
POSITIVE PROGRESS ON THE LANDMARK DEVELOPMENT

Reference is made to the circular of Yoma Strategic Holdings Ltd. (the “**Company**”) dated 22 December 2014 (the “**Circular**”). Unless otherwise defined in this announcement, all expressions and capitalised terms shall have the same meaning as defined in the Circular.

The Board of Directors of the Company is pleased to inform shareholders of the positive progress on the Landmark Development including the receipt of the extension of the master lease for Site 1¹ from the Ministry of Rail Transport (the “**MR**”) and the MR confirming that it will accept the extension of the master lease for Site 2² upon the approval of the Myanmar Investment Commission (the “**MIC**”).

The Company sets out below the updates.

(A) EXTENSION OF LEASE FOR SITE 1

The Company’s subsidiary, Meeyahta International Hotel Limited (“**MIHL**”), had on 31 December 2015, executed a framework agreement with the MR pursuant to which the master lease for Site 1 has been extended for an initial period of 50 years commencing on 1st January 1998 in accordance with the Myanmar Foreign Investment Law³. In addition, the framework agreement also broadly sets out terms of the Landmark Development as agreed with the MR such as the master development plan for the entire Landmark Development, the estimated gross floor area, key commercial terms, separate joint venture partnership structures for the redevelopment of the former headquarters of the Myanmar Railway Company into a Peninsula Hotel (the “**Proposed Hotel Development**”) and the rest of the mixed-use development (the “**Proposed Mixed-Use Development**”) and the respective obligations of the parties for the Landmark Development including the agreement by MR to combine the leases for Site 1 and Site 2 and to enter into 2 separate master lease agreements with MIHL, one for the Proposed Hotel Development and the other for the Proposed Mixed-Use Development within 3 months from the date of the framework agreement. Save for the extension of the lease for Site 1, certain terms in the framework agreement require the approval of the MIC.

¹ Site 1 is an area located at 372 Bogyoke Aung San Road, Pabedan Township, Yangon, Myanmar of approximately 9.5 acres of land and it comprises the former headquarters of the Myanmar Railway Company which is a heritage site built in 1877.

² Site 2 is an area located at 380 Bogyoke Aung San Road, Pabedan Township, Yangon, Myanmar of approximately 0.5 acres of land and it comprises the FMI Centre.

With regard to the lease for Site 2, the MR had also accepted the extension of the lease for an initial period of 50 years commencing on 1st January 1998 in accordance with the Myanmar Foreign Investment Law³ subject to MIC approval⁴.

(B) EXTENSION OF LONG STOP DATE FOR PROPOSED HOTEL DEVELOPMENT

Reference is made to the announcements dated 28 January 2014, 11 March 2015 and 1 April 2015 in respect of the Proposed Hotel Development.

With the execution of the framework agreement, The Hongkong and Shanghai Hotels, Limited and the Company has agreed to extend the long stop date under the existing shareholders agreement to satisfy all conditions precedent to 30 June 2016.

The Company and the Vendor agree that payment for the balance of the Landmark Consideration shall not be triggered until the extension of the lease for Site 2 has been obtained. Parties are in discussion on the terms of the framework agreement and the master lease agreements and the Company will update shareholders as and when there is a material development.

Further, the Company would also like to inform shareholders that the condition subsequent to the Landmark Acquisition relating to the receipt of approval from the MIC of the transfer of eighty per cent. (80%) shareholding interests in MIHL to Yoma Strategic Investments Ltd., a wholly-owned subsidiary of the Company, has been satisfied before 31 December 2015 (which is the prescribed long stop date).

ON BEHALF OF THE BOARD

Melvyn Pun
Chief Executive Officer

4 January 2016

³ The leases shall terminate at the end of the initial period of 50 years or upon the expiry of any period that will be extended by the MIC pursuant to the Foreign Investment Law 2012 or the foreign investment law for the time being in force. As at the date of this announcement, the Foreign Investment Law 2012 provides that the MIC may extend the initial period of 50 years for a consecutive period of 10 years and a further 10 years depending on the amount and type of investment.

⁴ Based on previous and on-going discussions with the MIC, the Vendor believes that the application to MIC for the extension will be approved.