

CIRCULAR DATED 4 DECEMBER 2007

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your shares in the capital of Yoma Strategic Holdings Ltd. (the “**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the Company represented by physical share certificate(s), you should at once hand this Circular to the purchaser or to the transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Circular.

Terms appearing on the cover of this Circular have the same meanings as defined in this Circular.



YOMA STRATEGIC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 196200185E)

CIRCULAR TO SHAREHOLDERS

in relation to

- (I) THE PROPOSED WSI ACQUISITIONS; AND**
- (II) THE PROPOSED ISSUE OF SHARES.**

Financial Adviser to Yoma Strategic Holdings Ltd.



DBS Bank Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 196800306E)

**Independent Financial Adviser to the Recommending Directors
in respect of the Proposed WSI Acquisitions**



Hong Leong Finance Limited

(Incorporated in the Republic of Singapore)
(Company Registration No.: 196100003D)

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form	:	19 December 2007 at 10.00 a.m.
Date and time of the Extraordinary General Meeting	:	21 December 2007 at 10.00 a.m.
Place of the Extraordinary General Meeting	:	Connection 1, Level 3, Amara Hotel 165 Tanjong Pagar Road Singapore 088539

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires or it is otherwise stated:-

- “Act”** : The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
- “associated company”** : In relation to a listed company, any company in which at least 20% but not more than 50% of its shares are held by the listed company or the listed group
- “Audit Committee”** : The audit committee of the Company as at the date of this Circular comprising Messrs John Estmond Strickland (Chairman), Kyi Aye, Basil Chan and Adrian Chan Pengee
- “AWGL”** : Allied Win Group Limited, a company incorporated under the laws of the British Virgin Islands
- “Board”** : The board of Directors
- “Call Option”** : The option granted by the Company to GCREF pursuant to the Co-operation Agreement, to subscribe for an aggregate of 60 million Option Shares at an exercise price of S\$0.322 per Option Share
- “CDP”** : The Central Depository (Pte) Limited
- “Chief Executive Officer”** : The chief executive officer of the Group for the time being
- “Circular”** : This circular dated 4 December 2007
- “Company” or “YSH”** : Yoma Strategic Holdings Ltd.
- “Co-operation Agreement”** : The strategic co-operation agreement entered into between the Company and GCREF dated 17 October 2007
- “Controlling Shareholder”** : A person who has an interest in not less than 15% of the Shares of the Company
- “DRL”** : Delight Result Limited, a company incorporated under the laws of Hong Kong
- “Directors”** : The directors of the Company for the time being
- “DTZ”** : DTZ Debenham Tie Leung Limited, the independent valuers in respect of the Zhong Bei Building situated at No.128 Jinma Road, Dalian Economic & Technological Development Zone, Dalian, Liaoning Province, the PRC
- “EGM”** : Extraordinary general meeting of the Company to be convened, notice of which is given on page 44 of this Circular
- “EPS”** : Earnings per Share
- “First WSI Purchase Consideration”** : The sum of US\$10.4 million, being the aggregate purchase consideration for the Proposed First WSI Acquisition

“First WSI Sale Shares”	:	2,500 ordinary shares in the capital of WSI, representing 25% of the issued and paid-up share capital of WSI
“First WSI Sale and Purchase Agreement ”	:	The conditional sale and purchase agreement entered into between the Company (as purchaser), AWGL (as vendor) and Serge Pun (as covenantor) dated 17 October 2007 in respect of the Proposed First WSI Acquisition
“First WSI Shareholder’s Loan”	:	A shareholder’s loan of approximately US\$8.67 million payable by WSI to AWGL
“FY”	:	Financial year ended or ending 31 March, as the case may be
“Gateway”	:	GCREF Acquisitions IX Limited, a company incorporated under the laws of the British Virgin Islands
“GCREF”	:	GCREF Acquisitions VII Limited, a company incorporated under the laws of the British Virgin Islands
“Group”	:	The Company and its subsidiaries
“HLF”	:	Hong Leong Finance Limited, the independent financial adviser in respect of the Proposed WSI Acquisitions
“Hong Kong”	:	The Hong Kong Special Administrative Region of the PRC
“Joy Head”	:	Joy Head Investments Limited, a company incorporated under the laws of the British Virgin Islands
“Latest Practicable Date”	:	3 December 2007, being the latest practicable date prior to the printing of this Circular
“listed company”	:	A company which is listed on the SGX-ST
“listed group”	:	A listed company and its subsidiaries
“Listing Manual”	:	The listing manual of the SGX-ST, as amended or modified from time to time
“NTA”	:	Net tangible assets
“Option Shares”	:	The 60 million new Shares comprised in the Call Option
“Original WSI Acquisition”	:	Collectively, the original proposed acquisition of 7,500 ordinary shares in WSI (representing 75% of the issued and paid-up share capital of WSI) and the proposed assignment by AWGL to YSH of the US\$26 million shareholder’s loan payable by WSI to AWGL, in accordance with the terms and conditions of the Original WSI Sale and Purchase Agreement
“Original WSI Sale and Purchase Agreement”	:	The conditional sale and purchase agreement entered into between the Company (as purchaser), AWGL (as vendor) and Serge Pun (as covenantor) on 4 March 2007 in respect of the Original WSI Acquisition
“PRC”	:	The People’s Republic of China

- “Proposed First WSI Acquisition”** : Collectively, the proposed acquisition of the First WSI Sale Shares by the Company from AWGL and proposed assignment by AWGL to YSIL of the First WSI Shareholder’s Loan, in accordance with the terms and conditions of the First WSI Sale and Purchase Agreement
- “Proposed Issue of Shares”** : The proposed allotment and issue of up to 60 million Option Shares to GCREF upon any exercise by GCREF of the Call Option
- “Proposed Second WSI Acquisition”** : Collectively, the proposed acquisition of the Second WSI Sale Shares by the Company from DRL and proposed assignment by DRL to YSIL of the Second WSI Shareholder’s Loan, in accordance with the terms and conditions of the Second WSI Sale and Purchase Agreement
- “Proposed WSI Acquisitions”** : Collectively, the Proposed First WSI Acquisition and the Proposed Second WSI Acquisition
- “Recommending Directors”** : The independent Directors for purposes of the Proposed WSI Acquisitions as at the date of this Circular comprising Messrs John Estmond Strickland, Ng Fook Leong, Philip, Basil Chan, Adrian Chan Pengee and Kyi Aye
- “Second WSI Purchase Consideration”** : The sum of HK\$6.44 million, being the aggregate purchase consideration for the Proposed Second WSI Acquisition
- “Second WSI Sale Shares”** : 200 ordinary shares in the capital of WSI, representing 2% of the issued and paid-up share capital of WSI
- “Second WSI Sale and Purchase Agreement”** : The conditional sale and purchase agreement entered into between the Company (as purchaser), DRL (as vendor) and Serge Pun (as covenantor) dated 17 October 2007 in respect of the Proposed Second WSI Acquisition
- “Second WSI Shareholder’s Loan”** : A shareholder’s loan of approximately HK\$5.37 million payable by WSI to DRL
- “Securities Account”** : Securities account maintained by a Depositor with CDP, but does not include a securities sub-account
- “Serge Pun”** : Serge Pun @ Them Wai, the Chief Executive Officer, a Director and Controlling Shareholder
- “SGX-ST”** : Singapore Exchange Securities Trading Limited
- “Shareholders”** : Persons (not being Depositors) who are registered as holders of Shares in the register of members of the Company and Depositors, who have Shares entered against their names in the Depository Register except where the registered holder is CDP, the term “Shareholder” shall in relation to such Shares mean the Depositors whose Securities Account are credited with the Shares
- “Shares”** : Ordinary shares in the capital of the Company
- “SPAPD”** : SPA (Dalian) Property Development Co., Ltd. (恒泽(大连)房地产开发有限公司), a wholly foreign-owned enterprise with limited liability established in the PRC

“ Substantial Shareholder ”	:	A person who has an interest in not less than 5% of the Shares
“ Termination Deed ”	:	The deed of termination entered into between the Company, AWGL and Serge Pun dated 17 October 2007 to terminate the Original WSI Sale and Purchase Agreement
“ Termination Fee ”	:	The termination fee of RMB100 million payable by AWGL to YSIL under the Termination Deed
“ WSI ”	:	Winner Sight Investments Limited (迅日投资有限公司), a limited company incorporated in Hong Kong
“ YSIL ”	:	Yoma Strategic Investments Ltd. (Company Registration No. 200410344H), a company incorporated in Singapore and a wholly-owned subsidiary of the Company
“ HK\$ ”	:	Hong Kong dollars
“ RMB ”	:	Renminbi, the lawful currency of the PRC
“ \$ ” or “ S\$ ” and “ cents ”	:	Singapore dollars and cents respectively
“ US\$ ”	:	United States dollars
“ % ” or “ per cent ”	:	Percentage or per centum

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Act.

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

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

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

YOMA STRATEGIC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 196200185E)

Board of Directors:-

Serge Pun (Chairman & Chief Executive Officer)
Kyi Aye (Non-Executive Director)
John Estmond Strickland (Lead Independent Director)
Ng Fook Leong, Phillip (Independent Director)
Basil Chan (Independent Director)
Adrian Chan Pengee (Independent Director)

Registered Office:-

80 Anson Road
Fuji Xerox Towers #25-05
Singapore 079907

4 December 2007

To: Shareholders of Yoma Strategic Holdings Ltd.

Dear Sir/Madam,

(I) THE PROPOSED WSI ACQUISITIONS; AND (II) THE PROPOSED ISSUE OF SHARES.

1 INTRODUCTION

- 1.1 The Company had made an announcement on 5 March 2007 to Shareholders relating to, *inter alia*, the signing of the Original WSI Sale and Purchase Agreement.
- 1.2 Subsequent to the signing of the Original WSI Sale and Purchase Agreement, the Company received a proposal from AWGL (the vendor of the Original WSI Sale and Purchase Agreement) 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% under the Original WSI Sale and Purchase Agreement to 25% under the First WSI Sale and Purchase Agreement. 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 and Purchase Agreement and enter into the First WSI Sale and Purchase Agreement and the Second WSI Sale and Purchase Agreement. The Company had made an announcement on 18 October 2007 relating to, *inter alia*, the Proposal, the Termination Deed, the First WSI Sale and Purchase Agreement and the Second WSI Sale and Purchase Agreement.
- 1.3 Pursuant to the Termination Deed, the Original WSI Sale and Purchase Agreement was terminated and the parties thereto were discharged and released of their obligations thereunder with effect from 22 October 2007. Under the Termination Deed, AWGL (the vendor of the Original WSI Sale and Purchase Agreement), shall pay the Termination Fee to YSIL upon the satisfaction of certain conditions: (i) the completion by Gateway of its acquisition of 50% equity interest in WSI (which, as at the date hereof, had already taken place); and (ii) the simultaneous completion of the Proposed First WSI Acquisition and the Proposed Second WSI Acquisition. The Termination Fee shall be payable by AWGL on the date of completion of the Proposed WSI Acquisitions and part of the Termination Fee shall be set-off against the First WSI Purchase Consideration payable by the Company to AWGL under the First WSI Sale and Purchase Agreement.
- 1.4 The Directors are of the view that the termination of the Original WSI Sale and Purchase Agreement and the entry into the First WSI Sale and Purchase Agreement and the Second WSI Sale and Purchase Agreement will allow the Group to immediately realise a substantial portion of profits from its proposed investment in WSI whilst maintaining its exposure to the property market in Dalian, the PRC for future prospects. It is intended that the First WSI Sale Shares and the Second WSI Sale Shares be held by YSIL upon completion of the Proposed WSI Acquisitions. The rationale of the Proposed WSI Acquisitions is further set out in Section 3.1 of this Circular.

- 1.5 In the same announcement dated 18 October 2007, the Directors also announced that the Company had entered into the Co-operation Agreement with GCREF. Pursuant to the Co-operation Agreement and subject to the terms thereof, the Company granted the Call Option to GCREF.
- 1.6 The Directors are convening the EGM to be held on 21 December 2007 to seek Shareholders' approval for the Proposed WSI Acquisitions and the Proposed Issue of Shares.
- 1.7 The purpose of this Circular is to provide Shareholders with information relating to the Proposed WSI Acquisitions and the Proposed Issue of Shares including the rationale, terms and conditions and proforma financial effects of the Proposed WSI Acquisitions.
- 1.8 DBS Bank Ltd has been appointed as the financial adviser to advise the Company on the Proposed WSI Acquisitions.

2 SHAREHOLDERS' APPROVAL

2.1 Chapter 9 of the Listing Manual

Under Chapter 9 of the Listing Manual, where a listed company or any of its subsidiaries or associated companies which is an entity at risk proposes to enter into a transaction with its interested persons, shareholders' approval and/or an immediate announcement would be required in respect of the transaction if the value of the transaction is equal to or exceeds certain financial thresholds set out in Chapter 9 of the Listing Manual.

In particular, an immediate announcement is required where:-

- a. the transaction is of a value equal to, or more than, 3% of the listed group's latest audited NTA; or
- b. the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year is of a value equal to, or more than, 3% of the listed group's latest audited NTA;

and shareholders' approval (in addition to an immediate announcement) is required where:-

- a. the transaction is of a value equal to, or more than, 5% of the listed group's latest audited NTA; or
- b. the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, 5% of the listed group's latest audited NTA.

For the purposes of aggregation, interested person transactions below S\$100,000 are excluded.

Based on the audited accounts of YSH for FY2007, the audited consolidated NTA of the Group as at 31 March 2007 was S\$90.2 million. Accordingly, in relation to the Group, for the purposes of Chapter 9 in the current financial year, Shareholders' approval would be required where:-

- a. the transaction is of a value equal to, or more than, S\$4.5 million, being 5% of the latest audited consolidated NTA of the Group; or
- b. the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, S\$4.5 million, being 5% of the latest audited consolidated NTA of the Group.

2.2 Main Terms Used in Chapter 9 of the Listing Manual

For the purposes of Chapter 9 of the Listing Manual:-

- a. an “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual;
- b. an “**associate**” means:-
 - i. in relation to any director, chief executive officer, substantial or controlling shareholder (being an individual):-
 - (1) his immediate family member (that is, the person’s spouse, child, adopted child, step-child, sibling and parent);
 - (2) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (3) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
 - ii. in relation to a substantial or controlling shareholder (being a company), its subsidiary or holding company or a subsidiary of such holding company or a company in which it and/or such company or companies taken together (directly or indirectly) have an interest of 30% or more;
- c. a “**controlling shareholder**” means a person who (i) holds directly or indirectly 15% or more of all voting shares in a company (unless the SGX-ST has determined such a person not to be a controlling shareholder of the company), or (ii) in fact exercises control over a company;
- d. an “**entity at risk**” means:-
 - i. the listed company;
 - ii. a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - iii. an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company;
- e. an “**interested person**” means:-
 - i. a director, chief executive officer or controlling shareholder of the listed company; or
 - ii. an associate of any such director, chief executive officer or controlling shareholder;
- f. an “**interested person transaction**” means a transaction between an entity at risk and an interested person; and
- g. a “**transaction**” includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly.

3 PROPOSED WSI ACQUISITIONS

3.1 Rationale

The Proposed WSI Acquisitions are in line with the Group's plan to undertake real estate projects outside of the Union of Myanmar and to launch new property developments in the near future, as indicated in the Company's announcement dated 6 November 2006 on its quarter financial results for the period ended 30 September 2006. The Proposed WSI Acquisitions will also enable the Group to widen the geographical scope of its property development business.

The Proposed WSI Acquisitions, if completed, will give YSH a 27% interest in Zhong Bei Building, a mixed-used property in the Dalian Economic & Technological Development Zone ("**Dalian ETD Zone**") currently under development. Upon completion, Zhong Bei Building is expected to be a premium building in Dalian that offers international standard office space and high quality serviced apartments. As there are currently no such properties in the area within 50 kilometres from the Dalian city centre, it is expected that there will be a market for such prime office space and quality serviced apartments.

Upon completion of the Zhong Bei Building, WSI intends to lease the retail, office and apartment space at Zhong Bei Building to generate rental income.

3.2 Value of Assets being Acquired

Based on the audited accounts of WSI for the period beginning 30 September 2006 (date of incorporation) 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 of WSI being acquired by the Company pursuant to the Proposed WSI Acquisitions is estimated to be approximately HK\$9.3 million (approximately S\$1.81 million, based on an exchange rate of HK\$1.00 = S\$0.1942).

3.3 Details of the Proposed First WSI Acquisition

3.3.1 Purchase Consideration

The consideration for the First WSI Sale Shares will be the sum of approximately US\$1.73 million (approximately S\$2.63 million), which represents a 56.6% premium over the corresponding WSI net assets of approximately S\$1.68 million to be acquired by the Company. As part of the Proposed First WSI Acquisition, AWGL will also assign at face value the First WSI Shareholder's Loan of approximately US\$8.67 million (approximately S\$13.15 million) to YSIL in consideration for the payment of approximately US\$8.67 million (approximately S\$13.15 million) by YSH to AWGL. The First WSI Purchase Consideration was arrived at on a "willing buyer, willing seller" basis.

3.3.2 Conditions Precedent

Pursuant to the First WSI Sale and Purchase Agreement, the Proposed First WSI Acquisition is conditional upon, *inter alia*, the fulfillment 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) such other approvals or consents (if any) as may be required from any relevant governmental or regulatory bodies (including the approval of the SGX-ST for the purchase of the First WSI Sale Shares by the Company and the assignment of the First WSI Shareholder's Loan to YSIL) in respect of the First WSI Sale and Purchase Agreement and the transactions contemplated thereunder being obtained;
- (d) all necessary consents and approvals (if any) being granted by third parties and where any such consent or approval is subject to any conditions, such conditions being on terms (if any) acceptable to the Company and AWGL, and not withdrawn or amended, on or before the First WSI Completion Date;
- (e) the licenses, authorizations, orders, grants, confirmations, permissions, registrations and other approvals necessary or desirable for or in respect of the Proposed First WSI Acquisition having been obtained from appropriate governments, governmental, supranational or trade agencies, courts or other regulatory bodies on terms satisfactory to the Company and such licenses, authorizations, orders, grants, confirmations, permissions, registrations and other approvals remaining in full force and effect and not withdrawn or amended on or before the First WSI Completion Date;
- (f) AWGL's and Serge Pun's warranties contained in the First WSI Sale and 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 and agreements required by the First WSI Sale and Purchase Agreement to be performed or complied with by each of them on, or prior to, the First WSI Completion Date;
- (g) 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;
- (h) the Company shall have received a satisfactory legal opinion on, *inter alia*, the title and ownership of the Zhong Bei Building, from Summit Law Office, the PRC counsel to the Company or such other PRC counsel, in such form acceptable to the Company at its sole and absolute discretion;
- (i) the Company having received a satisfactory valuation report from DTZ, 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;
- (j) the Company having received a satisfactory structural engineering report from a qualified or certified structural engineer in respect of the Zhong Bei Building in such form acceptable to the Company in its sole and absolute discretion;
- (k) no material adverse change (as determined by the Company in its sole and absolute discretion) in the businesses, assets, liabilities, prospects, operations or financial condition of WSI and SPAPD occurring on or before the First WSI Completion Date;
- (l) no material adverse change (as determined by the Company in its sole and absolute discretion) in the economic, political and investment environment in Singapore and PRC occurring on or before the First WSI Completion Date;
- (m) 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;

- (n) the signing of a shareholders' agreement amongst AWGL, WSI, DRL, Gateway and Joy Head 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
- (o) the Company having received satisfactory evidence that on or before the First WSI Completion Date: (i) Gateway has completed its acquisition of 50% equity interest in WSI; (ii) the Original WSI Sale and Purchase Agreement has been terminated; and (iii) the share charge dated 3 January 2007 executed by AWGL in favour of Nanjing Road Limited over the First WSI Sale Shares has been fully discharged and released.

The Company, AWGL and Serge Pun had agreed in writing to extend the First WSI Completion Date from 15 December 2007 to 31 January 2008.

If any of the above conditions precedent is not fulfilled and the fulfillment of such conditions is not waived by the Company on or prior to the First WSI Completion Date, the First WSI Sale and 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 and Purchase Agreement, Serge Pun has also undertaken to warrant to the Company all the warranties and covenants given by AWGL under the First WSI Sale and Purchase Agreement and to indemnify the Company.

As at the Latest Practicable Date, the conditions precedent set out in paragraphs (a), (c), (i), (j) and (o) have been fulfilled.

3.4 Details of Proposed Second WSI Acquisition

3.4.1 Purchase Consideration

The consideration for the Second WSI Sale Shares will be the sum of approximately HK\$1.07 million (approximately S\$0.21 million), which represents a 55.1% premium over the corresponding WSI net assets of approximately S\$0.134 million to be acquired by the Company. As part of the Proposed Second WSI Acquisition, DRL will also assign at face value the Second WSI Shareholder's Loan of approximately HK\$5.37 million (approximately S\$1.04 million) to YSIL in consideration for payment of approximately HK\$5.37 million (approximately S\$1.04 million) by YSH to DRL. The Second WSI Purchase Consideration was arrived at on a "willing buyer, willing seller" basis.

3.4.2 Conditions Precedent

Pursuant to the Second WSI Sale and Purchase Agreement, the Proposed Second WSI Acquisition is conditional upon, *inter alia*, the fulfillment 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 DRL shall agree), being satisfactory to the Company in its sole and absolute discretion;
- (b) the approval of the Shareholders for the purchase of the Second WSI Sale Shares and the assignment of the Second 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 DRL may agree in writing) (the "**Second WSI Completion Date**");

- (c) such other approvals or consents (if any) as may be required from any relevant governmental or regulatory bodies (including the approval of the SGX-ST for the purchase of the Second WSI Sale Shares by the Company and the assignment of the Second WSI Shareholder's Loan to YSIL) in respect of the Second WSI Sale and Purchase Agreement and the transactions contemplated thereunder being obtained;
- (d) all necessary consents and approvals (if any) being granted by third parties and where any such consent or approval is subject to any conditions, such conditions being on terms (if any) acceptable to the Company and DRL, and not withdrawn or amended, on or before the Second WSI Completion Date;
- (e) the licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals necessary or desirable for or in respect of the Proposed Second WSI Acquisition having been obtained from appropriate governments, governmental, supranational or trade agencies, courts or other regulatory bodies on terms satisfactory to the Company and such licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals remaining in full force and effect and not withdrawn or amended on or before the Second WSI Completion Date;
- (f) DRL's and Serge Pun's warranties contained in the Second WSI Sale and Purchase Agreement shall be true in all material respects on and as of the Second WSI Completion Date with the same force and effect as though made on and as of the Second WSI Completion Date. DRL, Serge Pun and the Company shall have performed and complied with all their respective covenants and agreements required by the Second WSI Sale and Purchase Agreement to be performed or complied with by each of them on, or prior to, the Second WSI Completion Date;
- (g) 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;
- (h) the Company shall have received a satisfactory legal opinion on, *inter alia*, the title and ownership of the Zhong Bei Building, from Summit Law Office, the PRC counsel to the Company or such other PRC counsel, in such form acceptable to the Company at its sole and absolute discretion;
- (i) the Company having received a satisfactory valuation report from DTZ, 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;
- (j) the Company having received a satisfactory structural engineering report from a qualified or certified structural engineer in respect of the Zhong Bei Building in such form acceptable to the Company in its sole and absolute discretion;
- (k) no material adverse change (as determined by the Company in its sole and absolute discretion) in the businesses, assets, liabilities, prospects, operations or financial condition of WSI and SPAPD occurring on or before the Second WSI Completion Date;
- (l) no material adverse change (as determined by the Company in its sole and absolute discretion) in the economic, political and investment environment in Singapore and PRC occurring on or before the Second WSI Completion Date;
- (m) 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 Second WSI Completion Date;

- (n) the signing of a shareholders' agreement amongst DRL, WSI, AWGL, Gateway and Joy Head in respect of WSI and the execution by the Company of a deed of adherence to be bound by such shareholders' agreement on or before the Second WSI Completion Date; and
- (o) the completion of the Proposed First WSI Acquisition on or before the Second WSI Completion Date.

The Company, DRL and Serge Pun had agreed in writing to extend the Second WSI Completion Date from 15 December 2007 to 31 January 2008.

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

Under the Second WSI Sale and 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 and Purchase Agreement and to indemnify the Company.

As at the Latest Practicable Date, the conditions precedent set out in paragraphs (a), (c), (i) and (j) have been fulfilled.

3.5 Information on WSI

3.5.1 General Information

WSI is a limited company incorporated in Hong Kong on 30 September 2006. As at Latest Practicable Date, AWGL and DRL hold 25% and 5% interests in the shares of WSI respectively. The remaining 70% interests in WSI are held by Gateway and Joy Head. Please refer to Section 3.5.5 for further information on the shareholding and group structure of WSI.

AWGL is a private company incorporated in the British Virgin Islands. Serge Pun is the legal and beneficial owner of the entire issued and paid-up capital of AWGL.

DRL is an investment company incorporated in Hong Kong. Serge Pun is the legal owner of the entire issued and paid-up capital of DRL and he owns DRL for the benefit of a syndication of investors which includes various individual investors, SPA Syndication Management Limited (a company wholly-owned by Serge Pun which also acts as manager of the syndication) and the Company. The Company had participated in the syndication, which was formed on 15 November 2006 to invest in DRL, and it is currently entitled to 8% interest in the syndication.

Save as disclosed above, none of the investors in the said syndication is related to Serge Pun.

3.5.2 Business of WSI

WSI is principally in the business of property development in the PRC through SPAPD, a wholly foreign-owned subsidiary of WSI with limited liability established in the PRC. SPAPD is currently developing Zhong Bei Building, a mixed-used property in the Dalian ETD Zone, Dalian, Liaoning Province of the PRC. Dalian ETD Zone is located in the north-eastern part of Dalian which is an easily accessible area planned for international trade, export processing, bonded warehouse, logistics and technology industries.

3.5.3 Zhong Bei Building

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 Zhong Bei Building is for a term of 50 years from 17 November 2006 for “composite use”, i.e. mix use of residential, commercial and office developments.

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. 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.

SPAPD has secured loan facilities of up to an aggregate amount of US\$33 million and RMB60 million from CITIC Ka Wah Bank Limited and its wholly-owned subsidiary, China International Finance Company Limited (Shenzhen), to meet the construction cost and working capital requirements of Zhong Bei Building. The said facilities are secured by, *inter alia*, a mortgage over all rights in respect of Zhong Bei Building, a share charge over all issued shares of SPAPD and an assignment of future income and other receivables, insurance policies and building contracts in respect of Zhong Bei Building.

Presently, Zhong Bei Building consists of a total gross floor area of 104,154.20 square metres comprising two towers each of 22-storeys, with 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

YSH has reviewed and relied on the financial projections prepared by the management team of WSI, which included assumptions on construction costs, occupancy and rental rates and operating expenses going forward. Some of the key assumptions upon which the projections were based on include:-

- Monthly rental and management fee:-
 - RMB170 per square metre for serviced apartments.
 - RMB173 per square metre for offices.
 - RMB261 per square metre for retail space.
 - All the above will rise on average by 2.7% per annum from the second year thereafter upon lease renewal.
- Zhong Bei Building will incur RMB11.4 million of marketing and lease commissions to generate occupancy rate of 88% for the serviced apartments and retail space and 80% for the offices within 27 months after completion of the Zhong Bei Building.
- Operating expenses of the Zhong Bei Building including management, administration, insurance, lifts, escalators, security, cleaning, heating and lighting of public spaces and other common facilities will cost RMB 37.4 million per annum.

3.5.4 Material Contracts relating to Zhong Bei Building

- (a) Service Contract between WSI and SPA Design Pte. Ltd. dated 19 April 2007 and Service Contract between WSI and SPA Project Management Pte. Ltd. dated 4 September 2007 (collectively, the “**Service Contracts**”)

Pursuant to the Service Contracts, WSI has commissioned SPA Design Pte. Ltd., in conjunction with other specialised professional firms, to make improvements on the existing Zhong Bei Building. WSI has also appointed SPA Project Management Pte. Ltd. to undertake the responsibilities of development and construction management of the Zhong Bei Building.

Both SPA Design Pte. Ltd. and SPA Project Management Pte. Ltd. are wholly-owned subsidiaries of YSH.

- (b) Management Agreement dated 18 September 2007 between WSI, SPAPD and AWGL (“**Management Agreement**”)

WSI has further commissioned AWGL to provide asset management and advisory services in respect of the Zhong Bei Building pursuant to the Management Agreement.

- (c) Contract dated 19 May 2007 between SPAPD and China CMIIC Engineering Corporation (“**Building Contract**”)

Pursuant to the Building Contract, China CMIIC Engineering Corporation has been engaged as the main contractor of the building works in respect of the Zhong Bei Building. There will be a re-design of the Zhong Bei Building which will 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.

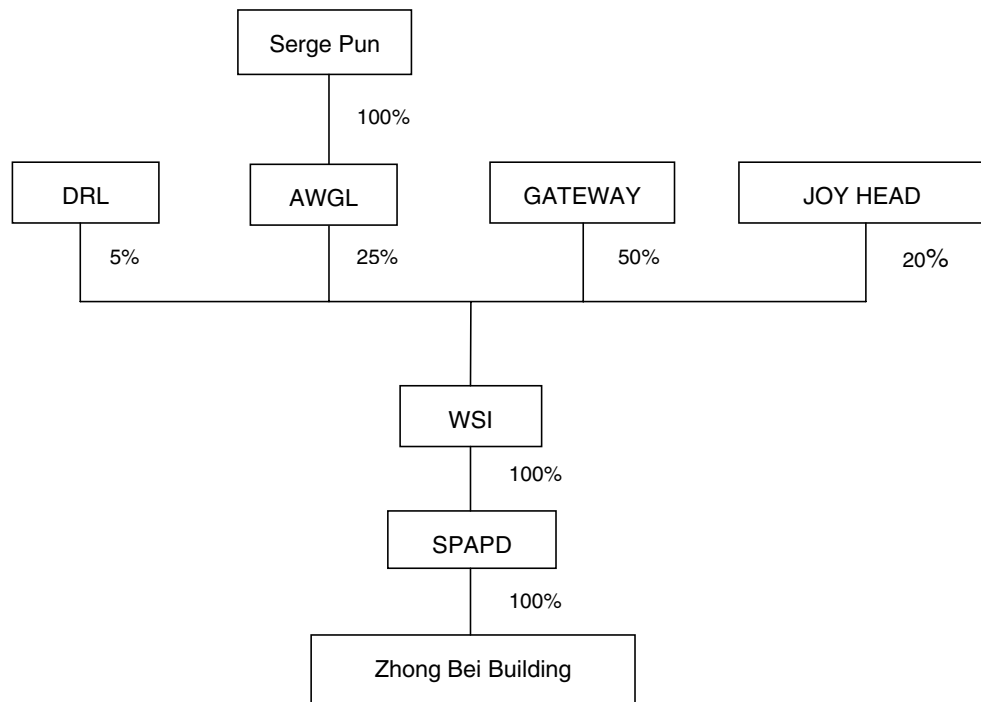
- (d) Appointment of Shama group

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 at <http://www.shama.com>.

3.5.5 Shareholders and Directors of WSI

Given the Proposal as described in Section 1.2, 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 a US\$17.3 million (approximately S\$26.25 million) loan (payable by WSI to AWGL), to Gateway. Upon the completion of the sale and purchase agreement, Gateway became a shareholder of WSI.

The shareholding and group structure of WSI as at the Latest Practicable Date is as follows:-



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. Joy Head is an investment holding company incorporated in the British Virgin Islands and owned by a group of high net-worth individuals who are not related to any of the Directors of the Company.

The shareholders of WSI, namely AWGL, Gateway, DRL and Joy Head, had on 22 October 2007 entered into a shareholders' agreement to regulate the affairs of WSI and the relationship between them as shareholders of WSI (the "**WSI Shareholders' Agreement**"). After completion of the Proposed WSI Acquisitions, YSIL shall become a party to the WSI Shareholders' Agreement in place of AWGL and DRL (to the extent in respect of the First WSI Sale Shares and Second WSI Sale Shares acquired from AWGL and DRL respectively).

Some of the salient terms of the WSI Shareholders' Agreement are set out below:-

- No shareholder shall create or permit to subsist any mortgage, charge, pledge, lien or other encumbrance of any nature whatsoever over its shares or its shareholder's loan or assign or otherwise purport to deal with the beneficial interest in, or any right in relation to, the shares.
- WSI shall not issue any further shares and/or securities or alter its capital structure without first offering such number of further shares and/or securities to each of the shareholders as shall enable the shareholders to maintain their respective shareholding proportion in WSI.

- Any transfer by a shareholder of its shares is subject to the rights of pre-emption and co-sale of other shareholders. The pre-emption and co-sale rights relating to the transfer to YSIL of (i) the First WSI Sale Shares and First WSI Shareholder's Loan pursuant to the First WSI Sale and Purchase Agreement; and (ii) the Second WSI Sale Shares and Second WSI Shareholder's Loan pursuant to the Second WSI Sale and Purchase Agreement, are expressly waived by the shareholders in the WSI Shareholders' Agreement. Shareholders are also subject to co-sale obligations in accordance with the provisions of the WSI Shareholders' Agreement.
- The board of directors shall comprise four (4) directors, one of whom shall be appointed by AWGL, one of whom shall be appointed by Joy Head and two of whom shall be appointed by Gateway. In the event of a change in shareholding of the shareholders or a change in total number of directors comprising the board, each shareholder shall be entitled to appoint one director for every twenty percent (20%) of the issued shares that it and/or its affiliates hold in aggregate in WSI.
- Certain actions may not be taken by WSI without the prior written consent of each of the shareholders.

After completion of the Proposed First WSI Acquisition, YSIL will therefore be entitled (in place of AWGL) to the right to appoint one director to the board of WSI.

3.5.6 Risks

The businesses of WSI and SPAPD are subject to a number of risk factors which are summarised below:-

(a) Risks relating to the businesses of WSI and SPAPD

(i) No operating track record

WSI and SPAPD were established in 30 September 2006 and 13 November 2006 respectively. As at the Latest Practicable Date, WSI and SPAPD have commenced their business activities only for a period of approximately 13 months in relation to the construction and development of the Zhong Bei Building. Hence, WSI and SPAPD have no track operating record upon which they may be evaluated with regard to their future performance. They face risks and uncertainties in their ability to develop and maintain their business and operations. Inability to address the risks and uncertainties in a timely manner may adversely affect the business and operations of WSI and SPAPD. Although WSI and SPAPD do not have any operating track record, the Company's key management personnel such as Serge Pun and Steven Howard Nelson (the project director of Pun Hlaing Golf Estate and Evergreen Condominium projects) have considerable experience in the PRC real estate industry. Serge Pun has over 20 years of experience in the PRC real estate sector while Steven Howard Nelson has over 10 years of experience in the real estate industry.

(ii) Reliance on key senior management staff

The continued success of WSI and SPAPD is dependent, to a large extent, on their ability to engage and retain the services of key senior management staff. Their success will depend on whether they can attract and retain experienced and qualified personnel.

As at the Latest Practicable Date, the key senior management staff of SPAPD are as follows:-

Serge Pun

Mr. Serge Pun is a director and the legal representative of SPAPD. Please refer to paragraph (a)(i) above for a description of Serge Pun's experience in the real estate industry.

Goh Chai Khim

Ms. Goh Chai Khim is a director of SPAPD. She is also the Head of Asset Management of Gateway Capital. Ms. Goh has about 20 years of extensive expertise in commercial mix-used property development, operation set-up, property management, property valuation, feasibility studies, tenant-mix/repositioning, lease management and property investments across the Asia region. Prior to joining Gateway Capital, Ms. Goh had served as, *inter alia*, Director of Retail for Jones Lang LaSalle in Singapore, Director of Retail for Three on the Bund and Director of Retail Development and Leasing for Venetian Macau Ltd. The projects in which she had been involved include, *inter alia*, the Core Pacific City Living Mall, projects along Shanghai Storied Bund and The Venetian at the Cotai Strip of Macau.

Humbert Pang

Mr. Humbert Pang is a director of SPAPD. He is also a Managing Principal of Gateway Capital. Mr. Pang has been working in Mainland China for more than a decade and has hands-on experience in real estate investment and management experience in the United Kingdom, Hong Kong and China. Prior to joining Gateway Capital, Mr. Pang had joined Savills China and became Director and founding Head of China Investment. He had also subsequently served as, *inter alia*, the Executive Director of Shanghai Hotel Investments Ltd. and Shanghai Lixing Hotels Ltd. Mr. Pang had represented clients in transactions such as City Apartment, Shanghai; Citigroup Tower, Shanghai; and 108 & 107 Luxury Hotel Sites at Xintiandi Shanghai. Mr. Pang is a professional member of the Royal Institution of Chartered Surveyors (RICS) in the United Kingdom and a professional associate of the Hong Kong Institute of Surveyors. He is also an examiner for the RICS China final professional examination.

Harry Zhang

Mr. Harry Zhang is the chief financial officer of SPAPD. He is born and educated in China. Mr. Zhang has experience in the provision of consulting and advisory services. He also started his own CPA firm, Dalian Shuohua Certified Public Accounting Co. Ltd. to serve the growing demand from foreign enterprises in terms of consulting services on investment policies, tax planning, audit and government relations on behalf of clients before he joined SPAPD in August 2007.

Chan Wai Ming

Mr. Chan Wai Ming is the project manager of SPAPD. He has over 30 years of experience in the construction industry and has over 14 years of on-the-ground practical experience in China. His expertise encompasses decoration and maintenance works of properties ranging from residential developments to 5-star hotels, estate management, budget control, tendering and administrative management. Prior to joining SPAPD in 2007, Mr. Chan had managed major projects including the development of Sheraton Shenyang Lido Hotel and Holiday Inn Lido, Beijing Ming Huang New Town, Henan, Ming Huang Garden, Anhui and Crown Plaza Holiday Inn, Sichuan.

Ms. Goh Chai Khim and Mr. Humbert Pang are appointed to the board of SPAPD by Gateway pursuant to Gateway's right of appointment under the WSI Shareholders' Agreement. Please refer to Section 3.5.5 for more information on the WSI Shareholders' Agreement.

(iii) Reliance on projections made by WSI

The financial projections relating to the businesses of WSI and SPAPD were prepared by the management of WSI. Some of the key assumptions upon which the projections were based on have been set out in Section 3.5.3 of this Circular. There can be no assurance that such financial projections will materialize.

(b) Risks relating to the industry in which WSI and SPAPD operate

(i) SPAPD's business is dependent on the PRC property sector

SPAPD's property development businesses depend on the continuing growth of the PRC economy generally and the property sector in the PRC specifically. The property development market may be adversely affected by political, economic, regulatory, social or diplomatic developments in the PRC property sector generally. Changes in inflation, interest rates, taxation or other regulatory, economic, social or political factors affecting the Dalian ETD Zone where their property developments are located or any adverse developments in the supply and demand or housing and commercial prices in the property sector, may have an adverse effect on their business. SPAPD's business is also subject to the cyclical nature of the property industry and as such, any downturn in the residential or commercial property development market in the PRC may materially and adversely affect its financial condition and results of operations.

(ii) SPAPD face significant risks before they can realise any benefits from the development of the Zhong Bei Building

SPAPD's primary business is the development of residential, retail, serviced apartments and commercial properties. The property development business involves risks distinct from those involved in the ownership and operation of established properties, including the risks that government approvals may take more time and resources to obtain than expected; construction may not be completed on schedule or within budget; and the Zhong Bei Building may not achieve anticipated rental levels.

The investment returns available from investments in real estate such as the Zhong Bei Building depend in large part on the amount of capital appreciation generated and income earned from the rental of the relevant properties as well as the expenses incurred.

(iii) SPAPD operates in a competitive environment

The property development market in the PRC is a highly competitive industry and SPAPD faces strong competition from the existing property developers in the PRC. SPAPD may face increasing competition in its property development business with the entry of new players in the property development market in the Dalian ETD Zone. SPAPD's main competitors are expected to be the local property developers in the PRC. To compete successfully, SPAPD would need to differentiate itself by developing and adopting more innovative property designs and more creative marketing strategies, and offer more competitive pricing to attract tenants for the Zhong Bei Building. There is no assurance that SPAPD will be and/or continue to remain competitive. In the event that SPAPD is unable to compete with its competitors effectively to market the Zhong Bei Building, its business and results of operations will be adversely affected.

- (iv) Future rental income from Zhong Bei Building may be adversely affected by a number of factors

The factors which could adversely affect the future rental income include:-

- vacancies following expiry or termination of leases leading to reduced occupancy rates which, in turn, reduce rental;
- SPAPD's ability to collect rent from tenants on a timely basis or at all or delays in the termination of the tenants' leases, or which could hinder or delay the re-letting of the space in question;
- the amount of rent payable by tenants and the terms on which lease renewals are agreed being less favourable;
- the national and international economic climate and property market conditions such as oversupply of, or reduced demand for, retail space, the release of land for retail development, changes in market rental rates and changes in operating expenses for the Zhong Bei Building;
- SPAPD's ability to procure adequate management and maintenance or to purchase adequate insurance;
- competition for tenants from other similar properties at the Dalian ETD Zone which may affect rental or occupancy levels at Zhong Bei Building; and
- changes in laws and governmental regulations in relation to property, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance.

- (v) SPAPD will be subject to the operating risks inherent in the rental property industry

The risks that SPAPD faces include:-

- cyclical downturns arising from changes in general and local economic conditions;
- periodic local oversupply of retail malls, serviced apartments and office space, which may adversely affect the results of operations of SPAPD;
- the recurring need for renovation, refurbishment and improvement of the retail malls and serviced apartments;
- changes in wages, prices, energy costs and construction and maintenance costs that may result from inflation, government regulations, changes in interest rates or currency fluctuations;
- availability of financing for operating or capital requirements;
- increases in operating costs due to inflation which may not necessarily be offset by corresponding increases in rental payments from the Zhong Bei Building; and
- other factors, including acts of terrorism, natural disasters, extreme weather conditions, labour shortages and work stoppages or disputes.

(c) Risks relating to the PRC

(i) Economic, political and legal considerations

The operations and financial performances of WSI and SPAPD, with their operations located in the PRC, will be affected by the economic, political and legal conditions prevailing in the PRC. The PRC has experienced significant growth in the past decade due to its various economic reforms and government restructuring. However, there is no assurance that such growth will continue. Some degree of uncertainty exists in the application of the existing laws and regulations to certain events or circumstances. The interpretation of PRC law may also be subject to policy changes reflecting the domestic, political and social development at that time.

(ii) Foreign exchange controls and risks

As a foreign investment enterprise, SPAPD is subject to rules and regulations in the PRC on currency conversion. Thus, the ability of SPAPD to pay dividends or make other distributions to its sole shareholder, WSI, depends on SPAPD's ability to comply with the effective PRC foreign exchange control restrictions. In addition, there is no assurance that there will not be any adverse change to foreign exchange control restrictions in the PRC.

3.6 Valuation of the Zhong Bei Building

DTZ was appointed by the Company as the independent valuer to conduct an independent valuation of the Zhong Bei Building. The letter and valuation certificate of DTZ dated 1 November 2007 in relation to the valuation of the Zhong Bei Building is reproduced in Appendix I to this Circular.

Based on the investigation and analysis undertaken by DTZ and subject to the assumptions made by DTZ in relation to the valuation of the Zhong Bei Building, DTZ is of the opinion that as at 1 November 2007, the market value of the Zhong Bei Building in its existing state is RMB466 million and the market value when it is completed is RMB1,100 million.

3.7 Shareholders' Approval

3.7.1 Chapter 9 of the Listing Manual

Serge Pun, who is a Director, the Chief Executive Officer and the Controlling Shareholder of the Company holding approximately 58.1% interests in the Company, owns 100% of AWGL, the vendor of the First WSI Sale Shares and First WSI Shareholder's Loan in relation to the Proposed First WSI Acquisition. Serge Pun is also the legal owner of 100% of DRL, the vendor of the Second WSI Sale Shares and the Second WSI Shareholder's Loan in relation to the Proposed Second WSI Acquisition. As such, AWGL and DRL (both associates of Serge Pun) and Serge Pun are deemed to be interested persons of the Company. The Proposed First WSI Acquisition and Proposed Second WSI Acquisition are therefore interested person transactions within the ambit of Chapter 9 of the Listing Manual.

As the First WSI Purchase Consideration and Second WSI Purchase Consideration in aggregate exceed 5% of the Group's latest audited consolidated NTA as at 31 March 2007, Shareholders' approval is required for the Proposed WSI Acquisitions at the EGM.

3.8 Independent Financial Adviser's Opinion

HLF has been appointed as the independent financial adviser to the Recommending Directors to advise on the Proposed WSI Acquisitions. Having considered, *inter alia*, the rationale of the Proposed WSI Acquisitions, HLF is of the opinion that the Proposed WSI Acquisitions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. HLF's letter to the Recommending Directors dated 4 December 2007 is reproduced in Appendix II to this Circular.

4 PROPOSED ISSUE OF SHARES

- 4.1 As mentioned in the Company's announcement on 18 October 2007, the Company had entered into the Co-operation Agreement with 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). Pursuant to the Co-operation Agreement, it is the intention of the Company and GCREF to forge a broader strategic relationship and for GCREF to become a strategic shareholder of the Company. In view of this, subject to the terms of the Co-operation Agreement, GCREF is entitled to exercise the Call Option which expires on 31 December 2008, to subscribe for an aggregate of 60 million Option Shares.
- 4.2 The material terms and conditions relating to the Call Option are as follows:-
- (a) Option fee – In consideration for the grant of the Call Option, GCREF has paid the Company an option fee in the sum of RMB10 million (S\$1.951 million, based on the actual prevailing exchange rate of RMB1.00 = S\$0.1951) upon the receipt by the Company of the in-principle approval from the SGX-ST ("**In-principle Approval**") for the listing of and quotation for the Option Shares. Please refer to Section 4.5 below for more information on the In-principle Approval.
 - (b) Exercise price – The exercise price of each Option Share is S\$0.322 (which is equivalent to S\$0.01 above the weighted average closing price of the Shares for the ten (10) trading days between 2 October 2007 and 16 October 2007, both dates inclusive).
 - (c) Exercise period – 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 prior to 31 March 2008, the Call Option may not be exercised in respect of more than 20 million Option Shares.
 - (d) Option Shares – The Option Shares when issued, shall rank *pari passu* in all respects with the then existing issued Shares 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) Lapse of Call Option – The Call Option shall, to the extent unexercised, immediately lapse and become null and void (i) in the event that the In-principle Approval is not given within fourteen working days after the effective date of the Co-operation Agreement (The Company and GCREF had mutually agreed to extend the prescribed period for obtaining the In-principle Approval.); (ii) on 31 December 2008; or (iii) upon termination of the Co-operation Agreement by GCREF in accordance with the provisions thereof (in which case the Company shall, in the event that the Call Option is unexercised by GCREF, refund the option fee to GCREF upon such termination), whichever is earlier to occur.
- 4.3 Serge Pun, who is a Director, the Chief Executive Officer and the Controlling Shareholder of the Company, had executed a side letter to the Co-operation Agreement dated 17 October 2007 (the "**Side Letter**"). Pursuant to the terms of the Side Letter, in the event, *inter alia*, that the Company fails to or is unable to issue the Option Shares to GCREF upon any exercise by GCREF of the Call Option, Serge Pun shall be deemed to have granted an option (the "**Replacement Option**") to GCREF similar to the Call Option. The Replacement Option is granted to the intent and effect that GCREF will be able to acquire the same number of Shares as the Option Shares GCREF could have acquired upon its exercise of the Call Option, on the same terms and conditions and in the same manner under the Co-operation Agreement.
- 4.4 The Directors are seeking Shareholders' approval for the proposed allotment and issue of the Option Shares to GCREF upon any exercise of the Call Option by GCREF.

- 4.5 The SGX-ST had, on 21 November 2007, granted the In-principle Approval for the listing of and quotation for the 60 million Option Shares, subject to the following:-
- (a) Specific shareholders' approval ("**Specific Approval**") being obtained for the issue of the Option Shares; and
 - (b) Mr. Serge Pun and his associates abstaining from voting on the resolution relating to the issue of the Option Shares.

In the event that any of the Option Shares are to be issued pursuant to any exercise by GCREF of the Call Option before the Specific Approval has been obtained by the Company, the In-principle Approval will be subject to the availability of the Company's general share issue mandate which the Company had obtained from the Shareholders at its annual general meeting held on 23 July 2007.

The In-principle Approval is not to be taken as an indication of the merits of the issue of the Option Shares or the Co-operation Agreement.

- 4.6 As at the Latest Practicable Date, the Company had not received any notice from GCREF of its exercise of the Call Option and no Option Shares had been issued to GCREF.

5 PROFORMA FINANCIAL EFFECTS

The financial effects of the termination of the Original WSI Sale and Purchase Agreement, the Proposed First WSI Acquisition and the Proposed Second WSI Acquisition (collectively referred to as the "**Transactions**") set out below are purely for illustrative purposes only and do not reflect the future actual financial results or position 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.

5.1 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 Option Shares had been exercised in full at the exercise price of S\$0.322 per Option Share on 31 March 2007.

5.2 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 But 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 Option Shares had been exercised in full at the exercise price of S\$0.322 per Option Share on 31 March 2007.
- (3) After including consideration of approximately S\$19.32 million received in respect of the issuance of 60 million Option Shares.

5.3 EPS

Assuming that the Transactions had been completed on 1 April 2006, the effect of the Transactions on the Group's EPS for FY2007 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 Option Shares had been exercised in full at the exercise price of S\$0.322 per Share on 1 April 2006.
- (3) After taking into consideration (a) the Termination Fee of RMB 100 million (approximately S\$19.65 million); (b) the call option fee of RMB 10 million (approximately S\$1.965 million) in respect of the Call Option; (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.

6 DIRECTORS' AND SUBSTANTIAL SHAREHOLDER'S INTERESTS

The interests of the Directors and the Substantial Shareholder in the Shares as at the Latest Practicable Date, as recorded in the Register of Directors and the Register of Substantial Shareholders as maintained under the provisions of the Act are set out below:-

	Direct Interest		Indirect Interest	
	No. of Shares	% of total issued Shares (%)	No. of Shares	% of total issued Shares (%)
Directors				
Serge Pun ⁽¹⁾	242,464,215	54.94	14,024,198	3.18
Kyi Aye	—	—	—	—
John Estmond Strickland ⁽²⁾	100,000	0.02	—	—
Ng Fook Leong, Philip	—	—	—	—
Basil Chan	—	—	—	—
Adrian Chan Pengee	—	—	—	—
Kyaw Paing ⁽³⁾	293,726	0.07	—	—
Substantial Shareholder				
Serge Pun	242,464,215	54.94	14,024,198	3.18

Notes:-

- (1) Serge Pun is deemed to be interested in the 38,166 Shares (0.01%) held by his wife, 9,032 Shares (less than 0.01%) held by Serge Pun & Associates (Myanmar) Limited in which Serge Pun holds approximately 61% and 13,977,000 Shares (3.17%) held by Pun Holdings Pte. Ltd. in which Serge Pun holds 100%.
- (2) John Estmond Strickland's interest in the 100,000 Shares is held jointly with Mrs John Estmond Strickland.
- (3) Alternate Director to Kyi Aye.

Save for the interests of Serge Pun in the Proposed WSI Acquisitions and the Proposed Issue of Shares which are disclosed in this Circular, none of the remaining Directors has any interest, direct or indirect, in the Proposed WSI Acquisitions and the Proposed Issue of Shares.

7 SHAREHOLDERS WHO WILL ABSTAIN FROM VOTING

Serge Pun, who is an interested person in relation to the Proposed WSI Acquisitions, will abstain, and has undertaken to ensure that his associates will abstain, from voting at the EGM in respect of the ordinary resolution relating to the Proposed WSI Acquisitions.

Pursuant to the In-principle Approval as mentioned in Section 4.5 above, Serge Pun will also abstain, and has undertaken to ensure that his associates will abstain, from voting at the EGM in respect of the ordinary resolution relating to the Proposed Issue of Shares.

Further, Serge Pun will not, and has undertaken to ensure that his associates will not, accept nominations as proxies or otherwise for voting at the EGM in respect of the said ordinary resolutions relating to the Proposed WSI Acquisitions and the Proposed Issue of Shares, 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 said ordinary resolutions.

8 AUDIT COMMITTEE'S STATEMENT

The Audit Committee has considered, *inter alia*, the rationale for, terms and benefits of the Proposed First WSI Acquisition, the Proposed Second WSI Acquisition and the Proposed Issue of Shares and the opinion of HLF, and is of the view that the Proposed WSI Acquisitions and the Proposed Issue of Shares are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The Audit Committee is also of the view that the Termination Deed and the Co-operation Agreement are in the interests of the Company and its Shareholders.

9 DIRECTORS' RECOMMENDATION

After having considered, *inter alia*, the rationale for and benefits of the Proposed WSI Acquisitions, the terms of the Proposed WSI Acquisitions and the opinion of HLF, the Directors (except for Serge Pun who is interested in, and who will abstain from making any recommendation in respect of the Proposed WSI Acquisitions) are of the opinion that the Proposed WSI Acquisitions are in the interests of the Company and recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed WSI Acquisitions at the EGM.

The Directors (except for Serge Pun) also recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed Issue of Shares.

Please also refer to the Audit Committee's statement set out in Section 8 relating to the Proposed WSI Acquisitions and the Proposed Issue of Shares, and the opinion of HLF set out in Section 3.8 and the relevant Appendices to this Circular relating to the Proposed WSI Acquisitions.

10 EXTRAORDINARY GENERAL MEETING

The EGM will be held at 10.00 a.m. on 21 December 2007 at Connection 1, Level 3, Amara Hotel, 165 Tanjong Pagar Road, Singapore 088539 for the purpose of considering and, if thought fit, passing (with or without modifications) the ordinary resolutions set out in the Notice of EGM on page 44 of this Circular.

11 ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find attached to this Circular a proxy form which they are required to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 80 Anson Road, Fuji Xerox Towers, #25-05, Singapore 079907 not less than 48 hours before the time fixed for the EGM. The sending of a proxy form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and vote thereof unless his name appears on the Depository Register at least 48 hours before the EGM.

12 CONSENTS

DBS has given, and has not withdrawn, its written consent to the issue of this Circular with the inclusion of its name in the form and context in which it appears in this Circular.

The independent financial adviser, HLF, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and its letter reproduced in Appendix II and all references thereto in the form and context in which they appear in this Circular.

The independent valuer, DTZ, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and its letter and valuation certificate reproduced in Appendix I and all references thereto in the form and context in which they appear in this Circular.

13 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who have delegated supervision of this Circular) collectively and individually accept responsibility for the accuracy of the information given in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are fair and accurate and that there are no material facts the omission of which would make any statement in this Circular misleading in any material respect.

Where information has been supplied by Serge Pun, AWGL and DRL, being the respective vendors under the First WSI Sale and Purchase Agreement and the Second WSI Sale and Purchase Agreement or has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Circular.

14 DBS BANK'S RESPONSIBILITY STATEMENT

Save for the following, DBS Bank, as financial adviser to the Company, acknowledges that to the best of its knowledge and belief and having made all reasonable enquiries, this Circular constitutes full and true disclosure of all material facts about the Proposed WSI Acquisitions, the Company and its subsidiaries, and that it is not aware of any facts the omission of which would make any statement in this Circular about the Proposed WSI Acquisitions misleading:-

- (a) Letter from HLF to Recommending Directors in relation to the Proposed WSI Acquisitions; and
- (b) Letter and Valuation Certificate by DTZ in relation to the Zhong Bei Building.

Where any information about the Proposed WSI Acquisitions has been supplied by Serge Pun, AWGL and DRL, being the respective vendors under the First WSI Sale and Purchase Agreement and the Second WSI Sale and Purchase Agreement, or has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of DBS Bank has been to ensure that such information has been accurately and correctly extracted from these sources or, as the case may be, reflected or reproduced in this Circular.

15 DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 80 Anson Road, Fuji Xerox Towers, #25-05, Singapore 079907 during normal business hours from the date of this Circular up to the date of the EGM:-

- (a) Letter and Valuation Certificate dated 1 November 2007 by DTZ as set out in Appendix I to this Circular; and the letter, valuation certificate and valuation report dated 19 March 2007 by DTZ, in relation to the Zhong Bei Building;
- (b) Letter from HLF to the Recommending Directors in relation to the Proposed WSI Acquisitions as set out in Appendix II to this Circular;
- (c) The Termination Deed, the First WSI Sale and Purchase Agreement and the Second WSI Sale and Purchase Agreement;
- (d) The Co-operation Agreement;
- (e) The audited financial statements of the Group for FY2007;
- (f) The announcement by the Company on its unaudited financial results for the six month period from 1 April 2007 to 30 September 2007;
- (g) The Memorandum and Articles of Association of WSI; and
- (h) The letters of consent referred to in Section 12 of this Circular.

Yours faithfully

Serge Pun
Chairman and Chief Executive Officer
for and on behalf of
the Board of Directors of
Yoma Strategic Holdings Ltd.

LETTER AND VALUATION CERTIFICATE BY DTZ IN RELATION TO THE ZHONG BEI BUILDING, THE PRC

1 November 2007

The Directors
Yoma Strategic Holdings Ltd
Fuji Xerox Towers #25-05
80 Anson Road
Singapore 079907

Dear sirs,

Re : The proposed Zhong Bei Building, No. 128 Jin Ma Road, Dalian Economic & Technological Development Zone, Dalian, Liaoning Province, the People's Republic of China (the "Subject Property")

**Instructions,
Purpose &
Date of
Valuation**

In accordance with the instructions of Yoma Strategic Holdings Ltd (the "Yoma") for us to prepare valuation of the market value of the Subject Property situated in the People's Republic of China ("China" or the "PRC"), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Subject Property as at 1 November 2007 for Yoma's reference purpose.

**Definition of
Market Value**

Our valuation of the Subject Property represents our opinion of its Market Value which in accordance with the Valuation Standards on Properties of the Hong Kong Institute of Surveyors is defined as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

"Market Value in Existing State" refers to the value of the Subject Property on an "as is" basis assuming that it will be developed in accordance with the development scheme provided to us and taking into account the construction cost expended as of the date of valuation.

"Market Value When Completed" refers to the gross sale value of the Subject Property assuming it would have been completed in accordance with the development scheme provided to us and sold as at the date of valuation.

**Valuation
Assumption**

Our valuation excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

In the course of our valuation of the Subject Property which is situated in the PRC, we have valued it on the basis that transferable land use rights in respect of the Subject Property for a specific term at nominal annual land use fees have been granted and that any premium has already been fully paid. We have also assumed that the grantee or user of the Subject Property has free and uninterrupted rights to use or to assign the Subject Property for the whole of the unexpired term as granted. We have relied on the information given by you and related parties regarding the title to the Subject Property.

No allowance has been made in our valuation for any charges, mortgages or

amounts owing on the Subject Property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Subject Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

In valuing the Subject Property, we have complied with the requirements set out in the Valuation Standards (1st Edition 2005) on Valuation of Properties published by The Hong Kong Institute of Surveyors.

**Valuation
Methodology**

In forming our opinion of Market Value of the Subject Property, we have valued it by (i) Direct Comparison Approach, (ii) Discounted Cash Flow Approach, (iii) Residual Approach, (iv) Depreciated Replacement Cost Approach respectively.

Direct Comparison Approach

By reference to comparable sales and asking prices of similar properties in the relevant market, with adjustments made to differentiate the comparables from the Subject Property in terms of location, area, quality and other relevant matters.

Discounted Cash Flow Approach

By using an appropriate discount rate to reflect the present value of the net cash flow of the Subject Property, assuming it would have been completed and ready for occupation as at the date of valuation. The net cash flow should account for the stabilized income stream generating from the operation of the various parts of the Subject Property on normal commercial terms and the operating expenses based on market parameters. Terminal value should assume sale of the Subject Property on an en bloc basis.

Residual Approach

By deducting the estimated construction costs from the aggregate selling price of the Subject Property assuming it would have been completed in accordance with its development scheme and sold on an en bloc basis as at the date of valuation.

Depreciated Replacement Cost Approach

By making reference to the current reinstatement cost of similar structures with identical floor area, depreciated to reflect the physical and functional obsolescence of the structures.

**Source of
Information**

We have been provided by Winner Sight Investments Limited (“**Winner Sight**”) with copies of title document and the Tender Document issued by Dalian Land Resources & Housing Bureau Development Zone Sub-bureau (大连市国土资源和房屋局开发区分局) on 28 October 2006 relating to the disposal of the Subject Property (the “Tender Document”, enclosed in the Appendix to this report for ease of reference) in relation to the title to the Subject Property.

We have relied to a considerable extent on the information provided by Winner Sight and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, development scheme, building specifications, construction cost, site and floor areas and all other relevant matters.

Dimension, measurements and areas included in this valuation & advisory report are based on information provided to us and are therefore only approximation. We have had no reason to doubt the truth and accuracy of the information provided to us which is material to the valuation. We were also advised that no material facts have been omitted from the information provided to us.

We would point out that the copies of document provided to us are mainly compiled in Chinese characters and the translation into English represents our understanding of the contents. We would therefore advise the Company to make

reference to the original Chinese edition of the documents and consult the Company's legal adviser regarding the legality and interpretation of such document.

Title Investigation We have been provided by Winner Sight with copies of document in relation to the title to the Subject Property. However, we have not carried out searches to verify the ownership of the Subject Property and would therefore advise you to consult your legal adviser on PRC law regarding the legality of these documents.

Site Inspection We have inspected the Subject Property on 1 November 2007. However, we have not carried out investigations on site to determine the suitability of the ground conditions and the services etc. for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no unexpected extraordinary expenses or delays will be incurred during the construction period. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report the Subject Property is free of rot, infestation or any structural defects, nor were any tests carried out on any of the services.


Unless otherwise stated, we have not carried out on-site measurements to verify the areas of the Subject Property and we have assumed that the areas shown on the copies of the documents handed to us are correct.

Currency Unless otherwise stated, all money amounts indicated herein our valuation are in Renminbi (RMB) which is the lawful currency of the PRC. For reference purpose, the rate of exchange between United States dollars (US\$) and RMB prevailing as at the date of valuation was US\$1=RMB7.452. There has been no significant fluctuation in such rate between that day and the date of this letter.

Special Note This valuation certificate should be read in conjunction with the full valuation report which details the conditions and assumptions under which this valuation has been prepared.

Our valuation certificate is attached below.

Yours faithfully,
For and on behalf of
DTZ Debenham Tie Leung Limited



Betty Zhao
China Real Estate Appraiser
Associate Director

VALUATION CERTIFICATE

Property	:	The proposed Zhong Bei Building, No. 128 Jin Ma Road, Dalian Economic & Technological Development Zone, Dalian, Liaoning Province, the PRC.
Description	:	<p>The Subject Property occupies a roughly rectangular-shaped site with an area of 21,635.50 sq m.</p> <p>The Subject Property is planned to comprise two towers each of 22 storeys high, and with a 3-storey retail podium and with one level of underground car park.</p> <p>Construction of the Subject Property has originally been suspended since 1995. Some additional works were done on the exterior in 2000. According to our recent inspection, the superstructure and part of the exterior of the Subject Property have been completed. As advised by Winner Sight, the Subject Property is expected to be fully completed before 31 December 2008.</p>
Particulars of Occupancy	:	The Subject Property is currently vacant.
Tenure	:	The land use rights of the Subject Property would have been granted for a term of 50 years due to expire on 16 November 2056 for "Composite" use.
Gross Floor Area	:	The Subject Property is planned to comprise a total gross floor area of approximately 104,154.20 sq m.
Market Value in Existing State as at 1 November 2007	:	RMB466,000,000-
Market Value when Completed as at 1 November 2007	:	RMB1,100,000,000-

Notes:-

- (1) According to the Certificate for the Use of State-owned Land No. (2007) 0094 dated 3 February 2007, the land use rights of the Subject Property, comprising a site area of 21,635.50 sq m for "Composite" use, are held by 恒泽大连房地产开发有限公司 for a term due to expire on 16 November 2056.

As stated in the aforesaid certificate, the Subject Property is planned to comprise a 5-star office and serviced apartment and is, without prior approval, not permitted for strata-titled sale.

As advised by Winner Sight, 恒泽(大连)房地产开发有限公司 is a wholly-owned subsidiary of Winner Sight.

- (2) According to Certificate for Building Ownership No. 105258, the title to the building of the Subject Property, comprising a total floor area of 104,154.20 sq m for "Office" use, is 大连开发区管理委员会 (Dalian Economic & Technological Development Zone Management Committee).
- (3) According to the Confirmation for Transaction (挂牌成交确认书) dated 17 November 2006, the

Subject Property was acquired by Winner Sight at a consideration of RMB256,000,000.

- (4) According to the information provided by Winner Sight, the outstanding construction cost to complete the Subject Property would be approximately RMB270,000,000. We have accounted for such cost in our valuation.
- (5) We have taken into consideration the aforesaid and prepared our valuation based on the following assumptions:-
 - (a) The Subject Property would have been granted with a proper legal title and may be transferred with the full term of its land use rights at no extra land premium or other onerous payment payable to the government;
 - (b) the consideration for the Subject Property has been fully paid;
 - (c) all land premium and public utilities costs have been fully settled;
 - (d) the design and construction of the proposed development are in compliance with the local planning regulations and have been approved by the relevant authorities; and
 - (e) the Subject Property may be disposed of freely to third parties.

**LETTER FROM HONG LEONG FINANCE LIMITED TO THE RECOMMENDING
DIRECTORS OF YOMA STRATEGIC HOLDINGS LTD.**

HONG LEONG FINANCE LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 196100003D)

16 Raffles Quay #01-05

Hong Leong Building

Singapore 048581

4 December 2007

The Recommending Directors

Messrs:

Mr John Estmond Strickland

Mr Ng Fook Leong, Philip

Mr Basil Chan

Mr Adrian Chan Pengee

Mr Kyi Aye

Fuji Xerox Towers #25-05

80 Anson Road, Singapore 079907

Dear Sirs

THE PROPOSED WSI ACQUISITIONS

This letter, which sets out our evaluation to the Recommending Directors, will form part of the circular dated 4 December 2007 to the Shareholders (the "Circular"). Unless otherwise defined, all terms defined in the Circular shall have the same meaning herein.

1 INTRODUCTION

- 1.1 The Company had made an announcement on 5 March 2007 to Shareholders relating to, *inter alia*, the signing of the Original WSI Sale and Purchase Agreement.
- 1.2 Subsequent to the signing of the Original WSI Sale and Purchase Agreement, the Company received a proposal from AWGL (the vendor of the Original WSI Sale and Purchase Agreement) 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% under the Original WSI Sale and Purchase Agreement to 25% under the First WSI Sale and Purchase Agreement. 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 and Purchase Agreement and enter into the First WSI Sale and Purchase Agreement and the Second WSI Sale and Purchase Agreement. The Company had made an announcement on 18 October 2007 relating to, *inter alia*, the Termination Deed, the First WSI Sale and Purchase Agreement and the Second WSI Sale and Purchase Agreement.

- 1.3 Pursuant to the Termination Deed, the Original WSI Sale and Purchase Agreement was terminated and the parties thereto were discharged and released of their obligations thereunder with effect from 22 October 2007. Under the Termination Deed, AWGL (the vendor of the Original WSI Sale and Purchase Agreement), shall pay the Termination Fee to YSIL upon the satisfaction of certain conditions: (i) the completion by Gateway of its acquisition of 50% equity interest in WSI (which has already taken place); and (ii) the simultaneous completion of the Proposed First WSI Acquisition and the Proposed Second WSI Acquisition. The Termination Fee shall be payable by AWGL on the date of completion of the Proposed WSI Acquisitions and part of the Termination Fee shall be set-off against the First WSI Purchase Consideration payable by the Company to AWGL under the First WSI Sale and Purchase Agreement.
- 1.4 The Directors are of the view that the termination of the Original WSI Sale and Purchase Agreement and the entry into the First WSI Sale and Purchase Agreement and the Second WSI Sale and Purchase Agreement allow the Group to immediately realise a substantial portion of profits from its proposed investment in WSI whilst maintaining its exposure to the property market in Dalian, PRC for future prospects. The rationale of the Proposed WSI Acquisitions is further set out in Section 3.1 of this Circular.

2 TERMS OF REFERENCE

HLF has been appointed the independent financial adviser to the Recommending Directors to advise them as to whether the Proposed WSI Acquisitions are on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

We were neither a party to the negotiations entered into by the Company in relation to the Proposed WSI Acquisitions nor were we involved in the deliberations leading up to the decision of the Directors to enter into the Proposed WSI Acquisitions. We do not, by this letter, warrant the merits of the Proposed WSI Acquisitions other than to form an opinion on whether the Proposed WSI Acquisitions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

It is not within our terms of reference to evaluate or comment on the legal, commercial, strategic or financial merits and/or risks of the Proposed WSI Acquisitions, and as such, we do not express an opinion thereon. We have not conducted an independent and comprehensive review of the business, operations or financial condition of the Company or the Group. The scope of our appointment does not require us to express, and we do not express, a view on the future growth prospects or earnings potential of the Group. Such evaluations or comments are and remain the sole responsibility of the Directors although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion.

In the course of our evaluation and for the purpose of our opinions herein, we have held discussions with the Directors and management of the Company. We have also examined the information contained in the Circular as well as publicly available information collated by us and information provided to us by the Directors and management of the Company, including information concerning the Group and the Proposed WSI Acquisitions. We have not independently verified any such information or representations made by the Directors and management of the Company, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representation. We have, nevertheless, made such inquiry and exercised such judgment as we have deemed necessary and have found no reason to doubt the reliability of the information.

The Directors (including those who may have delegated detailed supervision of the Circular) have confirmed to HLF that, upon making all reasonable enquiries and to the best of their respective knowledge and belief, all material information available to them in connection with the Proposed WSI Acquisitions have been disclosed to HLF, that such information is true and accurate in all material respects and that there is no other information or fact, the omission of which would cause

any information disclosed to us or our opinions made by us in this letter to be inaccurate, incomplete or misleading in any material respect. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information or facts.

Our opinions, as set out in this letter, are based upon the market, economic, industry, monetary and other applicable conditions subsisting on, and the information made available to us as of the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinions in the light of any subsequent development after the Latest Practicable Date that may affect our opinions contained herein.

In arriving at our opinions, we have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any Shareholder. As different Shareholders would have different investment objectives, we would advise you to recommend that any individual Shareholder who may require specific advice in relation to his Shares should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

Our opinions in relation to the Proposed WSI Acquisitions should be considered in the context of the entirety of this letter and the Circular.

3 PROPOSED WSI ACQUISITIONS

The following paragraphs were extracted from the Circular:-

3.1 Rationale

The Proposed WSI Acquisitions are in line with the Group's plan to undertake real estate projects outside of the Union of Myanmar and to launch new property developments in the near future, as indicated in the Company's announcement dated 6 November 2006 on its quarter financial results for the period ended 30 September 2006. The Proposed WSI Acquisitions will also enable the Group to widen the geographical scope of its property development business.

*The Proposed WSI Acquisitions, if completed, will give YSH a 27% interest in Zhong Bei Building, a mixed-used property in the Dalian Economic & Technological Development Zone ("**Dalian ETD Zone**") currently under development. Upon completion, Zhong Bei Building is expected to be a premium building in Dalian that offers international standard office space and high quality serviced apartments. As there are currently no such properties in the area within 50 kilometres from the Dalian city centre, it is expected that there will be a market for such prime office space and quality serviced apartments.*

Upon completion of the Zhong Bei Building, WSI intends to lease the retail, office and apartment space at Zhong Bei Building to generate rental income.

3.2 Value of Assets being Acquired

Based on the audited accounts of WSI for the period beginning 30 September 2006 (date of incorporation) 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 of WSI being acquired by the Company pursuant to the Proposed WSI Acquisitions 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).

3.3 Details of the Proposed First WSI Acquisition

Purchase Consideration

The consideration for the First WSI Sale Shares will be the sum of US\$1.73 million (approximately S\$2.63 million), which represents a 56.6% premium over the corresponding WSI net assets of approximately S\$1.68 million to be acquired by the Company. As part of the Proposed First WSI Acquisition, AWGL will also assign at face value the First WSI Shareholder's Loan of US\$8.67 million (approximately S\$13.15 million) to YSIL in consideration for the payment of US\$8.67 million (approximately S\$13.15 million) by YSH to AWGL. The First WSI Purchase Consideration was arrived at on a "willing buyer, willing seller" basis.

3.4 Details of Proposed Second WSI Acquisition

Purchase Consideration

The consideration for the Second WSI Sale Shares will be the sum of approximately HK\$1.07 million (approximately S\$0.21 million), which represents a 55.1% premium over the corresponding WSI net assets of approximately S\$0.134 million to be acquired by the Company. As part of the Proposed Second WSI Acquisition, DRL will also assign at face value the Second WSI Shareholder's Loan of HK\$5.37 million (approximately S\$1.04 million) to YSIL in consideration for payment of HK\$5.37 million (approximately S\$1.04 million) by YSH to DRL. The Second WSI Purchase Consideration was arrived at on a "willing buyer, willing seller" basis.

4 CONDITIONS PRECEDENT

Information on the conditions precedent for the Proposed WSI Acquisitions are set out in sections 3.3.2 and 3.4.2 of the Circular.

5 EVALUATION OF THE PROPOSED WSI ACQUISITIONS

For the purpose of arriving at our opinion in respect of the Proposed WSI Acquisitions, we have considered the following:-

- (a) The Original WSI Sale and Purchase Agreement;
- (b) The Termination Deed;
- (c) DTZ Valuation;
- (d) Pricing of the Proposed WSI Acquisitions;
- (e) Financial Effects of the Proposed WSI Acquisitions; and
- (f) Other considerations.

These factors are discussed in further details in the ensuing paragraphs.

5.1 The Original WSI Sale and Purchase Agreement

The Original WSI Sale and Purchase Agreement was signed on 4 March 2007. Under the terms of the agreement, the Company was supposed to acquire 75% of the issued and paid-up capital of WSI and the US\$26 million shareholder's loan payable by WSI to AWGL. The total payment commitment of the Company under the terms of the said agreement would have been US\$31.2 million and the latest date for completion of the acquisition under the said agreement was 2 October 2007.

We understand from the Company that to fund the Original WSI Acquisition the Company would have had to raise funds via a combination of debt financing as well as rights issue of shares. However we understand that the Company as at the date of the expiry of the Original WSI Agreement on 2 October 2007, had yet to convene an extraordinary general meeting of shareholders to approve the Original WSI Agreement. Furthermore the Company did not have the necessary funding in place to enable it to complete the Original WSI Acquisition within the required time.

Thus to attempt to try to complete the Original WSI Acquisition may have been impracticable as, we understand, there would not have been sufficient time to obtain the necessary shareholders' approval as well as raise the necessary funding. Furthermore even if the Company had been able to raise debt financing to complete the Original WSI Acquisition, it would have increased the Company's gearing and hence risk profile. In the light of these factors, the Company entered into the agreements relating to the Proposed WSI Acquisitions and the Termination Deed.

5.2 The Termination Deed

The Company received a proposal from AWGL to reduce its equity investment in WSI. Under the terms of the Proposal, the Company will receive the Termination Fee in return for reducing its proposed equity investment in WSI from 75% under the Original WSI Sale and Purchase Agreement to 25% under the First WSI Sale and Purchase Agreement plus another 2% under the Second WSI Sale and Purchase Agreement.

We note that the Termination Fee, which amounts to RMB100 million, is approximately RMB 15.82 million **more** than the aggregate of the First WSI Purchase Consideration and the Second WSI Purchase Consideration, which amounts to approximately RMB 84.18 million (based on an exchange rate of US\$1 : RMB 7.5 and HK\$1 : RMB0.96)

It is observed that the combined effect of the Termination Fee and the Proposed WSI Acquisitions is that the funds from the Termination Fee would be more than sufficient for the purchase of the 27% effective interest in the Zhong Bei Building under the Proposed WSI Acquisitions. Hence, the net effect is that the Group's cost for the Proposed WSI Acquisitions is being funded by the Termination Fee. Since there is no real cost associated with the Company entering into the Termination Deed, it can be implied that the Proposed WSI Acquisitions will be cost-free and thus can be viewed as favourable to the Group.

On the other hand, the Company has to give up its rights to being able to purchase 75% of WSI under the terms of the Original WSI Sale and Purchase Agreement. This is a moot point as by the time the Termination Deed and the agreements for the Proposed WSI Acquisitions were signed, the Original WSI Agreement had expired.

5.3 DTZ's Valuation

The Company had appointed DTZ to express an independent opinion on the market value of the Zhong Bei Building (this is the principal asset owned by WSI, through its 100% subsidiary, SPAPD) as at 2 November 2006 (the "**First Valuation Report**").

Based on the investigation and analysis undertaken by DTZ and subject to the assumptions made in the First Valuation Report, DTZ is of the opinion that as at 2 November 2006, the market value of the Zhong Bei Building in its existing state was RMB304 million and the market value when it is completed is RMB850 million.

The First Valuation Report was prepared at that time to assist the Company in deciding on the Original WSI Acquisition. We understand that if the Original WSI Acquisition had been completed at the agreed price of RMB243.1 million for a 75% interest (including assignment of debt), it would have been at a premium of 6.6% above the market value as stated in the said valuation report. However, we should caveat this statement by stating that the First Valuation Report was prepared in November 2006. We note that in an updated report dated 1 November 2007 (see Appendix I), the Zhong Bei building was valued at RMB 466 million in its existing state. Based on this valuation, the Proposed WSI Acquisition would be at a discount of 33.1%.

If we were to extrapolate from the total consideration of approximately RMB84.18 million to be paid (including the assignment of debt to the Company) for the 27% equity interest in WSI under the Proposed WSI Acquisitions, the price, on a proportionate basis, that the Company would have to pay for WSI under the Proposed WSI Acquisitions is an amount slightly less than the price that it would have paid had the Company proceeded with the Original WSI Acquisition.

5.4 Pricing of the Proposed WSI Acquisitions

The consideration for the First WSI Sale Shares will be the sum of US\$1.73 million (approximately S\$2.63 million), which represents a 56.6% premium over the corresponding WSI net assets of approximately S\$1.68 million to be acquired by the Company. As part of the Proposed First WSI Acquisition, AWGL will also assign at face value the First WSI Shareholder's Loan of US\$8.67 million (approximately S\$13.15 million) to YSIL in consideration for the payment of US\$8.67 million (approximately S\$13.15 million) by YSH to AWGL.

The consideration for the Second WSI Sale Shares will be the sum of HK\$1.07 million (approximately S\$0.21 million), which represents a 55.1% premium over the corresponding WSI net assets of approximately S\$0.134 million to be acquired by the Company. As part of the Proposed Second WSI Acquisition, DRL will also assign at face value the Second WSI Shareholder's Loan of HK\$5.37 million (approximately S\$1.04 million) to YSIL in consideration for payment of HK\$5.37 million (approximately S\$1.04 million) by YSH to DRL.

We note that the First WSI Sale Shares and the Second WSI Sale Shares are priced at premiums of 56.6% and 55.1% to their net assets. However, if we take into account the proceeds of the Termination Fee amounting to RMB100 million and set this off against the total sum paid for the Proposed WSI Acquisitions, the Company is still left with RMB15.82 million.

5.5 Financial Effects of the Proposed WSI Acquisitions on the Group

The financial effects of the termination of the Original WSI Sale and Purchase Agreement, the Proposed First WSI Acquisition and the Proposed Second WSI Acquisition (collectively referred to as the "**Transactions**") set out below are purely for illustrative purposes only and do not reflect the future actual financial results or position 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 FY2007 and the audited financial information of WSI for the period beginning 30 September 2006 (date of incorporation of WSI) to 31 March 2007.

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 had been exercised in full at the exercise price of S\$0.322 per Option Share on 31 March 2007.

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 But 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 had been exercised in full at the exercise price of S\$0.322 per Option 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.

EPS

Assuming that the Transactions had been completed on 1 April 2006, the effect of the Transactions on the Group's EPS for FY2007 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 had been exercised in full at the exercise price of S\$0.322 per Share on 1 April 2006.
- (3) After taking into consideration (a) the Termination Fee of RMB 100 million (approximately S\$19.65 million); (b) the call option fee of RMB 10 million (approximately S\$1.965 million) in respect of the Call Option; (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

5.6 Other Considerations

In determining whether the terms of the Proposed WSI Acquisitions are on normal commercial terms and are not prejudicial to the Company and Independent Shareholders, we have also considered the following:-

(a) Rationale for the Proposed WSI Acquisitions and potential benefits to the Company

The full context of the rationale and benefits of the Proposed WSI Acquisitions are set out in section 3.1 of the Letter to Shareholders included in this Circular and we would advise that the Recommending Directors advise Shareholders to read this section carefully.

(b) Risk factors of the WSI

The risk factors in relation to the Proposed WSI Acquisitions are set out in section 3.5.6 of the Letter to Shareholders included in this Circular. Our terms of reference are limited to our evaluation of the financial terms of the Proposed WSI Acquisitions and we have not taken into account the commercial risks or commercial merits of the Proposed WSI Acquisitions. Our terms of reference do not require us to evaluate or comment on the strategic or long-term commercial merits of the Proposed WSI Acquisitions or on the prospects of either the Company, WSI or the consolidated group.

(c) Termination Deed is conditional on completion of the Proposed WSI Acquisitions

The Termination Deed is conditional on, inter alia, the completion of the Proposed WSI Acquisitions. Thus the Termination Fee will only be paid to the Company if we complete the Proposed WSI Acquisitions.

6 OPINION

In arriving at our recommendation, we have reviewed and evaluated all the factors, including the views and representations of the Directors and management of the Company, which we deemed to have significant relevance to our assessment of whether the Proposed WSI Acquisitions are on normal commercial terms and will not be prejudicial to the interests of the Company and its Independent Shareholders.

In arriving at our conclusion on the Proposed WSI Acquisitions, we have taken into account the following principal factors:-

- (a) the rationale of the Company to grow its real estate projects outside of Myanmar and that the Proposed WSI Acquisitions would give the Company the opportunity to invest in a good quality building in Dalian, China;
- (b) the impracticality of the Company to continue to pursue the Original WSI Acquisition because of its inability to meet the completion deadline for the Original WSI Acquisition given that the Company had yet to obtain shareholders approval to enter into the Original WSI Acquisition and to raise the necessary funding, as the expiry date of the Original WSI Sale and Purchase Agreement drew closer;
- (c) the Termination Fee of RMB 100 million would be more than sufficient to pay for the Proposed WSI Acquisitions, leaving the Company with a surplus of approximately RMB15.82 million (before expenses);
- (d) the letter and valuation certificate dated 1 November 2007 by DTZ as set out in Appendix I to the Circular; and the letter, valuation certificate and valuation report dated 19 March 2007 by DTZ, in relation to the Zhong Bei Building;
- (e) we note the risk factors highlighted in the Circular. By entering into the agreements for the Proposed WSI Acquisitions as well as the Termination Deed, the Company does not increase its risk profile as the Proposed WSI Acquisitions require no outlay of funds unlike the Original WSI Acquisition;

- (f) the Proposed WSI Acquisitions would have positive financial effects on the Company's NTA and EPS. However, we would caution that the uplift in EPS comes largely from the one-off Termination Fee of RMB100 million; and
- (g) completion of the Proposed WSI Acquisitions are conditions before the Termination Fee is paid.

Accordingly, after having considered all of the above factors, we are of the opinion as of the date hereof that the Proposed WSI Acquisitions are on normal commercial terms and are not prejudicial to the interests of the Company and its Independent Shareholders.

WE THEREFORE ADVISE THE RECOMMENDING DIRECTORS OF THE COMPANY TO RECOMMEND THAT INDEPENDENT SHAREHOLDERS VOTE IN FAVOUR OF THE RESOLUTION IN RESPECT OF THE PROPOSED WSI ACQUISITIONS.

This opinion is addressed to the Recommending Directors for their benefit, in connection with and for the purposes of their consideration of the Proposed WSI Acquisitions. The recommendation to be made by them to the Shareholders shall remain the responsibility of the Recommending Directors. Whilst a copy of this letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of HLF in each specific case except in relation to the Shareholders EGM in respect of the Proposed WSI Acquisitions. Our opinions are governed by, and construed in accordance with, the laws of Singapore, and are strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
HONG LEONG FINANCE LIMITED

Ong Soon Teik
Senior Vice President
Head, Corporate Finance

Tit Wei Han
Assistant Vice President
Corporate Finance

YOMA STRATEGIC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 196200185E)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of the Company will be held at 10.00 a.m. on 21 December 2007 at Connection 1, Level 3, Amara Hotel, 165 Tanjong Pagar Road, Singapore 088539 for the purpose of considering and, if thought fit, passing the following resolutions with or without any amendment:-

All references to the Circular in this notice of extraordinary general meeting shall mean the Circular of the Company dated 4 December 2007 (the "Circular").

All capitalised terms not otherwise defined herein shall have the meanings given to them in the Circular.

AS ORDINARY RESOLUTIONS

RESOLUTION 1: PROPOSED WSI ACQUISITIONS

That approval be and is hereby given for the acquisition by the Company of (i) the First WSI Sale Shares and First WSI Shareholder's Loan from AWGL on the terms of and subject to the conditions set out in the First WSI Sale and Purchase Agreement; and (ii) the Second WSI Sale Shares and Second WSI Shareholder's Loan from DRL on the terms of and subject to the conditions set out in the Second WSI Sale and Purchase Agreement (collectively, the "**Proposed WSI Acquisitions**"), and authority be and is hereby given for the directors of the Company to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be necessary or expedient for purposes of giving effect to the Proposed WSI Acquisitions or to give effect to this Resolution or the transactions contemplated by this Resolution.

RESOLUTION 2: PROPOSED ISSUE OF SHARES

That pursuant to Section 161 of the Companies Act (Cap. 50), authority be and is hereby given for the directors of the Company to allot and issue up to 60 million Option Shares to GCREF pursuant to any exercise by GCREF of the Call Option and the directors of the Company be and are hereby authorised to do all such acts and things as they may consider necessary or expedient for the purpose of giving effect to this Resolution.

BY ORDER OF THE BOARD

Lee Kam Seng
Company Secretary
4 December 2007

Singapore

NOTES:-

1. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint no more than two 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 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.
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 later than 48 hours before the time appointed for the Extraordinary General Meeting.

YOMA STRATEGIC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 196200185E)

EXTRAORDINARY GENERAL MEETING

PROXY FORM

(You are advised to read the notes below before completing this form.)

I/ We, _____

of _____

being a member/members of Yoma Strategic Holdings Ltd. (the "Company"), hereby appoint:-

Name	Address	NRIC/ Passport No.	Proportion of Shareholding (%)

and/or (delete as appropriate):-

Name	Address	NRIC/ Passport No.	Proportion of Shareholding (%)

as my/our proxy to vote for me/us and on my/our behalf and, if necessary to demand a poll, at an Extraordinary General Meeting of the Company to be held at 10.00 a.m. on 21 December 2007 at Connection 1, Level 3, Amara Hotel, 165 Tanjong Pagar Road, Singapore 088539 and at any adjournment thereof.

I/We have indicated with an "X" in the appropriate box below how I/we wish my/our proxy to vote. If no specific direction as to voting is given, my/our proxy may vote or abstain at his discretion as he will on any other matters arising at the Extraordinary General Meeting.

	FOR	AGAINST
As Ordinary Resolution To approve the Proposed WSI Acquisitions		
As Ordinary Resolution To approve the Proposed Issue of Shares		

Dated this _____ day of _____ 2007

Total number of Shares in:	Number of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Members/ Corporation's Common Seal

IMPORTANT: Please read notes on the next page.



NOTES:-

- a. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this instrument of proxy will be deemed to relate to all the Shares held by you.
- b. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint no more than two proxies to attend and vote on his behalf and such proxy need not be a member of the Company. Where a member appoints two proxies, the appointment shall be deemed to be alternative unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- c. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy by resolution of its directors or other governing body such person as it thinks fit to vote on its behalf.
- d. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 80 Anson Road, Fuji Xerox Towers, #25-05, Singapore 079907 not later than forty-eight (48) hours before the time appointed for the Extraordinary General Meeting.
- e. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.
- f. In the case of members whose Shares are deposited with The Central Depository (Pte) Limited (“CDP”), the Company shall be entitled to reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Extraordinary General Meeting as certified by the CDP to the Company.
- g. 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 duly authorised officer or attorney.
- h. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor 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.

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