
INTERESTED PERSON TRANSACTION – ESTABLISHMENT OF JOINT VENTURE COMPANY TO CARRY OUT COLD CHAIN RELATED BUSINESS

PROPOSED JOINT VENTURE

1. Further to the press release on 11 March 2014, the Board of Directors (the “**Board**”) is pleased to announce that the Company, through its wholly-owned subsidiary, Yoma Strategic Investments Ltd. (“**YSIL**”), has entered into a definitive joint venture agreement (the “**Joint Venture Agreement**”) with Kokubu & Co., Ltd. (“**Kokubu**”) and First Myanmar Investment Co., Ltd. (“**FMI**”) to establish and operate a joint venture business in Myanmar that will initially focus on the distribution of agricultural and marine products, utilizing high-specification vehicles with refrigeration capacity which will enhance the quality, safety and value of agricultural and seafood products being transported to markets in Myanmar (the “**Business**”).
2. The initial investment in the joint venture will be up to an aggregate amount of US\$8,500,000 and contributed in 2 phases upon the satisfaction of certain conditions precedent for each phase including but not limited to, the issue of a lease agreement between Yoma Development Group Limited (a wholly-owned subsidiary of the Company) and the joint venture company allowing the use of the leased land to build a distribution centre with chill and refrigeration capacities in Yangon, the grant of the relevant licenses and permits for construction of the distribution centre and the issue of the relevant permit from the Myanmar Investment Commission. In the event that parties agree to construct a new distribution centre in Mandalay, parties agree to contribute an additional US\$3,500,000 into the joint venture.
3. As part of completion of phase 1, a joint venture company had been incorporated, details of which are as follows:-

Name: KOSPA Ltd. (the “**Joint Venture Company**”)
Country of Incorporation: Myanmar
Shareholders: Kokubu (50%), YSIL (30%) and FMI (20%)
Initial Capital: US\$100,000 comprising 100,000 ordinary shares of US\$1 each
4. The long-stop date for completion of the investment in the joint venture is 27 February 2015.

SALIENT TERMS OF THE JOINT VENTURE AGREEMENT

5. Each of Kokubu and FMI acknowledges that they are aware of the Company and its group business venture with the Asia Beverages Co., Ltd. group of companies into the fast moving consumer goods sector in Myanmar (the “**ABC Business**”). It was agreed that YSIL and FMI shall not enter into any business that competes with the Business.
6. All of the obligations and liabilities of YSIL and FMI in relation to and arising from the Joint Venture Agreement shall be several.

INFORMATION ON KOKUBU

7. Established in 1712, Kokubu is one of the largest companies in Japan engaging in the food distribution business. With over US\$15 billion of sales annually, Kokubu is engaged in wholesaling (liquor products, processing foods, perishable foods, confection, related consumer goods and material), import/export, food manufacturing. Kokubu has about 600,000 product assortment and distributes to 35,000 outlets. In addition to Japan, Kokubu currently operate their logistics and wholesale businesses in China and Vietnam.

INTERESTED PERSON TRANSACTION

8. Mr. Serge Pun is the Executive Chairman and a Controlling Shareholder of the Company, holding approximately 37.32% direct and deemed interests in the Company as at the date of this Announcement.
9. Mr. Serge Pun is also the Chairman of FMI and the controlling shareholder of FMI as at the date of this Announcement. FMI is considered an associate of Mr. Serge Pun and accordingly, an interested person of the Company for the purposes of Chapter 9 of the Listing Manual. The Joint Venture Agreement is therefore an interested person transaction under Chapter 9 of the Listing Manual.
10. Based on the latest audited consolidated financial statements of the Group as at 31 March 2014, the net tangible assets less non-controlling interest (the “**NTA**”) of the Group is S\$358.87 million. The Company’s proposed overall investment in the Joint Venture Company only represents approximately 1.00% of the NTA of the Group.

STATEMENT BY THE AUDIT AND RISK MANAGEMENT COMMITTEE

11. The Audit and Risk Management Committee of the Company is of the view that the risks and rewards of the Joint Venture Agreement are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the Company and its minority shareholders.

VALUE OF INTERESTED PERSON TRANSACTIONS

12. The aggregate value of all interested person transactions for the 3-month period ended 30 June 2014 with Mr. Serge Pun and his associates is S\$3.25 million.

ON BEHALF OF THE BOARD

Andrew Rickards
Chief Executive Officer
4 August 2014