21 February 2011 and lasts for a period of three (3) years, unless otherwise terminated by not less than six (6) months' notice in writing by either party.

Independent and non-executive directors are paid directors' fees based on their contribution and responsibilities on the Board and Board committees. Directors' fees are subject to shareholders' approval at the forthcoming AGM.

The RC recommended to the Board the payment of directors' fees of up to S\$172,500 for both the financial years ended 31 March 2011 and ending 31 March 2012. The recommendation for the financial year ended 31 March 2011 was approved by the shareholders in the last AGM held on 29 July 2010 and the recommendation for the financial year ending 31 March 2012 will be tabled for shareholders' approval at the forthcoming AGM.

The RC has taken into consideration the various disclosure requirements for directors' remuneration, particularly those required by regulatory bodies such as the SGX-ST, and to enable adequate disclosure in the financial statements to ensure and enhance transparency between the Company and relevant interested parties.

The level and mix of each of the directors' remuneration and that of the key executives, in bands of S\$250,000, for the financial year ended 31 March 2011 are set out below:

| Remuneration band & name of director | Base / Fixed Salary | Variable Component or Bonuses | Directors' Fees | Benefits-in-kind, Allowances and Other Incentives | Total |
|---------------------------------------|---------------------|-------------------------------|-----------------|---|-------|
| | % | % | % | % | % |
| Above S\$250,000 to S\$500,000 | | | | | |
| Mr. Serge Pun | 67 | - | 27 | 6 | 100 |
| Below S\$250,000 | | | | | |
| Mr. Cyrus Pun Chi Yam | 100 | - | - | - | - |
| Mr. Kyi Aye | - | - | 100 | - | 100 |
| Mr. Adrian Chan Pengee | - | - | 100 | - | 100 |
| Mr. Basil Chan | - | - | 100 | - | 100 |
| Mr. Ng Fook Leong Philip | - | - | 100 | - | 100 |

Corporate Governance Report

| Remuneration band & name of key executive | Base / Fixed Salary | Variable Component or Bonuses | Directors' Fees | Benefits-in-kind, Allowances and Other Incentives | Total |
|---|---------------------|-------------------------------|-----------------|---|-------|
| | % | % | % | % | % |
| Below S\$250,000 | | | | | |
| Mr. Steven Nelson | 100 | - | - | - | 100 |
| Mr. Richard Neo | 100 | - | - | - | 100 |
| Ms. Joycelyn Siow | 100 | - | - | - | 100 |
| Mr. Tin Htut Oo | 100 | - | - | - | 100 |
| Mr. Tun Phone Aung | 100 | - | - | - | 100 |

There were no employees who are immediate family members of a director or chief executive officer, and whose remuneration exceeds S\$150,000 during the year.

Presently, the Company does not have any share option scheme.

ACCOUNTABILITY AND AUDIT

Principle 10 – Accountability

The Board undertakes the responsibility of overseeing the corporate performance of the Company and is accountable to shareholders for the processes and structure of directing and managing the Company's business and affairs. The management's role is to report to the Board the operational and financial performance of the Group by keeping the Board informed and updated with the provision of comprehensive financial and management reports.

Aside from adopting corporate governance practices in line with the spirit of the Code, the Company also observes obligations of continuing disclosure under the SGX-ST Listing Manual. The Company undertakes to circulate timely, adequate and non-selective disclosure of information. The Board has also issued quarterly financial statements as reviewed by the AC to provide shareholders with comprehensive information and a balanced view on the Group's performance, position and prospects.

Principle 11 – Audit Committee

The existing AC comprises:-

- (a) Mr. Basil Chan (Chairman);
- (b) Mr. Adrian Chan Pengee; and
- (c) Mr. Kyi Aye.

The AC was established by the Board and comprises three (3) non-executive directors, the majority of whom, including the Chairman of the AC, are independent.

The AC has written terms of reference that describes the responsibilities of its members.

Corporate Governance Report

The role of the AC includes:

- (a) appraising the effectiveness of the external auditors and reviewing the independence of the external auditors annually and making recommendations to the Board on the appointment and re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors, including but not limited to approving remuneration and terms of engagement of the external auditors;
- (b) ensuring that the internal audit function is adequately resourced, independent of the activities it audits and has appropriate standing within the Company;
- (c) ensuring that a review of the effectiveness of the Company's material internal controls, including financial, operational and compliance controls, and risk management policies and systems, is conducted annually;
- (d) reviewing the audit plans of the external auditors and the internal auditors, including the results of their review and evaluation of the adequacy and effectiveness of the system of internal audit controls;
- (e) reviewing the annual consolidated financial statements and the external auditors' report on those financial statements, and discuss any significant adjustments, major risks areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of management, where necessary, before submission to the Board for approval;
- (f) reviewing the periodic consolidated financial statements comprising the profit and loss statements and the balance sheets and such other information required by the SGX-ST Listing Manual, before submission to the Board for approval;
- (g) reviewing and discussing with the external auditors and the internal auditors any suspected fraud, irregularity or infringement of any relevant laws, rules and 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;
- (h) meeting with the external auditors and the internal auditors without the presence of the management at least once a year and to review the co-operation given by the management to them;
- (i) reviewing arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters;
- (j) reviewing, approving and ratifying any interested person transactions falling within the scope of Chapter 9 of the SGX-ST Listing Manual as may be amended from time to time and such other rules and regulations under the listing rules of the SGX-ST that may be applicable in relation to such matters from time to time;
- (k) reviewing any potential conflicts of interest;
- (l) undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- (m) undertaking generally such other functions and duties as may be required by law, the SGX-ST Listing Manual or the Securities and Futures Act, Cap. 289 and by such amendments made thereto from time to time;

The Board is of the view that the present members of the AC have sufficient accounting or related financial management expertise and experience to discharge their responsibilities as set out in its terms of reference.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation of the management and full discretion to invite any director or executive officer to any of its meetings, and it is in possession of reasonable resources to enable it to discharge its functions properly.

During the financial year, the AC met with the management and the external auditors on four (4) occasions. These meetings included, amongst other things, a review of the Group's financial statements, the internal control procedures, prospects of the Group and independence of the external auditors. The external auditors also met with the AC members without the presence of the management. The AC has reviewed the volume of non-audit services to the Group by the external auditors and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

Corporate Governance Report

The AC had recommended the re-appointment of Nexia TS Public Accounting Corporation as external auditors at the forthcoming AGM.

The Company had put in place a whistle-blowing policy. In order to promote an environment conducive to employees, in confidence, to raise or report genuine concerns about possible improprieties in matters of business activities, financial reporting or other matters they may encounter without fear of retaliatory action, employees can forward their concerns directly to the independent directors. The contact details of the independent directors were made known to the employees to raise their concerns.

Principle 12 – Internal Controls

Principle 13 – Internal Audit

The Board acknowledges that it is responsible for maintaining a sound system of internal controls to safeguard shareholders' interest and maintain accountability of its assets. The AC reviews the adequacy of the Company's internal financial controls, operational and compliance controls, and risk management policies and systems established by the management. The external auditors review the internal controls of the Group and report these findings to the AC during its meetings. This gives the AC the opportunity to comment on the adequacy of internal controls and to reassure the Board that sufficient checks were in place. The AC is satisfied that the independence of the external auditors is not compromised by any other material relationship with the Company. A framework of internal controls is in place and will be refined constantly, with reviews conducted at least annually.

The Group has implemented a set of standard operating procedures relating to sales and accounts receivables, purchases, human resources and payroll, cash management and capital expenditure and capital disposal.

The Group has set up an Internal Audit Department to assist the AC to ensure that the Company maintains a sound system of internal controls by regular monitoring of key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the AC, and conducting regular audits of high-risk areas.

The AC reviews and approves, on an annual basis, the internal audit plans and the resources required to adequately perform this function.

COMMUNICATIONS WITH SHAREHOLDERS

Principle 14 – Regular, Effective and Fair Communication with Shareholders

Principle 15 – Greater Shareholder Participation

The Company has in place a communication framework that disseminates timely and complete financial data, price-sensitive information and material developments to shareholders. Quarterly release of financial results and all other information are first announced on the website of the SGX-ST via SGXNET and then posted on the Company's website. The Company also issues press releases after the release of significant developments.

The Company also encourages active shareholder participation at its general meetings. Notices of meetings are published in the major newspapers. Reports or circulars of the general meetings are despatched to all shareholders by post. Shareholders who are unable to attend the general meetings may appoint up to two (2) proxies each to attend and vote on their behalf.

Separate resolutions are passed at every general meeting on each distinct issue.

The Chairmen of the Board, Audit Committee, Nominating Committee, Remuneration Committee and the external auditors will be present at annual general meetings to address any relevant queries by shareholders.

Corporate Governance Report

INTERESTED PERSON TRANSACTIONS

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

The Company expanded the scope of the transactions covered by the pre-existing shareholders' mandate at an extraordinary general meeting of the Company held on 3 December 2010.

The details of interested person transactions for the financial year ended 31 March 2011 are set out below.

| Name of Interested Person | Aggregate value of all interested person transactions during FY2011 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions during FY2011 which are conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) * |
|--|---|--|
| | S\$'000 | S\$'000 |
| Associates of Mr. Serge Pun:- | | |
| (a) Purchases | - | 163 |
| (b) Sales | - | 493 |
| (c) Treasury transactions | 104 ⁽¹⁾ | 25 |
| (d) Land development rights transactions | - | 4,140 |
| (e) Prepayments for supply of crops | - | 1,084 |

* Shareholders' mandate was renewed and approved at the Annual General Meeting held on 29 July 2010. Accordingly, the aggregate value of all interested person transactions is presented for the twelve-month period from 1 April 2010 to 31 March 2011.

⁽¹⁾ On 29 August 2009, Wayville Investments Limited ("Wayville"), a subsidiary of YSH, signed an agreement with Mr. Serge Pun, for the provision of security by Wayville for a loan facility given by an unrelated third party to Mr. Serge Pun. The loan fee payable by Mr. Serge Pun for the financial year ended 31 March 2011 was S\$104,000. Please refer to the Company's announcement dated 30 August 2009 for further details.

SECURITIES TRANSACTIONS

The Company has adopted an internal code on dealings in securities by its officers who have access to 'price sensitive' information. Directors and employees of the Company are required to observe this code and adhere to the following rules at all times:-

- (a) to observe insider trading laws and avoid potential conflict of interests at all times when dealing in securities;
- (b) not to deal in the Company's shares while in possession of unpublished material price sensitive information;
- (c) not to deal in the Company's shares for short-term considerations; and
- (d) not to deal in the Company's shares during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, or one (1) month before the announcement of the Company's full year financial statements, and ending on the date of announcement of the relevant results.

Directors' Report

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 March 2011 and the balance sheet of the Company as at 31 March 2011.

Directors

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

Mr Serge Pun
 Mr Adrian Chan Pengee
 Mr Basil Chan
 Mr Kyi Aye
 Mr Ng Fook Leong, Philip
 Mr Cyrus Pun Chi Yam (appointed on 21 February 2011)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

| | Holdings registered in name of director or nominee | | Holdings in which director is deemed to have an interest | |
|----------------------------------|--|-----------------|--|-----------------|
| | At 31.3.2011 | At 31.3.2010 | At 31.3.2011 | At 31.3.2010 |
| Company | | | | |
| <u>Number of ordinary shares</u> | | | | |
| Mr Serge Pun | 247,687,409 | 247,687,409 | 16,248,108 | 16,248,108 |

The directors' interest in the ordinary shares of the Company as at 21 April 2011 were the same as those as at 31 March 2011.

By virtue of Section 7 of the Singapore Companies Act, Mr Serge Pun is deemed to have interest in all the ordinary shares of the Company's subsidiaries.

Directors' contractual benefits

Since the end of the previous financial year, no director 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 he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report.

Directors' Report

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company under option at the end of the financial year.

Audit Committee

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

Mr Basil Chan (Chairman)
Mr Adrian Chan Pengee
Mr Kyi Aye

All members of the Audit Committee were non-executive directors, the majority of whom, including the chairman, are independent.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and its report on the weaknesses of internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2011 before their submission to the Board of Directors, as well as the independent auditor's report on the balance sheet of the Company and the consolidated financial statements of the Group.

The Audit Committee has recommended to the Board that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent Auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

SERGE PUN
Director

BASIL CHAN
Director

30 June 2011

Statement by Directors

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 31 to 81 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 2011 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the directors

SERGE PUN
Director

BASIL CHAN
Director

30 June 2011

Independent Auditor's Report

To the Members of Yoma Strategic Holdings Ltd

Report on the Financial Statements

We have audited the accompanying financial statements of Yoma Strategic Holdings Ltd (the "Company") and its subsidiaries (the "Group") set out on pages 31 to 81, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 March 2011, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for 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; that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

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

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view 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 the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2011, and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

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

Nexia TS Public Accounting Corporation
Public Accountants and Certified Public Accountants
Director-in-charge: Loh Ji Kin
Appointed since financial year ended 31 March 2011

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2011

| | Note | 2011 S\$'000 | 2010 S\$'000 |
|--|------|-----------------|-----------------|
| Continuing operations | | | |
| Revenue | 4 | 11,217 | 4,644 |
| Cost of sales | | (8,605) | (3,023) |
| Gross profit | | 2,612 | 1,621 |
| Other income - net | 5 | 594 | 694 |
| Expenses | | | |
| - Distribution and marketing | | (11) | (2) |
| - Administrative and other operating | | (3,851) | (2,958) |
| - Finance | 6 | (711) | (482) |
| Share of profits of an associated company | 18 | 3,530 | 738 |
| Profit/(loss) before income tax | | 2,163 | (389) |
| Income tax credit | 9 | 180 | 13 |
| Profit/(loss) from continuing operations | | 2,343 | (376) |
| Discontinued operations | | | |
| Profit from discontinued operations | 10 | 288 | 1,932 |
| Total profit | | 2,631 | 1,556 |
| Other comprehensive income: | | | |
| Currency translation differences arising from consolidation | | 698 | (934) |
| Reclassification of currency translation reserve on disposal of a subsidiary | 12 | (115) | - |
| Other comprehensive income/(loss), net of tax | | 583 | (934) |
| Total comprehensive income for the financial year | | 3,214 | 622 |
| Net profit/(loss) attributable to: | | | |
| Equity holders of the Company | | 2,789 | 526 |
| Non-controlling interests | | (158) | 1,030 |
| | | 2,631 | 1,556 |
| Total comprehensive income/(loss) attributable to: | | | |
| Equity holders of the Company | | 3,524 | (104) |
| Non-controlling interests | | (310) | 726 |
| | | 3,214 | 622 |
| Earnings/(losses) per share for profit from continuing operations attributable to equity holders of the Company (Cents per share) | 11 | | |
| - Basic and diluted | | 0.50 | (0.08) |
| Earnings per share for profit from discontinued operations attributable to equity holders of the Company (Cents per share) | 11 | | |
| - Basic and diluted | | 0.03 | 0.03 |

The accompanying notes form an integral part of these financial statements.

Balance Sheets

As at 31 March 2011

| | | Group | | Company | |
|---|------|-----------------|-----------------|-----------------|-----------------|
| | Note | 2011 S\$'000 | 2010 S\$'000 | 2011 S\$'000 | 2010 S\$'000 |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 12 | 2,509 | 2,804 | 1,067 | 277 |
| Trade and other receivables | 13 | 3,991 | 1,692 | 25,718 | 22,752 |
| Inventories | 15 | 1,529 | 1,099 | - | - |
| Properties under development | 16 | 2,567 | 2,145 | - | - |
| Other current assets | 17 | 422 | 641 | 96 | 101 |
| | | 11,018 | 8,381 | 26,881 | 23,130 |
| Non-current assets | | | | | |
| Investment in an associated company | 18 | 33,302 | 29,867 | - | - |
| Investments in subsidiaries | 19 | - | - | 103,568 | 103,568 |
| Prepayments | 20 | 8,300 | 7,216 | - | - |
| Property, plant and equipment | 21 | 365 | 5,495 | 38 | 50 |
| Intangible assets | 22 | 12,445 | 13,798 | - | - |
| Land development rights | 23 | 73,395 | 79,221 | - | - |
| | | 127,807 | 135,597 | 103,606 | 103,618 |
| Total assets | | 138,825 | 143,978 | 130,487 | 126,748 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 24 | 3,490 | 2,958 | 12,225 | 6,658 |
| Current income tax liabilities | 9 | 1,004 | 3,452 | - | - |
| Borrowings | 25 | 4,248 | 2,527 | - | - |
| | | 8,742 | 8,937 | 12,225 | 6,658 |
| Non-current liability | | | | | |
| Borrowings | 25 | - | 5,082 | - | - |
| Total liabilities | | 8,742 | 14,019 | 12,225 | 6,658 |
| NET ASSETS | | 130,083 | 129,959 | 118,262 | 120,090 |
| EQUITY | | | | | |
| Capital and reserves attributable to equity holders of the Company | | | | | |
| Share capital | 27 | 120,810 | 120,810 | 120,810 | 120,810 |
| Foreign currency translation reserve | 28 | 759 | 139 | - | - |
| Retained profits/(accumulated losses) | 29 | 8,797 | 6,008 | (2,548) | (720) |
| | | 130,366 | 126,957 | 118,262 | 120,090 |
| Non-controlling interests | | (283) | 3,002 | - | - |
| Total equity | | 130,083 | 129,959 | 118,262 | 120,090 |

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 March 2011

| ← Attributable to equity holders of the Company → | | | | | | | |
|--|------|-----------------------------|--|--------------------------------|------------------|---|----------------------------|
| | Note | Share capital S\$'000 | Foreign currency translation reserve S\$'000 | Retained profits S\$'000 | Total S\$'000 | Non- controlling interests S\$'000 | Total equity S\$'000 |
| 2011 | | | | | | | |
| Beginning of financial year | | 120,810 | 139 | 6,008 | 126,957 | 3,002 | 129,959 |
| Total comprehensive income/ (loss) for the financial year | | - | 735 | 2,789 | 3,524 | (310) | 3,214 |
| Disposal of subsidiaries | 12 | - | (115) | - | (115) | (2,975) | (3,090) |
| End of financial year | | 120,810 | 759 | 8,797 | 130,366 | (283) | 130,083 |
| 2010 | | | | | | | |
| Beginning of financial year | | 116,610 | 769 | 5,482 | 122,861 | 6,476 | 129,337 |
| Total comprehensive income/ (loss) for the financial year | | - | (630) | 526 | (104) | 726 | 622 |
| Issue of shares | 27 | 4,200 | - | - | 4,200 | - | 4,200 |
| Acquisition of interest from non- controlling interests | | - | - | - | - | (4,200) | (4,200) |
| End of financial year | | 120,810 | 139 | 6,008 | 126,957 | 3,002 | 129,959 |

The accompanying notes form an integral part of these financial statements.

Consolidated Cash Flow Statement

For the financial year ended 31 March 2011

| | Note | 2011 S\$'000 | 2010 S\$'000 |
|---|------|-----------------|-----------------|
| Cash flows from operating activities | | | |
| Total profit | | 2,631 | 1,556 |
| Adjustments for | | | |
| - Income tax expense | | 84 | 578 |
| - Depreciation of property, plant and equipment | | 68 | 752 |
| - Amortisation of intangible assets | | 518 | 526 |
| - Gain on disposals of property, plant and equipment | | - | (105) |
| - Loss on disposal of a subsidiary | | 140 | - |
| - Finance expenses | | 711 | 533 |
| - Share of profits from an associated company | | (3,530) | (738) |
| - Unrealised translation losses/(gains) | | 262 | (685) |
| | | 884 | 2,417 |
| Change in working capital, net of effects from acquisition and disposal of subsidiaries | | | |
| - Inventories | | (1,324) | 774 |
| - Properties under development | | (527) | 154 |
| - Trade and other receivables | | (5,685) | 2,076 |
| - Land development rights | | 5,826 | 1,283 |
| - Trade and other payables | | 2,492 | (2,484) |
| Cash generated from operations | | 1,666 | 4,220 |
| Interest paid | | (632) | (41) |
| Income tax paid | | (8) | (66) |
| Net cash provided by operating activities | | 1,026 | 4,113 |
| Cash flows from investing activities | | | |
| Proceeds from disposal of a subsidiary, net of cash disposed of | 12 | 1,195 | - |
| Additions to property, plant and equipment | | (330) | (2,116) |
| Proceeds from disposal of property, plant and equipment | | - | 237 |
| Loans to an associated company | | - | (4,702) |
| Net cash provided by/(used in) investing activities | | 865 | (6,581) |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | - | 4,532 |
| Repayment of borrowings | | (2,230) | (1,908) |
| Net cash (used in)/provided by financing activities | | (2,230) | 2,624 |
| Net (decrease)/increase in cash and cash equivalents | | (339) | 156 |
| Cash and cash equivalents at beginning of financial year | 12 | 2,804 | 2,718 |
| Effects of currency translation on cash and cash equivalents | | 44 | (70) |
| Cash and cash equivalents at end of financial year | 12 | 2,509 | 2,804 |

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the financial year ended 31 March 2011

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

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Yoma Strategic Holdings Limited on 30 June 2011.

1. General information

Yoma Strategic Holdings Ltd (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 80 Anson Road, #25-05 Fuji Xerox Towers, Singapore 079907.

The principal activity of the Company is that of an investment holding company. The principal activities of its subsidiaries are disclosed as per Note 19 to the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with 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 preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2011

On 1 April 2010, the Group adopted the new or amended FRS and Interpretations to FRS (“INT FRS”) that are mandatory for application from that date. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group and Company’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

The following are the new or amended FRS and INT FRS that are relevant to the Group:

- (a) FRS 103 (revised) *Business Combinations* (effective for annual periods beginning on or after 1 July 2009)

FRS 103 (revised) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payment to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measure through profit and loss. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets. All acquisition-related costs should be expensed. The revised standard does not have an impact on the accounting policies and measurement bases adopted by the Group

Notes to the Financial Statements

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2011 (continued)

- (b) FRS 27 (revised) *Consolidated and Separate Financial Statements* (effective for annual periods beginning on or after 1 July 2009)

The revisions to FRS 27 principally change the accounting for transactions with non-controlling interests.

No adjustments were necessary to any of the amounts previously recognised in the financial statements as there were no transactions with non-controlling interests in the current financial year. Accordingly, these changes do not have any impact on the financial statements for the current financial year.

- (c) Amendment to FRS 7 *Cash Flow Statements* (effective for annual periods beginning on or after 1 January 2010)

Under the amendment, only expenditures that result in a recognised asset in the balance sheet can be classified as investing activities in the cash flow statement. Previously, such expenditure could be classified as investing activities in the cash flow statement.

This change has been applied retrospectively. It had no material effect on the amounts presented in the cash flow statement for the current or prior financial year.

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, when it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

- (a) *Sale of goods and provision for professional services*

Revenue from the sale of goods (including land development rights and agricultural products) and provision for professional services is recognised upon delivery of the goods or services to and/or transfers of possession or title to the customer.

- (b) *Rendering of services*

Revenue from services is recognised in the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed. Please refer to the paragraph "Construction Contracts" for the accounting policy for revenue from construction contracts (Note 2.8).

- (c) *Interest income*

Interest income, including income arising from finance leases and other financial instruments, is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cashflow discounted at the original effective interest rate of the instrument, and continues amortising the discount as interest income on the recoverable amount.

Notes to the Financial Statements

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.2 Revenue recognition (continued)

(d) *Dividend income*

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

2.3 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanying by a shareholding giving rise to a majority of voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Group. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributable to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) *Acquisition of businesses*

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Notes to the Financial Statements

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) *Subsidiaries (continued)*

(iii) *Disposals of subsidiaries or businesses*

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specified Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and associated companies" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

(c) *Associated companies*

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to between and including 20% and 50% of the voting rights. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of the acquisition of the associate over the Group's share of the fair value of the identifiable net assets of the associate and is included in the carrying amount of the investments.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in the profit or loss and its share of post-acquisition movements in reserves is recognised in equity directly. These post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Notes to the Financial Statements

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(c) *Associated companies* (continued)

Gains and losses arising from investments in associated companies are recognised in profit or loss.

Investments in associated companies are derecognised when the Group loses significant influence. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph “Investments in subsidiaries and associated companies” for the accounting policy on investments in associated companies in the separate financial statements of the Company.

2.4 Property, plant and equipment

(a) *Measurement*

(i) *Land and buildings*

Land and buildings are initially recognised at cost. Buildings and leasehold land are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.

Land and buildings are revalued by independent professional valuers on a triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increases in carrying amounts arising from revaluation including currency translation differences are recognised in an asset revaluation reserve, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognised in profit or loss. Decreases in carrying amounts that offset previous increases of the same asset are recognised against the asset revaluation reserve. All other decreases in carrying amounts are recognised as loss in the statement of comprehensive income.

(ii) *Other property, plant and equipment*

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated losses.

(iii) *Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Notes to the Financial Statements

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

(a) *Measurement (continued)*

(iv) *Properties under development*

Properties under development are properties being constructed or developed for future sale or rental.

Unsold development properties

Development properties that are unsold are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less cost to complete the development and selling expenses.

Sold development properties

Revenue and cost on development properties that have been sold are recognised using the percentage of completion method. The stage of completion is measured by reference to the ratio of contract costs incurred to date to the estimated total development costs. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately.

The aggregated costs incurred and the profit/loss recognised in each development property that has been sold are compared against progress billings up to the financial year-end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as due from customers on development projects, under "trade and other receivables". Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as due to customers on development projects, under "trade and other payables".

(b) *Depreciation*

Freehold land and properties under development are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

| | <u>Useful lives</u> |
|--------------------------------|---------------------|
| Office building | 20 years |
| Machinery and equipment | 10 years |
| Leasehold improvements | 10 years |
| Furniture and office equipment | 3 – 5 years |
| Motor vehicles | 5 years |
| Computers | 3 – 4 years |
| Tools and equipment | 3 years |
| Workshop | 10 years |

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the profit or loss when the changes arise.

Notes to the Financial Statements

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in the profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained profits directly.

2.5 Land development rights

Land development rights are stated at amount as valued by Jones Lang LaSalle on 22 March 2005. The inventory of land development rights unsold at the end of each financial year is carried forward in the balance sheet at the lower of cost (which is the amount per square ft. valued by Jones Lang LaSalle on 22 March 2005) and net realisable value. Land development rights on plots sold are transferred at their carrying value to profit or loss.

2.6 Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries and associated companies, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit and loss.

2.7 Intangible assets

(a) *Goodwill on acquisitions*

Goodwill on acquisitions of subsidiaries on or after 1 January 2010 represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquire over the fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries prior to 1 January 2010 and on acquisition of associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gain and losses on the disposal of subsidiaries and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

Notes to the Financial Statements

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.7 Intangible assets (continued)

(b) Operating rights

Operating rights are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of operating rights over their estimated useful lives of 30 years.

2.8 Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date ("percentage-of-completion method"). When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is recognised as contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

The stage of completion is measured by reference to the ratio of contract costs incurred to date to the estimated total costs for the contract. Costs incurred during the financial year in connection with future activity on a contract are excluded from costs incurred to date when determining the stage of completion of a contract. Such costs are shown as construction contract work-in-progress on the balance sheet unless it is not probable that such contract costs are recoverable from the customers, in which case, such costs are recognised as an expense immediately.

At the balance sheet date, the cumulative costs incurred plus recognised profit (less recognised loss) on each contract is compared against the progress billings. Where costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented as due from customers on construction contracts within "trade and other receivables". Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as due to customers on construction contracts within "trade and other payables".

Progress billings not yet paid by customers and retentions by customers are included within "trade and other receivables". Advances received are included within "trade and other payables".

Notes to the Financial Statements

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.9 Impairment of non-financial assets

(a) *Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) *Intangible assets*

Property, plant and equipment

Investments in subsidiaries and associated companies

Intangible assets, property, plant and equipment and investments in subsidiaries and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and 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. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to profit or loss.

Notes to the Financial Statements

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.10 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

Loans and receivables are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method.

The Group assessed at each balance sheet date whether there is objective evidence that loans and receivables are impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that loans and receivables are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior periods.

2.11 Financial guarantees

The Company has issued corporate guarantees to third party for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Company's balance sheet.

Intragroup transactions are eliminated on consolidation.

Notes to the Financial Statements

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.12 Leases

When the Group is the lessee:

The Group leases motor vehicles and certain plant and machinery under finance leases and land, factories and warehouses under operating leases from non-related parties.

(a) Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(b) Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

2.13 Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.14 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses. Allowance for obsolete, slow-moving or defective inventories is made when necessary.

Notes to the Financial Statements

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.15 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associated companies, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

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.

2.17 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

Notes to the Financial Statements

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.17 Currency translation (continued)

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing exchange rates at the date of the balance sheet;
- (ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) All resulting currency translation differences are recognised in the currency translation reserve.

The exchange rates used for translation are as follows:-

| <u>For financial years ended</u> | <u>Rates</u> | <u>Kyats to USD</u> | <u>USD to SGD</u> |
|----------------------------------|---------------|---------------------|-------------------|
| 31 March 2011 | Year end rate | 858 | 1.2618 |
| | Average rate | 934 | 1.3324 |
| 31 March 2010 | Year end rate | 996 | 1.3994 |
| | Average rate | 1,059 | 1.4275 |

The exchange rates used to translate the accounts reported in Kyats into USD are the prevailing open market rates observed by all business organisations in Myanmar.

(d) *Consolidation adjustments*

On consolidation, currency translation differences arising from the net investment in foreign operations, borrowing in foreign currencies, and other currency instruments designated as hedges of such investments, are taken to the currency translation reserve. When a foreign operation is sold, such currency translation differences recorded in the currency translation reserve are recognised in profit or loss as part of the gain or loss on sale.

Notes to the Financial Statements

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.18 Employee compensation

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.20 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flow statement, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet.

2.21 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.22 Dividends to Company's shareholders

Dividends to Company's shareholders are recognised when the dividends are approved for payments.

2.23 Fair value estimation

The carrying amount of current financial assets and liabilities, carried at amortised cost, are assumed to approximate their fair values.

2.24 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

Notes to the Financial Statements

For the financial year ended 31 March 2011

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Estimated impairment of non-financial assets

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Intangible assets, property, plant and equipment and investments in subsidiaries and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

Besides goodwill, intangible assets amounting to S\$12,445,000 were subjected to an impairment test in the financial year ended 31 March 2011. The recoverable amounts of these assets and where applicable, cash-generating units, have been determined based on value-in-use calculations. These calculations require the use of estimates [Notes 22(a) and 22(b)].

(b) Uncertain tax positions

The Group is subject to income taxes in Singapore and Myanmar jurisdictions. In determining the income tax liabilities, management is required to estimate the amount of capital allowances and the deductibility of certain expenses ("uncertain tax positions") at each tax jurisdiction.

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made. The amount of income tax expenses and carrying amount of current income tax liabilities at the balance sheet date are disclosed in Note 9.

(c) Construction contract

The Group uses the percentage-of-completion method to account for its contract revenue. The stage of completion is measured by reference to the contract costs incurred to date compared to the estimated total costs (including costs to complete) of the projects.

Significant assumptions are required to estimate the total contract costs and the recoverable variation works that will affect the stage of completion and the contract revenue respectively. In making these estimates, management has relied on past experience and the work of specialists. The carrying amount of construction contract at the balance sheet date is disclosed in Note 14.

(d) Impairment of investment in subsidiaries and associated company

The Company follows the guidance of FRS 36 in determining the recoverability of its investment in subsidiaries and associated company. This requires assessment as to whether the carrying amount of its investment in subsidiaries and associated company can be supported by the net present value of future cash flows derived from such investments using cash flow projections which have been discounted at an appropriate rate. This determination requires significant judgement. The Company determines forecasts of future cash flows based on its estimates of future revenues and operating expenses using historical and industry trends, general market conditions, forecasts and other available information. The carrying amounts of investments in subsidiaries and associated company at the balance sheet date are disclosed in Note 19 and Note 18 respectively.

Notes to the Financial Statements

For the financial year ended 31 March 2011

3. Critical accounting estimates, assumptions and judgements (continued)

(e) Land development rights

The Group tests periodically (minimum once a year at year end) the fair value of unsold land development rights in accordance with FRS 2, Inventories (revised 2004) to ensure that the value carried in the balance sheet is lower of cost (as revalued by Jones Lang Lasalle in March 2005) and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution of the item sold. The carrying amount of land development rights at the balance sheet date is disclosed in Note 23.

4. Revenue

| | Group | |
|-------------------------------|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| Construction related services | 918 | 1,435 |
| Land and buildings | 10,236 | 3,195 |
| Agricultural | 63 | 14 |
| | 11,217 | 4,644 |

5. Other income – net

| | Group | |
|---|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| Other payable written back | 180 | 195 |
| Government grant – Jobs credit scheme | 1 | 22 |
| Gain on disposal of property, plant and equipment | - | 37 |
| Write-back of allowance for impairment of trade receivables | 74 | 90 |
| Reimbursement of costs from entities related by common shareholders | 284 | 174 |
| Provision of security to a director | 105 | 62 |
| Currency translation gain, net | 34 | 34 |
| Sundry income | 56 | 80 |
| Loss on disposal of subsidiary (Note 12) | (140) | - |
| | 594 | 694 |

The Jobs credit scheme is a cash grant introduced in the Singapore Budget 2009 to help businesses preserve jobs in the economic downturn. The amount an employer can receive would depend on the fulfilment of the conditions as stated in the scheme.

Notes to the Financial Statements

For the financial year ended 31 March 2011

6. Finance expenses

| | Group | |
|---|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| Interest expense - loan from third party | 711 | 482 |

7. Expenses by nature

| | Group | |
|---|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| Amortisation of operating rights [Note 22 (d)] | 518 | 518 |
| Depreciation of property, plant and equipment (Note 21) | 68 | 48 |
| Total amortisation and depreciation | 586 | 566 |
| Allowance for impairment of trade receivables [Note 31(b)(iii)] | - | 71 |
| Purchase of materials | 3,097 | 140 |
| Costs of land development rights (Note 23) | 5,826 | 1,283 |
| Marketing and commission | 340 | 89 |
| Other direct costs | 221 | 181 |
| Rental expenses on operating leases | 173 | 203 |
| Employee compensation (Note 8) | 2,071 | 1,607 |
| Insurance | 40 | 76 |
| Professional fees | 257 | 365 |
| Travelling | 185 | 92 |
| Other | 995 | 536 |
| Changes in inventories | (1,324) | 774 |
| Total cost of sales, distribution and marketing, and administrative and other operating expenses | 12,467 | 5,983 |

8. Employee compensation

| | Group | |
|---|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| Wages and Salaries | 2,550 | 3,656 |
| Employer's contribution to defined contribution plans including Central Provident Fund ("CPF") | 55 | 60 |
| Other short-term benefits | 217 | 237 |
| Less: Amounts attributable to discontinued operations | (751) | (2,346) |
| Amounts attributable to continuing operations (Note 7) | 2,071 | 1,607 |

9. Income taxes

(a) Income tax expense

| | Group | |
|--|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| <i>Tax expense attributable to profit is made up of:</i> | | |
| - Profit from current financial year: | | |
| <i>From continuing operations</i> | | |
| Current income tax – Foreign | 158 | 201 |
| <i>From discontinued operations</i> | | |
| Current income tax – Foreign | 264 | 723 |
| | 422 | 924 |
| - (Over)/under provision in prior financial years: | | |
| <i>From continuing operations</i> | | |
| Current income tax | | |
| - Foreign | (335) | (235) |
| - Singapore | (3) | 21 |
| <i>From discontinued operations</i> | | |
| Current income tax – Foreign | - | (132) |
| | (338) | (346) |
| | 84 | 578 |
| Tax (credit)/expense is attributable to: | | |
| - continuing operations | (180) | (13) |
| - discontinued operations | 264 | 591 |
| | 84 | 578 |

Notes to the Financial Statements

For the financial year ended 31 March 2011

9. Income taxes (continued)

(a) Income tax expense (continued)

The income tax expense on profit before income tax differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

| | 2011 S\$'000 | 2010 S\$'000 |
|---|-----------------|-----------------|
| Profit/(loss) before income tax from | | |
| - continuing operations | 2,163 | (389) |
| - discontinued operations | 552 | 2,523 |
| | 2,715 | 2,134 |
| Share of profits of an associated company, net of tax | (3,530) | (738) |
| (Loss)/profit before income tax and share of profits of an associated company | (815) | 1,396 |
| Tax calculated at a tax rate of 17% (2010: 17%) | (138) | 237 |
| Effects of | | |
| - different tax rates in other countries | 192 | 361 |
| - expenses not deductible for tax purposes | 426 | 361 |
| - income not subject to tax | (228) | (86) |
| - tax incentives | (29) | - |
| - deferred tax assets not recognised | 186 | 43 |
| - other | 13 | 8 |
| Tax charge | 422 | 924 |

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of approximately S\$1,073,000 (2010: S\$253,000) which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses have no expiry date and are not recognised as it is not probable that future taxable profit will be available against which the subsidiaries can utilise the benefits.

(b) Movement in current income tax liabilities

| | Group | |
|---|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| Beginning of financial year | 3,452 | 3,112 |
| Currency translation differences | 141 | (172) |
| Income tax paid | (8) | (66) |
| Tax expense | 422 | 924 |
| Over provision in prior financial years | (338) | (346) |
| Disposal of subsidiary (Note 12) | (2,665) | - |
| End of financial year | 1,004 | 3,452 |

Notes to the Financial Statements

For the financial year ended 31 March 2011

10. Discontinued operations

Following the shareholders' approval on 3 December 2010, the Group had disposed of its 55% equity interests in Myanmar V-Pile Co Ltd and its subsidiaries and First Myanmar Construction Co Ltd (the "Disposed Group"). Accordingly, the results of the Disposed Group are presented separately on the statement of comprehensive income as "Discontinued operations".

| | Group | |
|--|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| (a) The results of the discontinued operations are as follows: | | |
| Revenue | 7,068 | 12,534 |
| Expenses | (6,516) | (10,011) |
| Profit before income tax from discontinued operations | 552 | 2,523 |
| Income tax expense | (264) | (591) |
| Total profit from discontinued operations | 288 | 1,932 |
| Profit attributable to equity holders of the Company relates to: | | |
| - profit from continuing operations | 2,631 | (427) |
| - profit from discontinued operations | 158 | 953 |
| | 2,789 | 526 |

(b) The impact of the discontinued operations on the cash flows of the Group is as follows:

| | Group | |
|-----------------------------------|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| Operating cash (outflows)/inflows | (179) | 3,396 |
| Investing cash outflows | (370) | (2,048) |
| Financing cash outflows | (272) | (616) |
| Total cash (outflows)/inflows | (821) | 732 |

Notes to the Financial Statements

For the financial year ended 31 March 2011

11. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

| | <u>Continuing operations</u> | | <u>Discontinued operations</u> | | <u>Total</u> | |
|--|------------------------------|---------|--------------------------------|---------|----------------|---------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Net profit/(loss) attributable to equity holders of the Company (S\$'000) | 2,631 | (427) | 158 | 953 | 2,789 | 526 |
| Weighted average number of ordinary shares outstanding for basic earnings per share ('000) | 527,647 | 527,647 | 527,647 | 527,647 | 527,647 | 527,647 |
| Basic earnings/(losses) per share (cents) | 0.50 | (0.08) | 0.03 | 0.03 | 0.53 | 0.10 |

There is no dilutive potential ordinary share during the financial years.

12. Cash and cash equivalents

| | <u>Group</u> | | <u>Company</u> | |
|--------------------------|----------------|---------|----------------|---------|
| | 2011 | 2010 | 2011 | 2010 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Cash at bank and on hand | 2,509 | 2,804 | 1,067 | 277 |

Disposal of subsidiaries

On 3 December 2010, the Group's wholly-owned subsidiary, Yoma Construction Industries Pte Ltd, disposed of its 55% interests in the Disposed Group for a total consideration of S\$2,996,400. The effect of the disposal on the cash flows of the Group were:

| | <u>Group</u> |
|---|----------------|
| | <u>S\$'000</u> |
| <i><u>Carrying amounts of assets and liabilities disposed</u></i> | |
| Cash and cash equivalents | (741) |
| Trade and other receivables | (3,412) |
| Inventories | (902) |
| Construction contract work-in-progress | (254) |
| Property, plant and equipment | (5,501) |
| Goodwill arising on consolidation [Note 22(a)] | (835) |
| Total assets | (11,645) |
| Trade and other payables | 2,040 |
| Borrowings | 714 |
| Current income tax liabilities [Note 9(b)] | 2,665 |
| Total liabilities | 5,419 |
| Net assets derecognised | (6,226) |
| Less: Non-controlling interests | 2,975 |
| Net assets disposed | (3,251) |

Notes to the Financial Statements

For the financial year ended 31 March 2011

12. Cash and cash equivalents (continued)

The aggregate cash inflows arising from the disposal of the Disposed Group were:

| | Group S\$'000 |
|--|------------------|
| Net assets disposed (as above) | 3,251 |
| Less: Reclassification of currency translation reserve (Note 28) | (115) |
| | 3,136 |
| Loss on disposal (Note 5) | (140) |
| Proceeds from disposal | 2,996 |
| Less: Cash and cash equivalents in subsidiary disposed | (741) |
| Less: Deferred proceeds from disposal of subsidiaries (Note 13) | (1,060) |
| Net cash inflow on disposal | <u>1,195</u> |

13. Trade and other receivables

| | Group | | Company | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 | 2011 S\$'000 | 2010 S\$'000 |
| Trade receivable | | | | |
| - non-related parties | 2,521 | 1,524 | - | - |
| - Entities related by common shareholders | 27 | - | - | - |
| | 2,548 | 1,524 | - | - |
| Less: Allowance for impairment of receivables | | | | |
| - non-related parties | (180) | (275) | - | - |
| Trade receivables - net | 2,368 | 1,249 | - | - |
| Construction contracts | | | | |
| - Due from customers (Note 14) | - | 147 | - | - |
| Non-trade amounts due from | | | | |
| - Entities related by common shareholders | 389 | 3 | - | - |
| - Associated company | - | 208 | - | - |
| - Subsidiaries | - | - | 25,700 | 22,745 |
| | 389 | 211 | 25,700 | 22,745 |
| Deferred proceeds from disposal of subsidiaries (Note 12) | 1,060 | - | - | - |
| Other receivables | 174 | 85 | 18 | 7 |
| | <u>3,991</u> | <u>1,692</u> | <u>25,718</u> | <u>22,752</u> |

The non-trade amounts due from entities related by common shareholders, associated company and subsidiaries are unsecured, interest-free and are repayable on demand.

The deferred proceeds from disposal of subsidiaries are unsecured and are repayable in four equal instalments every quarter. Interest is charged at 8% per annum above the Singapore Interbank Offered Rate on the overdue sum in the event that the Purchaser fails to make payment of any of the instalments.

Notes to the Financial Statements

For the financial year ended 31 March 2011

14. Construction contract

| | Group | |
|--|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| Construction costs incurred and profits recognised (less loss recognised) to date on uncompleted construction contracts | - | 6,520 |
| Less: progress billings | - | (6,616) |
| | - | (96) |
| Presented as: | | |
| Due from customers on construction contracts (Note 13) | - | 147 |
| Due to customers on construction contracts (Note 24) | - | (243) |
| | - | (96) |

15. Inventories

| | Group | |
|------------------|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| Raw materials | - | 201 |
| Work-in-progress | - | 293 |
| Finished goods | 1,529 | 605 |
| | 1,529 | 1,099 |

The cost of inventories recognised as an expense and included in "cost of sales" amounts to S\$1,773,000 (2010: S\$914,000). Included in the finished goods are unsold completed development properties amounting to S\$1,277,000 (Note 16).

16. Properties under development

| | Group | |
|--|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| <u>Unsold development properties</u> | | |
| Beginning of financial year | 2,145 | 2,300 |
| Currency translation differences | 271 | (272) |
| Contract costs incurred during the financial year | 3,889 | 375 |
| Transfer to sold development properties | (2,461) | (258) |
| Transfer to inventories (Note 15) | (1,277) | - |
| End of financial year | 2,567 | 2,145 |
| <u>Sold development properties</u> | | |
| Aggregate costs incurred and profits recognised (less loss recognised) on sold development properties in progress | 2,577 | 296 |
| Less: Progress billings | (2,577) | (296) |
| | - | - |
| Advances received on properties under development (Note 24) | (1,465) | - |

Notes to the Financial Statements

For the financial year ended 31 March 2011

16. Properties under development (continued)

The group uses the percentages of completion method to account for its construction contracts. If the completed contract method has been used, these items will be affected as follows:

| | Group | |
|-----------------------------------|---------------------|---------|
| | 2011 | 2010 |
| | S\$'000 | S\$'000 |
| | Increase/(Decrease) | |
| Balance sheet as at 31 March | | |
| Retained profits at 1 April | 27 | - |
| Due from customers | | |
| - Beginning of financial year | 296 | - |
| - End of financial year | 2,749 | 296 |
| Advance received | | |
| - Beginning of financial year | - | - |
| - End of financial year | (1,465) | - |
| Statement of comprehensive income | | |
| Revenue | 4,214 | 296 |
| Profit after tax | 512 | 27 |

17. Other current assets

| | Group | | Company | |
|-------------|---------|---------|---------|---------|
| | 2011 | 2010 | 2011 | 2010 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Deposits | 76 | 149 | 47 | 55 |
| Prepayments | 346 | 492 | 49 | 46 |
| | 422 | 641 | 96 | 101 |

18. Investment in an associated company

| | Group | |
|--|---------|---------|
| | 2011 | 2010 |
| | S\$'000 | S\$'000 |
| Beginning of financial year | 12,160 | 10,732 |
| Currency translation differences | (613) | - |
| Share of profits | 3,530 | 738 |
| Share of other reserves | 2,075 | 690 |
| End of financial year | 17,152 | 12,160 |
| Add: Loan to associated company (Note b) | 16,150 | 17,707 |
| | 33,302 | 29,867 |

Notes to the Financial Statements

For the financial year ended 31 March 2011

18. Investment in an associated company (continued)

(a) Details of the associated company are as follows:-

| <u>Name of company</u> | <u>Principal activities</u> | <u>Country of incorporation</u> | <u>Equity holding at 31.3.2011</u> | <u>Equity holding at 31.3.2010</u> |
|--|-----------------------------|---------------------------------|------------------------------------|------------------------------------|
| <u>Held by Wyndale International Ltd</u> | | | | |
| Winner Sight Investments Limited ("WSI") | Investment holding | Hong Kong | 27% | 27% |

The associated company has a financial year end of 31 December and its auditors are PricewaterhouseCoopers, Hong Kong (2009: PricewaterhouseCoopers, Hong Kong). The summarised unaudited financial position of associated company as at 31 March 2011 are unaudited financial results of the associated company for the period from 1 April 2010 to 31 March 2011 are as follows:

| | 2011 S\$'000 | 2010 S\$'000 |
|---------------|-------------------------------|-----------------|
| - Assets | 270,465 | 254,401 |
| - Liabilities | 204,830 | 211,538 |
| - Revenue | 8,470 | 2,800 |
| - Net profit | 22,704 | 1,758 |

(b) The loan to associated company is unsecured, interest-free and is repayable upon demand. However, it is the intention of both parties that this loan will not be repayable within the foreseeable future. In addition, there is no certainty on the definite date of repayment as Wyndale International Ltd intends to provide this loan as financing for WSI's operations for the long term. Accordingly, it is not possible for the management to calculate the fair value of this loan as at 31 March 2011.

| | Group | |
|------------------------------------|-------------------------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| Beginning of financial year | 17,707 | 14,254 |
| Currency translation differences | (1,557) | (1,292) |
| Addition during the financial year | - | 4,745 |
| End of financial year | 16,150 | 17,707 |

19. Investments in subsidiaries

| | Company | |
|-------------------------------------|-------------------------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| <i>Equity investment at cost</i> | | |
| Beginning and end of financial year | 103,568 | 103,568 |

Notes to the Financial Statements

For the financial year ended 31 March 2011

19. Investments in subsidiaries (continued)

| | <u>Name of subsidiaries</u> | <u>Principal activities</u> | <u>Country of incorporation</u> | <u>Effective equity holdings at 31.3.2011</u> | <u>Effective equity holdings at 31.3.2010</u> |
|-----|---|---|---------------------------------|---|---|
| | <u>Held by the Company</u> | | | | |
| (1) | Yoma Strategic Investment Ltd | Investment holding | Singapore | 100% | 100% |
| | <u>Subsidiaries of Yoma Strategic Investments Ltd</u> | | | | |
| (1) | Lion Century Properties Ltd | Property development rights holding | British Virgin Islands | 100% | 100% |
| (1) | Yoma Construction Industries Pte Ltd | Investment holding | Singapore | 100% | 100% |
| (1) | Yoma Development Group Pte Ltd | Investment holding | Singapore | 100% | 100% |
| (1) | Plantation Resources Pte Ltd | Agricultural activities | Singapore | 100% | 80% |
| (1) | Wayville Investments Ltd | Investment holding | British Virgin Islands | 100% | - |
| (1) | Elite Matrix International Ltd | Automobile activities | British Virgin Islands | 100% | 100% |
| | <u>Subsidiary of Elite Matrix International Ltd</u> | | | | |
| (3) | Successful Goal Trading Co, Ltd | Automobile activities | Myanmar | 70% | - |
| | <u>Subsidiary of Wayville Investments Ltd</u> | | | | |
| (1) | Wyndale International Ltd | Investment holding | British Virgin Islands | 100% | 100% |
| | <u>Subsidiaries of Yoma Construction Industries Pte Ltd</u> | | | | |
| (2) | Myanmar V-Pile Co Ltd | Piling and construction services | Myanmar | - | 55% |
| (2) | First Myanmar Construction Co Ltd | Super-structure construction works | Myanmar | - | 55% |
| | <u>Subsidiaries of Yoma Development Group Pte Ltd</u> | | | | |
| (2) | SPA Project Management Ltd | Property development, management, architectural and design services | Myanmar | 100% | 100% |
| (1) | SPA Project Management Pte Ltd | Project management services | Singapore | 100% | 100% |
| (1) | SPA Design Pte Ltd | Design services | Singapore | 100% | 100% |

Notes to the Financial Statements

For the financial year ended 31 March 2011

19. Investments in subsidiaries (continued)

| | <u>Name of subsidiaries</u> | <u>Principal activities</u> | <u>Country of incorporation</u> | <u>Effective equity holdings at 31.3.2011</u> | <u>Effective equity holdings at 31.3.2010</u> |
|-----|--|----------------------------------|---------------------------------|---|---|
| | <u>Subsidiary of SPA Design Pte Ltd</u> | | | | |
| (1) | TOL & SPA Design Pte Ltd | Design services | Singapore | 51% | - |
| | <u>Subsidiaries of Myanmar V-Pile Co Ltd</u> | | | | |
| (2) | Myanmar Piling Co. Ltd | Piling and construction services | Myanmar | - | 33% |
| (2) | V-Pile Singapore Pte Ltd | Piling and construction services | Singapore | - | 36.4% |
| (1) | Audited by Nexia TS Public Accounting Corporation. | | | | |
| (2) | Audited by Daw Myint Myint Toe Certified Public Accountants for local statutory purposes. For the purpose of preparing the consolidated financial statements, these financial statements have been audited by Nexia TS Public Accounting Corporation, Singapore. | | | | |
| (3) | Successful Goal Trading Co. Ltd is regarded as a Special Purpose Entity of the Group within the definition of INT FRS 12; and is audited by Nexia TS Public Accounting Corporation for consolidation purpose. | | | | |

20. Prepayments

| | Group | |
|---|----------------|---------|
| | 2011 | 2010 |
| | S\$'000 | S\$'000 |
| Prepayments, at cost | 11,901 | 10,817 |
| Fair value adjustments at date of acquisition of subsidiary | (1,178) | (1,178) |
| Impairment loss | (2,423) | (2,423) |
| | 8,300 | 7,216 |

Pursuant to a Crop and Produce Supply Agreement which a subsidiary entered into with a company which is controlled by a director who is also the majority shareholder of the Company, the subsidiary agrees to make a prepayment to the related party for a minimum quantity of crops produced by the plantation owned by the related party. Such prepayments shall be offset against the price of the crops purchased by the subsidiary.

The Group reviews the necessity and adequacy of the provision for impairment loss at each reporting date and make necessary adjustments accordingly when necessary.

Notes to the Financial Statements

For the financial year ended 31 March 2011

21. Property, plant and equipment

| Group | Office building S\$'000 | Machinery and equipment S\$'000 | Leasehold improvements S\$'000 | Furniture and office equipment S\$'000 | Motor vehicles S\$'000 | Computers S\$'000 | Tools and equipment S\$'000 | Workshop S\$'000 | Total S\$'000 |
|----------------------------------|----------------------------|------------------------------------|-----------------------------------|---|---------------------------|----------------------|--------------------------------|---------------------|------------------|
| 2011 | | | | | | | | | |
| <i>Cost</i> | | | | | | | | | |
| Beginning of financial year | 95 | 6,295 | 18 | 279 | 892 | 245 | 278 | 117 | 8,219 |
| Currency translation differences | 4 | 320 | 1 | 9 | 40 | 7 | 14 | 6 | 401 |
| Additions | - | 405 | - | 39 | 228 | 39 | 11 | - | 722 |
| Disposals | - | (6,910) | (19) | (143) | (805) | (88) | (303) | (123) | (8,391) |
| End of financial year | 99 | 110 | - | 184 | 355 | 203 | - | - | 951 |
| <i>Accumulated depreciation</i> | | | | | | | | | |
| Beginning of financial year | 94 | 1,493 | 9 | 202 | 489 | 195 | 215 | 27 | 2,724 |
| Currency translation differences | 4 | 76 | - | 5 | 21 | 5 | 11 | 1 | 123 |
| <i>Depreciation charge</i> | | | | | | | | | |
| - continuing operations (Note 7) | - | 5 | - | 8 | 38 | 17 | - | - | 68 |
| - discontinued operations | 1 | 431 | 1 | 12 | 68 | 9 | 30 | 4 | 556 |
| Disposals | - | (1,996) | (10) | (72) | (462) | (57) | (256) | (32) | (2,885) |
| End of financial year | 99 | 9 | - | 155 | 154 | 169 | - | - | 586 |
| Net book value | | | | | | | | | |
| End of financial year | - | 101 | - | 29 | 201 | 34 | - | - | 365 |
| 2010 | | | | | | | | | |
| <i>Cost</i> | | | | | | | | | |
| As at 1 April 2009 | 100 | 4,672 | 19 | 352 | 695 | 289 | 261 | 123 | 6,511 |
| Currency translation differences | (5) | (220) | (1) | (11) | (28) | (9) | (12) | (6) | (292) |
| Additions | - | 1,853 | - | 30 | 252 | 22 | 29 | - | 2,186 |
| Disposals | - | (10) | - | (92) | (27) | (57) | - | - | (186) |
| As at 31 March 2010 | 95 | 6,295 | 18 | 279 | 892 | 245 | 278 | 117 | 8,219 |
| <i>Accumulated depreciation</i> | | | | | | | | | |
| As at 1 April 2009 | 98 | 1,025 | 7 | 230 | 425 | 231 | 181 | 23 | 2,220 |
| Currency translation differences | (5) | (48) | - | (6) | (18) | (8) | (8) | (1) | (94) |
| <i>Depreciation charge</i> | | | | | | | | | |
| - continuing operations (Note 7) | 1 | 1 | - | 5 | 24 | 17 | - | - | 48 |
| - discontinued operations | - | 518 | 2 | 40 | 85 | 12 | 42 | 5 | 704 |
| Disposals | - | (3) | - | (67) | (27) | (57) | - | - | (154) |
| As at 31 March 2010 | 94 | 1,493 | 9 | 202 | 489 | 195 | 215 | 27 | 2,724 |
| Net book value | | | | | | | | | |
| As at 31 March 2010 | 1 | 4,802 | 9 | 77 | 403 | 50 | 63 | 90 | 5,495 |

Included in additions in the consolidated financial statements are motor vehicles and machinery and equipment acquired under finance lease amounting to Nil (2010: S\$28,000). The carrying amounts of the motor vehicles and machinery and equipment held under finance lease are Nil (2010: S\$1,539,000) at the balance sheet date.

Notes to the Financial Statements

For the financial year ended 31 March 2011

21. Property, plant and equipment (continued)

| <u>Company</u> | <u>Motor vehicles</u> S\$'000 | <u>Computers</u> S\$'000 | <u>Renovation</u> S\$'000 | <u>Furniture and office equipment</u> S\$'000 | <u>Total</u> S\$'000 |
|---------------------------------|--------------------------------------|-----------------------------|------------------------------|--|-------------------------|
| 2011 | | | | | |
| <i>Cost</i> | | | | | |
| Beginning of financial year | 109 | 24 | - | 9 | 142 |
| Additions | - | 5 | 10 | 4 | 19 |
| End of financial year | 109 | 29 | 10 | 13 | 161 |
| <i>Accumulated depreciation</i> | | | | | |
| Beginning of financial year | 70 | 16 | - | 6 | 92 |
| Depreciation charge | 22 | 7 | 1 | 1 | 31 |
| End of financial year | 92 | 23 | 1 | 7 | 123 |
| Net book value | | | | | |
| End of financial year | 17 | 6 | 9 | 6 | 38 |
| 2010 | | | | | |
| <i>Cost</i> | | | | | |
| Beginning of financial year | 109 | 21 | - | 6 | 136 |
| Additions | - | 3 | - | 3 | 6 |
| End of financial year | 109 | 24 | - | 9 | 142 |
| <i>Accumulated depreciation</i> | | | | | |
| Beginning of financial year | 48 | 9 | - | 5 | 62 |
| Depreciation charge | 22 | 7 | - | 1 | 30 |
| End of financial year | 70 | 16 | - | 6 | 92 |
| Net book value | | | | | |
| End of financial year | 39 | 8 | - | 3 | 50 |

Notes to the Financial Statements

For the financial year ended 31 March 2011

22. Intangible assets

Composition:

Goodwill arising on consolidation [Note (a)]
Operating rights [Note (b)]
V-Pile Technology [Note (c)]

| Group | |
|---------------|---------------|
| 2011 | 2010 |
| S\$'000 | S\$'000 |
| - | 835 |
| 12,445 | 12,963 |
| - | - |
| 12,445 | 13,798 |

(a) Goodwill arising on consolidation

Cost

Beginning of financial year
Disposal of subsidiary (Note 12)
End of financial year

| Group | |
|---------|---------|
| 2011 | 2010 |
| S\$'000 | S\$'000 |
| 835 | 835 |
| (835) | - |
| - | 835 |

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to business segments. A segment-level summary of the goodwill allocation is as follows:-

Construction

| Group | |
|---------|---------|
| 2011 | 2010 |
| S\$'000 | S\$'000 |
| - | 835 |

The recoverable amount of a CGU in 2010 was determined based on value-in-use. Cash flow projections used in these calculations were based on financial budgets approved by management covering a five-year period. Assumptions for the budgets were based on past performance and expectations of the market development.

Key assumptions used for value-in-use calculations:

| | Construction |
|----------------------------|--------------|
| Growth rate ¹ | 10% |
| Discount rate ² | 20% |

¹ Growth rate used in the cash flow projections of the CGU

² Pre-tax discount rate applied to the pre-tax cash flow projections

Notes to the Financial Statements

For the financial year ended 31 March 2011

22. Intangible assets (continued)

(b) Operating rights

| | Group | |
|-------------------------------------|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| <i>Cost</i> | | |
| Beginning and end of financial year | 14,661 | 14,661 |
| <i>Accumulated amortisation</i> | | |
| Beginning of financial year | 1,698 | 1,180 |
| Amortisation charge | 518 | 518 |
| End of financial year | 2,216 | 1,698 |
| Net book value | 12,445 | 12,963 |

The recoverable amount of a CGU was determined based on value-in-use. Cash flow projections used in these calculations were based on financial budgets approved by management covering a thirty-year period. Assumptions for the budgets were based on past performance and expectations of the market development.

Key assumptions used for value-in-use calculations:

| | |
|----------------------------|-----|
| Growth rate ¹ | 32% |
| Discount rate ² | 26% |

¹ Growth rate used in the cash flow projections of the CGU

² Pre-tax discount rate applied to the pre-tax cash flow projections

(c) V-Pile Technology

| | Group | |
|----------------------------------|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| <i>Cost</i> | | |
| Beginning of financial year | 77 | 81 |
| Currency translation differences | - | (4) |
| Disposal | (77) | - |
| End of financial year | - | 77 |
| <i>Accumulated amortisation</i> | | |
| Beginning of financial year | 77 | 73 |
| Currency translation differences | - | (4) |
| Disposal | (77) | - |
| Amortisation charge | - | 8 |
| End of financial year | - | 77 |
| Net book value | - | - |

(d) Amortisation expense included in profit or loss is analysed as follows:

| | Group | |
|----------------------------------|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| Administrative expenses (Note 7) | 518 | 518 |

Notes to the Financial Statements

For the financial year ended 31 March 2011

23. Land development rights

| | Group | |
|---|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| Beginning of financial year | 79,221 | 80,504 |
| Charged to profit or loss for the financial year (Note 7) | (5,826) | (1,283) |
| End of financial year | 73,395 | 79,221 |
| Represented by:- | | |
| Pun Hlaing Golf Estate (PHGE) | 58,213 | 62,151 |
| FMI City (Orchid Garden) | 6,058 | 6,542 |
| Evergreen Condominium | 9,124 | 10,528 |
| | 73,395 | 79,221 |

24. Trade and other payables

| | Group | | Company | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 | 2011 S\$'000 | 2010 S\$'000 |
| Trade payables – Non-related parties | 135 | 541 | - | - |
| Construction contracts | | | | |
| - Due to customers (Note 14) | - | 243 | - | - |
| Advances received on properties under development (Note 16) | 1,465 | - | - | - |
| Non-trade amounts due to: | | | | |
| - Entities related by common shareholders | 747 | 59 | 4 | 2 |
| - Substantial shareholder | 2 | 63 | 2 | 63 |
| - Subsidiaries | - | - | 11,791 | 5,831 |
| | 749 | 122 | 11,797 | 5,896 |
| Provision for directors' fees | 69 | 142 | 69 | 142 |
| Financial guarantee contract | - | - | 39 | 74 |
| Accrued operating expenses | 720 | 1,261 | 105 | 102 |
| Other payables | 352 | 649 | 215 | 444 |
| | 3,490 | 2,958 | 12,225 | 6,658 |

The non-trade amounts due to entities related by common shareholders, substantial shareholder and subsidiaries are unsecured, interest-free and are repayable on demand.

Notes to the Financial Statements

For the financial year ended 31 March 2011

25. Borrowings

| | Group | |
|-------------------------------------|--------------|--------------|
| | 2011 | 2010 |
| | S\$'000 | S\$'000 |
| <i>Current</i> | | |
| Bank borrowings | - | 2,113 |
| Finance lease liabilities (Note 26) | - | 414 |
| Loan from third party | 4,248 | - |
| | 4,248 | 2,527 |
| <i>Non-current</i> | | |
| Finance lease liabilities (Note 26) | - | 550 |
| Loan from third party | - | 4,532 |
| | - | 5,082 |
| Total borrowings | 4,248 | 7,609 |

The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

| | Group | |
|------------------|--------------|--------------|
| | 2011 | 2010 |
| | S\$'000 | S\$'000 |
| 6 months or less | 4,248 | 858 |
| 6 – 12 months | - | 1,669 |
| 1 – 5 years | - | 5,082 |
| | 4,248 | 7,609 |

(a) Security granted

Bank borrowings of the Group in 2010 were secured by the financial guarantee provided by the Company in the event of default by the subsidiaries of the Group. Finance lease liabilities of the Group in 2010 were secured by the rights to the leased motor vehicles and machinery and equipment (Note 21), which would revert to the lessor in the event of default by the Group. Finance lease liabilities were also secured by the financial guarantee provided by the Company and separate corporate guarantee given by the shareholders in the event of default by the subsidiaries of the Group.

(b) Loan from third party

This relates to a loan facility granted by Gifted Champion Limited to Wyndale International Limited ("Wyndale"), an indirect wholly-owned subsidiary of the Company held through its other wholly-owned subsidiaries, Wayville Investments Ltd ("Wayville") and Yoma Strategic Investments Ltd. The loan is secured by a charge over Wayville's 16.3% of shares in Wyndale and a 100% floating charge over the assets of Wyndale.

Notes to the Financial Statements

For the financial year ended 31 March 2011

25. Borrowings (continued)

(c) Fair value of non-current borrowings

| | Group | |
|---------------------------|---------|---------|
| | 2011 | 2010 |
| | S\$'000 | S\$'000 |
| Finance lease liabilities | - | 490 |
| Loan from third party | - | 3,873 |

The fair value above are determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

| | Group | |
|---------------------------|-------|-------|
| | 2011 | 2010 |
| Finance lease liabilities | - | 5.5% |
| Loan from third party | - | 17.0% |

26. Finance lease liabilities

The Group leases certain motor vehicles and machinery and equipment from non-related parties under finance leases.

| | Group | |
|--|---------|---------|
| | 2011 | 2010 |
| | S\$'000 | S\$'000 |
| Minimum lease payments due | | |
| - Not later than one year | - | 467 |
| - Between one and five years | - | 636 |
| | - | 1,103 |
| Less: Future finance charges | - | (139) |
| Present value of finance lease liabilities | - | 964 |

The present values of finance lease liabilities are analysed as follows:

| | Group | |
|--------------------------------------|---------|---------|
| | 2011 | 2010 |
| | S\$'000 | S\$'000 |
| Not later than one year (Note 25) | - | 414 |
| Between one and five years (Note 25) | - | 550 |
| | - | 964 |

Notes to the Financial Statements

For the financial year ended 31 March 2011

27. Share capital

| | Issued Share Capital | |
|-------------------------------------|-----------------------------------|-------------------|
| | No. of ordinary shares '000 | Amount S\$'000 |
| <u>Group and Company</u> | | |
| 2011 | | |
| Beginning and end of financial year | 527,647 | 120,810 |
| 2010 | | |
| Beginning of financial year | 485,648 | 116,610 |
| Share issue | 41,999 | 4,200 |
| End of financial year | 527,647 | 120,810 |

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

On 14 August 2009, the Company issued 41,999,040 ordinary shares at the issue price of S\$0.10 for the acquisition of additional interest in a subsidiary, Plantation Resources Pte Ltd. The newly issued shares rank pari passu in all respects with the previously issued shares.

28. Foreign currency translation reserve

| | Group | |
|---|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| <i>Currency translation reserve</i> | | |
| Beginning of financial year | 139 | 769 |
| Reclassification on disposal of a subsidiary (Note 12) | (115) | - |
| Net currency translation differences of financial statements of foreign subsidiaries and associated company | 691 | (938) |
| Add: Non-controlling interests | 44 | 308 |
| | 735 | (630) |
| End of financial year | 759 | 139 |

Foreign currency translation reserve is non-distributable.

29. Retained profits/(accumulated losses)

- (a) Retained profits of the Group are distributable except for share of profits of the associated company amounting to S\$10,892,000 (2010: S\$7,362,000).
- (b) Movement in retained profits/(accumulated losses) for the Company is as follows:

| | Company | |
|-----------------------------|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| Beginning of financial year | (720) | 546 |
| Net loss | (1,828) | (1,266) |
| End of financial year | (2,548) | (720) |

Notes to the Financial Statements

For the financial year ended 31 March 2011

30. Operating lease commitments

The Group leases offices from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

| | Group | |
|----------------------------|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| Not later than one year | 137 | 236 |
| Between one and five years | - | 401 |
| | 137 | 637 |

31. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Directors of the Company reviewed and adopted the policies for managing each of these risks and they are summarised below.

(a) Market risk

(i) *Cash flow and fair value interest rate risks*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

(ii) *Currency risk*

The Group operates mainly in Myanmar and People's Republic of China. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies") such as Singapore Dollar ("SGD"), Myanmar Kyats ("Kyats"), United States Dollars ("USD") and Chinese Renminbi ("RMB"). In addition, the Group is exposed to currency translation risk on the net assets of the Group's foreign operations in Myanmar and People's Republic of China.

The Group manages currency risks, when it is considered significant, by entering into appropriate currency forward contracts. At balance sheet date, the Group had not entered into any currency forward contracts.

Notes to the Financial Statements

For the financial year ended 31 March 2011

31. Financial risk management (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

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

| <u>Group</u> | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| 2011 | <u>SGD</u> | <u>USD</u> | <u>Kyats</u> | <u>RMB</u> | <u>Other</u> | <u>Total</u> |
| Financial assets | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> |
| Cash and cash equivalents | 126 | 517 | 1,840 | 26 | - | 2,509 |
| Trade and other receivables | 28 | 1,267 | 2,666 | 30 | - | 3,991 |
| Other financial assets | 47 | 26 | 2 | 1 | - | 76 |
| | 201 | 1,810 | 4,508 | 57 | - | 6,576 |
| Financial liabilities | | | | | | |
| Borrowings | - | - | - | 4,248 | - | 4,248 |
| Trade and other payables | 496 | 1,641 | 810 | 131 | 412 | 3,490 |
| | 496 | 1,641 | 810 | 4,379 | 412 | 7,738 |
| Net financial assets/(liabilities) | (295) | 169 | 3,698 | (4,322) | (412) | (1,162) |
| Add: Non-financial assets | 111,809 | 14,616 | 86 | 4,322 | 412 | 131,245 |
| Currency profile including non-financial assets | 111,514 | 14,785 | 3,784 | - | - | 130,083 |
| Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities' functional currencies | - | 4,498 | 3,220 | (4,322) | (297) | 3,099 |
| <u>Group</u> | | | | | | |
| 2010 | <u>SGD</u> | <u>USD</u> | <u>Kyats</u> | <u>RMB</u> | <u>Other</u> | <u>Total</u> |
| Financial assets | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> |
| Cash and cash equivalents | 220 | 262 | 2,322 | - | - | 2,804 |
| Trade and other receivables | 323 | 9 | 1,119 | 241 | - | 1,692 |
| Other financial assets | 102 | - | 47 | - | - | 149 |
| | 645 | 271 | 3,488 | 241 | - | 4,645 |
| Financial liabilities | | | | | | |
| Borrowings | 964 | 6,645 | - | - | - | 7,609 |
| Trade and other payables | 1,000 | 193 | 1,590 | 110 | 65 | 2,958 |
| | 1,964 | 6,838 | 1,590 | 110 | 65 | 10,567 |
| Net financial assets/(liabilities) | (1,319) | (6,567) | 1,898 | 131 | (65) | (5,922) |
| Add: Non-financial assets/ (liabilities) | 109,800 | 23,253 | 2,894 | (131) | 65 | 135,881 |
| Currency profile including non-financial assets and liabilities | 108,481 | 16,686 | 4,792 | - | - | 129,959 |
| Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities' functional currencies | - | (1,967) | (456) | 131 | (65) | (2,357) |

Notes to the Financial Statements

For the financial year ended 31 March 2011

31. Financial risk management (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

Company

2011

Financial assets

Cash and cash equivalents

Trade and other receivables

Other financial assets

Financial liabilities

Trade and other payables

Net financial assets

Add: Non financial assets

Currency profile including non-financial assets

Currency exposure of financial assets net of those denominated in the Company's functional currency

2010

Financial assets

Cash and cash equivalents

Trade and other receivables

Other current assets

Financial liabilities

Trade and other payables

Net financial assets

Add: Non financial assets

Currency profile including non-financial assets

Currency exposure of financial assets net of those denominated in the Company's functional currency

| | SGD | Kyats | Total |
|--|---------|---------|---------|
| | S\$'000 | S\$'000 | S\$'000 |
| Cash and cash equivalents | 111 | 956 | 1,067 |
| Trade and other receivables | 25,718 | - | 25,718 |
| Other financial assets | 96 | - | 96 |
| | 25,925 | 956 | 26,881 |
| Financial liabilities | | | |
| Trade and other payables | 12,225 | - | 12,225 |
| Net financial assets | 13,700 | 956 | 14,656 |
| Add: Non financial assets | 103,606 | - | 103,606 |
| Currency profile including non-financial assets | 117,306 | 956 | 118,262 |
| Currency exposure of financial assets net of those denominated in the Company's functional currency | - | 956 | 956 |
| 2010 | | | |
| Financial assets | | | |
| Cash and cash equivalents | 119 | 158 | 277 |
| Trade and other receivables | 22,752 | - | 22,752 |
| Other current assets | 55 | - | 55 |
| | 22,926 | 158 | 23,084 |
| Financial liabilities | | | |
| Trade and other payables | 6,658 | - | 6,658 |
| Net financial assets | 16,268 | 158 | 16,426 |
| Add: Non financial assets | 103,664 | - | 103,664 |
| Currency profile including non-financial assets | 119,932 | 158 | 120,090 |
| Currency exposure of financial assets net of those denominated in the Company's functional currency | - | 158 | 158 |

Notes to the Financial Statements

For the financial year ended 31 March 2011

31. Financial risk management (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

If the Kyats, USD and RMB change against SGD by 10%, 10% and 3% (2010: 10%, 10% and 3%) respectively, with all other variables, including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

| Group | 2011 | | 2010 | |
|-------------------|------------------------------|--------------------------|------------------------------|--------------------------|
| | Increase/(Decrease) | | | |
| | <u>Net profit</u> S\$'000 | <u>Equity</u> S\$'000 | <u>Net profit</u> S\$'000 | <u>Equity</u> S\$'000 |
| Kyats against SGD | | | | |
| - strengthened | 322 | 322 | (46) | (46) |
| - weakened | (322) | (322) | 46 | 46 |
| RMB against SGD | | | | |
| - strengthened | (130) | (130) | 4 | 4 |
| - weakened | 130 | 130 | (4) | (4) |
| USD against SGD | | | | |
| - strengthened | 450 | 450 | (197) | (197) |
| - weakened | (450) | (450) | 197 | 197 |
| Company | | | | |
| Kyats against USD | | | | |
| - strengthened | 96 | 96 | 16 | 16 |
| - weakened | (96) | (96) | (16) | (16) |

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk.

As the Group and Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except that the Company had provided corporate guarantee amounting to approximately Nil and S\$518,000 (2010: S\$6,200,000 and Nil) to financial institutions on subsidiaries' and third party's borrowings respectively.

The Group's and the Company's major classes of financial assets are bank deposits and receivables. The Group does not have concentration on credit risk as the Group has numerous trade receivables.

Notes to the Financial Statements

For the financial year ended 31 March 2011

31. Financial risk management (continued)

(b) Credit risk (continued)

The credit risk for trade receivables based on the information provided to key management is as follows:

| | Group | |
|---|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| <u>By geographical areas</u> | | |
| Singapore | - | 310 |
| China | 93 | - |
| Myanmar | 2,275 | 939 |
| | 2,368 | 1,249 |
| <u>By types of customers</u> | | |
| Entities related by common shareholders | 27 | - |
| Non-related parties | | |
| - Individuals | 2,248 | 196 |
| - Other companies | 93 | 1,053 |
| | 2,368 | 1,249 |

(i) *Financial assets that are neither past due nor impaired*

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) *Financial assets that are past due and/or impaired*

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

The age analysis of trade receivables past due but not impaired is as follows:

| | Group | |
|-----------------------------|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| Past due less than 3 months | 100 | 724 |
| Past due 3 to 6 months | - | 48 |
| Past due over 6 months | - | - |
| | 100 | 772 |

Notes to the Financial Statements

For the financial year ended 31 March 2011

31. Financial risk management (continued)

(b) Credit risk (continued)

(iii) *Financial assets that are past due and/or impaired* (continued)

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

| | Group | |
|--|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 |
| Gross amount | 180 | 341 |
| Less: Allowance for impairment | (180) | (275) |
| | - | 66 |
| Beginning of financial year | 275 | 374 |
| Currency translation differences | 11 | (2) |
| Disposal of subsidiary during the financial year | (32) | - |
| Allowance made | - | 71 |
| Allowance utilised | - | (78) |
| Write back of allowance | (74) | (90) |
| End of financial year | 180 | 275 |

(c) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages liquidity risks by monitoring its liquidity position through periodic preparation of cash flows and cash balances forecasts and periodic evaluation of the ability of the Group to meet its financial obligations, measured by the gearing ratio.

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

| | Group | | Company | |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|
| | 2011 S\$'000 | 2010 S\$'000 | 2011 S\$'000 | 2010 S\$'000 |
| Trade and other payables | 3,490 | 2,958 | 12,225 | 6,658 |
| Borrowings | 4,248 | 7,748 | - | - |
| | 7,738 | 10,706 | 12,225 | 6,658 |
| Due for payment: | | | | |
| - Not later than one year | 7,738 | 5,538 | 12,225 | 6,658 |
| - Between one to five years | - | 5,168 | - | - |
| | 7,738 | 10,706 | 12,225 | 6,658 |

Notes to the Financial Statements

For the financial year ended 31 March 2011

31. Financial risk management (continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The Group and the Company are not required by the banks to maintain certain gearing ratio. The Group's and the Company's strategies which remain unchanged during the financial years ended 31 March 2011 and 31 March 2010, are to maintain a gearing ratio not exceeding 40%.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

| | Group | | Company | |
|---------------|---------|---------|---------|---------|
| | 2011 | 2010 | 2011 | 2010 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Net debt | 5,229 | 7,763 | 11,159 | 6,381 |
| Total equity | 130,083 | 129,959 | 118,262 | 120,090 |
| Total capital | 135,312 | 137,722 | 129,421 | 126,471 |
| Gearing ratio | 3.9% | 5.6% | 8.6% | 5.1% |

32. Related party transactions

- (a) Other than disclosed elsewhere in the financial statements, the following significant transactions took place between the Group and related parties on terms agreed between the parties during the financial year:

| | Group | |
|---|---------|---------|
| | 2011 | 2010 |
| | S\$'000 | S\$'000 |
| <i>With entities related by common shareholders</i> | | |
| Sales | 493 | 18 |
| Purchases | 163 | 80 |
| Treasury transactions * | 25 | 8 |
| Prepayments for supply of crops (Note 20) | 1,084 | 654 |
| Land development rights transactions | 4,140 | 1,579 |

- * Treasury transactions refers to cash deposits placed with a related party which is an entity controlled by a director who is also the majority shareholder.

Outstanding balances at 31 March 2011, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from balance sheet date and are disclosed in Notes 13 and 24 respectively.

Notes to the Financial Statements

For the financial year ended 31 March 2011

32. Related party transactions (continued)

(b) Key management personnel compensation

Key management personnel compensation is as follows:

| | Group | |
|--|------------|------------|
| | 2011 | 2010 |
| | S\$'000 | S\$'000 |
| Wages and salaries | 742 | 634 |
| Directors' fees | 139 | 142 |
| Employer's contribution to defined contribution plans, including CPF | 11 | 9 |
| | 892 | 785 |

Included in the above is total compensation to director of the Company amounting to S\$482,000 (2010: S\$347,000).

33. Segment information

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer ("CEO") and the department heads of each business within each geographical segment that are used to make strategic decisions.

They consider the business from both a geographic and business segment respective. Geographically, management manages and monitors the business in the three primary geographic areas: Singapore, Myanmar and People's Republic of China.

Notes to the Financial Statements

For the financial year ended 31 March 2011

33. Segment information (continued)

The segment information provided to the CEO and various department heads for the reportable segments for the year ended 31 March 2011 is as follows:

| <u>Group</u> | <u>Myanmar</u> | | | | <u>Singapore</u> | <u>China</u> | <u>Total for continuing operations</u> |
|---|---------------------------|--------------------------------|--------------------------------------|----------------------------|----------------------------|--------------------------------------|--|
| | <u>Land and Buildings</u> | <u>Agricultural Activities</u> | <u>Construction related services</u> | <u>Automobile Services</u> | <u>Automobile Services</u> | <u>Construction related services</u> | |
| | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> | <u>S\$'000</u> |
| Revenue | | | | | | | |
| – external parties | 10,236 | 63 | 97 | - | - | 821 | 11,217 |
| Segment results | 2,093 | (231) | 98 | (127) | (15) | (425) | 1,393 |
| Other income - net | | | | | | | 594 |
| Expenses | | | | | | | |
| Administrative and other operating expenses | | | | | | | (2,643) |
| Finance expenses | | | | | | | (711) |
| Share of profit of an associated company | | | | | | | 3,530 |
| Profit before income tax | | | | | | | 2,163 |
| Income tax credit | | | | | | | 180 |
| Net profit | | | | | | | 2,343 |
| Net profit includes: | | | | | | | |
| Depreciation | 5 | 1 | 19 | - | - | 11 | 36 |
| Amortisation | - | 518 | - | - | - | - | 518 |
| Segment assets | 82,130 | 16,476 | 161 | 169 | - | 292 | 99,228 |
| Segment assets includes: | | | | | | | |
| Capital expenditure | 106 | - | 165 | 2 | - | 38 | 311 |
| Segment liabilities | 2,213 | 99 | 813 | 270 | 4 | 586 | 3,985 |

Notes to the Financial Statements

For the financial year ended 31 March 2011

33. Segment information (continued)

For the financial year ended 31 March 2010

| Group | Myanmar | | | China | Singapore | Total for continuing operations |
|---|--------------------|-------------------------|-------------------------------|-------------------------------|-------------------------------|---------------------------------|
| | Land and Buildings | Agricultural Activities | Construction related services | Construction related services | Construction related services | |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Revenue | | | | | | |
| – external parties | 3,195 | 14 | 52 | 1,383 | - | 4,644 |
| Segment results | 678 | (238) | (14) | 465 | - | 891 |
| Other income - net | | | | | | 694 |
| Expenses | | | | | | |
| Administrative and other operating expenses | | | | | | (2,230) |
| Finance expenses | | | | | | (482) |
| Share of profit of an associated company | | | | | | 738 |
| Loss before income tax | | | | | | (389) |
| Income tax credit | | | | | | 13 |
| Net loss | | | | | | (376) |
| Net profit includes: | | | | | | |
| Depreciation | 30 | 1 | 4 | 9 | - | 44 |
| Amortisation | - | 291 | - | - | - | 291 |
| Segment assets | 83,030 | 15,665 | 7,043 | 326 | 3,074 | 109,138 |
| Segment assets includes: | | | | | | |
| Capital expenditure | 113 | - | 51 | - | - | 164 |
| Segment liabilities | 1,033 | 2,321 | 3,751 | 64 | 1,466 | 8,635 |

The CEO assess the performance of the operating segments based on segment results which represent the profit earned by each segment including allocation of distribution and marketing expenses, administrative and other operating expenses and finance expenses. Other income and share of profit of an associated company are not allocated to segments.

A reconciliation of segment results to profit/(loss) before income tax is provided as follows:

| | 2011 S\$'000 | 2010 S\$'000 |
|---|-----------------|-----------------|
| Segment results | 1,393 | 891 |
| Administrative and other operating expenses | (2,643) | (2,230) |
| Finance expenses | (711) | (482) |
| Other income | 594 | 694 |
| Share of profits of an associated company | 3,530 | 738 |
| | 2,163 | (389) |

Notes to the Financial Statements

For the financial year ended 31 March 2011

33. Segment information (continued)

Reportable segments' assets are reconciled to total assets as follows:

The amounts provided to the CEO with respect to total assets are measured in a manner consistent with that of the financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the CEO monitors the property, plant and equipment, inventories, work-in-progress, intangible assets, trade receivables and operating cash attributable to each segment. All assets are allocated to reportable segments other than cash and cash equivalents, trade and other receivables, property, plant and equipment, associated company, assets associated with disposal group and other unallocated assets.

| | Group | |
|--|----------------|----------------|
| | 2011 | 2010 |
| | S\$'000 | S\$'000 |
| Segment assets for reportable segments | 99,228 | 109,138 |
| Unallocated: | | |
| - Cash and cash equivalents | 1,077 | 279 |
| - Other receivables | 1,190 | 124 |
| - Property, plant and equipment | 38 | 50 |
| - Investment in an associated company | 33,302 | 29,867 |
| - Other unallocated assets | 3,990 | 4,520 |
| | 138,825 | 143,978 |

Reportable segments' liabilities are reconciled to total liabilities as follows:

The amounts provided to the CEO with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segments. All liabilities are allocated to reportable segments other than trade and other payables and borrowings.

| | Group | |
|---|--------------|---------------|
| | 2011 | 2010 |
| | S\$'000 | S\$'000 |
| Segment liabilities for reportable segments | 3,985 | 8,635 |
| Unallocated: | | |
| - Other payables | 509 | 852 |
| - Borrowings | 4,248 | 4,532 |
| | 8,742 | 14,019 |

Notes to the Financial Statements

For the financial year ended 31 March 2011

33. Segment information (continued)

Geographical information

The Group's three business segments operate in three main geographical areas: Singapore, Myanmar and People's Republic of China.

- Singapore – the operations in this area are principally construction services.
- Myanmar – the operations in this area are principally the sale of land development rights and houses, construction services, the provision of project management, design and architectural services and agricultural activities.
- People's Republic of China – the operations in this area is principally the provision of project management, design and architectural services.

| | Total consolidated sales | |
|----------------------------|--------------------------|--------------|
| | 2011 | 2010 |
| | S\$'000 | S\$'000 |
| Singapore | 63 | 14 |
| Myanmar | 10,333 | 3,246 |
| People's Republic of China | 821 | 1,384 |
| | 11,217 | 4,644 |

34. New accounting standards and interpretation

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2011 or later periods and which the Group has not early adopted:

- Amendments to FRS 24 – Related party disclosures (effective for annual periods beginning on or after 1 January 2011)
- INT FRS 119 Extinguishing financial liabilities with equity instruments (effective for annual periods commencing on or after 1 July 2010)

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in the future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption, except for the amendments to FRS 24 – Related party disclosures.

The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of a related party. However, the revised definition of a related party will also mean that some entities will have more related parties and will be required to make additional disclosures.

Management is currently considering the revised definition to determine whether any additional disclosures will be required and has yet to put systems in place to capture the necessary information. It is therefore not possible to disclose the financial impact, if any, of the amendment on the related party disclosures.

Statistics of Shareholdings

As at 17 June 2011

| | | |
|---------------------------------------|---|------------------|
| NO OF ISSUED AND FULLY PAID-UP SHARES | : | 527,647,342 |
| CLASS OF SHARES | : | Ordinary Shares |
| VOTING RIGHTS | : | 1 Vote Per Share |

| SIZE OF SHAREHOLDINGS | NO. OF SHAREHOLDERS | % | NO. OF SHARES | % |
|-----------------------|---------------------|--------|---------------|--------|
| 1 - 999 | 307 | 15.92 | 101,833 | 0.02 |
| 1,000 - 10,000 | 752 | 38.98 | 3,610,690 | 0.69 |
| 10,001 - 1,000,000 | 839 | 43.49 | 81,220,091 | 15.39 |
| 1,000,001 & ABOVE | 31 | 1.61 | 442,714,728 | 83.90 |
| TOTAL | 1,929 | 100.00 | 527,647,342 | 100.00 |

| LIST OF TOP TWENTY SHAREHOLDERS AS AT 17 JUNE 2011 | | NO. OF SHARES | % |
|--|---------------------------------------|---------------|-------|
| 1. | SERGE PUN | 247,687,409 | 46.94 |
| 2. | CITIBANK NOMINEES SINGAPORE PTE LTD | 20,561,564 | 3.90 |
| 3. | LIM KOK GIN HOLDINGS PTE LTD | 17,177,172 | 3.26 |
| 4. | PUN HOLDINGS PTE LTD | 16,200,910 | 3.07 |
| 5. | KONG HOA PTE LTD | 15,453,876 | 2.93 |
| 6. | UNITED OVERSEAS BANK NOMINEES PTE LTD | 12,177,200 | 2.31 |
| 7. | DBS VICKERS SECURITIES (S) PTE LTD | 11,588,232 | 2.20 |
| 8. | SIT PAN JIT MICHAEL | 10,788,753 | 2.04 |
| 9. | LAU KIM HIOK | 10,770,000 | 2.04 |
| 10. | NOBLE GRAND INVESTMENTS LIMITED | 10,124,200 | 1.92 |
| 11. | SUPERLIGHT INVESTMENT LTD | 9,677,012 | 1.83 |
| 12. | OCBC SECURITIES PRIVATE LTD | 6,606,000 | 1.25 |
| 13. | WANG, CHIEN SHENG AMBROSE | 5,976,819 | 1.13 |
| 14. | DBS NOMINEES PTE LTD | 4,826,200 | 0.91 |
| 15. | UOB KAY HIAN PTE LTD | 4,340,420 | 0.82 |
| 16. | PANDAW INVESTMENT HOLDINGS LTD | 3,931,770 | 0.75 |
| 17. | ONG AH WHATT | 3,600,675 | 0.68 |
| 18. | FAT SUAN YAP HENRY | 3,200,000 | 0.61 |
| 19. | CHOO CHEE KIONG | 3,000,000 | 0.57 |
| 20. | TJOA THIAN SONG @ SONDEWALA ISKANDAR | 2,997,592 | 0.57 |
| | | 420,685,804 | 79.73 |

| SUBSTANTIAL SHAREHOLDER | DIRECT INTEREST | | DEEMED INTEREST * | |
|-------------------------|-----------------|-------|-------------------|------|
| | NO. OF SHARES | % | NO. OF SHARES | % |
| SERGE PUN | 247,687,409 | 46.94 | 16,248,108 | 3.08 |

* Shares held by spouse, Pun Holdings Pte Ltd and Serge Pun & Associates (Myanmar) Limited.

Based on information available to the Company as at 17 June 2011, approximately 49.98% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of **YOMA STRATEGIC HOLDINGS LTD.** (the “**Company**”) will be held at Connection 2, Level 3, Amara Hotel, 165 Tanjong Pagar Road, Singapore 088539 on 27 July 2011 at 4 p.m. to transact the following business:-

AS ORDINARY BUSINESS

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

1. To receive and adopt the Directors’ Report and Audited Financial Statements of the Company for the financial year ended 31 March 2011 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To approve the payment of Directors’ fees of up to S\$172,500 payable by the Company for the financial year ending 31 March 2012 (2011: S\$172,500). **(Resolution 2)**
3. To re-elect Mr. Adrian Chan Pengee as Director of the Company, who is retiring pursuant to Article 104 of the Articles of Association of the Company and who, being eligible, will offer himself for re-election.
(See Explanatory Note 1) **(Resolution 3)**
4. To re-elect Mr. Basil Chan as Director of the Company, who is retiring pursuant to Article 104 of the Articles of Association of the Company and who, being eligible, will offer himself for re-election.
(See Explanatory Note 2) **(Resolution 4)**
5. To re-elect Mr. Cyrus Pun Chi Yam as Director of the Company, who is retiring pursuant to Article 114 of the Articles of Association of the Company and who, being eligible, will offer himself for re-election.
(See Explanatory Note 3) **(Resolution 5)**
6. To re-appoint Mr. Kyi Aye as Director of the Company pursuant to Section 153(6) of the Companies Act (Cap. 50) to hold office until the next Annual General Meeting of the Company.
(See Explanatory Note 4) **(Resolution 6)**
7. To re-appoint Nexia TS Public Accounting Corporation as auditors of the Company for the financial year ending 31 March 2012 and to authorise the Directors of the Company to fix their remuneration. **(Resolution 7)**

AS SPECIAL BUSINESS

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

As an Ordinary Resolution:

8. That pursuant to Section 161 of the Companies Act, Cap. 50 (the “**CA**”) and the rules, guidelines and measures issued by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Directors of the Company be and are hereby authorised and empowered to issue:
 - (i) shares in the capital of the Company (“**shares**”); or
 - (ii) convertible securities; or
 - (iii) additional convertible securities issued pursuant to adjustments; or
 - (iv) shares arising from the conversion of the securities in (ii) and (iii) above,

Notice of Annual General Meeting

(whether by way of rights, bonus or otherwise or in pursuance of any offer, agreement or option made or granted by the Directors during the continuance of this authority or thereafter) 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 (notwithstanding the authority conferred by this Resolution may have ceased to be 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 convertible securities made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below) ("**Issued Shares**"), provided that the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of convertible securities made or granted pursuant to this Resolution) does not exceed twenty per cent. (20%) of the total number of Issued Shares;
- (2) (subject to such manner of calculation as may be prescribed by the 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 total number of issued shares (excluding treasury shares) in the capital 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;
 - (ii) (where applicable) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with the Listing Manual; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the rules, guidelines and measures issued by 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.

(See Explanatory Note 5)

(Resolution 8)

As an Ordinary Resolution:

9. That for the purposes of Chapter 9 of the Listing Manual:
 - (a) approval be and is hereby given for the Company and its subsidiary companies (the "**Group**") or any of them to enter into any of the transactions falling within the categories of Interested Person Transactions, particulars of which are set out in the Company's Addendum to shareholders dated 11 July 2011 (the "**Addendum**"), with any party who is of the class or classes of Interested Persons described in the Addendum, provided that such transactions are made on normal commercial terms in accordance with the review procedures for Interested Person Transactions as described in the Addendum (the "**Shareholders' Mandate**");
 - (b) the Shareholders' Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier;

Notice of Annual General Meeting

- (c) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual which may be prescribed by the SGX-ST from time to time; and
- (d) the Directors of the Company be and are hereby authorised to do all such acts and things (including, without limitation, executing all such documents as may be required) as they may consider necessary, desirable, expedient or in the interest of the Company to give effect to the Shareholders' Mandate and/or this Resolution.

(See Explanatory Note 6)

(Resolution 9)

- 10. To transact any other business which may be properly transacted at an Annual General Meeting of the Company.

BY ORDER OF THE BOARD

Loo Hwee Fang & Lun Chee Leong
Joint Company Secretaries

Singapore
11 July 2011

Explanatory Notes:-

1. Mr. Adrian Chan Pengee, when re-appointed, will be considered an Independent Director and will remain as the Chairman of the Nominating Committee and a member of the Audit Committee.
2. Mr. Basil Chan, when re-appointed, will be considered an Independent Director and will remain as the Chairman of the Audit Committee and a member of the Remuneration Committee.
3. Mr. Cyrus Pun Chi Yam, when re-appointed, will be considered an Executive Director.
4. Mr. Kyi Aye, when re-appointed, will be considered a Non-Executive Director and will remain as a member of both the Audit Committee and the Remuneration Committee.
5. The Ordinary Resolution 8 proposed above, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting until the next Annual General Meeting, to issue shares in the capital of the Company and to make or grant convertible securities, and to issue shares in pursuance of such convertible securities, without seeking any further approval from Shareholders in general meeting, up to a number not exceeding fifty per cent. (50%) of the total number of Issued Shares of which up to twenty per cent. (20%) of the total number of Issued Shares may be issued other than on a pro rata basis to shareholders.
6. The Ordinary Resolution 9 above, if passed, renews the Shareholders' Mandate to allow the Group to enter into Interested Person Transactions with those classes of Interested Persons as described in the Company's Addendum to shareholders dated 11 July 2011 and will empower the Directors of the Company to do all acts necessary to give effect to the Shareholders' Mandate.

Notice of Annual General Meeting

Notes:-

1. Any member entitled to attend and vote at the above Annual General Meeting is entitled to appoint not more than two (2) proxies to attend and vote on his behalf and such proxy need not be a member of the Company.
2. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
4. An instrument of proxy must be deposited at the registered office of the Company at 80 Anson Road, Fuji Xerox Towers #25-05, Singapore 079907 not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

YOMA STRATEGIC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Co. Reg. No: 196200185E)

PROXY FORM

ANNUAL GENERAL MEETING

IMPORTANT

- i. For Investors who have used their CPF monies to buy Yoma Strategic Holdings Ltd.'s shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
- ii. 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.

I/We, _____ (Name)

of _____ (Address) being

a member/members of YOMA STRATEGIC HOLDINGS LTD. hereby appoint:

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

and/or (delete as appropriate)

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at Connection 2, Level 3, Amara Hotel, 165 Tanjong Pagar Road, Singapore 088539 on 27 July 2011 at 4 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Annual General Meeting. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

| No. | Resolution | For* | Against* |
|-----|--|------|----------|
| 1 | Adoption of Directors' Report and Audited Financial Statements | | |
| 2 | Approval of Directors' fees for financial year ending 31 March 2012 | | |
| 3 | Re-election of Mr. Adrian Chan Pengee as Director | | |
| 4 | Re-election of Mr. Basil Chan as Director | | |
| 5 | Re-election of Mr. Cyrus Pun Chi Yam as Director | | |
| 6 | Re-appointment of Mr. Kyi Aye as Director | | |
| 7 | Re-appointment of Nexia TS Public Accounting Corporation as Auditors | | |
| 8 | Authority to issue shares pursuant to share issue mandate | | |
| 9 | Renewal of Shareholders' Mandate for Interested Person Transactions | | |

* If you wish to exercise all your votes "For" or "Against", please tick (V) within the box provided

Dated this _____ day of _____ 2011

Total number of shares held

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES

- 1 A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one (1) or two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- 2 Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
- 3 Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Annual General Meeting.
- 4 A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap.50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

Fold along dotted line

AFFIX
STAMP

The Company Secretary
YOMA STRATEGIC HOLDINGS LTD.
80 Anson Road
Fuji Xerox Towers #25-05
Singapore 079907

Fold along dotted line

- 5 The Instrument appointing a proxy or proxies must be deposited at the Company's registered office at 80 Anson Road, Fuji Xerox Towers #25-05, Singapore 079907, not less than forty-eight (48) hours before the time appointed for the Annual General Meeting.
- 6 The Instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
- 7 Where an Instrument appointing a proxy is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Instrument of proxy, failing which the Instrument may be treated as invalid.
- 8 The Company shall be entitled to reject the Instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified on the Instrument. In addition, in the case of shares entered in the Depository Register, the Company may reject the instrument appointing a proxy or proxies if the member, being the appointer, 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 Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Corporate Information

Board of Directors

Mr Serge Pun (Chairman & CEO)
Mr Cyrus Pun Chi Yam (Executive Director)
Mr Kyi Aye (Non-Executive Director)
Mr Adrian Chan Pengee (Lead Independent Director)
Mr Ng Fook Leong, Philip (Independent Director)
Mr Basil Chan (Independent Director)

Audit Committee

Mr Basil Chan (Chairman)
Mr Kyi Aye
Mr Adrian Chan Pengee

Nominating Committee

Mr Adrian Chan Pengee (Chairman)
Mr Ng Fook Leong, Philip
Mr Serge Pun

Remunerating Committee

Mr Ng Fook Leong, Philip (Chairman)
Mr Basil Chan
Mr Kyi Aye

Joint Company Secretaries

Ms Loo Hwee Fang
Mr Lun Chee Leong

Company Registration Number

196200185E

Registered Office

80 Anson Road #25-05
Fuji Xerox Towers
Singapore 079907
Tel : (65) 6223 2262
Fax: (65) 6220 7939

Registrar and Share Transfer Office

B.A.C.S. Pte Ltd
63 Cantonment Road
Singapore 089758
Tel: (65) 6323 6200

Auditors

Nexia TS Public Accounting Corporation
Certified Public Accountants
5 Shenton Way #16-00
UIC Building
Singapore 068808
Mr Loh Ji Kin

Audit Partner-in-charge
(Appointed with effect from financial year 2011)

Principal Bankers of the Group

DBS Bank Ltd
6 Shenton Way
DBS Building
Singapore 068809

Oversea-Chinese Banking Corporation Limited
65 Chulia Street
OCBC Centre
Singapore 049513



Fuji Xerox Towers #25-05
80 Anson Road
Singapore 079907
Tel : (65) 6223 2262
Fax: (65) 6220 7939

Website: www.yomastrategic.com

