



Yoma Strategic Holdings Ltd.

Shareholder Briefing at Extraordinary General Meeting

3 December 2010



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Resolution 1

The Management Agreement with First Myanmar Investment Company Limited and Successful Goal Trading Co., Ltd. as a specific interested person transaction



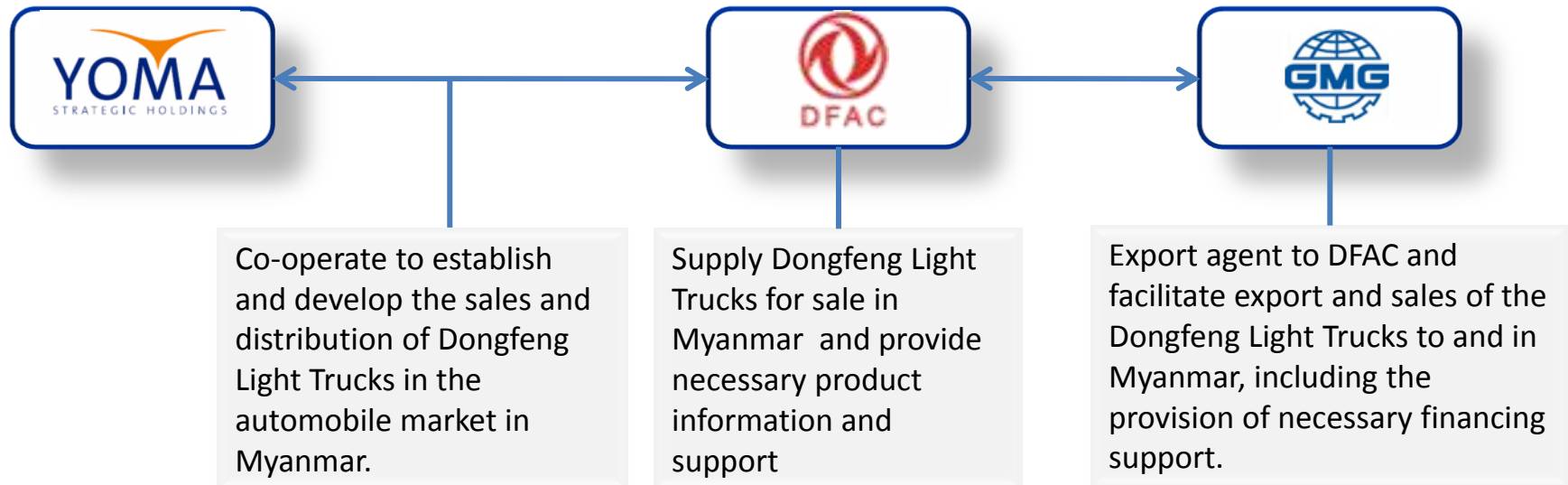


Strategic Co-operation Agreement



Strategic Co-operation Agreement

- Received proposal from DFAC and GMG to distribute Dongfeng Light Trucks in Myanmar
- Signed agreement on 8 June 2010 which is valid for 10 years





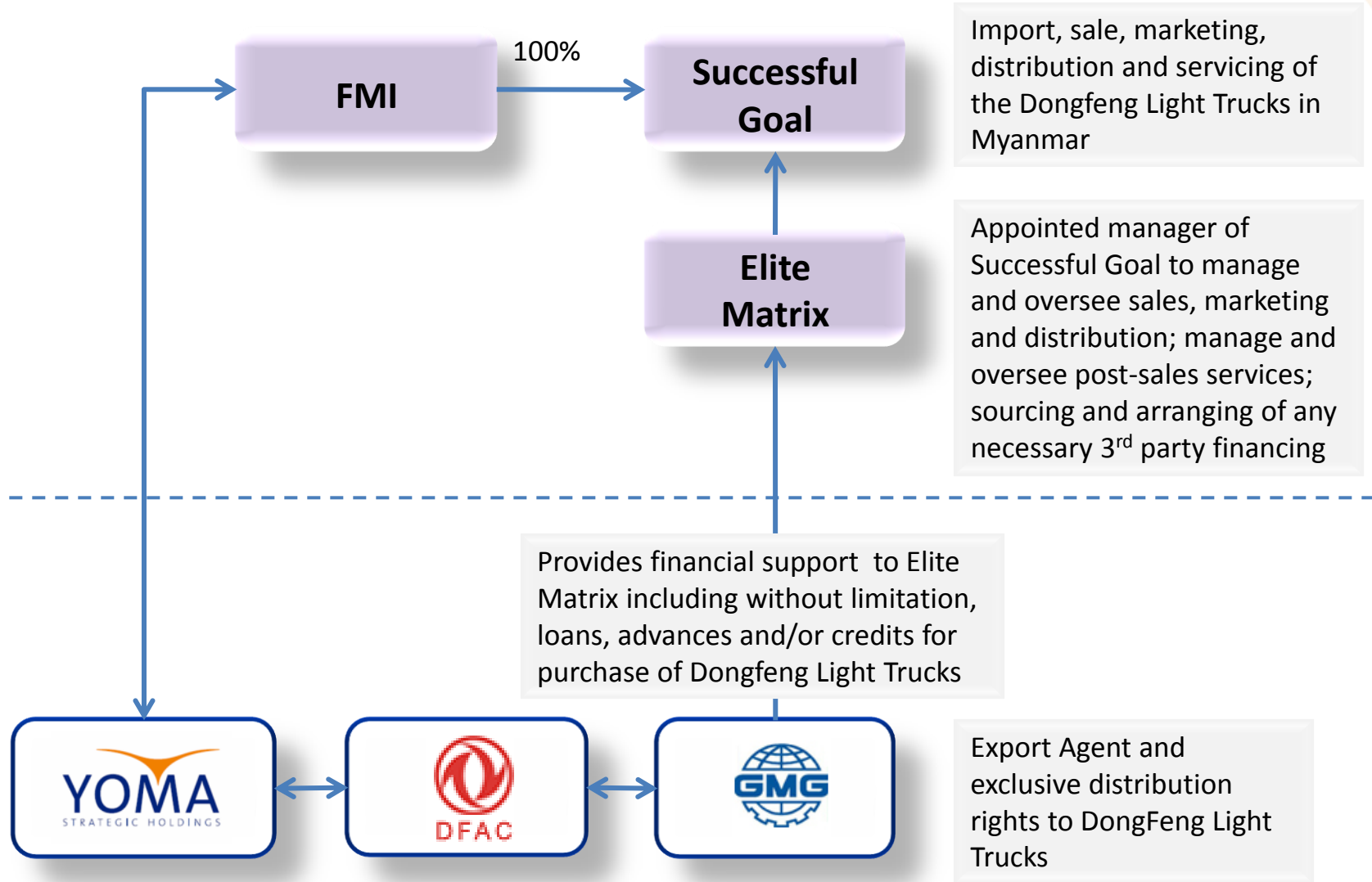
Management Agreement



Management Agreement in Operation

Management Agreement

Strategic Co-operation Agreement



Management Fee

- Elite Matrix to receive annual fee of 70% of the annual net profit after tax of Successful Goal within 45 days of date of audited accounts
- In event of net loss after tax, FMI shall pay 30% of the net loss after tax
- Elite Matrix entitled to monthly reimbursement of all costs, charges, fees and out-of-pocket expenses as Manager
- Management fee is determined on the basis that it would not be feasible for the Group to carry out the business without SPA Group's assistance



Rationale for Management Agreement

- ❖ Strategic review – positioning for future sustainable growth
- ❖ In anticipation of an upturn in Myanmar's economy
 - ❖ Domestic demand and trading activity will increase
- ❖ Only Myanmar companies are allowed to carry out import and distribution of light trucks in Myanmar



Benefits of Management Agreement

- **SPA Group >15 years of experience in Myanmar automobile market**
 - ❖ Official distributor and/or official supplier of certain brands of vehicles and spare parts
- **SPA Group has extensive automobile distribution network and service centres across Myanmar**
- **Tap on SPA group's expertise and wide-ranging sales network to penetrate and expand in to the Myanmar automobile market**

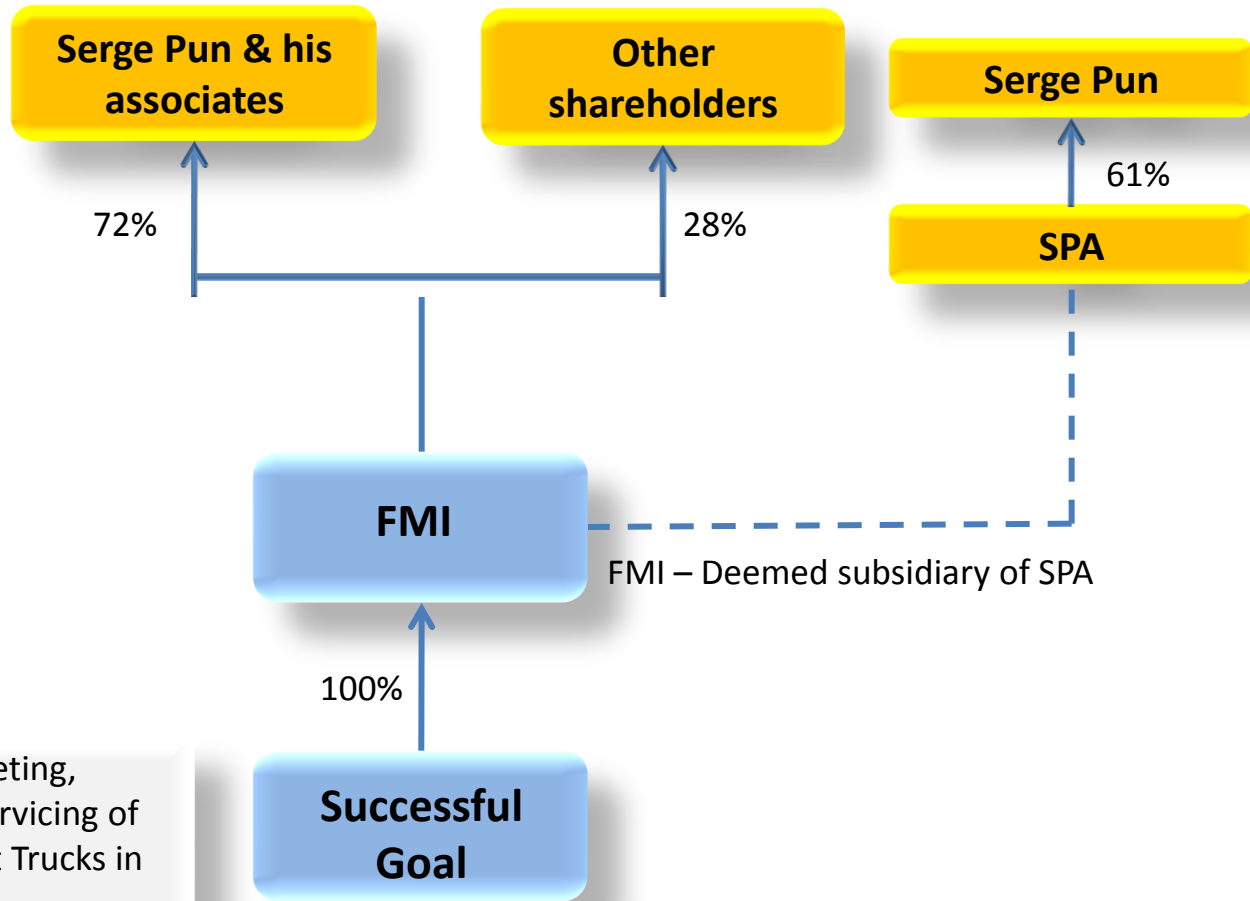




Interested Person Transaction



Details of Interested Persons



Import, sale, marketing, distribution and servicing of the Dongfeng Light Trucks in Myanmar



Resolution 2

Additional Scope in the Shareholders' Mandate for Recurring Interested Person transactions







Rationale for & Benefits of Additional Scope

- ❖ **Additional Scope comprises the following financing transactions:**
 - ❖ procurement and extension of financing to Successful Goal and any other financing for the Business of Successful Goal pursuant to the Management Agreement and the enforcement or realization of any security given to Elite Matrix up to US\$2 million; and
 - ❖ provision of discretionary interest-free loan(s) or financing (up to an aggregate of US\$4 million) to Successful Goal for working capital purpose

- ❖ **Envisaged that additional financing involving Interested Persons may arise during the term of the Management Agreement**

- ❖ **Inclusion of the Additional Scope will eliminate the need for seeking shareholders' approval – reducing substantial administrative time and expenses**

Validity of Mandate and Review of Additional Scope

-  **Revised shareholder mandate will take effect from date of receipt of shareholder approval at the EGM until the next AGM**
-  **Shareholders' approval for the renewal will be sought at each subsequent AGM**
-  **IPT will be conducted at arm's length and normal commercial terms consistent usual with the Group's usual business practices**
-  **The procedures and review for the approval of IPT relating to the Additional Scope is set out on pages 20 – 22 for Shareholder Circular dated 16 Nov 2010**



Resolution 3

Proposed Disposal of Equity interests in First Myanmar Construction Co. Ltd, Myanmar V-Pile Co Ltd, Myanmar Piling Co Ltd and V-Pile (Singapore) Pte Ltd



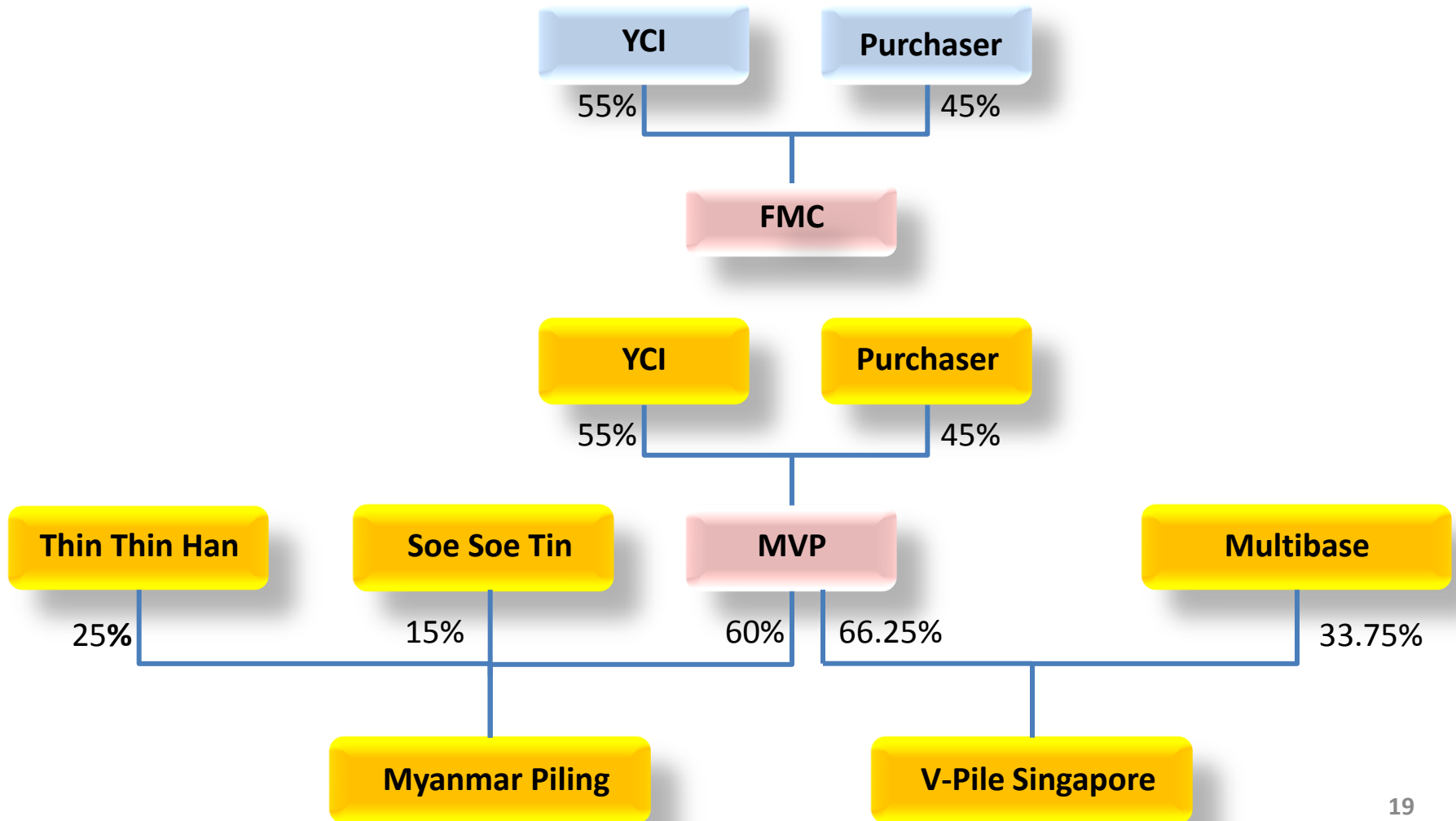
Background

- ❖ **20 July 2010 – Disposal Agreement signed with Purchaser for FMC Sale Shares and MVP Sale Shares**
- ❖ **Upon shareholders' approval (under Rule 1014 of Listing Manual)**
 - ❖ FMC, MVP, Myanmar Piling and V-Pile Singapore will no longer be subsidiaries of YSH
- ❖ **FMC and MVP (Myanmar incorp.) carry out super-structure construction works and provision of piling and construction services respectively**
- ❖ **YCI, a wholly-owned subsidiary of Yoma Strategic Investment Ltd (a wholly-owned subsidiary of YSH) owns 55% equity interest in FMC and MVP**



Equity Structure of FMC and MVP

➤ Purchaser is Dr Sone Han, who owns 45% of FMC and MVP respectively



Purchase Consideration, Financial Effects & Use of Proceeds

- **Total cash consideration is USD2.27 m (approx. SGD3.13 m), payable:**
 - ❖ USD750,000 upfront, within 7 days after signing Disposal Agreement
 - ❖ Remaining USD1.52 m to be paid in 7 installments:
 - 1st installment of USD250,000 upon completion of sales and purchase of Sale Shares (Completion Date)
 - 2nd installment of USD220,000 at the end of 3 months after Completion Date
 - Subsequent 5 installments of USD210,000 each to be paid every 3 months starting at end of 3 month period after 2nd installment

- **Detailed financial effects of disposal can be found on pages 28 and 29 of Shareholder Circular dated 16 Nov 2010**

- **Proceeds to be used for working capital purposes**

Rationale for Proposed Disposal

- ✎ **Notwithstanding 55% interest in MVP and FMC as subsidiaries of YSH, effective interest in Myanmar Piling and V-Pile Singapore is only 33% and 36% respectively and prospects for gaining majority interest is limited**
- ✎ **Businesses run independently under stewardship of Purchaser, who has over some time has expressed desire to gain ownership**
- ✎ **Business directions of Purchaser and the management of YSH have increasingly diverged in recent years**
- ✎ **Offer is reasonable in providing YSH with attractive return for initial investment of S\$1.64 m**
 - ❖ **Approx. gain will be \$0.05m in consolidated financial statements upon disposal of Sale Shares**
- ✎ **If Proposed Disposal occurred during FY2008 and FY2009, the Group would still have been profitable**

Rationale for Proposed Disposal (cont'd)

- **For 1QFY2011, Revenue generated from construction-related activities was S\$2.35m (decrease of S\$0.97m from S\$3.32m from previous corresponding quarter) and MVP and FMC only contributed profit of S\$6,000 (compared to S\$188,000 in previous corresponding quarter)**

- **Proposed Disposal will not have a significant impact on YSH as they are independent business units**
 - ❖ No dividends or intercompany balances for cash balances received from MVP Group and FMC
 - ❖ Cashflow came mainly from Lion Century Properties Ltd and not dependent on MVP Group and FMC

- **YSH will be able to utilise sale proceeds and focus investments into business where it will have greater control**

- **YSH would have additional working capital for such other business contemplated in near future**

Oveview of Group after Disposal

- **YSH principle business will be real estate development, provision of architectural, design and project management services and agricultural activities**
- **Proposed automobile business in Myanmar has been identified as business to expand into:**
 - ❖ With anticipated upturn of the Myanmar economy in the coming years, transportation of goods and commerce by land likely to be main mode of commercial transport given absence of extensive infrastructure for air and water transport
 - ❖ Capitalise on this opportunity by preparing and investing in the appropriate resources now
- **Will continue to pursue business opportunities as they arise in China and Myanmar**





Questions & Answers

Thank You

