
PROPOSED ACQUISITION OF SHARES IN WINNER SIGHT INVESTMENTS LIMITED AND ASSIGNMENT OF SHAREHOLDER'S LOAN – CHANGE IN EQUITY INTEREST

1 INTRODUCTION

The board of directors (the “**Directors**”) of Yoma Strategic Holdings Ltd. (the “**Company**” or “**YSH**”) refers to the Company’s announcement on 5 March 2007 to shareholders of the Company (“**Shareholders**”) relating to, *inter alia*, the signing of a conditional sale and purchase agreement dated 4 March 2007 (the “**Original WSI Sale & Purchase Agreement**”) to acquire from Allied Win Group Limited (“**AWGL**”), a 75% equity interest in Winner Sight Investments Limited (“**WSI**”) and the US\$26.00 million (approximately S\$39.46 million, based on an exchange rate of US\$1.00 = S\$1.5175) shareholder’s loan payable by WSI to AWGL (the “**Original WSI Acquisition**”) and wishes to announce that it has entered into:

- (a) a termination deed to terminate the Original WSI Sale & Purchase Agreement (the “**Termination Deed**”);
- (b) a conditional sale and purchase agreement (the “**First WSI Sale & Purchase Agreement**”) to acquire from AWGL the following:
 - (i) 2,500 ordinary shares in WSI, representing 25% of the issued and paid up share capital of WSI (the “**First WSI Sale Shares**”); and
 - (ii) A shareholder’s loan of US\$8,666,667 (S\$13,151,667, based on an exchange rate of US\$1.00 = S\$1.5175) payable by WSI to AWGL (the “**First WSI Shareholder’s Loan**”),(paragraphs 1(b)(i) and 1(b)(ii) above referred to as the “**First WSI Acquisition**”); and
- (c) a conditional sale and purchase agreement (the “**Second WSI Sale & Purchase Agreement**”) to acquire from Delight Result Limited (“**DRL**”) the following:
 - (i) 200 ordinary shares in WSI, representing 2% of the issued and paid up share capital of WSI (the “**Second WSI Sale Shares**”); and
 - (ii) A shareholder’s loan of HK\$5,367,868 (S\$1,042,440, based on an exchange rate of HK\$1.00 = S\$0.1942) payable by WSI to DRL (the “**Second WSI Shareholder’s Loan**”),(paragraphs 1(c)(i) and 1(c)(ii) above referred to as the “**Second WSI Acquisition**”).

All the abovementioned agreements are dated 17 October 2007.

Shareholders’ approval will be sought for the First WSI Acquisition and Second WSI Acquisition collectively (hereinafter, the “**Proposed WSI Acquisitions**”).

2 TERMINATION OF THE ORIGINAL WSI SALE & PURCHASE AGREEMENT

2.1 Termination Deed

The salient terms of the Termination Deed are as follows:

- (a) AWGL, YSH and Serge Pun agree to terminate the Original WSI Sale & Purchase Agreement and each of the parties involved shall have no obligations or claims whatsoever against any of the other parties under or in respect of the Original WSI Sale & Purchase Agreement;
- (b) Subject to satisfaction of certain conditions, AWGL agrees to pay YSH a termination fee of RMB100 million (approximately S\$19.65 million, based on an exchange rate of RMB1.00 = S\$0.1965) (the “**Termination Fee**”); and
- (c) Part of the Termination Fee will be offset against the First WSI Acquisition Consideration (as defined herein) of US\$10,400,000 (S\$15,782,000, based on an exchange rate of US\$1.00 = S\$1.5175) payable by YSH to AWGL under the First WSI Sale & Purchase Agreement. Subject to Shareholders’ approval for the First WSI Acquisition, YSH will therefore receive 25% equity interest in WSI, US\$8,666,667 (S\$13,151,667) loan payable by WSI to YSH and the balance of the Termination Fee in cash pursuant to the Termination Deed and the First WSI Sale & Purchase Agreement.

2.2 Rationale for the Termination of the Original WSI Sale & Purchase Agreement

Subsequent to the signing of the Original WSI Sale & Purchase Agreement, the Company received a proposal from AWGL to reduce its proposed equity investment in WSI (the “**Proposal**”). Pursuant to the Proposal, the Company will receive the Termination Fee in return for reducing its proposed equity investment in WSI from 75% to 25%. The Directors consider the Proposal to be attractive and are of the view that acceptance of the Proposal by the Company would be in the interest of the Company and its Shareholders. Accordingly, the Company agreed to terminate the Original WSI Sale & Purchase Agreement and enter into the First WSI Sale & Purchase Agreement and the Second WSI Sale & Purchase Agreement.

The termination of the Original WSI Sale & Purchase Agreement is conditional upon, *inter alia*, the completion of the acquisition of 50% equity interest in WSI by a third party, GCREF Acquisitions IX Limited (“**Gateway**”) from AWGL (the “**Gateway Completion**”). The management expects the Gateway Completion to take place before end of October 2007.

The termination of the Original WSI Sale & Purchase Agreement, the First WSI Acquisition and the Second WSI Acquisition shall collectively be referred to as the “**Transactions**”.

The Transactions allow YSH to immediately realise a substantial portion of profits from its proposed investment in WSI whilst maintaining its exposure to the property market in Dalian, People’s Republic of China (the “**PRC**”) for future prospects.

2.3 Consequential Impact on the Proposed Rights Issue announced on 5 March 2007

If the termination of the Original WSI Sale & Purchase Agreement becomes effective upon the Gateway Completion, the Company will not proceed with the proposed one-for-one renounceable rights issue of shares as announced on 5 March 2007 by the Company to raise new monies to fund, among others, the Original WSI Acquisition.

An appropriate announcement relating to the proposed rights issue will be made by the Company in due course.

3 THE PROPOSED WSI ACQUISITIONS

3.1 Information on WSI

3.1.1 Business of WSI

WSI is a limited company incorporated in Hong Kong SAR on 30 September 2006. WSI is principally in the business of property development in the PRC through its wholly foreign-owned subsidiary with limited liability established in the PRC, SPA (Dalian) Property Development Co., Ltd. (“**SPAPD**”). SPAPD is currently developing Zhong Bei Building, a mixed-use property in the Dalian Economic & Technological Development Zone (“**Dalian ETD Zone**”), Dalian, Liaoning Province of the PRC. Dalian ETD Zone is located in north-eastern Dalian, and is an easily accessible area planned for international trade, export processing, bonded warehouse, logistics and technology industries.

3.1.2 Zhong Bei Building

Zhong Bei Building, situated at No.128 Jin Ma Road in the Dalian ETD Zone, stands on a roughly rectangular-shaped site with an area of 21,635.50 square metres. Presently, Zhong Bei Building consists of a total gross floor area of 104,154.20 square metres, comprising two towers each of 22 storeys, a 3-storey retail podium and one level of underground car park. A breakdown of the gross floor area of Zhong Bei Building is as follows:-

	Gross Floor Area (square metres)
Retail Podium	34,817.63
Tower Blocks (Office & Serviced Apartments)	58,499.52
Basement Carpark	10,837.05
Total	104,154.20

WSI acquired Zhong Bei Building from Dalian Land Resources & Housing Bureau Development Zone Sub-bureau in November 2006 via a public auction. The land use rights of the Zhong Bei Building have been granted for a term of 50 years from 17 November 2006 for “composite” use. Zhong Bei Building is a partially completed building, with the superstructure and exterior of the building completed. WSI intends to complete the remaining construction of Zhong Bei Building by October 2008.

Following its acquisition, WSI commissioned SPA Design Pte Ltd, in conjunction with other specialised professional firms, to improve on the existing building. WSI has also appointed SPA Project Management Pte Ltd to undertake the responsibilities of development and construction management of the project. Both SPA Design Pte Ltd and SPA Project Management Pte Ltd are wholly-owned subsidiaries of YSH. WSI has further commissioned AWGL to provide asset management and advisory services to the project.

On 19 May 2007, SPAPD entered into a contract with China CMIIC Engineering Corporation, a large scale PRC state-owned construction company, to be the main contractor of the building works. The re-design of the property is intended to increase the gross floor area of the development as well as make significant improvements to the original design. Applications to the relevant authorities for approval of such changes are in the process.

SPAPD has executed a letter of intent regarding the appointment of the Shama group as operator to manage the serviced apartments at Zhong Bei Building. More information on the Shama group may be found in <http://www.shama.com>.

3.2 Details of the First WSI Acquisition

3.2.1 Purchase Consideration

The consideration for the First WSI Sale Shares will be the sum of US\$1,733,333 (S\$2,630,333, based on an exchange rate of US\$1.00 = S\$1.5175), which represents a 56.6% premium over the corresponding WSI net assets of S\$1,679,857 to be acquired by the Company. As part of the First WSI Acquisition, AWGL will also assign at face value the First WSI Shareholder's Loan of approximately US\$8,666,667 (S\$13,151,667) to Yoma Strategic Investments Ltd. (a wholly-owned subsidiary of YSH) ("YSIL") in consideration for payment of US\$8,666,667 (S\$13,151,667) by YSH to AWGL. The aggregate consideration for the First WSI Sale Shares and First WSI Shareholder's Loan is US\$10,400,000 (S\$15,782,000) (the "**First WSI Purchase Consideration**"). The First WSI Purchase Consideration was arrived at on a "willing buyer, willing seller" basis.

3.2.2 Conditions Precedent

Pursuant to the First WSI Sale & Purchase Agreement, the First WSI Acquisition is conditional upon, *inter alia*, the fulfilment of the following conditions precedent:-

- (a) the results of such due diligence investigations on the proposed business of WSI and SPAPD (including but not limited to a ten-year forecast of income, expenditure, cashflow, balance sheets, debt equity ratios and ongoing businesses together with all known new committed projects to be provided to the Company) conducted by the Company and its advisors, to be completed before despatch of the Circular to the Shareholders (or within such other time period as the Company and AWGL shall agree), being satisfactory to the Company in its sole and absolute discretion;
- (b) the approval of the Shareholders for the purchase of the First WSI Sale Shares and the assignment of the First WSI Shareholder's Loan being obtained at a general meeting of such Shareholders on or before 15 December 2007 (or such other date as the Company and AWGL may agree in writing) (the "**First WSI Completion Date**");
- (c) AWGL and Serge Pun's warranties contained in the First WSI Sale & Purchase Agreement shall be true in all material respects on and as of the First WSI Completion Date with the same force and effect as though made on and as of the First WSI Completion Date. AWGL, Serge Pun and the Company shall have performed and complied with all their respective covenants, undertakings and agreements required by the First WSI Sale & Purchase Agreement to be performed or complied with by each of them on, or prior to, the First WSI Completion Date;
- (d) the Company shall have received a satisfactory legal opinion from the Company's Solicitors or such other Hong Kong counsel, in such form acceptable to the Company in its sole and absolute discretion;
- (e) the Company shall have received a satisfactory legal opinion on, *inter alia*, the title and ownership of the Zhong Bei Building, from its PRC counsel or such other PRC counsel, in such form acceptable to the Company at its sole and absolute discretion;
- (f) the Company having received a satisfactory valuation report from DTZ Debenham Tie Leung Valuation & Advisory Services Limited, an independent firm of valuers or such other independent firm of valuers, in such form acceptable to the Company in its sole and absolute discretion;
- (g) the Company being satisfied (as determined by the Company in its sole and absolute discretion) of the terms and conditions of any borrowings (which shall include any arrangement to finance the completion of the Zhong Bei Building, to secure tenants and operate Zhong Bei Building until the tenancy fees cover the operating costs of Zhong Bei Building) of and any guarantee or security provided by WSI and/or SPAPD on or before the First WSI Completion Date;

- (h) the signing of a shareholders' agreement amongst AWGL, WSI, DRL, Gateway and Joy Head (as defined herein) in respect of WSI and the execution by the Company or YSIL of a deed of adherence to be bound by such shareholders' agreement on or before the First WSI Completion Date; and
- (i) the Company having received satisfactory evidence that on or before the First WSI Completion Date: (a) the Gateway Completion has taken place; (b) the Original WSI Sale & Purchase Agreement has been terminated; and (c) the share charge dated 3 January 2007 created over the First WSI Sale Shares has been fully discharged and released.

If any of the above conditions precedent is not fulfilled and the fulfilment of such conditions is not waived by the Company on or prior to the First WSI Completion Date, the First WSI Sale & Purchase Agreement shall *ipso facto* cease and determine and save in respect of any breach of any conditions precedent above, none of the Company, AWGL and Serge Pun shall have any claim against the other for costs, damages, compensation or otherwise.

Under the First WSI Sale & Purchase Agreement, Serge Pun has undertaken to warrant to the Company all the warranties and covenants given by AWGL under the First WSI Sale & Purchase Agreement and to indemnify the Company.

3.3 Details of the Second WSI Acquisition

3.3.1 Purchase Consideration

The consideration for the Second WSI Sale Shares will be the sum of HK\$1,073,574 (S\$208,488, based on an exchange rate of HK\$1.00 = S\$0.1942), which represents a 55.1% premium over the corresponding WSI net assets of S\$134,389 to be acquired by the Company. As part of the Second WSI Acquisition, DRL will also assign at face value the Second WSI Shareholder's Loan of HK\$5,367,868 (S\$1,042,440) to YSIL in consideration for payment of HK\$5,367,868 (S\$1,042,440) by YSH to DRL. The aggregate consideration for the Second WSI Sale Shares and Second WSI Shareholder's Loan is HK\$6,441,442 (S\$1,250,928, based on an exchange rate of HK\$1.00 = S\$0.1942) (the "**Second WSI Purchase Consideration**"). The Second WSI Purchase Consideration was arrived at on a "willing buyer, willing seller" basis.

3.3.2 Conditions Precedent

The conditions precedent of the Second WSI Sale & Purchase Agreement are substantially similar to that of the First WSI Sale & Purchase Agreement as set out in paragraph 3.2.2 above, except for the condition set out in paragraph 3.2.2(i) which does not apply to the Second WSI Sale & Purchase Agreement. In addition, the Second WSI Sale & Purchase Agreement is conditional upon the completion of the First WSI Acquisition.

Under the Second WSI Sale & Purchase Agreement, Serge Pun has also undertaken to warrant to the Company all the warranties and covenants given by DRL under the Second WSI Sale & Purchase Agreement and to indemnify the Company.

3.4 Value of Assets being Acquired

Based on the audited accounts of WSI for the period from 30 September 2006 (date of incorporation of WSI) to 31 March 2007, the net asset value of WSI as at 31 March 2007 is approximately HK\$34.6 million (approximately S\$6.72 million, based on an exchange rate of HK\$1.00 = S\$0.1942). Accordingly the aggregate value of net assets being acquired by the company pursuant to the First WSI Acquisition and Second WSI Acquisition is estimated to be HK\$9.3 million (approximately S\$1.81 million, based on an exchange rate of HK\$1.00 = S\$0.1942).

4 SHAREHOLDING STRUCTURE OF WSI

4.1 Sale and Purchase Agreement between AWGL and Gateway

Given the Proposal as described in paragraph 2.2 above, AWGL had on 18 September 2007 entered into a separate sale and purchase agreement with Gateway to divest AWGL's 50% equity interest in WSI and US\$17.3 million (approximately S\$26.25 million, based on an exchange rate of US\$1.00 = S\$1.5175) loan payable by WSI to AWGL, to Gateway (the "**Gateway's Acquisition**").

Gateway is a limited company incorporated in the British Virgin Islands. It is wholly-owned by Gateway Capital Real Estate Fund II, LP, which is a private equity real estate fund. Gateway has informed that it is independent from YSH and its directors. More information on Gateway may be found in <http://www.gatewaycapitalgp.com>.

Upon completion of the Gateway's Acquisition, Gateway will become a shareholder of WSI.

In line with the Group's plan to undertake real estate projects outside of the Union of Myanmar, the Company had entered into a strategic co-operation agreement with GCREF Acquisitions VII Limited ("**GCREF**"), another wholly-owned subsidiary of Gateway Capital Real Estate Fund II, LP to co-invest in the real estate market in the Greater China Region (including the PRC, Hong Kong, Macau and Taiwan). Please refer to paragraph 5 below for further information.

4.2 Sale and Purchase Agreement between DRL and Joy Head Investments Ltd ("**Joy Head**")

DRL had also on 8 September 2007 entered into a separate sale and purchase agreement with Joy Head to divest DRL's 20% equity interest in WSI and HK\$53.7 million (approximately S\$10.43 million, based on an exchange rate of HK\$1.00 = S\$0.1942) loan payable by WSI to DRL, to Joy Head (the "**Joy Head's Acquisition**"). Pursuant to the completion of the Joy Head's Acquisition, Joy Head became a shareholder of WSI. Joy Head is not related to any of the Directors.

4.3 Shareholders of WSI

The shareholding structure of WSI is illustrated as follows:

	As at the date of this Announcement	After completion of Gateway's Acquisition	After completion of the First and Second WSI Acquisitions
AWGL ^{(1), (3)}	75%	25%	-
DRL ^{(2), (3)}	5%	5%	3%
Gateway	-	50%	50%
Joy Head	20	20%	20%
YSH	-	-	27%
Total	100%	100%	100%

Notes:-

- (1) AWGL is a private company incorporated in the British Virgin Islands.
- (2) DRL is an investment company incorporated in Hong Kong SAR to invest in WSI.
- (3) Mr. Serge Pun is the legal and beneficial owner of the entire issued and paid-up capital of AWGL and the legal owner of the entire issued and paid-up capital of DRL.

4.4 Shareholders' Agreement

Upon the completion of the Gateway's Acquisition, the then existing shareholders of WSI comprising Gateway, Joy Head, AWGL and DRL, intend to enter into a shareholders' agreement to regulate the affairs of WSI and the relationship amongst the shareholders of WSI. The shareholders' agreement will contain provisions relating to, *inter alia*, appointment of board directors, business of WSI, issue of shares, transfer rights and obligations and governing law.

In the event that the First WSI Acquisition and Second WSI Acquisition are completed, YSH will become a party to such shareholders' agreement.

5 STRATEGIC CO-OPERATION AGREEMENT

The Company has entered into a strategic co-operation agreement dated 17 October 2007 (the "**Co-operation Agreement**") with GCREF which takes effect on the date of the Gateway Completion. The salient terms of the Co-operation Agreement are as follows:

- (a) YSH shall offer to GCREF projects which the Group identifies in the Greater China Region for GCREF's participation. Upon GCREF's acceptance of the offered project (the "**Project**"), YSH shall act as the party responsible for and with the right to the development of the Project, while GCREF shall be principally responsible for the arrangement of financing for the Project including the provision of equity and necessary working capital.
- (b) YSH and GCREF shall incorporate a joint venture company to own and undertake the development of the Project. Each of YSH and GCREF shall have the right to acquire up to 50% equity interest in the joint venture company and to receive a return on its investment based on its equity interest.
- (c) YSH shall, as the managing partner of the Project, receive a management fee out of the profits of the Project above a threshold return on investment for equity holders and all costs and expenses incurred by YSH in carrying out its responsibilities in the development of the Project shall be borne by the joint venture company.
- (d) YSH grants a call option ("**Call Option**") to GCREF to subscribe for an aggregate of 60 million ordinary shares in YSH ("**Option Shares**") at an exercise price of S\$0.322. In consideration for the grant of the Call Option, GCREF shall pay to YSH an option fee in the sum of RMB 10 million (approximately S\$1.965 million, based on an exchange rate of RMB1.00 = S\$0.1965) ("**Option Fee**") within seven (7) working days from the date of the approval-in-principle of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing and quotation of the Option Shares ("**Approval-in-Principle**"), which approval shall not impose any lock-up period or other restrictions in dealing of the Option Shares.

GCREF shall be entitled to exercise the Call Option, in whole or in part, at any time after it has paid the Option Fee and prior to 31 December 2008 provided that the Call Option may not be exercised in respect of more than 20 million Option Shares prior to 31 March 2008.

The Call Option shall, to the extent unexercised, lapse and become null and void (i) in the event that the Approval-in-Principle is not given by the SGX-ST within fourteen (14) working days after the effective date of the Co-operation Agreement; (ii) on 31 December 2008; or (iii) upon termination of the Co-operation Agreement by GCREF due to a material breach of the Co-operation Agreement by YSH (in which case YSH shall, in the event that the Call Option is unexercised by GCREF, refund the Option Fee to GCREF upon such termination).

The Option Shares issued upon any exercise of the Call Option shall rank *pari passu* in all respects with YSH's ordinary shares then issued and shall entitle GCREF to all dividends payable on the Option Shares based on a record date that falls on or after the date of issue.

- (e) YSH may also be appointed as consultant or manager of projects that are identified and acquired by GCREF at the request of the GCREF and as agreed by YSH.

6 PROFORMA FINANCIAL EFFECTS

The financial effects of the Transactions set out below are purely for illustrative purposes and do not reflect the future actual financial results or positions of the Group after the completion of the Transactions. The financial effects of the Transactions are prepared based on the audited financial information of the Group for the financial year ended 31 March 2007 and the audited financial information of WSI for the period beginning 30 September 2006 (date of incorporation of WSI) to 31 March 2007.

6.1 Share Capital

Assuming that the Transactions had been completed on 31 March 2007, the effect of the Transactions on the share capital of the Company as at 31 March 2007 would have been:-

	Before the Transactions	After the Transactions But Before the Exercise of Call Option	After the Transactions And After the Exercise of Call Option^{(1) (2)}
Issued and paid up Share capital (S\$'000)	104,359	104,359	123,679
Number of Shares ('000)	425,817	425,817	485,817

Notes:-

- (1) The financial effects as set out above are presented before taking into account fees and expenses to be incurred in relation to the Transactions.
- (2) Assuming the Call Option for 60 million shares has been exercised in full at the exercise price of S\$0.322 per share on 31 March 2007.

6.2 Net Tangible Assets ("NTA")

Assuming that the Transactions had been completed on 31 March 2007, the effect of the Transactions on the Group's NTA as at 31 March 2007 would have been:-

	Before the Transactions	After the Transactions And Before the Exercise of Call Option⁽¹⁾	After the Transactions And After the Exercise of Call Option^{(1) (2)}
NTA (S\$'000)	90,201	112,010	131,330⁽³⁾
Number of Shares ('000)	425,817	425,817	485,817
NTA per Share (cents)	21.2	26.3	27.0

Notes:-

- (1) The financial effects as set out above are presented before taking into account fees and expenses to be incurred in relation to the Transactions.
- (2) Assuming the Call Option for 60 million shares has been exercised in full at the exercise price of S\$0.322 per share on 31 March 2007.
- (3) After including consideration of approximately S\$19.32 million received in respect of the issuance of 60 million shares to option holder.

6.3 Earnings Per Share (“EPS”)

Assuming that the Transactions had been completed on 1 April 2006, the effect of the Transactions on the Group’s EPS for the financial year ended 31 March 2007 would have been:-

	Before the Transactions	After the Transactions But Before the Exercise of Call Option⁽¹⁾	After the Transactions And After the Exercise of Call Option^{(1) (2)}
Net profit after tax (S\$'000)	(14,712)	8,895⁽³⁾	8,895⁽³⁾
Weighted average number of Shares ('000)	282,192	282,192	342,192
EPS per share(cents)	(5.213)	3.152	2.599

Notes:-

- (1) The financial effects as set out above are presented before taking into account fees and expenses to be incurred in relation to the Transactions.
- (2) Assuming the Call Option for 60 million shares has been exercised in full at the exercise price of S\$0.322 per share on 1 April 2006.
- (3) After taking into consideration (a) termination fee income of RMB 100 million (approximately S\$19.65 million), (b) call option fee of RMB 10 million (approximately S\$1.965 million) (c) HK\$ 9.062 million (approximately S\$1.798 million) being YSH's 27% share of WSI's audited profit for the period ended 31 March 2007, and (d) net profit arising from the investment on 2 units of syndication funds amounting to approximately S\$0.194 million.

Barring unforeseen circumstances and subject to completion, the Transactions are expected to have a material impact arising from the gain on the termination fee to the current financial year ending 31 March 2008.

7 RELATIVE FIGURES

The relative figures computed on the bases set out in Rule 1006 of the SGX-ST Listing Manual in relation to the First WSI Acquisition and Second WSI Acquisition are as follows:-

	Relative Figures for the First WSI Acquisition and Second WSI Acquisition in aggregate
Net asset value of assets to be disposed of, compared with the Group's net asset value	Not applicable
Net profits attributable to the assets acquired, compared with the Group's net profits	nm ⁽¹⁾
Aggregate value of consideration given compared with the Company's market capitalisation ⁽²⁾	13.08%
Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	Not applicable

Notes:-

- (1) Not meaningful. The audited net profit before tax of WSI for the period from the date of its incorporation on 30 September 2006 to 31 March 2007 was about HK\$46.524 million (approximately S\$9.035 million, based on an exchange rate of HK\$1.00 = S\$0.1942), while the YSH Group registered a loss of S\$14.424 million for the financial year ended 31 March 2007.
- (2) Based on (i) 441,346,982 Shares and closing price of S\$0.295 per Share on 16 October 2007; (ii) the consideration of S\$15,782,000 (based on the exchange rate of USD1.00 = S\$1.5175) for the First WSI Acquisition; and (iii) the consideration of S\$1,250,928 (based on the exchange rate of HK\$1.00 = S\$0.1942).

8 APPROVALS

Mr. Serge Pun, who is Chairman, Chief Executive Officer and controlling Shareholder of the Company holding approximately 58.0% interests in the Company as at the date of this announcement, owns 100% of AWGL, the vendor of the First WSI Sale Shares and the First WSI Shareholder's Loan. Mr. Serge Pun is also the legal owner of 100% of DRL, the vendor of the Second WSI Sale Shares and Second WSI Shareholder's Loan. The First WSI Acquisition and Second WSI Acquisition are therefore interested person transactions under Chapter 9 of the SGX-ST Listing Manual.

As the First WSI Purchase Consideration and Second WSI Purchase Consideration in aggregate exceeds 5% of the Group's latest audited consolidated NTA as at 31 March 2007, Shareholders' approval is required for the First WSI Acquisition and the Second WSI Acquisition at an extraordinary general meeting to be convened (the "EGM").

9 ABSTAIN FROM VOTING

Mr. Serge Pun, who is an interested person in relation to the First WSI Acquisition and the Second WSI Acquisition, will abstain and has undertaken that his associates will abstain from voting at the EGM in respect of the ordinary resolutions relating to the First WSI Acquisition and the Second WSI Acquisition, and will not accept nominations as proxy or otherwise for voting at the EGM in respect of the said ordinary resolutions unless the independent Shareholders appointing them as proxies give specific instructions in the relevant proxy form in the manner in which they wish their votes to be cast for the ordinary resolutions.

10 AUDIT COMMITTEE STATEMENT

The Audit Committee of the Company is obtaining an opinion from an independent financial adviser before forming its view that the Proposed WSI Acquisitions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

11 VALUE OF INTERESTED PERSON TRANSACTION

The aggregate value of all interested person transactions for the financial year ended 31 March 2007 with Mr. Serge Pun and his associates is S\$3.9 million and the aggregate value of all interested person transactions for the financial year ended 31 March 2007 is S\$3.9 million.

12 INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this Announcement, none of the Directors and controlling Shareholders of the Company has any interest, direct or indirect, in the First WSI Acquisition and Second WSI Acquisition.

No directors are proposed to be appointed to the Company in connection with the First WSI Acquisition and Second WSI Acquisition.

13 FINANCIAL ADVISOR

DBS Bank Ltd has been appointed as financial adviser to advise the Company on the First WSI Acquisition and Second WSI Acquisition.

14 INDEPENDENT FINANCIAL ADVISOR

Hong Leong Finance Limited has been appointed as independent financial adviser to advise the independent Directors on the First WSI Acquisition and Second WSI Acquisition.

15 CIRCULAR TO SHAREHOLDERS

The Circular containing further information on, among other things, the First WSI Acquisition and Second WSI Acquisition will be despatched to Shareholders in due course.

16 RESPONSIBILITY STATEMENT

The Directors have taken all reasonable care to ensure that the facts stated in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.



17 DOCUMENTS FOR INSPECTION

Copies of the Termination Deed, First WSI Sale & Purchase Agreement, Second WSI Sale & Purchase Agreement and the Co-operation Agreement are available for inspection during normal business hours at 80 Anson Road, Fuji Xerox Towers #25-05 Singapore 079907 for a period of three (3) months from the date of this Announcement.

BY ORDER OF THE BOARD

LEE KAM SENG
COMPANY SECRETARY
18 October 2007

PrimePartners Corporate Finance Pte. Ltd. was the financial adviser to Sea View Hotel Limited (now known as "Yoma Strategic Holdings Ltd.") in relation to the acquisition of Yoma Strategic Investments Ltd.