Going for **Gold**

LIONGOLD
CORP

Annual Report **2012**

CONTENTS

CORPORATE PROFILE

OVERVIEW

LionGold Corp Ltd ("LionGold or "the Company") is a Main Board SGX-listed investment holding company focused on gold mining, mine development and exploration. Primary gold interests are currently in Ghana and Australia. The Company aims to become a global, mid-tier gold company by 2014 through a combination of acquisitions and organic growth.

Acquisition projects are selected for scalable mineral resources, with scope for rapid enhancement. Targets include junior mining companies and projects held either privately or by listed companies, which are in an advanced stage of development, or a nascent stage of production across a range of geographies. The intention behind this selective approach is to unlock asset value while building out the gold business.

CORPORATE
PROFILE

Developments

as at 6 July 2012

Since receiving shareholder approval to change the group's core business investing in the gold exploration, development and mining industry in March 2012, LionGold has announced the following:

BASS METALS LIMITED, AUSTRALIA

Agreements to acquire 100% of the issued shares in Hellyer Mill Operations Pty Ltd from Bass Metals Limited and to subscribe for 58,000,000 new shares, constituting approximately 16.5% of the existing issued and paid-up share capital of Bass Metals Limited.

CITIGOLD CORPORATION LIMITED, AUSTRALIA

Agreement to subscribe for 125,000,000 new shares constituting approximately 11.2% of the existing issued and paid-up share capital of Citigold Corporation Limited.

REPUBLIC GOLD LIMITED, BOLIVIA

Agreement to acquire from Republic Gold Limited, the entire issued and paid-up capital of Vista Gold Antigua Corp and the wholly-owned subsidiaries of Vista Gold that owns the Amayapampa Gold Project in Bolivia.

BRIMSTONE RESOURCES LIMITED, AUSTRALIA

Agreement to make a takeover bid for all the issued shares of Brimstone Resources Limited.

CASTLEMAINE GOLDFIELDS LIMITED, AUSTRALIA

Agreements to subscribe for 33,913,000 new shares, constituting approximately 12.82% of the existing issued and paid-up share capital of Castlemaine Goldfields Limited and to make an off-market takeover bid for all the issued shares of Castlemaine Goldfields Project.

SIGNATURE METALS LTD, GHANA

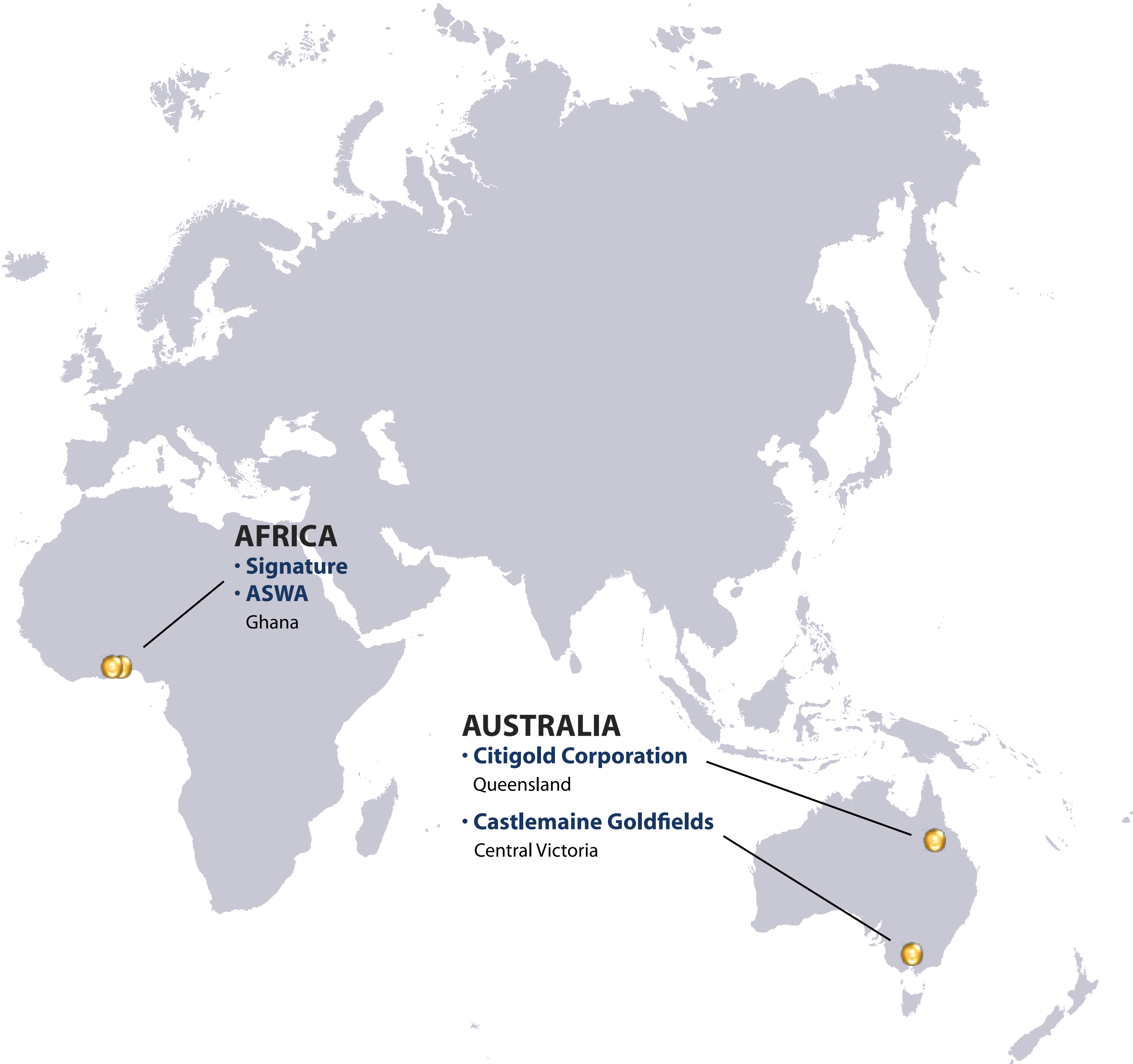
Completion of the acquisition of a 76.22% stake in this company which has gold mining interests in the Ashanti Gold Belt.

Additional acquisitions will be considered in FY2013 provided that available opportunities meet LionGold's investment criteria.

OUR GEOGRAPHIC **PRESENCE**

as at 6 July 2012

LionGold's Existing Projects



CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Executive
Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil
Wong Choy Yin

Non-Executive

Bernard Soo Puong Yii	(Independent Director)
Ng Su Ling	(Independent Director)
Roland Kenneth Selvanayagam	(Independent Director)
Dato' Md Wira Dani Bin Abdul Daim	(Non-independent Director)

COMPANY SECRETARY

Tan Soo Khoon Raymond

DEPUTY COMPANY SECRETARY

Ong Sing Huat

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12 Bermuda
Tel : +441 295 2244
Fax : +441 292 8666

BERMUDA REGISTRATION NO.

35500

BERMUDA RESIDENT REPRESENTATIVE

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Canon's Court
22 Victoria Street
Hamilton HM12 Bermuda
Tel : +441 295 2244
Fax : +441 292 8666

PRINCIPAL SHARE REGISTRAR

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(f.k.a. Reid Management Limited)
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Hamilton HM12 Bermuda

SINGAPORE BUSINESS OFFICE

38 Kallang Place
Singapore 339166
Tel : +65 6291 7861
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SINGAPORE SHARE TRANSFER AGENT

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63 Cantonment Road
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CHINA BUSINESS OFFICE

West of 1st & 2nd Floor
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8, Ri Sheng Road
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People's Republic of China
Tel : +86 0755 27652735
Fax : +86 0755 27652457
+86 0755 27652581

AUDITORS

Moore Stephens LLP, Singapore
Certified Public Accountants
10 Anson Road
#29-15, International Plaza
Singapore 079903
Tel : +65 6221 3771
Fax : +65 6221 3815
Partner in Charge : Lao Mei Leng
Appointed since financial year ended 31 March 2011

PRINCIPAL BANKERS

Hang Seng Bank Limited
China Everbright Bank
China Merchants Bank
Standard Chartered Bank
DBS Bank Limited

GROUP STRUCTURE

as at 31 March 2012

LIONGOLD CORP

- LionGold Corp (Singapore) Pte. Ltd [Singapore] (formerly known as Think Greenergy International Pte. Ltd.) 100%
  - Mornington Offshore Inc. [British Virgin Islands] 70%
    - Emas Mali S.A. [Republic of Mali] 100%
      - Emas Keikoro S.A.R.L. [Republic of Mali] 80%
- LionGold Investments Pte. Ltd. [Singapore] (formerly known as Think Investments Pte. Ltd.) 100%
- Think Power Pte. Ltd [Singapore] 100%
  - Industrial Power Technology Pte. Ltd. [Singapore] 75%
    - Industrial Power Technology (Thailand) Co., Ltd. [Thailand] 18%
    - Industrial Power (Thailand) Co,. Ltd. [Thailand] 49%
- The Think Environmental Co. Sdn. Bhd. [Malaysia] (formerly known as Novo Green Tech Sdn. Bhd.) 100%
- Good Prezzie Trading Ltd. [British Virgin Islands] 100%
  - Vigorhood Pacific Ltd. [Hong Kong] 100%
  - Keen Power Technology Ltd. [British Virgin Islands] 100%
- Ivy Bushes Holding Ltd. [British Virgin Islands] 100%
  - Vigorhood Macao Commercial Offshore Company Ltd. [Macau] 100%
  - Vigorhood Electronics Technology (Shenzhen) Co. Ltd. [People's Republic of China] 100%
  - Shenzhen Feibao Technologies Co. Ltd. [People's Republic of China] 100%
  - Shenzhen Vigorhood Electronics Co. Ltd. [People's Republic of China] 100%

LETTER TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Directors ("Board"), I am pleased to present to you the Annual Report for LionGold Corp Ltd ("LionGold" or "Company") for the financial year ended 31 March 2012 ("FY2012").

GOING FOR GOLD

FY2012 has been a particularly eventful year for LionGold as we have effectively transitioned into a focused, gold mining exploration and development company. An initial investment in gold mining assets in Ghana has been made, followed by a later announced (and subsequently completed) takeover of ASX listed Signature Metals Limited ("SML"), which has a growing gold mining operation near to the Company's initial Ghana gold mining investment. More significantly, our shareholders' resoundingly approved the change of the Company's core business activity to that of investing in the exploration, development and mining of gold, along with other minerals and precious metals, at the March 2012 Special General Meeting.

Much has been done during FY2012 and up to the date of this Annual Report in pursuit of the new core business activity. However, substantial efforts are required in all areas to successfully transform LionGold into a leading global mid-tier gold mining company.

DEVELOPMENTS IN THE GOLD MINING BUSINESS

Overview

Following the successful 76.22% off-market takeover bid for SML in April 2012, the Company has announced:

- an off-market takeover bid for Castlemaine Goldfields Limited ("CGL");
- an off-market takeover bid for Brimstone Resources Limited ("BRL");
- a proposed acquisition of the Amayapampa Gold Project in Bolivia;
- a subscription of new shares in Citigold Corporation Limited ("CCL"); and
- a subscription of new shares in Bass Metals Limited ("BML") and an agreement to acquire select mining assets from BML.

Vision and Strategy

The aim of the Board is to transform LionGold into a mid-tier global gold mining company by 2014. Last year's original strategy to 'Amass and Accelerate' small scale alluvial gold mining interests has been advanced to more scalable, bankable projects of greater size and duration. Our vision is predicated on three key pillars of growth in the gold exploration and mining arena to balance Resources, Reserves and Production profiles, as part of the current three-year strategy to "Acquire, Optimise and Grow" in a step-up and methodical fashion.

In the first year into this strategy, the Company has embarked on a rapid program to acquire gold exploration and mining companies which have significant current and future potential for optimizing growth of resources, reserves and production.

The first step towards this objective was taken when the Company successfully acquired 76.22% of SML by way of an off-market takeover bid. SML is an ASX listed company (ASX Code: SBL). It's mining interests are based on the west African country of Ghana in the world renown Ashanti Gold Belt, with JORC[1&2] compliant Mineral Resources of approximately 1.47 million ounces of gold. It's flagship mine at the Konongo Gold Project is already producing gold. In the month of April 2012, following the Company completing its off-market takeover bid, SML produced 1,123 ounces of gold , which was the highest ever.

[1]Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2004 Edition) promulgated by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

[2]The Company has not obtained a Competent Person (as defined by JORC) sign off for inclusion in this specific document and is quoting from information published in previous Company announcements and on their respective websites.

LETTER TO
SHAREHOLDERS

The off-market takeover bids for CGL and BRL have yet to close, and it is premature for me to add to what has already been announced. Of significance, however, is that CGL has reported JORC[2] compliant Mineral Resources of 734,000 ounces of gold and BRL has reported JORC[2] compliant Mineral Resources of 52,313 ounces of gold.

In relation to CCL, the Company has entered into an agreement to subscribe for 125 million new CCL shares constituting, on an enlarged basis, approximately 10% of the issued and paid-up share capital of CCL. CCL's Charters Towers interest has one of Australia's highest-grade large ore bodies with reported JORC[2] compliant Mineral Resources of approximately 11 million ounces of gold with Reserves of approximately 620,000 ounces.

The proposed purchase of Hellyer Mill Operations from BML provides a strategic opportunity to acquire JORC[2] compliant tailings and hard rock resources containing over 1.8 million ounces of gold equivalent metals. LionGold is examining opportunities to redeploy Hellier crushing, milling and portions of the sulfide concentrator plants to it's other gold operations in order to accelerate expansion of those with reduced capital cost requirements. LionGold will focus it's activities at Hellier on more appropriate metallurgical technologies to recover metals from the large tailings resource. Previous testwork has indicated very positive results with application of the Albion Process for this requirement.

The Amayapampa Gold Project in Bolivia has JORC[2] compliant Mineral Resources of 1.28 million ounces of gold, with Reserves of approximately 787,000 ounces.

With the acquisitions already completed and announced to-date, the Company has taken substantial steps in progressing towards its initial target gold holdings of 10 million ounces of Resources, 2 million ounces of Reserves and consolidated monthly production of 10,000 ounces.

Besides the above, the Board is also looking at other gold mining interests that the Company may complement the current asset profile. Any further acquisitions will be announced on the SGXNET in due course.

Please visit our website www.liongoldcorp.com for further information on the structure and status of the proposed acquisition of the above targets.

Having elaborated on our gold business, let me provide you with some additional important information about the Group.

FINANCIAL REVIEW

During FY2012, the Group achieved revenue of S$98.0 million, which was mainly contributed by the Group's office equipment manufacturing business in the PRC. For the same period, the Group reported a net loss of S$31.4 million. This arose as a result of impairments and write-offs related to our environmental services businesses, as well as certain expenses relating to the exploration and acquisition of gold mining tenements in Mali and Ghana. Shareholders' equity as at 31 March 2012 was S$33.3 million, a decrease of S$17.0 million from S$50.3 million as at 31 March 2011. The decrease in shareholders' equity was mainly due to impairment of goodwill of Industrial Power Technology Pte Ltd, impairment of goodwill, exploration and evaluation expenditure and the capitalised expenditure written off of Mornington Offshore Inc and its subsidiary, impairment loss on available-for-sale financial asset and impairment loss on other receivables from African Stellar (West Africa) Limited, expenses related to the acquisition of gold mining assets and financial expenses incurred by the Group for its unsecured borrowings. The Group had cash and cash equivalents of S$15.8 million as at 31 March 2012 compared with S$16.2 million as at 31 March 2011. The decrease of S$0.4 million in cash and cash equivalent was mainly attributed to the additional procurement of raw materials arising from higher sales in the PRC.

LETTER TO SHAREHOLDERS

In line with the Group's policy of strengthening its balance sheet during the development phase as a gold mining company, the Board of Directors is not recommending any dividend distribution to the shareholders for the year ended 31 March 2012.

OPERATIONAL REVIEW

The office equipment manufacturing business remains stable but remains is plagued by low barriers to entry, escalating labor costs and fluctuations in the exchange rate between the US Dollar and the Chinese Renminbi. These and other factors have the tendency to erode profitability and competitiveness. Nonetheless, until such time that the gold mining business contributes significantly to the Group's revenue, the office equipment manufacturing business is expected to remain the main contributor of the Group's revenue for FY2013.

During FY2012, the Company entered into an agreement to dispose its interests in UK-incorporated Think Environmental Limited and Think Greenergy Limited for an aggregate consideration of S$24.6 million. The disposals were put to shareholders at the Special General Meeting on 6 March 2012 and approved. As at the date of this Annual Report, the Company has received S$3.69 million from the purchaser and expects to receive the full balance before the end of 2012. The delay in the purchaser paying the full purchase consideration arose out of the delay in the purchaser obtaining financing caused by the recent Euro crisis. The purchaser has however informed the Company that they are making progress with their other bankers elsewhere and expect to be able to close their financing transactions soon. As stated in the Company's Circular dated 14 February 2012, the Company is deriving a net profit of approximately S$2.99 million from the disposals of Think Environmental Limited and Think Greenergy Limited. More importantly is that following the disposals of Think Environmental Limited and Think Greenergy Limited, the Group's losses in those investments have been capped.

Following a mild rebound in regional economies, in FY2012, Industrial Power Technology Pte Ltd ("IPT") managed to secure two EPC (engineering procurement and construction) contracts, which were in addition to the EPC contract secured in FY2011. The two new EPC contracts have an aggregate contract value of approximately S$46.8 million, enhancing IPT's order book to approximately S$83.3 million. All three EPC contracts relate to turn-key projects for biomass power generation plants in Malaysia and Thailand. Completion is due between end-2012 and end-2013. IPT is in discussions for more EPC contracts. However, we recognize that the business of undertaking turn-key projects for biomass power generation plants is beset by high working capital requirement and vulnerability to external factors, such as the availability and price of biomass, the price of oil and the general economic and financial conditions in the countries where the biomass power generation plant is located.

Financially, the Company recovered S$10.0 million of its investment in IPT in FY2012 through the profit guarantee arrangement with Whitefield Management Ltd and IPT Pte Ltd for the period from 1 April 2008 to 31 March 2012. The S$10.0 million recovered is in the form of the Company's shares (registered in the names of third parties) which the Company intends to sell.

The Board has no definite intentions for the Group's office equipment manufacturing business in the PRC and the Group's 75% interest in IPT presently but would be willing to listen to proposals, if any, to maximise the value of the Company's interest there.

LETTER TO SHAREHOLDERS

Capital raisings

Subsequent to FY2012, in April and May 2012, the Group successfully raised approximately S$41.0 million by way of private placement and a convertible bond issue. The funds have largely been applied towards, among others, repayment of borrowings, working capital and advances to subsidiaries, particularly SML for its gold mining operations in Konongo. With the balance funds of approximately S$7.0 million from the above capital raisings and the balance of the outstanding purchase consideration of S$20.9 million, the Group has accumulated financial resources of approximately S$27.9 million that may be applied for its acquisition and other needs. The Board is aware that the Company will require additional funding to pursue its acquisition strategy and for production enhancement and working capital. The Board intends to tap the equity and debt markets for such funds.

Management

The Board recognizes the need to add qualified and experienced members in the gold mining business and has positioned to redress before end-2012. In addition to appointing qualified and experienced persons in the gold mining industry to the Board, efforts are being made to recruit more senior management staff that have the necessary qualifications, skills and experience to oversee the production and other related aspects of the gold mining business. The Board is not limiting its recruitment efforts to local sources and is extending its searches to the traditional gold mining economies of Australia, South Africa and Canada.

Together with the recruitment exercise, the Board is also looking to refresh the composition of the Board by bringing in fresh or additional independent directors who have qualifications and/or experience in the gold mining experience to strengthen the governance of the Company.

It is with regret that I report that Ms Wong Choy Yin has decided not to seek re-election at the forthcoming Annual General Meeting and has also tendered her resignation as Chief Financial Officer ("CFO") of the Company. Ms Wong has informed the Board that she wishes to allow the Board to refresh itself and also wishes to pursue other activities. The Board has reluctantly accepted Ms Wong's decision and wishes to express its gratitude for her invaluable contribution during her tenure. Ms Wong's last day of service is on 31 August 2012. The Board is interviewing candidates for the position of CFO and Ms Wong has graciously offered to ensure a smooth transition and handing and taking-over process.

A Word of Appreciation

On behalf of the Board and management, we would like to thank all our staff, business partners, including Stellar Services Ltd, as well as existing and new shareholders for their strong support and dedication that they have shown during this period of transformation. Your commitment and confidence in LionGold has made it possible for the Board and management to move forward rapidly to achieve the targets we have set. I hope to be able to bring you all more good tidings in the year ahead.

Thank you.

Tan Sri Dato' Nik Ibrahim Kamil
Bin Tan Sri Nik Ahmad Kamil
Executive Chairman and Group Chief Executive Officer

BOARD OF DIRECTORS

Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil

Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil was appointed to the Board on 13 April 2011 as Non-executive Chairman and was re-designated Executive Chairman and Group Chief Executive Officer of LionGold Corp Ltd on 9 May 2011. He has more than 46 years of managerial and business experience ranging from mining, petroleum, media, manufacturing, merchant banking and finance, stockbroking, port management, trading to golf resort development. He started his career as an Assistant Company Secretary with Associated Mines Sdn Bhd from 1966 to 1967. He served as Head of Market Development for West Malaysia, East Malaysia and Brunei of Shell Malaysia Sdn Bhd from 1967 to 1971. In 1971, he joined The New Straits Times Press (M) Berhad ("NSTP") as an Assistant General Manager and was with it until 1991 where his last position held was as the Managing Director of NSTP Group. He was the Deputy Chairman of Palm Resort Berhad, Non-executive independent Director of Camerlin Group Bhd, Chairman of QSR Brands Sdn Bhd and KFC Malaysia Bhd, Director of Muhibbah Engineering Bhd, Chairman of Westport Holdings Sdn Bhd, Director of Westport Malaysia Sdn Bhd, Independent non-executive Director of Advance Synergy Berhad from 10 January 1994 to 28 August 2003, and Executive Chairman of Fututech Berhad from 24 October 1995 to 1 March 2007. Currently, he is the Independent non-executive Chairman of OCB Bhd since 2 January 2007 and Non-executive Chairman of Octagon Consolidated Bhd since 26 February 2008, both companies are listed on Bursa Malaysia. Prior to that, he was the senior independent non-executive Director in Octagon Consolidated Bhd since 25 July 2000. He graduated with a Bachelor of Science degree in Economics and Business Administration from Georgetown University, Washington DC, USA in 1966.

Wong Choy Yin

Ms Wong Choy Yin was appointed to the Board as Executive Director on 30 January 2007 and Chief Financial Officer on 10 October 2008. She was appointed as Executive Director on 4 April 2012 to the Board of Signature Metals Limited ("SML"), a company listed on Australian Securities Exchange. She was previously the Financial Consultant of a Company which provided corporate and management advisory services. Throughout her 21 years of working experience, she had acquired operational, supervisory and management experience in diverse fields such as audit, entertainment, construction, manufacturing, transportation, oil palm, rubber and cocoa plantations, and palm oil mills. She holds a professional qualification from the Chartered Institute of Management Accountants (UK) and a Master of Business Administration from the University of Keele (UK). She is also a member (Chartered Accountant) of the Malaysian Institute of Accountants.

Bernard Soo Puong Yii

Mr Bernard Soo Puong Yii was appointed to the Board as Non-executive independent Director on 29 July 2008. He is the Chairman of the Audit Committee, member of the Nominating Committee and the Remuneration Committee. He has wide exposures to project and business developments of international companies and associated with Trusts and Foundations providing projects funding in Asia Pacific region. He is an Independent Director of another company listed on SGX-ST. He graduated with an honours degree in Accountancy from the University of Bolton (UK).

BOARD OF DIRECTORS

Ng Su Ling

Ms Ng Su Ling was appointed to the Board as Non-executive independent Director on 29 July 2009. She is the Chairman of the Nominating Committee, member of the Audit Committee and the Remuneration Committee. She was admitted to the UK, Malaysian and Singapore Bar in 1993, 1994 and 2000 respectively and had more than 17 years of practice in areas of legal work, ranging from litigation and conveyancing to corporate and commercial matters. At present, she is a partner in Damodara Hazra LLP, practising corporate laws. She obtained her law degree from the University of Wolverhampton (UK).

Roland Kenneth Selvanayagam

Mr Roland Kenneth Selvanayagam was appointed to the Board as Non-executive independent Director on 4 January 2010. He is the Chairman of the Remuneration Committee, member of the Audit Committee and the Nominating Committee. He was appointed as Non-executive Director on 4 April 2012 to the Board of SML, a company listed on Australian Securities Exchange. He is also a Director of Mitrajaya Holdings Bhd, a company listed on Bursa Malaysia. He is a professionally qualified Accountant having qualified from London in 1980. He has more than 30 years broad commercial experience and has managed operations in multiple locations for Multi-National and Regional Corporations. He has served on other Boards in South Africa, Sri Lanka and Thailand.

Dato' Md Wira Dani Bin Abdul Daim

Dato' Md Wira Dani Bin Abdul Daim was appointed to the Board on 13 April 2011 as Non-executive independent Director and was re-designated to Non-executive non-independent Director in 27 May 2011. Dato' Md Wira Dani is actively involved in his family's merger and acquisitions business activities. These activities relate to power resources in the coal and oil sectors in Malaysia, Indonesia and Africa, as well as the flagship banking assets and the strategic alliances associated with it. Currently, he is the Chairman of Astute Capital Limited and a Director of Dani Sdn Bhd, Daza Holdings Sdn Bhd, Menara Ampang Sdn Bhd, Ibu Kota Development Sdn Bhd, Maya Seni Holdings Sdn Bhd, Central Base (M) Sdn Bhd, that are private companies incorporated in Malaysia. He was a non-executive Director of Byford International Limited, a company listed on the Growth Enterprise Market of the Hong Kong Stock Exchange, and a non-executive Director and Deputy Chairman of Magnus Energy Group Ltd, a company listed on the SGX-ST. He is the Chairman and Non-executive Director of Asiasons WFG Financial Ltd., a company listed on the SGX-ST. He holds a Bachelor of Arts and a Master of Arts from the University of Cambridge.

KEY
MANAGEMENT

Errol John Smart

Mr Errol John Smart (PrSciNat) holds the position of Group Chief Operating Officer of the Gold Division of the Company. He was Chief Executive Officer of Stellar Services Ltd and has over 20 years of industry experience in all aspects of exploration, mine development and operation. He has both founded and managed a number of exploration and mining companies throughout Africa and has exposure in Asia, Australia and Canada. Errol's career started with Anglo-American and has since developed his credentials in the start-up, turnaround and sale of junior gold miners. He has also held positions with Cluff Mining, Metallon Gold and Clarity Minerals. He is a member of the South African Council for Natural Scientific Professions and graduated with a Bachelor of Science (Hons) from the University of the Witwatersrand Johannesburg (South Africa).

Mark Gillie

Mark Gillie holds the position of Director of African Operations. He is also the Chief Executive Officer and Executive Director of Signature Metals Limited. Mr Gillie is a mining professional with over 25 years of experience in mineral mining and exploration. He has been involved in all aspects of the industry, with past 20 years of his career have been spent in Africa. He was a founding member of the executive team at Central African Gold Limited Plc, where he was Group Manager for Business Development. He was later appointed as the Investec Bank Representative to undertake operational control of the Bibiani Gold Mine in Ghana on-site until its eventual disposal to Noble Mineral Resources. Mark was previously the Chief Executive Officer of Digital Mining Services and of Rift Mining, a South African company engaged in gold exploration in Africa. Has also held position in Western Mining, Digital Mining Services, Rift Mining, Metallon Gold, CAG Plc.

Hoon Cheong Kong, Danny

Mr Hoon Cheong Kong is the founder and the Chief Executive Officer of Industrial Power Technology Pte. Ltd. ("IPT"). He has more than 21 years of experience in the design, supply and installation of custom-built boilers and as an EPC contractor for biomass power generation projects. He also has extensive experience in turn-key biomass power generation projects in South-East Asia and possessed the technical expertise in the design and building of timber drying kilns in regions such as South-East Asia, the PRC and Russia. Prior to founding IPT, he was the Marketing Director of Lionapex Equipment Pte Ltd, Marketing Manager of Organised System (Pte) Ltd (now known as Woodasia (S) Pte Ltd) and Service Manager of Kiln Technique (Pte) Ltd. He graduated from Singapore Polytechnic with a diploma in Mechanical Engineering.

Tan Kuan Hong

Mr Tan Kuan Hong is the Chief Executive officer of PRC Operations. He was formerly the Chief Executive Officer and Executive Director of the Company from 29 January 2007 to 30 July 2011. Mr Tan decided not to offer himself for re-election as a Director at the Company's Annual General Meeting held on 30 July 2011 in order to focus his attention on the Company's operations in China. He has more than 28 years of experience in management, investment and corporate activities, and has held senior positions in both established and start-up companies across several industries in the region. He was previously managing his own investment and business consultancy firm. His previous work experience includes stints in Temasek Holdings, Lazard Asia and CEF Group. He has an honours degree in Accountancy from the University of Malaya and a diploma in Psychology.

FINANCIAL CONTENTS

CORPORATE
GOVERNANCE REPORT

The Board ("**Board**") of Directors (collectively "**Directors**" and individually "**Director**") of LionGold Corp Ltd ("**Company**", the Company together with its subsidiaries and associated companies, the "**Group**") is committed to maintaining a high standard of corporate governance within the Group. The Board recognises the importance of practising good corporate governance as a fundamental part of its responsibilities to look after and enhance shareholders' value and the financial performance of the Group.

This Report describes the Company's corporate governance practices with specific reference to the Code of Corporate Governance 2005 ("**Code**") for the financial year ended 31 March 2012 ("**FY2012**"). Where there are deviations from the Code, appropriate explanations are provided.

The Board is aware that the Monetary Authority of Singapore has issued a revised Code of Corporate Governance ("**Revised Code**") on 2 May 2012, which takes effect in respect of Annual Reports relating to financial years commencing from 1 November 2012. The Board intends to comply with the Revised Code as far as possible and is in the process of implementing changes. The Board is also aware that on 21 June 2012, the Singapore Exchange ("**SGX**") released a consultation paper on proposed new admission rules and continuing listing obligations ("**Proposed Rules**") to allow mineral, oil and gas exploration companies with resources to list on SGX-ST Mainboard. The Proposed Rules affect the Company as the Company's new core business is its investments in primarily gold mining businesses. The Board welcomes the Proposed Rules and in anticipation thereof, intends to implement changes to comply with the Proposed Rules as far as they apply to the Company.

BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: Effective Board to lead and control the Company

The Board oversees the business affairs and dealings of the Group, determine the Group's corporate strategies and sets directions and goals. It also monitors and evaluates the Group's operations and financial performance, establishes targets for management and monitors the achievement of these targets. It is responsible for the overall corporate governance compliance function of the Group.

The Board has 3 committees namely, the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") ("**Committees**" and each a "**Committee**") to assist it in the execution of its responsibilities. Each Committee has its own terms of reference and operating procedures, which are reviewed periodically. Where necessary, the terms of reference and operating procedures would be updated to keep in line with the Listing Manual of the SGX-ST ("**Listing Manual**") and the Code.

The Board holds regular meetings to review, consider and approve strategic, operational and financial matters. Important matters concerning the Group are put before the Board for their decisions and approvals. Ad-hoc meetings will be held when required. The Bye-Laws of the Company allow for Directors who are unable to attend Board or Committee meetings personally to participate by way of telephonic or video-conferencing. Matters that are specifically reserved for the approval of the Board include, among others,

- approving the Group's policies, strategies and financial objectives, and monitoring the performance of management;
- overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- approving the nominations of persons to the Board and appointment of key management staff;
- approving annual budgets, major funding proposals, investments and divestment proposals; and
- assuming responsibility for corporate governance and compliance with the Listing Manual, the Code and the rules and requirements of regulatory bodies that the Company is subject to.

In addition to the above and in line with the Revised Code, the Board also:

- identifies key stakeholder groups to gain their perceptions of the Company's reputation and standing;
- sets the Company's values and standards (including ethical standards) to ensure that obligations to shareholders and other stakeholders are understood and met; and
- as part of its new core business activity of gold mining, considers sustainability issues, including environmental and social issues as part of its strategic formulation.

The attendance of the Directors at Board and Committee meetings for FY2012 is tabulated below:

Attendance at Meetings

	Board Committees							
	Board		Audit		Nominating		Remuneration	
Board Members	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Wong Choy Yin (appointed on 30 January 2007)	4	4	4	N.A.	2	N.A.	1	N.A.
Bernard Soo Puong Yii[(1)] (appointed on 29 July 2008)	4	4	4	3	2	2	1	1
Ng Su Ling[(1)] (appointed on 29 July 2009)	4	4	4	4	2	2	1	1
Roland Kenneth Selvanayagam[(1)] (appointed on 4 January 2010)	4	4	4	4	2	2	1	1
Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil[(2)] (appointed on 13 April 2011)	4	4	4	N.A.	2	N.A.	1	N.A.
Dato' Md Wira Dani Bin Abdul Daim[(3)] (appointed on 13 April 2011)	4	3	4	N.A.	2	N.A.	1	N.A.

Notes:

(1) Non-executive independent Directors

(2) Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil was appointed as independent non-executive Chairman on 13 April 2011. Subsequent to his acquiring a substantial interest in the Company on 9 May 2011, he was re-designated as Executive Chairman and Group CEO.

(3) Dato' Md Wira Dani bin Abdul Daim was appointed as a non-executive independent Director on 13 April 2011. However, as he acquired a substantial interest in the Company on 27 May 2011, he is no longer considered independent and has been re-designated as a non-executive Director.

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During FY2012, on 9 May 2011, the Board established an Executive Committee ("**Exco**") to spearhead and drive the Company acquisitions of assets in the gold exploration and exploitation industry. The members of the Exco comprised:

Name	Position
Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil	Executive Chairman and Group Chief Executive Officer
John Tolton	Director of Project Development
Mark Gillie	Director of African Operations
Peter Chen Hing Woon	Chief Operating Officer, Mornington Offshore Inc.

The Exco was dissolved with effect from 29 November 2011 as the Board took the view that the Exco's early task had been fulfilled and it was timely for the Board to work with specific individuals and teams.

The Proposed Rules envisage the Company having to possibly augment its management team with an independent "qualified person"[1]. In addition, the Proposed Rules would impose on the Company additional continuing listing obligations when making announcements relating to its mineral resources and estimates and in its annual reports. The Board welcomes the changes proposed by the Proposed Rules and intends to comply with them insofar as they relate to the Company. The Board is also in the process of reviewing its composition, the management team and external advisers with a view to complying with the Proposed Rules as soon as possible.

Board Composition and Guidance

Principle 2: Strong and independent element on the Board

As at the date of this Annual Report, the Board comprises 2 executive Directors, 1 non-executive Director and 3 non-executive independent Directors:

Name of Directors	Board of Directors	Date of Appointment	Date of last Re-election	AC	NC	RC
Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil	Executive Chairman and Group CEO	13 Apr 2011	30 Jul 2011	N.A.	N.A.	N.A.
Wong Choy Yin	Executive Director and Chief Financial Officer	30 Jan 2007	29 Jul 2009	N.A.	N.A.	N.A.
Bernard Soo Puong Yii	Non-executive independent Director	29 Jul 2008	29 Jul 2010	Chairman	Member	Member
Ng Su Ling	Non-executive independent Director	29 Jul 2009	30 Jul 2011	Member	Chairman	Member
Roland Kenneth Selvanayagam	Non-executive independent Director	4 Jan 2010	29 Jul 2010	Member	Member	Chairman
Dato' Md Wira Dani Bin Abdul Daim	Non-executive Director	13 Apr 2011	30 Jul 2011	N.A.	N.A.	N.A.

The Board comprises individuals who have experience in banking and commerce, accounting, legal and media. Please refer to the Annual Report for details of the qualifications and experience of the Directors.

1 Please refer to the Proposed Rules for the definition of "qualified person".

The Board currently lacks members who have the relevant skill or experience in the area of gold mining. Since March 2012, when the Company in general meeting approved a change in the core business of the Company to that of investing in the precious and other minerals and natural resources industries, particularly the gold mining industry, the Board has embarked on the exercise of identifying suitable and qualified individuals to join the Board. The Board has extended its search to the traditional gold mining economies such as Australia, South Africa and Canada and while there is no lack of suitably qualified and experienced individuals in these locations, the Board is also mindful that any individual invited to the Board should be familiar with the local playing field, including being familiar with the continuing listing obligations of a minerals resources company. The individual should also be able to adapt to local conditions, including the local corporate culture. The Board expects to complete the exercise of identifying suitable and qualified individuals to join the Board soon and also expects to be able to announce new appointments before the end of 2012. All new appointments will be subject to background and credibility checks.

In addition to new appointments, the Board is cognizant of the need to refresh itself to keep abreast of its new core business activity. As such, in addition to new appointments, there may be replacements and /or appointments of current and/or additional Directors as well. All newly appointed Directors will be issued with formal letters of appointment or service agreement setting out scope of their duties and will undergo a familiarization exercise to apprise themselves of the businesses of the Group .

The Board's composition, size, balance and independence of each non-executive Director are reviewed by the NC.

Subject to the foregoing, the Directors consider the Board's present size and composition appropriate, taking into account the nature and scope of the Group's operations, the skills and knowledge of the Directors.

The Board has sought and obtained written confirmations from each of the current non-executive independent Directors that, apart from their office as Directors of the Company, none of them has any other relationship (business or otherwise) with the Company, its subsidiaries, related companies, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent judgment with a view to the best interests of the Company.

The list of directorships or chairmanships held by the Directors presently or in the last 3 years in other listed companies are set out in the table below:

Name of Directors	Company	Date of Appointment	Date of Resignation
Tan Sri Dato Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil	Octogon Consolidated Berhad(2)	25 Jul 2000	N.A.
	OCB Berhad(2)	2 Jan 2007	N.A.
Wong Choy Yin	Signature Metals Limited(3)(4)	4 Apr 2012	N.A.
Bernard Soo Puong Yii	ITE Electric Co Ltd(1)	14 Nov 2006	N.A.
Ng Su Ling	NIL	N.A.	N.A.
Roland Kenneth Selvanayagam	Mitrajaya Holdings Bhd(2)	23 Apr 1998	N.A.
	Signature Metals Limited(3)(4)	4 Apr 2012	N.A.
Dato' Md Wira Dani Bin Abdul Daim	Magnus Energy Group Ltd.(1)	9 Nov 2006	29 Oct 2009
	Asiasons WFG Financial Ltd.(1)	30 Apr 2012	N.A.

Notes:

(1) listed on SGX Catalist

(2) listed on Bursa Malaysia

(3) listed on Australian Securities Exchange

(4) a 76.22% subsidiary of the Company

Chairman and Chief Executive Officer ("CEO")

Principle 3: Clear division of responsibilities at the top of the Company

Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil ("**Tan Sri Dato' Nik Ibrahim Kamil**") is currently the Executive Chairman and Group CEO of the Company.

As the Executive Chairman and Group CEO, Tan Sri Dato' Nik Ibrahim Kamil, in close consultation with all the Board members, is responsible for the long term business direction and strategy of the Group, the implementation of the Group's corporate plans and policies and executive decision-making. Although the roles and responsibilities for both Chairman and CEO are vested in Tan Sri Dato' Nik Ibrahim Kamil, major decisions are made in consultation with the Board.

He is also responsible for ensuring that Board meetings are held as and when necessary, scheduling and preparing agendas and exercising control over the information flow between the Board and management. He is assisted by the Company Secretary at all Board Meetings and on statutory matters. Where necessary, the Auditors of the Company and other external consultants are invited to attend Board Meetings to assist him and the other Directors in their deliberations.

Board Membership

Principle 4: Formal and transparent process for appointment of new Directors to the Board

The NC comprises of 3 Directors, all of whom are independent Directors. The NC meets at least once a year.

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that Directors appointed to the Board possess the particular skill, experience and knowledge, business, finance and management skills necessary to the Group's businesses, and each Director, through his contribution, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The NC also has at its disposal executive search companies, personal contacts and recommendations in its search and nomination process for the right candidates.

The principal functions of the NC are to:

- identify suitable candidates and review all nominations for appointment to the Board of Directors before making recommendations to the Board for appointment;

- assess the independence of the Directors annually, in accordance with the guidelines contained in the Code and the NC's view that the Directors who have been classified as independent are indeed independent;

- provide nominations for the re-appointment of Directors, having regard to their contribution and performance;

- decide whether a director is able to and has adequately carried out his duties as a Director of the Company, and in particular, where the Director concerned has multiple board representations, the NC is satisfied that sufficient time and attention are given by the Directors to the affairs of the Company notwithstanding their multiple board representations; and

- decide how the Board's performance may be evaluated and to propose objective performance criteria.

All Directors shall submit themselves for re-nomination and re-election at regular intervals and at least once every 3 years.

For FY2012, the NC met twice to consider and deliberate on the re-election and independence of Directors. During FY2012, on 13 April 2011, the Board, on the recommendation of the NC appointed Tan Sri Dato Nik Ibrahim Kamil and Dato' Md Wira Dani Bin Abdul Daim as Directors of the Company, and appointed Sakae Torisawa as an Adviser to the Board.

At the forthcoming Annual General Meeting of the Company, one-third of the Board shall retire and if desired, the persons retiring may offer themselves for re-election as Directors. The Directors who are due to retire at the forthcoming Annual General Meeting are Wong Choy Yin and Bernard Soo Puong Yii. After due review, the NC recommended the re-election of Wong Choy Yin and Bernard Soo Puong Yii as Directors of the Company. However, Wong Choy Yin has notified the Company of her intention not to seek re-election so as to enable the Board to refresh itself and allow one or more suitably qualified and experienced person(s) to join the Board. The NC, having interviewed Wong Choy Yin and considered the reasons offered by her, has recommended to the Board to accept her decision not to offer herself for re-election. Accordingly, Wong Choy Yin will cease to be a Director of the Company at the conclusion of the Annual General Meeting. In place of Wong Choy Yin, the NC has recommended that Roland Kenneth Selvanayagam retire and offer himself for re-election as a Director of the Company. Bernard Soo Puong Yii and Roland Kenneth Selvanayagam, being eligible, have offered themselves for re-election.

Besides not seeking re-election as a Director of the Company, Wong Choy Yin has also given notice to the Board of her intention to resign as the CFO of the Company. Wong Choy Yin has informed the Board that she wishes to pursue other activities outside the scope of the Group's businesses. Her last day of service with the Company as CFO is 31 August 2012. The Board has reluctantly accepted her resignation as CFO of the Company. The Board wishes to express its gratitude to Wong Choy Yin for her invaluable contribution and service during her tenure.

The Board is in the process of interviewing candidates for the position of CFO of the Company and will announce the appointment in due course.

Pursuant to Sections 153(2) and 153(6) of the Companies Act, Cap. 50, the office of a director of a public company shall become vacant at the conclusion of the annual general meeting commencing next after he attains the age of 70 years but such a person may be re-appointed by way of an ordinary resolution at the annual general meeting until the next annual general meeting. The Chairman of the Company, Tan Sri Dato Nik Ibrahim Kamil, has attained the age of 70 years and his office as a Director of the Company shall be vacant at the forthcoming Annual General Meeting. The NC has considered and deliberated that notwithstanding his age, Tan Sri Dato Nik Ibrahim Kamil is still able to provide unparalleled leadership and guidance to the Company and has recommended him for re-appointed as a Director of the Company. Tan Sri Dato Nik Ibrahim Kamil has consented to be re-appointed as a Director of the Company until the next annual general meeting following the forthcoming Annual General Meeting.

Board Performance

Principle 5: Formal assessment of the effectiveness of the Board and contributions by each Director

The NC is also responsible for deciding how the Board's performance may be evaluated and proposing objective performance criteria for the Board's approval and implementing corporate governance measures to achieve good stewardship of the Company.

In assessing the performance of the Directors, once a year, the Board assesses the performance of the Directors, individually and collectively by means of a performance appraisal that evaluates Board size, the proportion of non-executive Directors versus executive Directors, whether the Board has an adequate degree of independence, the right mix of expertise, experience and skills applied to the various issues that come before the Board enabled sound, balanced and well considered decisions. The NC evaluates each Director based on the following review parameters, including:

- attendance at Board/Committee meetings;
- participation at meetings;
- involvement in management;
- availability for consultation and advice, when required;
- independence of the Directors; and
- appropriate skill, experience and expertise.

In addition to the above, the NC also evaluates the performance and effectiveness of the Board as a whole, taking into account the Board's balance and mix.

The NC may act on the performance evaluation result and where appropriate, propose new members to be appointed to the Board or seek resignation of Directors.

Access to Information

Principle 6: Board members to have complete, adequate and timely information

Directors have unrestricted access to the Company's records and information, all Board and Committee minutes, and receive management accounts so as to enable them to carry out their duties. Directors may also liaise with senior executives and other employees to seek additional information, if required.

Detailed board papers and agenda are sent out to the Directors before meetings so that all Directors may better understand the issues beforehand, allowing more time at such meetings for questions and deliberations that the Directors may have.

Should Directors, whether as a group or individually, require professional advice, the Company, upon direction by the Board, shall appoint a professional advisor to render advice. The costs shall be borne by the Company.

The Company Secretary attends all Board meetings and is responsible to the Board for advising on the implementation of the Group's compliance requirements pursuant to the relevant statutes and regulations. All Directors have separate and independent access to the Company Secretary. The appointment and removal of the Company Secretary is subject to approval of the Board.

Procedures for Developing Remuneration Policies

Principle 7: Formal and transparent procedure for fixing remuneration packages of Directors and key management executives.

The RC is responsible for determining the remuneration of Directors and key employees ("**Key Executives**") of the Group. The RC comprises 3 non-executive independent Directors.

The responsibilities of the RC are:

- make recommendations to the Board on matters relating to remuneration, including but not limited to fees, salaries, allowances, bonuses, options and benefits in kind, of the Directors and Key Executives;
- review and recommend to the Board the terms of the service agreements of the Directors and Key Executives;
- determine the appropriateness of the remuneration of the Directors and Key Executives; and
- consider the disclosure requirements for Directors' and Key Executives' remuneration as required by the Listing Manual and the Code.

No Director is involved in deciding his or her own remuneration.

The remuneration packages of the Executive Directors are based on service contracts. Independent Directors are paid yearly fees of an agreed amount and these fees are subject to shareholders' approval at the Annual General Meeting.

The RC has the right to seek professional advice internally and externally relating to the remuneration of all Directors and Key Executives.

Level and Mix of Remuneration

Principle 8: The level of remuneration for Directors should be adequate, not excessive, and linked to performance.

The remuneration policy of the Group is to provide compensation packages at market rates that reward successful performance and attract, retain and motivate Directors and Key Executives.

The Group's remuneration policy comprises of a fixed component and a variable component; the fixed component is in the form of fixed monthly salary whereas the variable component is linked to the performance of the Group and individual.

In setting remuneration packages, the RC ensures that the Directors and Key Executives are adequately but not excessively remunerated as compared to the industry and in comparable companies.

Disclosure on Remuneration

Principle 9: Clear disclosure of remuneration policy, level and mix of remuneration, and the procedure for setting remuneration.

Details of the Directors' remuneration for FY2012 are set out below:

Remuneration band and Name of Director	Salary	Bonus	Directors' fees	Allowances and other benefits	Total
Below S$250,000					
Tan Sri Dato' Nik Ibrahim Kamil	100%	NIL	NIL	NIL	100%
Tan Kuan Hong (resigned on 30 July 2011)	83.4%	16.6%	NIL	NIL	100%
Wong Choy Yin	85.7%	14.3%	NIL	NIL	100%
Bernard Soo Puong Yii	NIL	NIL	100%	NIL	100%
Ng Su Ling	NIL	NIL	100%	NIL	100%
Roland Kenneth Selvanayagam	NIL	NIL	100%	NIL	100%
Dato' Md Wira Dani Bin Abdul Daim	NIL	NIL	100%	NIL	100%

For the financial year ending 31 March 2013, the RC has recommended that the non-executive and independent Directors be paid an aggregate fee of S$110,000, which will be tabled at the Annual General Meeting for approval by the shareholders. If approved, payment would be made after the Annual General Meeting quarterly in arrears. The sum was arrived at after taking into consideration the performance of the Company, the current economic situation and the contributions of the eligible Directors.

The Board is of the opinion that owing to the nature of the industries that the Group is engaged in, the details of remuneration for individual Key Executives are confidential. Such details, if disclosed, would also attract unwanted attention from competitors who may use the information to the detriment of the Company. The disclosure of such information would not be in the interest of the Company.

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Details of the remuneration of the Key Executives for FY2012 are set out below:

Remuneration band of Top 4 Executives	Designation, Company	Salary	Bonus	Allowances and other benefits	Total
S$500,000 and above					
Errol Smart[(1)] (appointed on 6 March 2012)	Chief Operating Officer, LionGold Corp Ltd	100%	NIL	NIL	100%
Mark Gillie[(1)] (appointed on 9 May 2011)	Director of African Operations, LionGold Corp Ltd	100%	NIL	NIL	100%
S$250,000 to S$499,999					
Tan Kuan Hong (appointed on 9 May 2011)	CEO of PRC Operations , LionGold Corp Ltd	53%	47%	NIL	100%
Hoon Cheong Kong	CEO, Industrial Power Technology Pte. Ltd.	92.5%	7.5%	NIL	100%

Note:

(1) Errol Smart and Mark Gillie's remuneration are paid to Stellar Services Ltd.

There is no employee who is related to a Director whose remuneration exceeds S$250,000 in the Group's employment for FY2012. There is also no employee that is an immediate family member of any Director or any Key Executive whose remuneration exceeds S$150,000 for FY2012.

There is no material contract or loan by the Company or its subsidiary companies involving the interest of any Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

Accountability

Principle 10: Board should present a balanced and understandable assessment of the Company's performance, position and prospects

The Board is accountable to the shareholders while the Management is accountable to the Board.

The Management will provide the Board with detailed management accounts of the Group's performance, position and prospects on a quarterly basis.

The Management also presents to the Board the quarterly and full year financial statements and the AC reports to the Board on the results for review and approval. The Board approves the results after review and authorised the release of the results to the SGX-ST and the public via SGXNET.

Audit Committee

Principle 11: Establishment of Audit Committee with written terms of reference

The AC consists of 3 Directors all of whom are non-executive independent Directors. The AC has specific terms of reference and has met 4 times during FY2012.

The AC assists the Board to maintain a high standard of corporate governance, particularly by providing an independent review of the effectiveness of the financial reporting, management of financial and control risks, and monitoring of the internal control systems.

The responsibilities of the AC are:

- reviews and discusses the audit plans of the external auditors and the report on the audit of the year-end financial statements and ensure the adequacy of the Group's system of accounting controls and the co-operation given by the management to the external auditors;
- reviews the quarterly announcements and annual financial statements of the Group before their submission to the Board and before their announcement;
- reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;
- reviews the cost effectiveness and the independence and objectivity of the external auditor, including other nature and extent of non-audit services provided by the external auditors;
- nominates external auditors for reappointment;
- reviews the Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual, and by such amendments made thereto from time to time;
- reviews adequacy of the whistle-blowing programme;
- reviews interested person transactions in accordance with the requirements of the Listing Manual and the Shareholders' Mandate; and
- reviews the adequacy and effectiveness of the Group's internal controls, including financial, compliance and risk management.

The AC has power to conduct or authorise investigations into any matter within the AC's scope of responsibility.

The Board is of the view that the members of the AC are appropriately qualified to discharge their responsibilities and they have the requisite accounting or related financial management expertise or experience.

During FY2012, the AC reviewed and deliberated on acquisitions made (or proposed to be made) by the Company of assets in the gold exploration and exploitation industry. The review and deliberations were made in conjunction with the disposals by the Company of its interests in Think Environmental Limited and Think Greenergy Limited. The AC took the view that following the disposals and the acquisitions, the risk profile of the Company has evolved and changed. As a result, on the recommendation of the AC, the Board made an announcement on 6 June 2011 that the Company would be seeking approval from shareholders for a change in the core business of the Company. A Circular dated 14 February 2012 was subsequently despatched to shareholders together with a Notice convening a Special General Meeting on 6 March 2012. The change of core business activity of the Company was approved at the Special General Meeting on 6 March 2012.

For FY2012, the AC has reviewed all non-audit services provided by the external auditors and confirmed that the non-audit services fee of S$165,000 would not affect the independence and objectivity of the external auditors. The AC recommends to the Board the reappointment of Moore Stephens LLP as the external auditors of the Company at the forthcoming Annual General Meeting.

The Company and the following subsidiaries and associated companies have appointed Moore Stephens LLP as their auditors:

- LionGold Investments Pte. Ltd.
  (formerly known as Think Investments Pte. Ltd.)
- Think Power Pte. Ltd.
- Industrial Power Technology Pte. Ltd.
- LionGold Corp (Singapore) Pte. Ltd.
  (formerly known as Think Greenergy International Pte. Ltd.)

The following subsidiaries and significant associated companies have appointed other firms as auditors:

Name of subsidiaries and significant associated companies	**Name of audit firm**
The Think Environmental Co. Sdn. Bhd.	Moore Stephens AC, Malaysia
Industrial Power Technology (Thailand) Co., Ltd.	Briskal Co. Limited, Thailand
Industrial Power (Thailand) Co., Ltd.	Briskal Co. Limited, Thailand
Emas Mali S.A.	Cabinet AEC International Afrique, Africa
Emas Keikoro S.A.R.L.	Cabinet AEC International Afrique, Africa

The AC has reviewed and is satisfied that the appointments of different auditors would not compromise the standard and effectiveness of the audit of the Company as measures have been put in place to ensure that timely and periodic reports of the operations and financial statements of the above subsidiaries and significant associated companies are provided to the Company and/or the Company's auditors. The Company's auditors are also at liberty to seek information from the other auditors as and when necessary and from time to time. The Company confirms that Rule 712, Rule 715 and Rule 716 of the Listing Manual of the SGX have been complied with.

The AC has full access and cooperation of the management and also full discretion to invite any Director or Key Management to attend its meetings, and has been given reasonable resources to enable it to discharge its functions. The AC also has met the auditors without the presence of the management during the financial year ended 31 March 2012.

The Group has implemented a whistle blowing policy. The policy aims to provide avenue for employees to raise concerns about misconducts in the Group and at the same time assure them that they will be protected from victimisation for whistle blowing in good faith. As of to-date, there were no reports received through the whistle blowing system.

The AC has reviewed all Interested Person Transactions during the financial year ended 31 March 2012 and is of the view that Chapter 9 of the Listing Manual of the SGX-ST and the Shareholders' Mandate have been complied with.

Internal Controls

Principle 12: Sound system of internal controls

The Board acknowledges that it is responsible for maintaining a sound system of internal controls, but recognises that no cost effective internal control system will preclude any error or irregularity, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The controls in place include:

- regular submissions, either on a monthly or quarterly basis, by the operating business units of updated financial information, and if necessary, follow-up meetings with the management of the business units on any irregular or extraordinary expenses;

- regular submissions, either on a monthly or quarterly basis, by the operating business units of operating milestones, and if necessary, follow-up meetings with the management of the business units on any milestones not achieved; and

- semi-annual meetings with the external auditors to discuss the quarterly announcements and annual financial statements of the Company and of the Group.

The Company has outsourced its internal audit function to Protiviti Pte. Ltd. The internal audit plan drawn up by the internal auditors is approved by the AC. The work undertaken by the internal auditors includes the audit of the Group's system on internal controls over its key operations. The internal auditors report their audit findings and recommendations to the AC.

During FY2012, the Group's external auditors (to the extent as required by them to form an audit opinion on the statutory financial statements) and internal auditors conducted annual reviews of the effectiveness of the Group's internal controls. Any non-compliance and recommendation for improvement were reported to the AC.

Based on the reports of the external auditors and internal auditors and various controls implemented by the management, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls over financial, operational and compliance risks and risk management are adequate as at 31 March 2012 to address risks which the Group considers relevant and material to its operations.

Going forward and in view of the Company's new core business activity, the AC has instructed the internal auditors to conduct a thorough review of existing controls in the Company's gold mining assets in Africa and propose a comprehensive set of internal controls going forward. The review is on-going and expected to be completed in the second half of 2012 after which the internal auditors will propose a comprehensive set of internal controls. The fresh internal controls will also cover the Company's proposed gold mining assets in Bolivia, Australia and such other locations where the Company may have gold mining assets.

Internal Audit

Principle 13: Setting up independent internal audit function

The Board recognises its responsibilities for maintaining a system of internal control processes to safeguard shareholders' investments and the Group's assets and business.

Currently, the Chairman of the AC enquires and relies on reports from the Management, internal and external auditors on any material non-compliance and internal control weaknesses. The AC oversees and monitors the implementation of any improvements thereto. The AC has reviewed with the internal and external auditors their findings of the existence and adequacy of material accounting controls procedures as part of its audit for the financial year under review. The AC is of the view that the works carried out by the internal and external auditors are adequate.

The AC has reviewed the adequacy of the internal audit function and effectiveness of the system of the internal controls through discussions with the internal and external auditors, the review of internal and external audit plans and the review of significant issues arising from the internal and external audits.

Communication with Shareholders

Principle 14: Regular, effective and fair communication with shareholders

Principle 15: Shareholders' participation at AGM

The Company believes that prompt disclosure of relevant information and a high standard of disclosure are the keys to raise the level of corporate governance. The Board believes in regular and timely communication with our shareholders. In line with continuous disclosure obligations of the Company pursuant to the Corporate Disclosure Policy of the SGX-ST, the Company's policy is that all shareholders should be equally and timely informed of all major developments that impact the Group.

Information is communicated to our shareholders on a timely basis and made through:

- Annual Reports. The Board makes every effort to ensure that the Annual Report includes all relevant information about the Group, including future developments, disclosures required by the Companies Act, and Financial Reporting Standards;

- SGXNET and press releases on major developments of the Group; and

- disclosures to the SGX-ST.

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The Annual General Meeting is the principal forum for dialogue with our shareholders. Our Company encourages our shareholders to attend the Annual General Meeting to ensure a high level of accountability and to keep informed of the Group's strategy and goals.

In general, separate resolutions are proposed for substantially separate issues and for items of special business. Where appropriate an explanation for any proposed resolution would be provided.

The Board welcomes questions and views of shareholders on matters affecting the Company raised either informally or formally before or at the Annual General Meeting.

Internal Code on Dealings in Securities

The Company has put in place an internal code on dealings with securities, which has been issued to all Directors and employees.

The internal code prohibits the dealing in securities of the Company by Directors and employees while in possession of price-sensitive information, and during the period beginning one month before the announcement of the quarterly and annual results, and ending on the date of the announcement. Directors are required to report securities dealings to the Company Secretary who will assist to make the necessary announcements.

In addition, Directors and employees are reminded to observe insider trading laws at all times.

Risk Management

As the Company does not have a risk management committee, the AC and Management assume the responsibility of the risk management function. Management reviews regularly the Company's business and operational activities to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. Management reviews all significant policies and procedures and highlights all significant matters to the Board and the AC.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

For FY2012, there were no interested person transactions as set out in Chapter 9 of the Listing Manual.

Statement of Compliance

The Board confirms that for the financial period ended 31 March 2012, the Company has generally adhered to the principles and guidelines as set out in the Code of Corporate Governance 2005.

Use of Proceeds

a) IPO Proceeds

The Company has fully utilised the balance IPO proceeds of approximately S$2,200,000 for future business opportunities.

During the financial year ended 31 March 2012, the IPO proceeds were utilised as follows:

Date of Announcement	Use of Proceeds	Amount Utilised S$
5 January 2012	Part subscription price for the subscription of new shares constituting 51% of the issued and paid-up share capital in African Stellar (West Africa) Limited	94,000.00
	Total	94,000.00

b) Proceeds from LionGold Investments Pte. Ltd.'s ("LGI") Disposal of Flagship Ecosystems Investments Pte Ltd ("FESI") and Luoyang Sing-yu Energy Company Limited ("LSCEL")

The Company has fully utilised the net disposal proceeds of S$8,200,000.

During the financial year ended 31 March 2012, the net disposal proceeds were utilised as follows:

Date of Announcement	Use of Proceeds	Amount Utilised S$
23 March 2012	Repayment of the Group's unsecured borrowings and the interest accrued on the unsecured borrowings Working capital for the Company	8,135,483.87 64,516.13
	Total	8,200,000.00

c) **Private Placement Proceeds**

The Company has fully utilised the private placement proceeds of S$12,405,000.

After the financial year ended 31 March 2012, the private placement proceeds were utilised as follows:

Date of Announcement	Use of Proceeds	Amount Utilised S$
8 May 2012	Repayment of the Group's unsecured borrowings	5,500,000.00
	Working capital for the Company	27,011.00
	Subscription price payable by the Company for the subscription of the 33,913,000 new shares in Castlemaine Goldfields Limited	5,037,760.00
	Costs and expenses relating to the acquisition of Signature Metals Limited ("**SML**")	245,862.00
	Advanced to the Company's subsidiary, SML for working capital purposes	1,032,562.00
	Advanced to the Company's subsidiary, Think Power Pte. Ltd. for working capital purposes	100,000.00
	Advanced to the Company's subsidiary, LionGold Corp (Singapore) Pte. Ltd. for working capital purposes	264,980.00
	Advanced to the Company's subsidiary, Mornington Offshore Inc. for working capital purposes	196,825.00
	Total	12,405,000.00

d) **Convertible Bonds Proceeds**

The Company has balance Convertible Bonds proceeds of approximately S$7,000,000 for future business opportunities.

After the financial year ended 31 March 2012, the Convertible Bonds proceeds were utilised as follows:

Date of Announcement	Use of Proceeds	Amount Utilised S$
25 May 2012	Repayment of the Group's unsecured borrowings	12,728,150.00
	Working capital, including head office expenses and working capital for the Group's gold mining and gold exploration businesses	6,592,329.00
	Acquisitions of gold exploration and gold mining assets	1,235,214.00
	Total	20,555,693.00

REPORT OF THE DIRECTORS

The directors present their report to the members together with the audited consolidated financial statements of LionGold Corp Ltd (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 March 2012 and the balance sheet of the Company as at 31 March 2012.

Directors

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

Executive Directors:
Wong Choy Yin
Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil (Appointed on 13 April 2011, redesignated as Executive Chairman and Group CEO on 9 May 2011)

Non-executive Directors:
Dato' Md Wira Dani Bin Abdul Daim (Appointed on 13 April 2011)
Bernard Soo Puong Yii
Ng Su Ling
Roland Kenneth Selvanayagam

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the Group's subsidiaries are described in Note 12 to the financial statements.

Results and Dividends

Details of the results of the Group for the financial year ended 31 March 2012 and the state of affairs of the Group at that date are set out in the financial statements on pages 35 to 104.

No final dividend has been proposed for the current financial year (2011: Nil).

Material Movements or Transfers in Reserves and Provisions

There were no material transfers to or from reserves and provisions during the financial year except as disclosed in the accompanying financial statements.

Issue of Shares and Debentures

The Company has issued new ordinary shares during the financial year which are described in Note 27 to the financial statements.

No debentures were issued by the Company and its subsidiaries during the financial year.

Arrangements to Enable Directors to Acquire Shares and Debentures

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

REPORT OF
THE DIRECTORS

Directors' Interests in Shares and Debentures

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

	Direct interest		Deemed interest	
Name of director and corporation in which interests are held	**At the beginning of financial year/date of appointment**	**At the end of financial year**	**At the beginning of financial year/date of appointment**	**At the end of financial year**
Ordinary shares				
The Company				
Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil *	–	–	–	40,000,000
Dato' Md Wira Dani Bin Abdul Daim **	–	16,425,000	–	40,000,000
Ng Su Ling #	–	–	15,000,000	7,600,000

* Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil is deemed to have an interest in these shares through Forte Services Limited, which owns approximately 5.47% (2011: Nil) equity interest in the Company.

** Dato' Md Wira Dani Bin Abdul Daim is deemed to have an interest in these shares through Venaton Holdings Limited, which owns approximately 5.47% (2011: Nil) equity interest in the Company.

Ng Su Ling is deemed to have an interest in these shares through DMG & Partners Securities Pte Ltd, Maybank Nominees (Singapore) Private Limited and Singapura Finance Ltd, which owns approximately 1.04% (2011: 2.1%) equity interest in the Company.

There were no changes in any of the directors' interests in the Company between the end of the financial year and 21 April 2012.

Directors' Contractual Benefits

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

Options to Take Up Unissued Shares

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

Options Exercised

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

Options Outstanding

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option except as disclosed in the accompanying financial statements.

Interested Person/Related Party Transactions

The Directors of the Company confirmed that there were no other interested person, or related party transactions during the year under review, except as disclosed in the financial statements. The Directors confirmed that all of these transactions were carried out in the ordinary and usual course of business of the Group.

Audit Committee

The Audit Committee ("AC") consists of three Directors all of whom are non-executive independent Directors. The AC has specific terms of reference and has met twice for the financial year ended 31 March 2012.

The AC assists the Board to maintain a high standard of corporate governance, particularly by providing an independent review of the effectiveness of the financial reporting, management of financial and control risks, and monitoring of the internal control systems.

The responsibilities of the AC are:

(a) reviews and discusses the audit plans of the external auditors and the report on the audit of the year-end financial statements and ensure the adequacy of the Group's system of accounting controls and the co-operation given by the management to the external auditors;

(b) reviews the quarterly announcements and annual financial statements of the Group before their submission to the Board and before their announcement;

(c) reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;

(d) reviews the cost effectiveness and the independence and objectivity of the external auditors, including other nature and extent of non-audit services provided by the external auditors;

(e) nominates external auditors for reappointment;

(f) reviews the Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual, and by such amendments made thereto from time to time;

(g) reviews adequacy of the whistle-blowing programme;

(h) reviews interested person transactions in accordance with the requirements of the Listing Manual and the Shareholders' Mandate; and

(i) reviews the adequacy and effectiveness of the Group's internal controls, including financial, compliance and risk management.

The AC has the power to conduct or authorise investigations into any matter within the AC's scope of responsibility.

The Board is of the view that the members of the AC are appropriately qualified to discharge their responsibilities and they have the requisite accounting or related financial management expertise or experience.

The AC meets with the external auditors, without the presence of the Company's management, at least once annually.

For the financial year ended 31 March 2012, the AC has reviewed all non-audit services provided by the external auditors and confirmed that the non-audit service that have been rendered to the Group by the external auditors during the financial year would not affect the independence and objectivity of the external auditors.

REPORT OF
THE DIRECTORS

Audit Committee (cont'd)

The AC recommends to the Board the reappointment of Messrs Moore Stephens LLP as the external auditors of the Company, as well as the appointments of different auditors for its subsidiaries or significant associated companies where applicable.

The AC has reviewed and is satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of the Company as measures have been put in place to ensure that timely and periodic reports of the operations and financial statements of the subsidiaries and significant associated companies are provided to the Company and/or the Company's auditors. The Company's auditors are also at liberty to seek information from the other auditors as and when necessary and from time to time.

The Group has implemented a whistle blowing policy. The policy aims to provide an avenue for employees to raise concerns about misconduct in the Group and at the same time assure them that they will be protected from victimisation for whistle blowing in good faith.

In the opinion of the Directors, the Group has complied with the Code's guidelines on audit committees as well as Rule 716 of the SGX-ST Listing Manual.

Independent Auditors

The independent auditors, Moore Stephens LLP, Public Accountants and Certified Public Accountants, have expressed their willingness to accept reappointment.

On behalf of the Board of Directors

Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil
Director

Wong Choy Yin
Director

Singapore
6 July 2012

STATEMENT BY THE DIRECTORS

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet of the Company, together with the notes thereto, as set out on pages 35 to 104, are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2012 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil
Director

Wong Choy Yin
Director

Singapore
6 July 2012

INDEPENDENT AUDITORS' REPORT

to the Members of LionGold Corp Ltd

We have audited the accompanying consolidated financial statements of LionGold Corp Ltd (formerly known as The Think Environmental Co Ltd) (the "Company") and its subsidiaries (collectively referred to as the "Group"), as set out on pages 35 to 104, which comprise the balance sheets of the Group and of the Company as at 31 March 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flows statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the balance sheet of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2012, and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Moore Stephens LLP
Public Accountants and
Certified Public Accountants

Singapore
6 July 2012

CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME

For the Financial Year Ended 31 March 2012

	Note	2012 S$'000	2011 S$'000
CONTINUING OPERATIONS			
Revenue	4	97,956	83,932
Cost of sales		(87,701)	(73,415)
Gross profit		10,255	10,517
Other operating income	5	10,706	2,627
Expenses:			
Selling and distribution expenses		(2,447)	(2,253)
Administrative expenses		(14,842)	(6,506)
Other operating expenses	6	(31,900)	(1,629)
Finance costs	7	(2,963)	(1,643)
Total expenses		(52,152)	(12,031)
Share of loss of an associated company		(102)	(765)
(Loss)/Profit before income tax from continuing operations	8	(31,293)	348
Income tax (expense)/credit	10	(123)	116
Net (loss)/profit for the year from continuing operations		(31,416)	464
DISCONTINUED OPERATIONS			
Profit from discontinued operations, net of tax	34	–	14
Total (loss)/profit after tax for the year		(31,416)	478
Attributable to:			
Equity holders of the Company			
(Loss)/Profit from continuing operations, net of tax		(27,830)	815
Profit from discontinued operations, net of tax	34	–	123
(Loss)/Profit for the year attributable to equity holders of the Company		(27,830)	938
Non-controlling interests			
Loss from continuing operations, net of tax		(3,586)	(351)
Loss from discontinued operations, net of tax		–	(109)
Loss for the year attributable to non-controlling interests		(3,586)	(460)

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME

For the Financial Year Ended 31 March 2012

(cont'd)

	Note	2012 S$'000	2011 S$'000
(Loss)/Earnings per share attributable to equity holders of the Company (S$ cent)			
Continuing and discontinued operations			
- Basic and diluted	11	(3.82)	0.13
Continuing operations			
- Basic and diluted	11	(3.82)	0.11
Total (loss)/profit for the year		(31,416)	478
Other comprehensive income:			
Currency translation differences		709	(445)
Total comprehensive (loss)/income for the year		(30,707)	33
Total comprehensive (loss)/income for the year attributable to:			
Equity holders of the Company		(27,121)	493
Non-controlling interests		(3,586)	(460)
		(30,707)	33
Attributable to:			
Equity holders of the Company			
Total comprehensive (loss)/income from continuing operations, net of tax		(27,121)	370
Total comprehensive income from discontinued operations, net of tax		–	123
Total comprehensive (loss)/income for the year attributable to equity holders of the Company		(27,121)	493
Non-controlling interests			
Total comprehensive loss from continuing operations, net of tax		(3,586)	(351)
Total comprehensive loss from discontinued operations, net of tax		–	(109)
Total comprehensive loss for the year attributable to non-controlling interests		(3,586)	(460)

The accompanying notes form an integral part of the financial statements

BALANCE SHEETS

As At 31 March 2012

		Group		Company	
	Note	2012	2011	2012	2011
		S$'000	S$'000	S$'000	S$'000
ASSETS					
Current assets					
Due from subsidiaries	12	–	–	54,094	54,280
Inventories	13	5,545	5,042	–	–
Other current assets	14	1,334	1,688	9	500
Trade and other receivables	15	32,670	14,586	137	–
Financial assets at fair value through profit or loss	16	79	75	–	–
Available-for-sale financial assets	17	15,763	–	–	–
Cash and cash equivalents	19	15,816	16,207	55	233
		71,207	37,598	54,295	55,013
Assets held for sale	18	5,847	–	–	–
		77,054	37,598	54,295	55,013
Non-current assets					
Property, plant and equipment	20	4,460	4,299	20	6
Exploration and evaluation expenditure	21	–	–	–	–
Intangible assets	22	10,250	20,203	–	–
Investments in subsidiaries	12	–	–	12,692	12,650
Investments in associated companies	23	31	5,980	–	–
Available-for-sale financial assets	17	–	15,725	–	–
Other receivable	17	–	–	–	–
		14,741	46,207	12,712	12,656
Total assets		91,795	83,805	67,007	67,669
LIABILITIES					
Current liabilities					
Due to subsidiaries	12	–	–	439	440
Trade and other payables	24	30,408	20,027	4,183	1,634
Income tax liabilities		18	18	–	–
Finance lease liabilities	25	60	33	–	–
Borrowings	26	40	38	–	–
		30,526	20,116	4,622	2,074

The accompanying notes form an integral part of the financial statements

BALANCE SHEETS

As At 31 March 2012

(cont'd)

	Note	Group 2012 S$'000	Group 2011 S$'000	Company 2012 S$'000	Company 2011 S$'000
Non-current liabilities					
Finance lease liabilities	25	246	43	–	–
Borrowings	26	30,760	13,628	26,577	13,073
		31,006	13,671	26,577	13,073
Total liabilities		61,532	33,787	31,199	15,147
Net assets		30,263	50,018	35,808	52,522
EQUITY					
Issued capital and reserves attributable to equity holders of the Company					
Issued capital	27	42,848	42,249	42,848	42,249
Share premium	27	26,824	17,286	26,824	17,286
Other reserves	28	(36,376)	(9,255)	(33,864)	(7,013)
		33,296	50,280	35,808	52,522
Non-controlling interests		(3,033)	(262)	–	–
Total equity		30,263	50,018	35,808	52,522

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

For the Financial Year Ended 31 March 2012

	← Attributable to equity holders of the Company						→		
	Issued capital S$'000	Share premium S$'000	Contributed surplus S$'000	Statutory reserve S$'000	Foreign currency translation reserve S$'000	Accumulated losses S$'000	Subtotal S$'000	Non–controlling interests S$'000	Total equity S$'000
As at 1 April 2011	42,249	17,286	(11,833)	3,100	1,424	(1,946)	50,280	(262)	50,018
Issuance of shares (Note 27)	599	9,538	–	–	–	–	10,137	–	10,137
Total comprehensive income/(loss) for the year	–	–	–	–	709	(27,830)	(27,121)	(3,586)	(30,707)
Acquisition of subsidiaries	–	–	–	–	–	–	–	815	815
As at 31 March 2012	42,848	26,824	(11,833)	3,100	2,133	(29,776)	33,296	(3,033)	30,263
As at 1 April 2010	42,249	17,286	(11,833)	3,100	1,869	(2,884)	49,787	89	49,876
Total comprehensive income/(loss) for the year	–	–	–	–	(445)	938	493	(460)	33
Disposal of a subsidiary	–	–	–	–	–	–	–	109	109
As at 31 March 2011	42,249	17,286	(11,833)	3,100	1,424	(1,946)	50,280	(262)	50,018

The accompanying notes form an integral part of the financial statements

CONSOLIDATED
CASH FLOWS STATEMENT

For the Financial Year Ended 31 March 2012

	2012 S$'000	2011 S$'000
Cash Flows From Operating Activities		
(Loss)/Profit before tax from continuing operations	(31,293)	348
Profit before tax from discontinued operations (Note 34)	–	14
(Loss)/Profit before income tax	(31,293)	362
Adjustments for:		
Depreciation of property, plant and equipment	910	914
Amortisation of intangible assets	51	34
Amortisation income of financial assets	(17)	(16)
Property, plant and equipment written off	29	31
(Gain)/Loss on disposal of property, plant and equipment	(8)	6
Gain on disposal of subsidiaries	–	(1,369)
Gain on disposal of available-for-sale financial assets	–	(1,158)
Gain on disposal of financial assets at fair value through profit or loss	–	(125)
Unrealised foreign exchange loss	939	1,986
Fair value gain on financial assets at fair value through profit or loss	(2)	(2)
Profit warranty income	(10,000)	–
Capitalised expenditure written off	1,973	–
Allowance for impairment loss of goodwill	16,063	–
Allowance for impairment loss of exploration and evaluation expenditure	3,249	–
Allowance for impairment loss of other receivable	3,914	–
Allowance for impairment loss of available-for-sale financial asset	1,841	–
Share of loss of an associated company	102	765
Interest income	(42)	(26)
Interest expense	2,963	1,649
Operating cash flows before working capital changes	(9,328)	3,051
Changes in operating assets and liabilities:		
Inventories	(503)	70
Trade and other receivables	(10,110)	584
Other current assets	341	(957)
Trade and other payables	11,931	2,999
Cash (used in)/generated from operations	(7,669)	5,747
Interest received	42	26
Interest paid	(2,963)	(765)
Income tax paid	(123)	(608)
Net cash (used in)/generated from operating activities	**(10,713)**	**4,400**

The accompanying notes form an integral part of the financial statements

(cont'd)

	2012 S$'000	2011 S$'000
Cash Flows From Investing Activities		
Acquisition of subsidiaries, net of cash and cash equivalents acquired (Note A)	1	–
Proceeds from disposal of property, plant and equipment	81	296
Purchase of property, plant and equipment	(634)	(837)
Additions to intangible assets (other than goodwill)	(98)	(3,364)
Addition of available-for-sale financial assets	(1,879)	(11,609)
Proceeds from disposal of available-for-sale financial assets	–	3,000
Purchase of financial assets at fair value through profit or loss	(2)	–
Proceeds from disposal of financial assets at fair value through profit or loss	–	1,680
Exploration and evaluation expenditure	(1,367)	–
Disposal of subsidiaries, net of cash and cash equivalents disposed (Note B)	–	1,276
Net cash used in investing activities	**(3,898)**	**(9,558)**
Cash Flows From Financing Activities		
Proceeds from borrowings	17,342	14,277
Repayment of borrowings	(207)	(1,227)
Repayment of finance lease liabilities	(51)	(39)
Advance to related parties	(3,914)	–
Repayment of advance to a director	–	(5,219)
Net cash generated from financing activities	**13,170**	**7,792**
Net (decrease)/increase in cash and cash equivalents	(1,441)	2,634
Cash and cash equivalents at the beginning of the year	16,207	13,968
Effect of foreign exchange rate changes, net	1,050	(395)
Cash and cash equivalents at the end of the year (Note 19)	**15,816**	**16,207**

The accompanying notes form an integral part of the financial statements

CONSOLIDATED
CASH FLOWS STATEMENT
For the Financial Year Ended 31 March 2012

(cont'd)

Note A:

Acquisition of subsidiaries

During the financial year, the Group acquired a 70% equity interest in Mornington Offshore Inc. and its subsidiaries (the "MOI Group") for a consideration of S$7,965,000.

The business combination was accounted for using the acquisition method. The fair values of the identifiable assets and liabilities of the MOI Group as at the date of acquisition were:

	2012 S$'000
Property, plant and equipment	188
Exploration and evaluation expenditure (Note 21)	3,249
Cash and cash equivalents	1
Trade and other receivables	1,085
Capitalised expenditure	606
Trade and other payables	(2,412)
Net identifiable assets	2,717
Non-controlling interests	(815)
Net identifiable assets on acquisition	1,902
Goodwill arising on consolidation (Note 22)	6,063
Purchase consideration	7,965
Less: non-cash consideration	(7,965)
Consideration settled in cash	–
Less: Cash and cash equivalents of the subsidiaries acquired	(1)
Net cash inflow on acquisition of subsidiaries	**1**

Equity instruments issued as purchase consideration

In connection with the acquisition of a 70% equity interest in MOI Group, LionGold Corp Ltd issued 9,481,857 ordinary shares with a fair value of S$0.84 each.

The accompanying notes form an integral part of the financial statements

(cont'd)

Note B:

Disposal of subsidiaries

In the prior year, the Group disposed of its 60% equity interest in Flagship Ecosystem Investment Pte Ltd and its 42% equity interest in D-Water C.E.T.P. Ecosystems (BD) Ltd.

The aggregate effects of the disposal of the above subsidiaries on the cashflows of the Group were as follows:

	2011 S$'000
Property, plant and equipment	90
Intangible assets	5,274
Cash and cash equivalents	1
Trade and other receivables	152
Deposits	48
Pledged bank deposits	30
Prepayment	138
Trade and other payables	(5,867)
Accrual	(31)
Term loan	(36)
Net liabilities disposed	(201)
<u>Gain of disposal</u>	
Consideration received	1,277
Net liabilities disposed	201
Non-controlling interests	(109)
Gain on disposal	1,369
Analysis of assets and liabilities over which control was lost	
Consideration received in cash and cash equivalents	1,277
Less: Cash and cash equivalents of subsidiaries disposed	(1)
Net cash inflow on disposal of subsidiaries	**1,276**

The accompanying notes form an integral part of the financial statements

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

1 General

The Company was incorporated in Bermuda on 23 June 2004 as an exempt company with limited liability under the Companies Act 1981 of Bermuda with its registered office at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda. During the financial year, the Company changed its name from The Think Environmental Co Ltd to LionGold Corp Ltd. Its principal place of business is located at 38 Kallang Place, Singapore 339166. The shares of the Company are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The principal activity of the Company is investment holding. The principal activities of the Group's subsidiaries are described in Note 12 to the financial statements.

The balance sheet of the Company as at 31 March 2012 and the consolidated financial statements of the Group for the financial year ended 31 March 2012 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on the date of the Statement by Directors.

2 Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). These financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the balance sheet date, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates.

Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgement or complexity, are disclosed in Note 3.

Adoption of New and Revised FRS

For the financial year ended 31 March 2012, the Group has adopted the following new/revised FRS which are relevant to the Group and mandatory for application:

		Effective for accounting periods beginning on or after
FRS 24 (Revised)	Related Party Disclosures	1 January 2011
FRS 27 (Amendment)	Consolidated and Separate Financial Statements*	1 July 2010
FRS 103 (Amendment)	Business Combinations*	1 July 2010
FRS 107 (Amendment)	Financial Instruments: Disclosures*	1 January 2011

* Under the Improvements to FRS 2010

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New and Revised FRS (cont'd)

Except as discussed below, the adoption of the above revised or amended standards have not had any effect on the Group's financial statements for the financial year ended 31 March 2012.

Revised FRS 24 - *Related Party Disclosures*

The revised standard clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. The amendment has not had any impact on the related party transactions disclosure reported in the Group's financial statements, as set out in Note 29.

Amendment to FRS 103 - *Business Combinations*

The amendment clarifies that the choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation. All other components of non-controlling interests are measured at fair value unless another measurement basis is required by other standards.

The amendment further clarifies that contingent consideration arrangements arising from business combinations with acquisition dates preceding the application of FRS 103 (Revised) are to be accounted for in accordance with the guidance in the previous version of FRS 103, at initial recognition, i.e. contingent consideration is recognised at fair value if it is deemed to be probable of payment and can be measured reliably at the date of the acquisition. All subsequent changes in the contingent consideration are adjusted against the cost of combination. Under the FRS 103 (Revised), at initial recognition, contingent consideration is now required to be recognised at fair value even if it is deemed not to be probable of payment at the date of the acquisition. All subsequent changes in debt contingent consideration are recognised in profit or loss, rather than the goodwill.

Changes to the Group's accounting policy has been made as required in accordance with the above amendments (see Note 2(b)). The effect of the adoption of the amendment to FRS 103 on the Group's consolidated financial statements, relating to the acquisition of a 70% of equity interest in MOI Group does not have a significant effect on the Group's consolidated financial statements for the financial year ended 31 March 2012.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

New/Revised FRS which are not yet effective

At the date of these financial statements, the following new or revised standards have been issued and are relevant to the Group but not yet effective:

		Effective for accounting periods beginning on or after
FRS 1 (Amendment)	Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 27	Amendment to FRS 27 Separate Financial Statements	1 January 2013
FRS 110	Consolidated Financial Statements	1 January 2013
FRS 113	Fair Value Measurement	1 January 2013
FRS 28	Amendment to FRS 28 Investment in Associates and Joint Ventures	1 January 2013
FRS 112	Disclosure of Interest in Other Entities	1 January 2013
FRS 107	Amendments to FRS 107 Disclosure – Transfer of Financial Assets	1 July 2011
INT FRS 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

Except as discussed below, the adoption of the above new or revised standards which are not yet effective is not expected to have a significant effect on the Group's financial statements on application. However, certain of these standards will require more extensive disclosures in the financial statements than those in the current standards.

FRS 1 (Amendment) requires entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Group on initial application.

FRS 27 (Revised) will now solely address separate financial statements, the requirements for which are substantially unchanged and will not have any impact on the financial performance or the financial position of the Group on initial application.

FRS 28 (Revised) changes in scope as a result from the issuance of FRS 111 *Joint Arrangements*. It continues to prescribe the mechanics of equity accounting. It will not have any impact on the financial performance or the financial position of the Group and Company when implemented.

FRS 110 supersedes FRS 27 *Consolidated and Separate Financial Statements* and INT FRS 12 *Consolidation – Special Purpose Entities*. It changes the definition of control and applies it to all investees to determine the scope of consolidation. FRS 110 requirements will apply to all types of potential subsidiary. FRS 110 requires an investor to reassess the decision whether to consolidate an investee when events indicate that there may be a change to one of the three elements of control, i.e. power, variable returns and the ability to use power to affect returns. The Group is in the process of assessing the impact of this new standard on the financial statements.

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

New/Revised FRS which are not yet effective (cont'd)

FRS 112 combines the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities within a comprehensive disclosure standard. FRS 112 specifies minimum disclosures that an entity must provide. It requires an entity to provide summarised financial information about the assets, liabilities, profit or loss and cash flows of each subsidiary that has non-controlling interests that are material to the reporting entity and to disclose the nature of its interests in unconsolidated structured entities and the nature of the risks it is exposed to as a result. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Group on initial application.

FRS 113 provides guidance on how to measure fair values including those for both financial and non-financial items and introduces significantly enhanced disclosures about fair values. It does not address or change the requirements on when fair values should be used. When measuring fair value, an entity is required to use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. It establishes a fair value hierarchy for doing this. The Group expects no significant impact on the financial performance or the financial position of the Group on initial application.

INT FRS 20 clarifies the requirements for accounting for stripping costs in the production phase of a surface mine. The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The Group is in the process of assessing the impact on the financial statements.

(b) Basis of Consolidation

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

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

2 Significant Accounting Policies (cont'd)

(b) Basis of Consolidation (cont'd)

Acquisition of businesses

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

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

Acquisition-related costs are expensed as incurred.

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

The Group elects for each individual business combination, whether a non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combinations, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 22 Intangible Assets. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Disposals of subsidiaries or businesses

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

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

Please refer to Note 2(f) below for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheets, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

2 Significant Accounting Policies (cont'd)

(c) Property, Plant and Equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure for additions, improvements and renewals is capitalised and expenditure for maintenance and repairs is charged to profit or loss.

Depreciation is calculated on the straight-line method to write off the cost of these assets over their estimated useful lives or the lease term, after taking into account the estimated residual value at 10% of its cost. The estimated useful lives are as follows:

Leasehold land and building	- 34 years (over the lease term)
Leasehold improvements	- 3 to 5 years
Plant and machinery	- 5 to 10 years
Moulds	- 5 years
Office and electronic equipment	- 3 to 5 years
Motor vehicles	- 5 years
Field equipment	- 5 years

Construction in progress is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

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

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the property, plant and equipment is included in profit or loss in the year the property, plant and equipment is derecognised.

(d) Intangible Assets

Computer software

Acquired computer software licenses are initially capitalised at cost which includes the purchase price and other directly attributed cost of preparing the asset for its intended use. Capitalised computer software licenses are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of five years.

Research and development costs

Research costs are recognised as expenses as incurred. Development costs incurred on an individual project are carried forward when its future recoverability can reasonably be regarded as assured. Capitalised development costs are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful life of three years, from the date when the products are put into commercial production.

2 Significant Accounting Policies (cont'd)

(d) Intangible Assets (cont'd)

Concession Rights

The Group recognises an intangible asset if it does not have any contractual right under the concession agreements to receive a fixed and determinable amount of payments during the concession period. The intangible asset is recognised to the extent that the Group has a right to charge fees for the usage of the central effluent treatment plant and is amortised over the concession period from commencement of the operation of the central effluent treatment plant.

Concession rights are stated at the fair value of services provided less accumulated amortisation and impairment losses. Concession rights are amortised to profit or loss on a straight-line method over the concession period of 30 years, from commencement of the operation of the central effluent treatment plant.

Goodwill

Goodwill arising on acquisition of subsidiaries is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

For the purpose of impairment testing, goodwill acquired is allocated to each of the Group's cash-generating units ("CGUs") that are expected to benefit from the synergies of the combination. The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

When goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

(e) Exploration and Evaluation Expenditure

Once the legal right to explore has been acquired, exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation. Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or

- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

2 Significant Accounting Policies (cont'd)

(e) Exploration and Evaluation Expenditure (cont'd)

Expenditure which fails to meet the conditions outlined above is written off. Furthermore, the directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of FRS 106 Exploration for and Evaluation of Mineral Resources. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to in FRS 106 is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off. Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Group's rights of tenure to that area of interest are current.

(f) Group Accounting

Subsidiaries

Investments in subsidiaries are stated in the Company's balance sheet at cost less any accumulated impairment losses. An assessment of recoverable amounts of investments in subsidiaries is performed when there is an indication that the asset has been impaired or the impairment losses recognised in the prior years no longer exist.

Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanying a shareholding of between and including 20% and 50% of the voting rights. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses. Goodwill relating to associated companies is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

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

2 Significant Accounting Policies (cont'd)

(f) Group Accounting (cont'd)

Associated companies (cont'd)

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

(g) Impairment of Non-Financial Assets Excluding Goodwill

Property, plant and equipment, intangible assets (excluding goodwill), and investments in subsidiaries and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets have been impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs. If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. The impairment loss is recognised in profit or loss unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

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

(h) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost includes the cost of raw materials as determined on the weighted average basis and, in the case of work-in-progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of production overheads. Net realisable value is determined either by reference to the selling prices of items sold in the ordinary course of business subsequent to the year-end date, or to management estimates, less any further costs expected to be incurred to completion and disposal.

(i) Financial Assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every balance sheet date, with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

2 Significant Accounting Policies (cont'd)

(i) Financial Assets (cont'd)

Financial assets at fair value through profit or loss

Financial asset is classified as financial assets at fair value through profit or loss if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

Purchases and sales of investments are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss are initially recognised and subsequently carried at fair value. Realised and unrealised gains and losses arising from the changes in fair value including the effects of currency translation, interest and dividends, are included in profit or loss in the period in which they arise. The fair values of quoted financial assets are based on quoted market prices, which are the current bid prices.

Loans and receivables

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

(i) Trade and other receivables

Trade and other receivables, which are normally settled on 60 to 90 days terms and amounts due from subsidiaries are recognised initially at fair value plus transaction costs and subsequently carried at amortised costs using the effective interest method, less allowance for impairment. An allowance for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in profit or loss.

(ii) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks or financial institutions, including fixed deposits. Cash and cash equivalents are short-term and highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risk of changes in value.

For the purposes of the consolidated cash flows statement, cash and cash equivalents are shown net of fixed deposits pledged.

2 Significant Accounting Policies (cont'd)

(i) Financial Assets (cont'd)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Assets in this category are presented as non-current assets unless management intends to dispose of the assets within 12 months after the balance sheet date.

Available-for-sale financial assets are initially recognised at fair value plus, any direct attributable transaction costs, and subsequently carried at fair value with gains and losses being recognised directly in equity until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in profit or loss.

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in the fair value reserve. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in the fair value reserve, together with the related currency translation differences.

Impairment losses recognised in profit or loss for investments in equity instruments classified as available-for-sale are not subsequently reversed through profit or loss. If there is no impairment and the fair value of unquoted equity investments cannot be measured reliably because the range of possible fair value estimates is wide and the probabilities of the various estimates within the range cannot be reasonably assessed, the investment is stated at cost.

(j) Financial Instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other payables

Trade and other payables, which are normally settled on 75 to 90 days terms and amounts due to subsidiaries, are initially measured at fair value and are subsequently carried at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs.

After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the period of the borrowings using the effective interest method.

(k) Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

2 Significant Accounting Policies (cont'd)

(l) Financial Guarantees

Financial guarantee contracts are arrangements drawn between the Company and financial institutions for the issuance of corporate guarantees for bank facilities obtained by its subsidiaries.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs, and subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless the Company has incurred an obligation to reimburse the financial institutions for an amount higher than the unamortised amount. In this case, the financial guarantee contracts shall be carried at the expected amount payable to the financial institutions.

(m) Income Taxes

Current income tax liabilities for current and prior periods are recognised at the amounts expected to be paid to the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(n) Leases

Finance leases

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

Assets acquired on hire purchase arrangements are capitalised and the corresponding obligations treated as a liability. The total interest, being the difference between the total instalments payable and the capitalised amount, is charged to profit or loss over the period of such hire purchase arrangements on a basis that reflects a constant periodic rate of charge on the balance of capital repayments outstanding.

Operating leases

Leases of office, factory, and plant and equipment where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the leases.

2 Significant Accounting Policies (cont'd)

(o) Revenue Recognition

Sale of Office Equipment

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customer and collectibility of the related receivables is reasonably assured.

Investment Trading

Gain on sale of financial assets at fair value through profit or loss is recognised when the ownership of the shares or rights have been transferred to the buyer.

Interest Income

Interest income is recognised on a time proportion basis using the effective interest method.

Construction Revenue

When the outcome of the construction contract can be estimated reliably, contract revenue and costs are recognised in profit or loss in proportion to the stage of completion of the contract.

When the outcome of the construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work and claims, to the extent that it is probable that those additions will result in revenue and can be measured reliably. The stage of completion of the contract is measured by reference to the surveys of work performed.

(p) Construction Contracts

Construction contracts are stated at the lower of cost plus attributable profit less anticipated losses and progress billings, and net realisable value. Cost comprises material costs, direct labour, borrowing costs and relevant overheads. Provision for total anticipated losses on construction contracts is recognised in the financial information when the loss is foreseeable.

Provision for liquidated damages for late completion of projects are made where there is a contractual obligation and written notice is received from customers, and where in management's opinion an extension of time is unlikely to be granted.

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

Progress billings which are not paid by customers and retentions are classified as 'trade and other receivables', whereas advances received are classified as 'trade and other payables'.

2 Significant Accounting Policies (cont'd)

(q) Employee Benefits

Defined contribution plans

Defined contribution plans are post-employment benefits plans under which the Group pays fixed contributions into separate entities. The Group participates in the national schemes as defined by the laws of the countries in which it operates. The Group's contributions are recognised as an expense in profit or loss as and when they are incurred. The Group has no further payment obligations once the contributions have been paid.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(r) Borrowing Costs

Borrowing costs incurred to finance the acquisition of property, plant and equipment are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised on a time-proportion basis in profit or loss using the effective interest method. The amount of borrowing cost capitalised on that asset is the actual borrowing costs incurred during the period less any investment income on the temporary investment of those borrowings.

(s) Dividends

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved for payment by the shareholders.

(t) Segment Reporting

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

(u) Statutory Reserves

Subsidiaries which are incorporated in the People's Republic of China ("PRC") appropriates 10% of the profit for each financial year, arrived at in accordance with PRC regulations, to statutory reserves. The profit arrived at must be used to set off against any accumulated losses. The appropriation to statutory reserves after offsetting against any accumulated losses must be made before the distribution of dividends to shareholders. The appropriation is required until the statutory reserves reaches 50% of the registered share capital. The statutory reserves are not distributable in the form of cash dividends.

2 Significant Accounting Policies (cont'd)

(v) Share Capital

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

(w) Currency Translation

Functional and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (the "functional currency"). For the purpose of the consolidated financial statements, the results and financial position of the group are expressed in Singapore Dollars ("S$"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements. All values are rounded to the nearest thousand (S$'000) except when otherwise indicated.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in profit or loss, except for currency translation differences on net investment in foreign entities and borrowings and other currency instruments qualifying as net investment hedges for foreign operations in the consolidated financial statements.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Non-monetary items that are measured in terms of historical cost in foreign currencies are translated using the exchange rate at the date of the transaction.

Currency translation differences on non-monetary items, whereby the gains or losses are recognised in profit or loss, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Currency translation differences on non-monetary items whereby the gains or losses are recognised directly in equity, such as equity investments classified as available-for-sale financial assets are included in the fair value reserve.

Translation of Group entities' financial statements

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

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;

- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the dates of the transactions); and

- All resulting exchange differences are recognised in the foreign currency translation reserve within equity.

2 Significant Accounting Policies (cont'd)

(w) Currency Translation (cont'd)

Consolidation adjustments

On consolidation, currency translation differences arising from the net investment in foreign entities and borrowings and other currency instruments designated as hedges of such investments are taken to foreign currency translation reserve. When a foreign operation is disposed of, such currency translation differences are recognised in profit or loss as part of the gain or loss on disposal.

(x) Discontinued Operation

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and

(i) represents a separate major line of business or geographical area of operations; or

(ii) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or

(iii) is a subsidiary acquired exclusively with a view to resale.

Results and cash flows attributable to a discontinued operation (including comparative figures) are presented or disclosed separately from the continuing operations.

(y) Non-Current Assets Held For Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less cost to sell.

The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

(z) Related Parties

A related party is defined as follows:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity').

(a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control over the reporting entity;

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

2 Significant Accounting Policies (cont'd)

(z) Related Parties (cont'd)

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;

(vi) the entity is controlled or jointly controlled by a person identified in (a); or

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3 Critical Accounting Estimates, Assumptions and Judgements

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

(a) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated useful life and residual value of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these property, plant and equipment, therefore future depreciation charges could be revised. Management estimates the useful lives of these property, plant and equipment to be within 3 to 34 years. The carrying amount of the Group's property, plant and equipment as at 31 March 2012, excluding construction in progress, was S$4,263,000 (2011: S$4,188,000).

If the depreciation on property, plant and equipment differs by 10% from management's estimates, the Group's (loss)/profit after tax for the year will vary by 0.29% (2011: 19.1%).

3 Critical Accounting Estimates, Assumptions and Judgements (cont'd)

(a) Key Sources of Estimation Uncertainty (cont'd)

Impairment of goodwill arising from acquisition of subsidiaries

Goodwill arising from the acquisition of a subsidiary is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. The recoverable amount of the allocated cash-generating unit ("CGU") has been determined based on value-in-use calculations. The calculation requires the use of estimates and assumptions (Note 22). Changes to these estimates and assumptions could result in a change in the carrying value of the goodwill.

During the financial year, an impairment loss of S$6,063,000 (2011: Nil) and S$10,000,000 (2011: Nil) were recognised for Mornington Offshore Inc. and Industrial Power Technology Pte Ltd respectively. The carrying amount of the Group's goodwill as at 31 March 2012 was S$10,178,000 (2011: S$20,178,000) (Note 22).

A 5% increase or decrease in the estimated growth rate and discount rate used would not result in a recoverable amount lower than the carrying amount of goodwill.

Impairment of amount due from subsidiaries

The Company assesses at each balance sheet date whether there is any objective evidence that the amount due from subsidiaries is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as industry performance, technology changes, operational and financing cash flow. Management will also consider the financial conditions and business prospects of the subsidiaries.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on the forecasted performance of the subsidiary. The carrying amounts of the amount due from subsidiaries at the balance sheet date are disclosed in Note 12 to the financial statements. A 5% increase/decrease in the estimated discount rate used would not result in a recoverable amount lower than the carrying amount of the amount due from subsidiaries.

(b) Critical Judgements made in Applying Accounting Policies

In the process of applying the Group's accounting policies, management has made certain judgements, apart from those involving estimations, which have a significant effect on the amounts recognised in the financial statements.

Exploration and Evaluation Expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

3 Critical Accounting Estimates, Assumptions and Judgements (cont'd)

(b) Critical Judgements made in Applying Accounting Policies (cont'd)

Exploration and Evaluation Expenditure (cont'd)

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made. An impairment loss of S$3,249,000 (2011: Nil) for the exploration and evaluation expenditure incurred in Mali was made as the Group does not expect meaningful progress in its mining activities in Mali and the costs are not expected to be recouped (Note 6). The carrying amount of the Company's exploration and evaluation expenditure as at 31 March 2012 was Nil (2011: Nil) (Note 21).

Impairment of available-for-sale financial assets

Management assesses impairment of the available-for-sale financial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the impairment loss.

An impairment loss of S$1,841,000 (2011: Nil) for available-for-sale financial asset was made as they are deemed to be not recoverable (Note 6). The carrying amount of the Group's available-for-sale financial assets as at 31 March 2012 was S$15,763,000 (2011: S$15,725,000) (Note 17).

Impairment of assets held for sale

Management assesses impairment of the assets held for sale whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the impairment loss.

During the financial year, no impairment of assets held for sale was made (2011: Nil). The carrying amount of the Group's assets held for sale as at 31 March 2012 was S$5,847,000 (2011: Nil) (Note 18).

Impairment of trade and other receivables

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

During the financial year, the Group impaired other receivable of S$3,914,000 (2011: Nil) (Note 6). No impairment loss was recognised for trade receivables as at 31 March 2012. The carrying amount of the Group's trade and other receivables (including sundry deposits) was S$33,630,000 (2011: S$15,284,000).

Impairment of investments in subsidiaries and associated companies

Management assesses impairment of the above-mentioned assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the impairment loss.

During the financial year, no allowance for impairment of investments in subsidiaries was made (2011: Nil). The carrying amount of the Company's investments in subsidiaries as at 31 March 2012 was S$12,692,000 (2011: S$12,650,000) (Note 12).

3 Critical Accounting Estimates, Assumptions and Judgements (cont'd)

(b) Critical Judgements made in Applying Accounting Policies (cont'd)

Impairment of investments in subsidiaries and associated companies (cont'd)

During the financial year, no impairment of investments in associated companies was made (2011: Nil). The carrying amount of the Group's investments in associated companies as at 31 March 2012 was S$31,000 (2011: S$5,980,000) (Note 23).

Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the group-wide income tax liabilities. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax liabilities in the period in which such determination is made. The carrying amount of the Group's income tax liabilities at 31 March 2012 was S$18,000 (2011: S$18,000).

4 Revenue

	Group	
	2012 S$'000	2011 S$'000
Sale of office equipment	92,628	83,932
Construction revenue	5,328	–
	97,956	83,932

5 Other Operating Income

	Group	
	2012 S$'000	2011 S$'000
From Continuing Operations:		
Profit warranty from contingent consideration (Note 15)	10,000	–
Gain/(Loss) from sales of spare parts	466	(61)
Interest income	42	26
Amortisation income of financial assets	17	16
Gain on disposal of financial assets at fair value through profit and loss	–	125
Gain on disposal of a subsidiary	–	1,217
Gain on disposal of available-for-sale financial assets	–	1,158
Gain on disposal of property, plant and equipment	8	–
Fair value gain on financial assets at fair value through profit or loss	2	2
Others	171	144
	10,706	2,627

6 Other Operating Expenses

	Group 2012 S$'000	Group 2011 S$'000
From Continuing Operations:		
Loss on foreign exchange (net)	633	1,558
Amortisation of intangible assets	51	34
Plant and equipment written off	29	31
Loss on disposal of property, plant and equipment	–	6
Allowance for impairment loss of goodwill (Note 22)	16,063	–
Allowance for impairment loss of available-for-sale financial asset (Note 17)	1,841	–
Allowance for impairment loss of other receivable (Note 17)	3,914	–
Allowance for impairment loss of exploration and evaluation expenditure (Note 21)	3,249	–
Capitalised expenditure written off (Note 21)	1,973	–
Exploration and research expenses	4,139	–
Software expenses	8	–
	31,900	1,629

7 Finance Costs

	Group 2012 S$'000	Group 2011 S$'000
From Continuing Operations:		
Interest on bank loans	2,954	1,637
Interest on finance lease liabilities	9	5
Overdraft interest	–	1
	2,963	1,643

8 (Loss)/Profit before Income Tax from Continuing Operations

	Group	
	2012	2011
	S$'000	S$'000
(Loss)/Profit before income tax is arrived at after charging:		
Cost of sales		
- cost of inventories sold	83,267	73,415
- construction cost	4,434	–
	87,701	73,415
Depreciation of property, plant and equipment included in:		
- cost of sales	561	616
- administrative expenses	349	298
	910	914
Operating lease rental on offices and staff quarters included in:		
- cost of sales	501	577
- administrative expenses	623	612
	1,124	1,189
Transportation cost included in selling and distribution expenses	999	989
Included in administrative expenses:		
Legal and professional fees	3,092	605
Legal claims (Note 31)	2,233	–
Audit fees:		
- Auditors of the Company	215	211
- Other auditors*	18	26
Non-audit fees:		
- Auditors of the Company	95	–
- Other auditors*	70	–

* Includes member firms of Moore Stephens International Limited of which Moore Stephens LLP is a member.

9 Employee Benefits Costs (including Directors' Remuneration)

	Group	
	2012	2011
	S$'000	S$'000
Salaries and related costs	13,861	10,538
Employer's contributions to defined contribution plan	388	270
	14,249	10,808

Employee benefits costs amounting to S$9,054,000 (2011: S$7,086,000), S$4,989,000 (2011: S$3,545,000) and S$206,000 (2011: S$177,000) are included in cost of sales, administrative expenses and selling and distribution expenses, respectively.

10 Income Tax

	Group	
	2012	2011
	S$'000	S$'000
Current income tax – continuing operations:		
- Current year	120	463
- Under/(Over) provision in prior years	3	(579)
	123	(116)

A reconciliation of income tax calculated at the applicable corporate tax rate with income tax expense/(credit) is as follows:

	Group	
	2012	2011
	S$'000	S$'000
(Loss)/Profit before income tax		
- Continuing operations	(31,293)	348
- Discontinued operations	–	14
	(31,293)	362
Add back: Share of loss of an associated company	102	765
	(31,191)	1,127
Income tax (benefits)/expense calculated at applicable tax rates	(6,558)	276
Tax effect of income not subject to income tax	(2,170)	(1,245)
Tax effect of expenses not deductible for income tax	8,203	869
Deferred tax assets not recognised	645	563
Under/(Over) provision in prior years	3	(579)
	123	(116)

Vigorhood Macau Offshore Commercial Company Ltd., a subsidiary of the Company which was incorporated in Macau, was granted the status of an Offshore Institution from the Macau Trade and Investment Promotion Institute on 13 June 2006 and accordingly is exempted from Macau corporate income tax.

Keen Power Technology Ltd. and Good Prezzie Trading Ltd., subsidiaries of the Company, which were incorporated in the British Virgin Islands, have a permanent establishment in Macau and accordingly are subjected to Macau corporate tax at a rate of 12%.

Shenzhen Vigorhood Electronics Co. Ltd., Shenzhen Feibao Technologies Co. Ltd. and Vigorhood Electronics Technology (Shenzhen) Co. Ltd., subsidiaries of the Company, which were incorporated in the People's Republic of China ("PRC"), enjoy a tax concession in the PRC made available to Foreign Investment Enterprises. The subsidiaries are exempted from tax for the first two profitable years commencing from 2008. These subsidiaries subsequently will enjoy a 50% relief from the state income tax rate applicable for the next three years thereafter. The tax incentive period expires in 2012.

In March 2007, the new Enterprise Income Tax ("EIT") Law in the PRC, which became effective on 1 January 2008, unified the income tax rates on domestic and foreign enterprises, new preferential tax policies and tax deduction policies. Income tax rates for domestic and foreign enterprises are unified and set at 25%. Foreign invested enterprises that are enjoying preferential tax rates under the previous tax regime are given a five year transitional period, up to financial year ("FY") 2012 during which time the tax rate will gradually increase to 25%.

10 Income Tax (cont'd)

Emas Mali S.A. and Emas Keikoro S.A., subsidiaries of the Company, which were incorporated in Mali, are subject to a 35% corporate tax rate.

At the balance sheet date, unrecognised tax losses of the Group available for offsetting against future taxable profits amount to S$19,723,000 (2011: S$16,830,000). The availability of the unrecognised tax losses for set-off against future taxable profits is subject to compliance with the tax regulations and agreement with the tax authorities of the respective countries in which the Group companies are incorporated. As at 31 March 2012, the deferred tax benefit arising from unrecognised tax losses of approximately S$3,898,000 (2011: S$3,253,000) has not been recognised in the financial statements as there is no reasonable certainty of their realisation in future periods.

At the balance sheet date, no deferred tax liability (2011: Nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future. Such temporary differences for which no deferred tax liability has been recognised aggregate to S$17,896,000 (2011: S$14,163,000). The deferred tax liability is estimated to be S$1,790,000 (2011: S$1,416,000).

11. (Loss)/Earnings per Share

Continuing Operations

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

	Group	
	2012	2011
Net (loss)/profit from continuing operations, net of tax (S$'000)	(27,830)	815
Net profit from discontinued operations, net of tax (S$'000)	–	123
Total net (loss)/profit attributable to equity holders of the Company (S$'000)	(27,830)	938
Weighted average number of ordinary shares in issue ('000)	729,415	719,368
Basic and diluted earnings per ordinary share (S$ cent)		
Continuing and discontinued operations	(3.82)	0.13
Continuing operations	(3.82)	0.11

The contingent issuable shares are disclosed in Note 37. There is no difference between the basic and diluted earnings per share as there were no potential dilutive shares for the financial years ended 31 March 2012 and 31 March 2011.

Ordinary share transactions that occur after the end of the reporting period that would have changed significantly the number of ordinary shares at the end of the period are disclosed in Note 37. Earnings per share amounts are not adjusted for such transactions occurring after the end of the reporting period because such transactions do not affect the amount of capital used to produce the loss for the period.

12. Investments in Subsidiaries and Amounts due from/(to) Subsidiaries

	Company	
	2012	2011
	S$'000	S$'000
Unquoted shares, at cost	12,692	12,650
Due from subsidiaries	72,698	54,280
Less: Allowance for impairment loss	(18,604)	–
Due from subsidiaries, net	54,094	54,280
Due to subsidiaries	(439)	(440)

The amounts due from/(to) subsidiaries are non-trade, unsecured, interest-free and repayable in cash on demand. The amount of S$54,094,000 (2011: S$54,280,000) due from subsidiaries are not past due nor impaired.

The movement in the allowance for impairment loss of the amount due from subsidiaries is as follows:

	Company	
	2012	2011
	S$'000	S$'000
At the beginning of the year	–	–
Allowance for impairment loss	18,604	–
At the end of the year	18,604	–

The Company has impaired S$18,604,000 of the amount due from subsidiaries as management considered them to be not recoverable.

12 Investment in Subsidiaries and Amounts due from/(to) Subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name of company and country of incorporation/operation	Principal activities	Percentage of equity held directly		Percentage of equity held indirectly	
		2012 %	2011 %	2012 %	2011 %
Held by the Company					
Think Power Pte. Ltd. Singapore	Investment holding	100	100	–	–
LionGold Investments Pte. Ltd. (f.k.a Think Investments Pte. Ltd.) Singapore	Investment holding	100	100	–	–
Ivy Bushes Holdings Ltd. British Virgin Islands	Investment holding	100	100	–	–
Good Prezzie Trading Ltd. British Virgin Islands	Investment holding	100	100	–	–
The Think Environmental Co. Sdn. Bhd. Malaysia	Engineering, procurement and construction projects	100	100	–	–
LionGold Corp (Singapore) Pte. Ltd. # (f.k.a Think Greenergy International Pte. Ltd.) Singapore	Investment holding	100	–	–	100
Held by subsidiaries					
Shenzhen Vigorhood Electronics Co. Ltd. PRC	Manufacturing of office equipment	–	–	100	100
Shenzhen Feibao Technologies Co. Ltd. PRC	Manufacturing of office equipment	–	–	100	100
Vigorhood Electronics Technology (Shenzhen) Co. Ltd. PRC	Manufacturing of office equipment	–	–	100	100
Vigorhood Macao Commercial Offshore Company Ltd. Macau	Trading	–	–	100	100
Keen Power Technology Ltd. British Virgin Islands	Trading	–	–	100	100
Vigorhood Pacific Ltd. Hong Kong	Trading	–	–	100	100
Industrial Power Technology Pte. Ltd. Singapore	Engineering, procurement and construction projects	–	–	75	75
Mornington Offshore Inc * British Virgin Island	Investment holding	–	–	70	–
Emas Mali S.A. * Mali	Gold mining	–	–	70	–
Emas Keikoro S.A. * Mali	Gold mining	–	–	56	–

12 Investment in Subsidiaries and Amounts due from/(to) Subsidiaries (cont'd)

* The Group acquired these subsidiaries ("MOI Group") from Avalon Ventures Corporation ("Vendor") during the year.

LionGold Corp (Singapore) Pte Ltd ("LGCS"), that was wholly-owned by LionGold Investments Pte Ltd ("LGIPL"), has been transferred from LGIPL to the Company during the financial year as part of an internal re-organisation. No consideration passed between LGIPL and the Company.

The Company and all its subsidiaries are audited by Moore Stephens LLP, Singapore, for consolidation purposes except for The Think Environmental Co. Sdn Bhd which is audited by Moore Stephens, Malaysia, a member firm of Moore Stephens International Limited and Emas Mali S.A and Emas Keikoro S.A which are audited by Cabinet AEC International Afrique, Africa.

Included in the loss for the financial year ended 31 March 2012 is a loss of S$9,868,000 attributable to the MOI Group since the acquisition date. Had the business combination been effected as at 1 April 2011, the loss of the Group attributable to owners of the Company for the financial year ended 31 March 2012 would have been S$27,830,000.

13. Inventories

	Group	
	2012	2011
	S$'000	S$'000
Lower of cost and net realisable value		
Raw materials	2,738	2,679
Work-in-progress	1,004	712
Finished goods	1,803	1,651
	5,545	5,042

14. Other Current Assets

	Group		Company	
	2012	2011	2012	2011
	S$'000	S$'000	S$'000	S$'000
Sundry deposits	960	698	–	–
Prepayments	374	990	9	500
	1,334	1,688	9	500

15. Trade and Other Receivables

	Group		Company	
	2012	2011	2012	2011
	S$'000	S$'000	S$'000	S$'000
Trade receivables	17,019	9,923	–	–
Less: Allowance for impairment loss	(349)	(350)	–	–
Trade receivables, net	16,670	9,573	–	–
VAT recoverable	4,431	4,042	–	–
Sundry debtors	11,569	971	137	–
	32,670	14,586	137	–

Acquisition of Industrial Power Technology Pte. Ltd. ("IPT")

In the Company's acquisition of IPT in prior years, an additional consideration of S$7,500,000 was to be payable by way of a cash sum of S$5,250,000 , and the issuance and allotment of 17,307,692 new ordinary shares at an issue price of S$0.13 per ordinary share to acquire the balance of the 25% equity interest of IPT if the acquired operations achieved a cumulative audited net profit before tax ("NPBT") of S$10,000,000 ("Target Profit Guarantee") within the profit warranty period, 1 April 2008 to 31 March 2012 ("Profit Warranty Period").

In the event that the Target Profit Guarantee was not satisfied, the original sellers of IPT are liable to pay the Company the shortfall between the Target Profit Guarantee and the aggregate cumulative audited net profit before tax ("NPBT") for the Profit Warranty Period ("Profit Warranty").

The Board reviewed the Company's investment in IPT and arrived at the view that the Profit Warranty at the expiration of the Profit Warranty Period was not met. As such, the Company called upon the Profit Warranty. As at 31 March 2012, the profit warranty from the contingent consideration of S$10,000,000 was recognised as other operating income (Note 5).

Included in sundry debtors is the amount of S$10,000,000 profit warranty from the contingent consideration.

The movement in the allowance for impairment loss of trade receivables is as follows:

	Group	
	2012	2011
	S$'000	S$'000
At the beginning of the year	350	392
Currency re-alignment	(1)	(42)
At the end of the year	349	350

16. Financial Assets at Fair Value through Profit or Loss

	Group	
	2012	2011
	S$'000	S$'000
Quoted investments	31	29
Unit trusts	48	46
	79	75

Movements in financial assets, at fair value through profit or loss are as follows:

	Group	
	2012	2011
	S$'000	S$'000
Balance at the beginning of the financial year	75	1,628
Additions	2	–
Disposals	–	(1,555)
Fair value gain - net (Note 5)	2	2
Balance at the end of the financial year	79	75

17. Available-For-Sale Financial Assets / Other Receivable

	Group	
	2012	2011
	S$'000	S$'000
(i) Unquoted investments – Current		
Balance at the beginning of the financial year	–	–
Reclassified from non-current available-for-sale financial assets (Note 17a)	15,725	–
Addition	38	–
Balance at the end of the financial year	15,763	–
Unquoted investments - Non-current		
Balance at the beginning of the financial year	15,725	5,958
Reclassified to current available-for-sale financial assets (Note 17a)	(15,725)	–
Additions (Note 17b)	1,841	11,609
Disposal	–	(1,842)
	1,841	15,725
Allowance for impairment loss (Note 6)	(1,841)	–
Balance at the end of the financial year	–	15,725

17 Available-For-Sale Financial Assets / Other Receivable (cont'd)

a) The unquoted investment (current) relates to the Group's investment in Think Greenergy Ltd ("TGE") which was reclassified from non-current available-for-sale financial assets during the financial year.

Included in available-for-sale financial assets (non-current) in the previous financial year, were the following investments the Group entered into:

- a sale and purchase agreement to acquire an aggregate 21% of the ordinary share capital of TGE for an aggregate purchase price of £8,000,000 (equivalent to S$16,870,000). Consequently, an amount of £2,220,000 (equivalent to S$4,908,000) was paid for the financial year ended 31 March 2010.

  In the previous financial year, the Group paid an additional amount of £5,187,000 (equivalent to S$10,817,000) and the Group's investment in TGE increased to S$15,725,000 as at 31 March 2011. A former director had a 39.5% equity interest in TGE during the period of his appointment as a Director of the Company.

  During the financial year, the Group announced the proposed disposal of TGE (Note 37 (e)) and thus it has been reclassified as current assets as at 31 March 2012.

- In the previous financial year, the Group disposed of its entire investment in Luoyang for a consideration of S$3,000,000, resulting in a gain of approximately S$1,158,000 on the disposal included in profit or loss (Note 5).

b) The current year addition of available-for-sale financial assets relates to the Group's investment in African Stellar (West Africa) Limited ("ASWA"). The Group paid US$1,500,000 (equivalent to S$1,841,000) for 5,100,000 ordinary shares ("escrowed shares") representing 51% of the total issued and paid up capital of ASWA in accordance with the Heads of Agreement ("HOA") signed with African Stellar Holdings Ltd ("Vendor").

The ASWA shares are held in escrow and will be released to the Group upon funding of a further US$3,500,000 (equivalent to S$4,547,000) in tranches based on the same HOA. As at 31 March 2012, the Group paid US$ 3,113,000 (equivalent to S$3,914,000) out of the US$3,500,000 loan to be provided to ASWA and this is recorded as a long term other receivable.

As at 31 March 2012, the Group has impaired a total of S$5,755,000 against its available-for-sale financial asset of S$1,841,000 and long term other receivable of S$3,914,000 as these are deemed to be not recoverable. In addition, the Group has also served a notice on 29 May 2012 to the Vendor that the Group shall cease to be the exclusive funder of the business carried on by ASWA.

17 Available-For-Sale Financial Assets / Other Receivable (cont'd)

The movement in the allowance for impairment loss of available-for-sale financial assets is as follows:

	Group	
	2012	2011
	S$'000	S$'000
At the beginning of the year	–	–
Allowance for impairment loss made during the year	1,841	–
At the end of the year	1,841	–

	Group	
	2012	2011
	S$'000	S$'000
(ii) Other receivable - Non-current		
Balance at the beginning of the financial year	–	–
Advances to ASWA (Note 17b)	3,914	–
Allowance for impairment loss (Note 6)	(3,914)	–
Balance at the end of the financial year	–	–

The movement in the allowance for impairment loss of other receivable is as follows:

	Group	
	2012	2011
	S$'000	S$'000
At the beginning of the year	–	–
Allowance for impairment loss made during the year	3,914	–
At the end of the year	3,914	–

This interest-free loan is to be repaid within 24 months of advancing each tranche to ASWA. If ASWA fails to meet certain production targets set for 30 June 2012 and 30 June 2013, the loan disbursed to ASWA can be converted to ordinary equity of ASWA. If the Group fails to provide the loan of US$3,500,000 based on a certain timetable as set out in the HOA, one escrowed share per every one dollar less than US$5,000,000 advanced by the Group shall be transferred to the Vendor, with the remaining escrowed shares held in the name of the Group to be released to the Group at the same time. The Group's investment in ASWA is accounted for as an available-for-sale financial asset as the Group does not exercise control nor influence over ASWA's operations including its financial and operating policies.

18. Asset Held For Sale

	Group	
	2012	2011
	S$'000	S$'000
Unquoted investments		
Transferred from investments in associated company (Note 23)	5,847	–
	5,847	–

The assets held for sales relate to the Group's investment in Think Environmental Ltd (see Note 37 (e)).

19. Cash and Cash Equivalents

	Group		Company	
	2012	2011	2012	2011
	S$'000	S$'000	S$'000	S$'000
Cash at bank and on hand	15,816	15,874	55	233
Fixed deposits	–	333	–	–
	15,816	16,207	55	233
Average rates of interest at the balance sheet date:				
- Cash at bank	0.05% p.a.	0.02% p.a.	–	–
- Fixed deposits	–	0.1% to 2.5% p.a.	–	–

In the previous financial year, fixed deposits had an average maturity of one month.

20. Property, Plant and Equipment

	Leasehold land and building S$'000	Leasehold improvements S$'000	Plant and machinery S$'000	Moulds S$'000	Office and electronic equipment S$'000	Motor vehicles S$'000	Field Equipment S$'000	Construction in progress S$'000	Total S$'000
Group									
2012									
Cost									
At 1 April 2011	1,452	592	2,122	3,188	1,015	436	–	111	8,916
Additions	–	19	60	44	116	548	45	82	914
Disposals/write offs	–	–	(231)	–	(15)	(83)	–	–	(329)
Acquisition of subsidiaries	–	–	–	–	36	152	–	–	188
Currency re-alignment	–	12	65	110	19	2	–	4	212
At 31 March 2012	1,452	623	2,016	3,342	1,171	1,055	45	197	9,901
Accumulated depreciation									
At 1 April 2011	139	251	1,187	2,250	657	133	–	–	4,617
Charge for the year	44	124	207	280	145	103	7	–	910
Disposals/write offs	–	–	(161)	–	(12)	(54)	–	–	(227)
Currency re-alignment	–	7	39	80	15	–	–	–	141
At 31 March 2012	183	382	1,272	2,610	805	182	7	–	5,441
Net book value									
At 31 March 2012	1,269	241	744	732	366	873	38	197	4,460

20 Property, Plant and Equipment (cont'd)

	Leasehold land and building S$'000	Leasehold improvements S$'000	Plant and machinery S$'000	Moulds S$'000	Office and electronic equipment S$'000	Motor vehicles S$'000	Construction in progress S$'000	Total S$'000
Group								
2011								
Cost								
At 1 April 2010	1,452	616	2,237	2,965	1,106	513	209	9,098
Additions	–	–	46	283	71	102	335	837
Transfers	–	–	–	131	–	–	(131)	–
Disposals/write offs	–	–	(15)	(7)	(73)	(87)	(301)	(483)
Disposal of subsidiary	–	–	(13)	–	(42)	(69)	–	(124)
Currency re-alignment	–	(24)	(133)	(184)	(47)	(23)	(1)	(412)
At 31 March 2011	1,452	592	2,122	3,188	1,015	436	111	8,916
Accumulated depreciation								
At 1 April 2010	95	137	1,051	2,069	613	168	–	4,133
Charge for the year	44	122	214	317	148	69	–	914
Disposals/write offs	–	–	(7)	–	(64)	(79)	–	(150)
Disposal of subsidiary	–	–	(3)	–	(13)	(18)	–	(34)
Currency re-alignment	–	(8)	(68)	(136)	(27)	(7)	–	(246)
At 31 March 2011	139	251	1,187	2,250	657	133	–	4,617
Net book value								
At 31 March 2011	1,313	341	935	938	358	303	111	4,299

20 Property, Plant and Equipment (cont'd)

As at 31 March 2012, leasehold land and building with a net book value of approximately S$1,269,000 (2011: S$1,313,000) was pledged as security for banking facilities of a subsidiary as described in Note 26.

As at 31 March 2012, the net book value of motor vehicles of the Group held under finance leases was S$489,000 (2011: S$170,000).

	Group	
	2012 S$'000	2011 S$'000
Additions during the year	914	837
Property, plant and equipment acquired under finance leases	(280)	–
Net cash outflows for additions of property, plant and equipment	634	837

	Office and electronic equipment S$'000
Company	
2012	
Cost	
At 1 April 2011	10
Additions	22
At 31 March 2012	32
Accumulated depreciation	
At 1 April 2011	4
Charge for the year	8
At 31 March 2012	12
Net book value	
At 31 March 2012	20
2011	
Cost	
At 1 April 2010 and 31 March 2011	10
Accumulated depreciation	
At 1 April 2010	2
Charge for the year	2
At 31 March 2011	4
Net book value	
At 31 March 2011	6

21. Exploration and Evaluation Expenditure

	Group 2012 S$'000	Group 2011 S$'000
Cost		
At the beginning of financial year	–	–
Acquisition of subsidiaries	3,249	–
Allowance for impairment loss	(3,249)	–
At the end of financial year	–	–

These exploration and evaluation expenditure relate to the costs incurred to acquire several mining concession rights in the Republic of Mali in relation to the acquisition of MOI Group during the year. The amount was fully impaired as at 31 March 2012 as the Group does not expect meaningful progress in its mining activities in Mali and the costs are not expected to be recouped. Capitalised operating expenditure of S$1,973,000 has also been written off.

The movement in the allowance for impairment loss of exploration and evaluation expenditure is as follows:

	Group 2012 S$'000	Group 2011 S$'000
At the beginning of the year	–	–
Allowance for impairment loss made during the year (Note 6)	3,249	–
At the end of the year	3,249	–

22. Intangible Assets

	Development costs S$'000	Computer software S$'000	Concession rights S$'000	Goodwill S$'000	Total S$'000
2012					
Cost					
At 1 April 2011	185	222	–	20,178	20,585
Additions	–	98	–	6,063	6,161
Currency re-alignment	6	7	–	–	13
At 31 March 2012	191	327	–	26,241	26,759
Accumulated amortisation					
At 1 April 2011	185	197	–	–	382
Charge for the year	–	51	–	–	51
Currency re-alignment	6	7	–	–	13
At 31 March 2012	191	255	–	–	446
Impairment loss					
At 1 April 2011	–	–	–	–	–
Impairment loss made during the year	–	–	–	(16,063)	(16,063)
At 31 March 2012	–	–	–	(16,063)	(16,063)
Net book value					
At 31 March 2012	–	72	–	10,178	10,250
2011					
Cost					
At 1 April 2010	197	212	1,933	20,178	22,520
Additions	–	23	3,341	–	3,364
Disposal of subsidiary	–	–	(5,274)	–	(5,274)
Currency re-alignment	(12)	(13)	–	–	(25)
At 31 March 2011	185	222	–	20,178	20,585
Accumulated amortisation					
At 1 April 2010	197	176	–	–	373
Charge for the year	–	34	–	–	34
Currency re-alignment	(12)	(13)	–	–	(25)
At 31 March 2011	185	197	–	–	382
Net book value					
At 31 March 2011	–	25	–	20,178	20,203

22. Intangible Assets (cont'd)

Goodwill

(a) Included in goodwill is an amount of S$20,178,000 ("IPT goodwill") which relates to the excess of the cost of acquisition over the fair value of the Group's share of the identifiable assets and liabilities acquired in Industrial Power Technology Pte. Ltd. ("IPT") during the previous financial year. The goodwill was attributable to the products and business prospects of the entities acquired.

The Group has impaired S$10,000,000 of IPT goodwill based on its recoverable amount.

The Group assessed the recoverable amount of goodwill based on value-in-use calculations which uses cash flow projections covering a two to three-year period based on projects that are likely to be carried out in the next six-month period, as approved by management. The discount rate of 6 % which represents the weighted average cost of capital of the Group has been applied to the cash flow projections. The directors believe that any reasonable possible change in the key assumptions on which the recoverable amount is based on would not result in the carrying amount of goodwill to significantly exceed its recoverable amount.

(b) The Group acquired a 70% equity interest in Mornington Offshore Inc. ("MOI") from Avalon Ventures Corporation ("Vendor") for a total consideration of US$35.0 million on 20 April 2011. This consideration comprised of US$5.0 million by way of issuance of new shares of the Company and a contingent consideration amounting to US$30.0 million which has to be paid to the Vendor subject to certain milestones that the Vendor needs to achieve. Management believes that the fair value of the contingent consideration is nil as the operations in Mali are not expected to reach the performance requirements stipulated in the sale agreement.

The goodwill amounting to S$6,063,000 ("MOI goodwill") arising on consolidation relates to the excess of the cost of acquisition over the fair value of the Group's share of the identifiable assets and liabilities acquired in MOI during the current financial year. The goodwill was attributable to the products and business prospects of the entities acquired. The Group has assessed the recoverable amount of the MOI goodwill to be nil as at 31 March 2012 and has fully impaired the MOI goodwill of S$6,063,000 as at year end.

Concession Rights

(c) In the prior year, the concession rights refer to the right of D-Water C.E.T.P. Ecosystems (BD) Ltd (D-Water) accounted for in accordance with INT FRS 112, to charge users of its equipment and waste water treatment plant based on the extent that the public uses the service. The concession rights arose from a contract secured from the Bangladesh Export Processing Zones Authority ("BEPZA") a contract ("Contract") to build, own and operate a 25,000 cubic metre central effluent treatment plant ("Plant") in an export processing zone in Dhaka, Bangladesh for a term of 30 years.

In the previous financial year, the Group disposed of its entire 60% shareholding interest in FESI and its subsidiary at a consideration of S$1,277,000, net of the working capital loan of S$3,923,000 (equivalent to US$3,080,000) at the date of disposal of FESI. Upon completion of the disposal, the entire working capital loans from the Group to FESI had been assigned to the purchaser. Consequent to the disposal of FESI, the subsidiary D-Water held through FESI, had also been disposed of. The Group recognised a gain of approximately S$1,369,000 on the disposal of FESI and D-Water in profit or loss during the previous financial year.

23. Investments in Associated Companies

	Group 2012 S$'000	Group 2011 S$'000
Unquoted ordinary shares, at cost	5,980	6,745
Transferred to assets held for sale (Note 18)	(5,847)	–
Share of losses of an associated company	(102)	(765)
	31	5,980

Details of the associated companies are as follows:

Name of company and country of incorporation/operation	Principal activities	Percentage of equity held directly 2012 %	Percentage of equity held directly 2011 %	Percentage of equity held indirectly 2012 %	Percentage of equity held indirectly 2011 %
Industrial Power Technology (Thailand) Co., Ltd* Thailand	Engineering, procurement and construction projects	–	–	13.5	13.5
Industrial Power (Thailand) Co., Ltd. * Thailand	Engineering, procurement and construction projects	–	–	36.8	36.8
Think Environmental Ltd # United Kingdom	Waste management	–	–	–	21.0

The Group has an effective interest of 13.5% (2011: 13.5%) in Industrial Power Technology (Thailand) Co., Ltd ("IPT Thailand" or the "associated company"), a company incorporated in Thailand, amounting to S$31,000 (2011: S$31,000) via its acquisition of IPT during the previous financial year. Notwithstanding that the Group's effective interest in the associated company is only 13.5%, the investment is accounted for as an associate as the Group has significant influence over the financial and operating policies of the associated company.

The summarised financial information of the associated companies as at and for the financial year ended 31 March 2012 and 31 March 2011 are as follows:

	2012 S$'000	2011 S$'000
Assets	553	5,209
Liabilities	(1,612)	(7,589)
Revenue	–	5,528
Net losses	(317)	(5,234)

The Group has not recognised its share of losses of IPT Thailand amounting to S$131 (2011: S$3,000) because the Group's share of losses exceeded its interest in that entity and the Group has no obligation in respect of those losses. The cumulative unrecognised losses amounted to S$47,131 (2011: S$47,000) as at the balance sheet date.

* Audited by Briskal Co., Limited, Thailand.

\# In the prior year, reviewed by Moore Stephens LLP, Singapore for consolidation purposes.

24. Trade and Other Payables

	Group 2012 S$'000	Group 2011 S$'000	Company 2012 S$'000	Company 2011 S$'000
Trade payables	17,647	15,343	–	–
Other payables and accruals	5,994	3,559	2,450	1,634
Due to customer on construction contract	2,150	–	–	–
Advances from customers	2,884	1,125	–	–
Provision for legal claim	1,733	–	1,733	–
	30,408	20,027	4,183	1,634

Included in advances from customers are the deposits received from the proposed disposal of Think Environmental Ltd and Think Greenergy Ltd amounting to S$2,460,000 (Note 37e). (Note 37(e))

Provision for legal claim relates to the estimated amount payable to the Chinese Society for Environmental Sciences ("CSES") which arose during the current year (Note 31).

Amount due to customer on construction contract relates to a construction project under Industrial Power Technology Pte Ltd.

Construction work-in-progress	Group 2012 S$'000	Group 2011 S$'000
Balance at the beginning of the financial year	–	–
Contract costs incurred	6,808	–
Contract expenses recognised in the income statement during the financial year	(4,434)	–
Balance at the end of the financial year	2,374	–
Aggregate contract costs recognised	4,434	–
Add: Attributable profits	848	–
	5,282	–
Less: Progress billings	(9,806)	–
Due to customer on construction contract	(2,150)	–

25. Finance Lease Liabilities

	Group	
	2012	2011
	S$'000	S$'000
Minimum lease payments payable:		
- due not later than one year	70	37
- due later than one year and not later than five years	270	45
	340	82
Finance charges allocated to future years	(34)	(6)
Present value of minimum lease payments	306	76
Present value of minimum lease payments:		
Non-current liabilities		
- Due later than one year and not later than five years	246	43
Current liabilities		
- Due not later than one year	60	33
	306	76

The weighted average effective interest rate of the Group's finance leases is ranging from 3.57% to 4.10% per annum (2011: 4.10% per annum).

26. Borrowings

	Group		Company	
	2012	2011	2012	2011
	S$'000	S$'000	S$'000	S$'000
Current liabilities				
- repayable not later than one year	40	38	–	–
Non-current liabilities				
- repayable later than one year and not later than five years	30,426	13,245	26,577	13,073
- repayable later than five years	334	383	–	–
	30,760	13,628	26,577	13,073

As at 31 March 2012, total borrowings include a bank loan amounting to S$555,000 (2011: S$593,000) secured by a legal mortgage of the property as described in Note 20. The property is located at 38 Kallang Place Singapore 339166. This loan incurred an average effective interest rate of approximately 5.25% (2011: 5.25%) per annum. The bank loan is repayable in 15 years by monthly instalments of approximately S$5,005, S$5,108 and S$5,628 for the first three years commencing from March 2008. The interest charges were at 1.5% and 1.2% per annum below average prime lending rate for the first year and second year respectively. Starting from the third year and subsequent years the interest rate is 0.25% above prime rate.

The remaining borrowing of S$30,245,000 (2011: S$13,073,000) is unsecured and with an interest rate of 12.8% (2011: 12.8%) per annum. The loan period has been modified from 36 months to 60 months from the date of first drawn down after the supplementary agreement signed on 1 June 2011 with no significant changes to original cash outflows.

27. Issued Capital and Share Premium

	Group 2012 S$'000	Group 2011 S$'000
Authorised:		
1,250,000,000 (2011: 1,250,000,000) ordinary shares of US$0.04 each	50,000	50,000

	Group and Company 2012 No. of shares of US$0.04 each	2011 No. of shares of US$0.04 each	2012 S$'000	2011 S$'000
Issued and fully paid:				
Balance at beginning of the financial year	719,367,847	719,367,847	42,249	42,429
Issuance of shares for acquisition of subsidiaries	9,481,857	–	473	–
Issuance of shares for debt settlements of professional fees	2,494,725	–	126	–
Balance at end of the financial year	731,344,429	719,367,847	42,848	42,249
Share premium:				
Balance at beginning of the financial year			17,286	17,286
Issuance for acquisition of subsidiaries			7,492	–
Issuance for debt settlements of professional fees			2,046	–
Balance at end of the financial year			26,824	17,286

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at meetings of the Company.

28. Other Reserves

The amounts of the Group's reserves and the movements therein for the current and prior financial year are presented in the consolidated statement of changes in equity.

Contributed surplus

The Group's contributed surplus represents the difference between the nominal value of the shares of the subsidiaries acquired pursuant to the Group reorganisation in prior years, over the nominal value of the Company's shares issued in exchange thereof.

Statutory reserve

In accordance with relevant PRC regulations, the relevant subsidiaries of the Company, being wholly–owned foreign entities established in the PRC, are required to appropriate not less than 10% of their profits after tax to the respective statutory reserves, until the respective balances of the fund reach 50% of the respective registered capitals. Subject to certain restrictions as set out in the relevant PRC regulations, these statutory reserves may be used to offset against their respective accumulated losses, if any.

28. Other Reserves (cont'd)

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currency is different from that of the Group's presentation currency.

29. Related Party Transactions

(a) Transactions with Related Parties

In addition to the related party information disclosed elsewhere in the financial statements, the following were transactions entered into by the Group with related parties on terms agreed between the parties as follows:

	Group	
	2012	2011
	S$'000	S$'000
With related parties		
Advances provided to related parties	3,914	–
Consultancy fees paid to a company owned by key management personnel	742	–

(b) Compensation of Key Management Personnel

The remuneration of the key management personnel (including the directors) of the Group, were as follows:

	Group	
	2012	2011
	S$'000	S$'000
Salaries and other short term employee benefits	1,038	756
Directors' fees	84	70
Contributions to defined contribution plans	14	7
	1,136	833
Comprise amounts paid/payable to:		
– Directors of the Company	494	464
– Key management	642	369
	1,136	833

30. Commitments

(a) Operating Lease Commitments

The Group leases various factory buildings, staff quarters and office premises under non–cancellable operating lease agreements. The leases have varying terms and renewal rights.

The future aggregate minimum lease payments under non–cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, were analysed as follows:

	Group	
	2012	2011
	S$'000	S$'000
Within one year	1,276	1,260
Between two to five years	395	1,546
After five years	1,156	1,138
	2,827	3,944

The above operating leases do not contain any escalation clauses and do not provide for contingent rents.

31. Litigation

The Company was served with a Notice of CIETAC (China International Economic Trade and Arbitration Commission) Arbitration ("Notice of Arbitration") (equivalent of the Statement of Case) on 9 March 2011 in relation to a claim for a sum of approximately S$1,786,500 made by the CSES against the Company.

The dispute relates to the Strategic Alliance Co–operation and Services Agreement ("SACA") entered into by the Company with CSES to establish a strategic alliance to mutually promote renewable energy and other relevant environmental projects in the People's Republic of China ("PRC"). On 31 March 2010, the Company entered into a Supplemental Agreement to the SACA ("Supplemental SACA") to settle the payment by way of issuance of a number of shares to CSES (or its nominees) that are equivalent to the service fee of S$2,000,000.

Due to the objections raised by SGX–ST on the proposed issuance of new shares, the Company and CSES executed a second supplemental agreement ("Second Supplemental Agreement") to terminate the Supplemental SACA and agreed to the cash settlement of the service fee. To date, a fee of S$500,000 was paid by the Company to CSES.

On 18 November 2011, the Company announced that it has been informed by its PRC solicitors that an award has been made against the Company and the Company is required to pay an aggregate sum of approximately S$1,733,000 (Note 24). A total of S$2,233,000 (consisting of the S$500,000 paid) has been recognised in the income statement for the year ended 31 March 2012 (Note 8).

32. Segment Information

The identification of the Group's reportable segments under FRS 108 are as follows:

Business segments	Principal activities
Investment holdings	Investment holding
Green projects	Biomass projects
Office equipment	Manufacturing and sale of office equipments
Gold Investments	Gold mining projects
CDM projects	Clean Development Mechanism waste management projects

(a) Business Segments

	Investment holdings S$'000	Green projects S$'000	Office equipment S$'000	Gold Investments S$'000	Consolidated S$'000
Group					
31 March 2012					
Segment revenue					
Sales to external customers	–	5,328	92,628	–	97,956
Cost of goods sold	–	(4,434)	(83,267)	–	(87,701)
Gross profit	–	894	9,361	–	10,255
Other operating income	–	10,082	624	–	10,706
Operating expenses	(5,792)	(13,254)	(7,024)	(23,119)	(49,189)
Finance costs	(2,549)	(39)	–	(375)	(2,963)
Share of loss of an associated company	(102)	–	–	–	(102)
(Loss)/Profit before income tax	(8,443)	(2,317)	2,961	(23,494)	(31,293)
Income tax expense					(123)
Net Loss for the year					(31,416)
Other segment information					
Segment assets	21,972	27,172	42,042	609	91,795
Segment liabilities	6,780	3,512	19,413	703	30,408
Unallocated liabilities					
– Income tax liabilities					18
– Finance lease liabilities					306
– Borrowings					30,800
					61,532

32 Segment Information (cont'd)

(a) Business Segments (cont'd)

	Investment holdings S$'000	Green projects S$'000	Office equipment S$'000	Gold Investments S$'000	Consolidated S$'000
Group (cont'd)					
31 March 2012 (cont'd)					
Capital expenditure					
– property, plant and equipment	22	475	237	180	914
– intangible assets	–	–	98	6,063	6,161
– exploration and evaluation expenditure	–	–	–	3,249	3,249
– available–for–sale financial assets	38	–	–	1,841	1,879
Depreciation of property, plant and equipment	(8)	(210)	(638)	(54)	(910)
Other non–cash expenses					
– Amortisation of intangible assets	–	–	(51)	–	(51)
– Property, plant and equipment written off	–	–	(29)	–	(29)
– Allowance for impairment loss of goodwill	–	(10,000)	–	(6,063)	(16,063)
– Allowance for impairment loss of exploration and evaluation expenditure	–	–	–	(3,249)	(3,249)
– Allowance for impairment loss of available–for–sale financial asset	–	–	–	(1,841)	(1,841)
– Allowance for impairment loss of other receivable	–	–	–	(3,914)	(3,914)
– Pre–acquisition development costs written off	–	–	–	(1,973)	(1,973)
– Share of loss of an associated company	(102)	–	–	–	(102)

	Investment holdings S$'000	Green projects S$'000	Office equipment S$'000	CDM projects (Discontinued operations) S$'000	Consolidated S$'000
31 March 2011					
Segment revenue					
Sales to external customers	–	–	83,932	3,926	87,858
Cost of goods sold	–	–	(73,415)	(3,635)	(77,050)
Gross profit	–	–	10,517	291	10,808
Other operating income	2,503	18	106	150	2,777
Operating expenses	(3,401)	(1,346)	(5,641)	(421)	(10,809)
Finance costs	(1,643)	–	–	(6)	(1,649)
Share of loss of an associated company	(765)	–	–	–	(765)
(Loss)/Profit before income tax	(3,306)	(1,328)	4,982	14	362
Income tax expense					116
Net profit for the year					478

32 Segment Information (cont'd)

(a) Business Segments (cont'd)

	Investment holdings S$'000	CDM projects S$'000	Office equipment S$'000	CDM projects (Discontinued operations) S$'000	Consolidated S$'000
Group (cont'd)					
31 March 2011 (cont'd)					
Other segment information					
Segment assets	24,062	22,564	37,179	–	83,805
Segment liabilities	1,958	411	17,658	–	20,027
Unallocated liabilities					
– Income tax liabilities					18
– Finance lease liabilities					76
– Borrowings					13,666
					33,787
Capital expenditure					
– property, plant and equipment	2	6	818	11	837
– intangible assets	–	–	23	3,341	3,364
– Available–for–sale financial assets	11,609	–	–	–	11,609
Depreciation of property, plant and equipment	(80)	(113)	(694)	(27)	(914)
Other non–cash expenses					
– Amortisation of intangible assets	–	–	(34)	–	(34)
– Gain on disposal of financial assets at fair value through profit or loss	125	–	–	–	125
– Property, plant and equipment written off	–	–	(31)	–	(31)
– Gain on disposal of subsidiaries	1,217	–	–	152	1,369
– Gain on disposal of available–for–sale financial assets	1,158	–	–	–	1,158
– Share of loss of an associated company	(765)	–	–	–	(765)

32 Segment Information (cont'd)

(b) Geographical segments

The Group operates in three main geographical segments by location of customers, namely USA, Europe and Japan. Other geographical areas mainly comprise Canada, Korea, Australia, New Zealand, Africa and other countries, none of which constitute a separately reportable segment.

The turnover by geographical segments is based on the location of customers regardless of where the goods are produced. The non–current assets are based in PRC, Africa, Singapore and Malaysia where the Group operates.

	USA	Europe	Japan	Others	Consolidated
	S$'000	S$'000	S$'000	S$'000	S$'000
Turnover					
31 March 2012					
Total sales to external customers	41,417	28,902	11,215	16,422	97,956
31 March 2011					
Total sales to external customers	25,382	34,243	12,361	15,872	87,858

	PRC	Africa	Singapore	Malaysia	Consolidated
	S$'000	S$'000	S$'000	S$'000	S$'000
Non–current assets *					
31 March 2012					
Non–current assets	2,213	309	12,206	13	14,741
31 March 2011					
Non–current assets	2,566	–	27,875	41	30,482

* Non–current assets presented have excluded financial instruments

(c) Information about Major Customers

Revenue of approximately S$93,073,000 (2011: S$80,303,000) are derived from four (2011: four) external customers. These revenues are attributable to the office equipment segment and green project segment.

33. Financial Instruments

The Group's and Company's activities exposed them to a variety of financial risks, including the effects of interest rate risk, credit risk, foreign currency risk, market risk and liquidity risk arising in the normal course of business. The Company manages and measures such financial risks in the same manner as the Group. The Group's risk management, which remains unchanged from the prior year, seeks to minimise the potential adverse effects from these exposures. There has been no change to the exposure to financial risks or the manner in which these risks are managed and measured. The management reviews and agrees policies for managing each of these risks.

The risk factors, risk management policies and related procedures for the Group may be summarised as follows:

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to market risk for changes in interest rates mainly arise from short–term bank deposits, finance leases and bank borrowings. Information relating to the Group's interest rate exposure is disclosed in Notes 19, 25 and 26 to the financial statements.

Interest rate risk is managed by the Group on an on–going basis with the primary objective of limiting the extent to which net interest expense could be impacted from an adverse movement in interest rates. Surplus funds are placed with reputable banks.

The sensitivity analysis to a reasonably possible change in interest rates, with all other variables held constant, of the Group's results net of tax has not been disclosed as the Group's and Company's exposure to changes in market interest rates is not significant as the majority of the Group's borrowings and the Company's borrowings are charged at a fixed rate.

(b) Credit risk

Credit risk refers to the risk that counterparties may be unable to meet their obligations resulting in financial loss to the Group.

The Group has policies in place to ensure that the sale of products and services rendered are made to customers with an appropriate credit history. The potential exposures are monitored and reported to management on a timely basis. Allowance for impairment of receivables is made when there is objective evidence that the amounts due will not be collected according to the original terms of the receivables.

For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history to mitigate credit risk. The Group also purchased credit insurance for its trade receivables, mainly for the sale of office equipment. For other financial assets, the Group and Company adopts the policy of dealing only with high credit quality counterparties. Cash and fixed deposits are held with creditworthy financial institutions.

The Group has a significant concentration of credit risk from trade receivables as approximately 78% (2011: 72%) of the trade receivables as at 31 March 2012 was due from one customer.

As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

33 Financial Instruments (cont'd)

(b) Credit risk (cont'd)

Financial assets that are not past due and not impaired

The Group has trade and other receivables and other current assets amounting to S$28,310,000 (2011: S$10,862,000) that are not past due at the balance sheet date and not impaired.

Financial assets that are past due but not impaired

The Group has trade receivables amounting to S$889,000 (2011: S$380,000) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:

	Group	
	2012	2011
	S$'000	S$'000
Trade receivables past due:		
91 to 180 days	859	108
181 to 365 days	18	5
Over 365 days	12	267
	889	380

Financial assets that are past due and impaired

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

The carrying amount of trade receivables that are past due and the related allowance for impairment are as follows:

	Group	
	2012	2011
	S$'000	S$'000
Trade receivables past due (over 365 days)		
Gross amount	349	350
Less: Allowance for impairment	(349)	(350)
	–	–

The Group's trade receivables that are determined to be impaired at the balance sheet date relate mainly to debtors that are in financial difficulty and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The movement in the related allowance for impairment is disclosed in Note 15. The Company's exposure to credit risk arises largely from amounts due from subsidiaries disclosed in Note 12.

33 Financial Instruments (cont'd)

(c) Foreign currency risk

The Group incurs foreign currency risk on sales and purchases that are denominated in currencies other than in Singapore Dollar. The currencies giving rise to this risk are primarily the US Dollar ("US$"), British Pound ("GBP"), Chinese Renminbi ("RMB"), Euro, Hong Kong Dollar ("HK$"), Malaysia Ringgit ("RM"), West African CFA franc ("XOF") and Australian Dollar ("AUD").

The Group seeks to manage its foreign currency exposure by natural hedge, whenever possible, by depositing foreign currency proceeds from sales into foreign currency bank accounts which are primarily used for payments in the same currency. This exposure to currency risk is managed so far as possible by monitoring on an on–going basis and the Group endeavours to keep the net exposure at an acceptable level.

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

	US$	RMB	Euro	HK$	RM	GBP	XOF	AUD	Other currencies
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group									
2012									
Financial assets									
- Trade and other receivables	16,971	114	1	18	144	–	126	–	–
- Other current assets	169	233	–	–	–	–	–	–	–
- Financial assets at fair value through profit or loss	48	–	–	–	–	–	–	–	–
- Available-for-sale financial assets	–	–	–	–	–	15,763	–	–	–
- Cash and cash equivalents	9,759	699	31	179	529	–	1	–	64
	26,947	1,046	32	197	673	15,763	127	–	64
Financial liabilities									
- Trade and other payables	1,106	18,371	114	182	867	–	310	339	10
- Borrowings	3,668	–	–	–	–	–	–	–	–
	4,774	18,371	114	182	867	–	310	339	10
Currency exposure on net financial assets/(liabilities)	22,173	(17,325)	(82)	15	(194)	15,763	(183)	(339)	54

33 Financial Instruments (cont'd)

(c) Foreign currency risk (cont'd)

	US$ S$'000	RMB S$'000	Euro S$'000	HK$ S$'000	RM S$'000	GBP S$'000
Group						
2011						
Financial assets						
- Trade and other receivables	9,676	90	1	4	243	–
- Other current assets	–	227	–	–	–	–
- Financial assets at fair value through profit or loss	46	–	–	–	–	–
- Available–for–sale financial assets	–	–	–	–	–	15,725
- Cash and cash equivalents	10,734	872	34	397	28	–
	20,456	1,189	35	401	271	15,725
Financial liabilities						
- Trade and other payables	522	16,037	80	49	176	–
- Finance lease liabilities	–	–	–	–	11	–
	522	16,037	80	49	187	–
Currency exposure on net financial assets / (liabilities)	19,934	(14,848)	(45)	352	84	15,725

A 5% (2011: 5%) strengthening of the Singapore Dollar against the following currencies as at the balance sheet date would increase/(decrease) the Group's (loss)/profit after income tax approximately by the amounts shown as below. This analysis assumes that all other variables remain constant.

	Group	
	2012	2011
	Increase/(Decrease)	
	Loss after tax S$'000	Profit after tax S$'000
US$	920	(827)
RMB	(719)	616
Euro	(3)	2
HK$	1	(15)
RM	(8)	(3)
GBP	654	(653)
XOF	(8)	–
AUD	(14)	–
Other currencies	2	–

A 5% (2011: 5%) weakening of the Singapore Dollar against the above currencies would have an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

The Company level sensitivity analysis has not been disclosed as the Company is an investment holding company with no significant exposure to foreign currency risk.

33 Financial Instruments (cont'd)

(d) Price risk

The Group is exposed to equity securities price risk because of the investments held by the Group which are classified as financial assets at fair value through profit or loss. These securities are listed in Singapore. The management diversifies its portfolio and monitors the fluctuation of the prices of these securities on a regular basis.

If the prices for equity securities change by 5%, with all other variables including the tax rate being constant, the effect on the Group's (loss)/profit after income tax will be:

	Group	
	2012	2011
	Increase/(Decrease)	
	Loss after tax	Profit after tax
Listed in Singapore		
– increase by 5%	(3)	3
– decrease by 5%	3	(3)

(e) Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group's cash and short term deposits, operating cash flows and availability of banking facilities are actively managed to ensure that there is adequate working capital and that repayment and funding needs are met.

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

	Carrying amount S$'000	Contractual cash flows S$'000	Within one year S$'000	More than one year but less than five years S$'000	More than five years S$'000
Group					
2012					
Trade and other payables*	(23,641)	(23,641)	(23,641)	–	–
Borrowings	(30,800)	(32,318)	(68)	(31,864)	(386)
Finance lease liabilities	(306)	(340)	(70)	(270)	–
	(54,747)	(56,299)	(23,779)	(32,134)	(386)
2011					
Trade and other payables*	(18,902)	(18,902)	(18,902)	–	–
Borrowings	(13,666)	(14,748)	(68)	(14,227)	(453)
Finance lease liabilities	(76)	(82)	(37)	(45)	–
	(32,644)	(33,732)	(19,007)	(14,272)	(453)

33 Financial Instruments (cont'd)

(e) Liquidity risk (cont'd)

	Carrying amount S$'000	Contractual cash flows S$'000	Within one year S$'000	More than one year but less than five years S$'000	More than five years S$'000
Company					
2012					
Due to subsidiaries	(439)	(439)	(439)	–	–
Trade and other payables*	(2,450)	(2,450)	(2,450)	–	–
Borrowings	(26,577)	(27,550)	–	(27,550)	–
	(29,466)	(30,439)	(2,889)	(27,550)	–
2011					
Due to subsidiaries	(440)	(440)	(440)	–	–
Trade and other payables*	(1,634)	(1,634)	(1,634)	–	–
Borrowings	(13,073)	(13,957)	–	(13,957)	–
	(15,147)	(16,031)	(2,074)	(13,957)	–

* Excludes advances from customers, due to customer on construction contract and provision for legal claim.

The contractual expiry by maturity of the Group's and Company's financial guarantees is described in Note 36.

(f) Fair value measurements

The fair values of financial assets and liabilities of the Group and Company with a maturity of less than one year are assumed to approximate their carrying amounts because of the short–term period of maturity.

The following summarises the significant methods and assumptions used in estimating the fair values of the financial instruments of the Group and Company.

Long–term borrowings and finance leases

The fair values of long–term borrowings of the Group and Company approximate S$32,631,000 and S$28,254,000 respectively (2011: S$14,187,000 and S$13,632,000 respectively), as estimated by using discounted cash flow analysis based on current lending rates for similar types of lending and borrowing arrangements. The carrying amounts of long–term borrowings of the Group and Company are disclosed in Note 26 to the financial statements.

The fair value of finance leases approximate the present value of payments as disclosed in Note 25 to the financial statements.

33 Financial Instruments (cont'd)

(f) Fair value measurements (cont'd)

The following table presents the assets measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presents the assets measured at fair value / cost at 31 March 2012.

	Level 1	Level 2	Level 3	Total
	S$'000	S$'000	S$'000	S$'000
Group				
2012				
Assets				
Financial assets at fair value through profit or loss:				
– Trading securities	79	–	–	79
Available–for–sale financial assets				
– Unquoted equities	–	–	15,763	15,763
Total	79	–	15,763	15,842
2011				
Assets				
Financial assets at fair value through profit or loss:				
- Trading securities	75	–	–	75
Available–for–sale financial assets				
- Unquoted equities	–	–	15,725	15,725
Total	75	–	15,725	15,800

The fair values of trading securities traded in active markets are based on quoted market prices at the balance sheet date. The quoted market price used for the trading securities held by the Group are the closing price as at the balance sheet date. These financial assets are included in Level 1.

Included in Level 3 are unquoted equity investments which are carried at cost according to the Group's accounting policies. The movements in Level 3 financial instruments for the financial year ended 31 March 2012 are also disclosed in Note 17 to the financial statements.

There were no transfers between Level 1 and 2 during the financial year ended 31 March 2012 and 31 March 2011.

34. Discontinued Operations

In the previous financial year, the Group disposed of its entire 60% shareholding interest in one of its subsidiaries, Flagship Ecosystems Investment Pte Ltd ("FESI") for a consideration of S$5,200,000. Consequent to the disposal of FESI, a subsidiary D–Water C.E.T.P. Ecosystems (BD) Ltd ("D–Water") held through FESI, has also been disposed of. The effect of the disposal of the subsidiaries on the cash flows of the Group is disclosed in Note B of consolidated cash flows statement.

Income statement disclosures

The results of discontinued operations for the year ended 31 March 2011 were as follows:

	Group 2011 S$'000
Revenue	3,926
Cost of sales	(3,635)
	291
Other income	150
Selling and distribution expenses	(35)
Administrative expenses	(369)
Other expenses	(17)
Finance costs	(6)
Profit before tax from discontinued operation	14
Taxation	–
Profit from discontinued operations, net of tax	14

Cash flows statement disclosures

The cash flows attributable to:	
Operating	(5,525)
Investing	6,807
Financing	(6)
Net cash outflows	1,276

Earnings per ordinary share for discontinued operations

	Group 2011
Net profit from discontinued operations attributable to equity holders of the Company, net of tax (S$'000)	123
Basic and diluted earnings per ordinary share (S$ cent)	0.02

There is no difference between the basic and diluted earnings per share as there were no potential dilutive shares for the financial years ended 31 March 2011.

35. Capital Management

The Group's and Company's primary objective is to maintain an efficient mix of debt and equity and maintain an optimal capital structure. In order to maintain or achieve an optimal capital structure, management will make adjustments to reflect economic conditions, business strategies and future commitments.

Management monitors capital with reference to a net debt–to–equity ratio. The strategies, which were unchanged from the previous financial year, are to maintain a prudent balance between the advantage and flexibility afforded by a strong capital position and the higher return on equity that is possible with greater leverage.

The net debt–to–total equity ratio calculated as net debt (equivalent to total liabilities, excluding income tax liabilities, less cash and cash equivalents) divided by total equity (as shown in the Balance Sheets) is as follows:

	Group		**Company**	
	2012	2011	2012	2011
	S$'000	S$'000	S$'000	S$'000
Net debt	45,698	17,562	31,144	14,914
Total equity	30,263	50,018	35,808	52,522
Net debt–to–total equity ratio	151.0%	35.1%	87.0%	28.4%

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 March 2012 and 31 March 2011.

36. Financial Guarantees

The table below shows the contractual expiry by maturity of the Group and the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be recalled.

	Group		**Company**	
	2012	2011	2012	2011
	S$'000	S$'000	S$'000	S$'000
Corporate guarantee provided to a bank in connection with banking facilities granted to a subsidiary – secured	–	–	23,000	–
Corporate guarantee provided to a customer in connection with a project granted to a subsidiary – unsecured	–	–	36,300	36,331
Corporate guarantee provided to a subsidiary for a counter guarantee provided by an insurance company to a customer in connection with performance and maintenance guarantees granted to a subsidiary - unsecured	–	–	896	–
Corporate guarantee provided to a subsidiary for a counter guarantee provided by an insurance company to a bank in connection with insurance bond guarantees granted to a subsidiary - unsecured	–	–	7,600	7,660

36. Financial Guarantees (cont'd)

	Group		Company	
	2012	2011	2012	2011
	S$'000	S$'000	S$'000	S$'000
Corporate guarantee provided to a financial institution in connection with equipment purchased - unsecured	522	754	522	754
Corporate guarantee provided to a supplier in connection with products purchased by a subsidiary - unsecured	–	–	3,200	–
	522	754	71,518	44,745

37 Events after Balance Sheet Date

(a) Acquisition of Signature Metals Limited ("SML")

On 14 October 2011, the Board announced that the Group had on 13 October 2011 entered into an agreement ("Implementation Deed") with SML whereby the Company agreed, on and subject to the terms and conditions of the Implementation Deed, to make an off–market takeover offer to the SML shareholders to acquire all the SML Shares for the SML Consideration, which is to be satisfied by the allotment and issue of One (1) Company share for every thirty–four (34) SML Shares.

On 16 April 2012, the Group announced that it has completed the acquisition of 76.22% of SML through the issuance of 61,862,111 consideration shares of the Company amounting to approximately S$68,976,000. The initial accounting for the business combination not completed at the date of the consolidated financial statements are authorised for issue as management still in the midst of assessing the acquisition–date, fair value of each major class of assets acquired and liabilities assumed and total amount of goodwill, if any.

SML is listed on the Australian Securities Exchange.

(b) Acquisition of 100% of Castlemaine Goldfields Limited ("CGL")

On 16 April 2012, the Group announced that it had on 14 April 2012 entered into an agreement to subscribe for 33,913,000 new shares at A$0.115 per share in CGL ("CGL Subscription") payable in cash. In addition, the Group also entered into an Implementation Deed Agreement to make an off–market takeover bid for all the issued shares of CGL that are not owned by the Group which will be satisfied by the allotment and issue of two (2) Company shares for every nine (9) CGL Shares.

The CGL Subscription has since been successfully completed through a cash payment of A$3,900,000, thereby making the Group a substantial shareholder of CGL at 11.36% of the paid–up capital of CGL. The purchase consideration for the off–market takeover bid of CGL is estimated at A$41,503,000 (equivalent to S$65,166,000) based on the issue of approximately 60,687,000 Company shares at an issue price of S$1.0738 per share. The issue of Company shares for this off–market takeover bid of CGL is subject to shareholders' approval at an upcoming general meeting.

CGL is listed on the Australians Securities Exchange.

37 Events after Balance Sheet Date (cont'd)

(c) Private placement of 12,000,000 new shares in the Group

On 11 May 2012, the Group announced that it has completed the allotment and issuance of a private placement of 12,000,000 ordinary new shares of the Company at S$1.035 per share. Proceeds of S$12,420,000 have since been received.

(d) Issuance of convertible bonds

On 27 March 2012, the Group entered into a subscription agreement with subscription manager for an aggregate of up to US$30.0 million in principal amount of 9.0% convertible bonds due 2015 at an issue price of 100% of the principal amount of the convertible bonds (the "Convertible Bonds").

On 11 May 2012, the Group announced that the issuance of US$23,000,000 in aggregate principal amount of 9.0% convertible bonds due 2015 has successfully closed and gross proceeds of S$28,727,000 has been raised.

(e) Proposed disposal of Think Environmental Ltd and Think Greenergy Ltd

On 1 June 2011, the Group announced that it has signed an agreement with Enchante Services Inc. to dispose of its investment in its associated company, Think Environmental Ltd and available–for–sale financial asset, Think Greenergy Ltd for a consideration of S$8,600,000 and S$16,000,000, respectively. The proposed disposals were subject to shareholders' approval in a special general meeting which had since been obtained during the financial period. The carrying amounts of the Group's investments in Think Environmental Ltd and Think Greenergy Ltd are S$5,847,000 and S$15,763,000 as at 31 March 2012 respectively.

The proposed disposals were not completed as at 31 March 2012 and have been postponed till on or before 31 December 2012.

(f) Proposed Acquisition of Vista Gold Antigua Corp

On 18 May 2012, the Group entered into a loan agreement with Republic Gold Limited ("Republic Gold") to provide a loan of a principal amount of US$750,000 in connection with the proposed acquisition of 100% of the issued and paid up shares capital of Republic Gold's wholly–owned subsidiary, Vista Gold Antigua Corp ("Vista Gold") and by it, the wholly–owned subsidiaries of Vista Gold ("Visa Companies") that own the Amayapampa Gold Project in Bolivia.

The acquisition is agreed on a purchase price of US$7,000,000 (equivalent to S$9,054,000) and includes an assignment by Republic Gold to the Company of all of Republic Gold's rights, interest and benefit in and under the intra–group loans ("Vista Companies Loans") owing by the Vista Companies to Republic Gold.

The purchase consideration shall be satisfied through the offset of the above–mentioned US$750,000 loan, and the issue of approximately 8,053,000 Company shares equivalent to US$6,250,000 in value. The issue of Company shares for this acquisition is subject to the shareholders' approval at an upcoming general meeting.

37 Events after Balance Sheet Date (cont'd)

(g) Proposed Acquisition of Brimstone Resources Limited ("BRL")

On 2 June 2012, the Group entered into a Bid Implementation Deed whereby the Group is to make an off–market takeover bid for all the 19,856,885 ordinary issued shares of BRL at a bid price of A$0.19 for each share.

The total consideration is valued at A$3,771,377 (equivalent to S$4,706,000), which is to be satisfied by the allotment and issue of One Hundred (100) Company shares for every 424 BRL shares. The purchase consideration shall be satisfied through the issue of approximately 4,687,000 Company shares. The issue of Company shares for this acquisition is subject to the shareholders' approval at an upcoming general meeting.

(h) Proposed Acquisition of CitiGold Corporation Limited ("CCL")

On 28 June 2012, the Group announced that it entered into an agreement with CCL to subscribe for 125,000,000 CCL new shares, constituting approximately 11.2% of the existing issued and paid–up share capital of CCL at a subscription price of A$0.08 per share. The total purchase consideration is set at A$10,000,000 million (equivalent to S$12,870,000) payable in 3 tranches as follows:

Date	Amount Payable (A$)	No of CCL New Shares to be allotted
29 June 2012	3,000,000	37,500,000
6 July 2012	2,000,000	25,000,000
30 July 2012	5,000,000	62,500,000

The amount of A$3,000,000 has since been paid.

CCL is listed on the Australians Securities Exchange.

(i) Proposed Acquisition of Belvedere Assets Inc.

On 25 April 2011, the Group entered into a conditional sale and purchase agreement (SPA) to acquire 10,000 fully–paid ordinary shares constituting 100% of the issued and paid–up share capital of Belvedere Assets Inc. (BAI) for a purchase consideration of US$1,150,000.

On 24 April 2012, the Group announced that due to on–going security issues in Southern Mindanao, where the mining tenement is located, the Group has not been able to complete its due diligence investigations. As such, the SPA is terminated without any resource to either party.

(j) Proposed Acquisition of Bass Metals Limited ("BML")

On 5 July 2012, the Group announced that it entered into a Subscription Agreement ("Subscription Agreement") with BML to subscribe for 58,000,000 BML new shares, constituting approximately 16.5% of the existing issued and paid-up share capital of BML at a subscription price of A$0.01 per share. The total purchase consideration is set as A$580,000 (equivalent to approximately S$754,000) to be settled in cash.

The subscription is subject to the completion of the proposed acquisition of Hellyer Mill Operations Pty Ltd ("HMO") discussed below.

BML is listed on Australian Securities Exchange and Deutsche Borse.

37 Events after Balance Sheet Date (cont'd)

(k) Proposed Acquisition of Hellyer Mill Operations Pty Ltd ("HMO")

On 5 July 2012, the Group announced that it entered into a Share Purchase Agreement ("SPA") with BML to acquire 100% of the issued and paid-up share capital of HMO (a wholly owned subsidiary of BML) for a cash purchase consideration of A$13,500,000 (equivalent to S$17,550,000) payable in two equal installments. The first installment is expected to be settled in mid-August and the second installment 30 days thereafter.

The Group has also agreed to grant a share mortgage to BML over 51% of its shares in HMO as security for repayment of the second installment of the purchase price. The mortgage will be enforceable if the Group defaults in payment of the second installment of the purchase price, suffers an insolvency event or if a material part of the property of the Group is subject to compulsory acquisition (and the Group does not receive compensation that is acceptable to BML). The mortgage will be discharged on payment of the second installment of the purchase price.

This acquisition is subject to certain precedent conditions to be satisfied by 31 August 2012, failing which completion will not occur unless and until each of these conditions precedent is either satisfied or waived in accordance with the terms of the SPA.

The parties have also agreed a completion adjustment which will be based on completion net assets compared to a specified target net asset of A$13.5 million. The amount of any difference will need to be paid by one party to the other post-completion.

SHAREHOLDERS' INFORMATION

As At 29 June 2012

STATISTICS OF SHAREHOLDERS

Authorised Capital	US$50,000,000		
Issued and fully Paid-up Capital	$32,208,261.60		
Number of Issued Shares	805,206,540		
Class of Shares	Ordinary share of US$0.04 each		
Voting Rights	On show of hands	:	One vote for each member
	On a poll	:	One vote for each ordinary share
Treasury Shares	Nil		

ANALYSIS OF SHAREHOLDING BY RANGE

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 999	245	16.33	88,697	0.01
1,000 – 10,000	795	53.00	3,669,813	0.46
10,001 – 1,000,000	406	27.07	35,194,552	4.37
1,000,001 & ABOVE	54	3.60	766,253,478	95.16
TOTAL	1,500	100.00	805,206,540	100.00

SUBSTANTIAL SHAREHOLDERS

Shareholder's Name		Direct Interest		Deemed Interest	
		Units	%	Units	%
Forte Services Limited	1	40,000,000	4.97		
Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil	2			40,000,000	4.97
Venaton Holdings Limited	3	40,000,000	4.97		
Dato' Md Wira Dani Bin Abdul Daim	4	16,425,000	2.04	40,000,000	4.97
Jared Lim Chih Li	5			82,097,077	10.20
Dato' Mohammed Azlan Bin Hashim	6			82,097,077	10.20
Asiasons Capital Limited	7			82,097,077	10.20
Asiasons Investment Managers Inc	8			82,097,077	10.20
Asiasons Investment Ltd	9	77,500,000	9.62		
Macquarie Bank Limited	10	45,000,000	5.58		

Notes:

1 Registered under various nominees
2 By virtue of interests in Forte Services Limited
3 Registered under various nominees
4 By virtue of interests in Venaton Holdings Limited
5 Registered under various nominees
6 Registered under various nominees
7 Registered under various nominees
8 Registered under various nominees
9 Registered under various nominees
10 Registered under various nominees

SHAREHOLDERS' INFORMATION

As At 29 June 2012

LIST OF TWENTY LARGEST SHAREHOLDERS

S/N	Name of Shareholders	No. of Shares	%
1	RAFFLES NOMINEES (PTE) LTD	97,002,821	12.05
2	OCBC SECURITIES PRIVATE LTD	68,663,000	8.53
3	MAYBAN NOMINEES (S) PTE LTD	62,462,000	7.76
4	DBS NOMINEES (S) PTE LTD	45,431,981	5.64
5	MACQUARIE CAPITAL SECURIITES (SINGAPORE) PTE LTD	45,000,000	5.58
6	HSBC (SINGAPORE) NOMINEES PTE LTD	37,382,346	4.64
7	UNITED OVERSEAS BANK NOMINEES PTE LTD	35,483,000	4.41
8	DMG & PARTNERS SECURITIES PTE LTD	31,229,561	3.88
9	LIM & TAN SECURITIES PTE LTD	30,561,345	3.80
10	INFINITE RESULTS HOLDINGS CORP.	27,800,000	3.45
11	NOMURA SECURITIES SINGAPORE PTE LTD	23,632,543	2.93
12	HONG LEONG FINANCE NOMINEES PTE LTD	23,615,000	2.93
13	MAYBANK KIM ENG SECURITIES PTE LTD	20,265,737	2.52
14	PHILIP SECURITIES PTE LTD	19,422,372	2.41
15	DBSN SERVICES PTE LTD	13,411,000	1.67
16	ANTIG INVESTMENTS PTE LTD	13,302,000	1.65
17	SUNMAX GLOBAL CAPITAL FUND 1 PTE LTD	13,000,000	1.61
18	LAU CHEE HEONG (LIU ZHIXIONG)	12,599,000	1.56
19	FRIENDSHIP BRIDGE HOLDING COMPANY PRIVATE LIMITED	11,692,000	1.45
20	ITE ASSETS HOLDINGS PTE LTD	10,954,000	1.36
	TOTAL	**642,909,706**	**79.83**

DIRECTORS' INTEREST

Director's Name		Direct Interest		Deemed Interest	
		Units	%	Units	%
Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil	1			40,000,000	4.97
Dato' Md Wira Dani Bin Abdul Daim	2	16,425,000	2.04	40,000,000	4.97
Ng Su Ling	3			7,600,000	0.94

Notes:

1 By virtue of interests in Forte Services Limited
2 By virtue of interests in Venaton Holdings Limited
3 By virture of interests in DMG & Partners Securities Pte. Ltd., Maybank Nominees (Singapore) Private Limited and Singapura Finance Ltd

SHAREHOLDINGS HELD BY THE PUBLIC

Based on information available to the Company as at 29 June 2012, 71.3 % of the issued ordinary shares of the Company is held by the public, and therefore, Rule 723 of the Listing Manual issued by the SGX-ST is complied with.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of LIONGOLD CORP LTD ("**Company**") will be held at Mandarin Orchard Singapore, 333 Orchard Road, Mandarin Meeting Suite 834, Level 8, Main Tower, Singapore 238867 on Tuesday, 31 July 2012 at 11.30 am, for the following purposes:

AS ORDINARY BUSINESS

1 To receive and adopt the audited financial statements for the financial year ended 31 March 2012 and the reports of the Directors and Auditors thereon. **(Resolution 1)**

2 To approve the payment of Directors' fees of S$110,000 for the year ending 31 March 2013 (FY13), to be payable quarterly in arrears (Previous year FY12: S$85,000). **(Resolution 2)**

3 To re-elect the following Directors retiring pursuant to Bye-Law 107 of the Company:

(i) Bernard Soo Puong Yii **(Resolution 3)**
(ii) Roland Kenneth Selvanayagam **(Resolution 4)**

Notes:

Wong Choy Yin had notified the Company of her intention not to seek re-election. Accordingly, Wong Choy Yin will cease to be a Director of the Company at the conclusion of the Annual General Meeting. The vacated office by Wong Choy Yin will not be filled up.

4 To re-elect Tan Sri Dato' Nik Ibrahim Kamil Bin Tan Sri Nik Ahmad Kamil who is retiring pursuant to Section 153(2) of the Companies Act, Cap. 50 **(Resolution 5)**

5 To re-appoint Messrs Moore Stephens LLP, Singapore as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

6 To transact any other ordinary business that may properly be transacted at an Annual General Meeting. **(Resolution 7)**

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions as ordinary resolutions, with or without modifications;

7 **Authority to Directors to Issue Shares**

THAT pursuant to Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and notwithstanding the provisions of the Company's Bye-Laws, authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively "**instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares

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

(b) (notwithstanding the authority conferred by this Ordinary Resolution 8 may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while this Resolution was in force

Provided that:

(1) the aggregate number of shares (including shares to be issued pursuant to the instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Ordinary Resolution 8 shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and instruments to be issued other than on a pro-rata basis to existing shareholders shall not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Ordinary Resolution 8, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards, which are outstanding or subsisting at the time of the passing of this Ordinary Resolution 8; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Ordinary Resolution 8, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST and the Bye-Laws of the Company); and

(4) unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
(See Explanatory Note A) **(Resolution 8)**

By Order of the Board

Tan Soo Khoon Raymond/Ong Sing Huat
Company Secretaries

Singapore
9 July 2012

EXPLANATORY NOTES ON ORDINARY RESOLUTIONS TO BE PASSED UNDER SPECIAL BUSINESS

NOTES TO SPECIAL BUSINESS:

Explanatory Note A

The proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments up to a number not exceeding, in total 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time the Ordinary Resolution 8 is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards, which are outstanding or subsisting at the time when the Ordinary Resolution 8 is passed and any subsequent bonus issue, consolidation or subdivision of shares.

Notes:

(a) If a shareholder being a Depositor (who is not a natural person) whose name appears in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore) wishes to attend and vote at the Annual General Meeting , then it should complete the Proxy Form and deposit the duly completed Proxy Form at the office of the Singapore Share Transfer Agent, ***B.A.C.S. Private Limited****, at 63 Cantonment Road, Singapore 089758, not less than 48 hours before the time appointed for holding the Annual General Meeting. A Depositor who is a natural person need not complete the Proxy Form if he/she intends to attend in person.*

(b) If a Depositor wishes to appoint a proxy/proxies, then the Proxy Form must be duly completed and deposited at the office of the Singapore Shares Transfer Agent, ***B.A.C.S. Private Limited****, at 63 Cantonment Road, Singapore 089758, not less than 48 hours before the time appointed for holding the Annual General Meeting. A proxy need not be a shareholder.*

LIONGOLD
CORP

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