



PROPOSED GRANT OF CALL OPTION TO ACQUIRE EQUITY INTEREST IN SUBSIDIARY AS A CONDITION TO LOAN FACILITY

The Board of Directors ("**Directors**") of Yoma Strategic Holdings Ltd. ("**Company**") wishes to announce that on 12 August 2009, Gifted Champion Limited ("**Lender**") had granted a loan facility of RMB22 million ("**Loan to Wyndale**") to Wyndale International Limited ("**Wyndale**"). Wyndale is a company incorporated in the British Virgin Islands and it is an indirect wholly-owned subsidiary of the Company held through its other wholly-owned subsidiaries, Wayville Investments Ltd ("**Wayville**") and Yoma Strategic Investments Ltd. ("**YSIL**").

The Company has 27% equity interest in Winner Sight Investments Limited ("**WSI**") held through Wyndale. WSI is a company incorporated in Hong Kong that holds an investment in the Grand Central building ("**Grand Central**") in the People's Republic of China ("**PRC**"), through its wholly foreign-owned subsidiary in the PRC, SPA (Dalian) Property Development Co., Ltd. Wyndale will use the Loan to Wyndale towards satisfaction of its shareholder contribution in WSI required for the continued construction and development of the Grand Central.

Under the terms of the Loan to Wyndale, 16.3% of Wayville's shares in Wyndale and a 100% floating charge over the assets of Wyndale are provided as security for the loan.

Further, pursuant to the terms of the Loan to Wyndale, Wyndale shall use its best endeavors to procure, *inter alia*, the approval of the Company's shareholders for the grant of a call option by Wayville to the Lender ("**Call Option**") to convert up to the principal amount of the Loan to Wyndale that is outstanding, into ordinary shares of Wyndale held by Wayville ("**Wyndale Shares**"), at any time during the tenure of the loan, being two (2) years from the date of drawdown. The conversion price under the Call Option shall be calculated based on the gross valuation of the Grand Central of (a) RMB10,000 per square metre ("**psm**"), if the the Call Option is exercised during the 1st year of the loan tenure; (b) RMB10,750 psm, if the Call Option is exercised during the 1st half of the 2nd year of the loan tenure; or (c) RMB11,500 psm, if the Call Option is exercised during the 2nd half of the 2nd year of the loan tenure.

The exercise of the Call Option by the Lender to convert the principal amount of the Loan to Wyndale of RMB22 million (the "**Conversion**") into Wyndale Shares at the conversion prices of RMB10,000 psm, RMB10,750 psm and RMB11,500 psm will result in a disposal by Wayville of approximately 13.28%, 11.70% and 10.45% Wyndale Shares respectively ("**Conversion Shares**").

In connection with the financing deal for the Loan to Wyndale, the Lender has also agreed to lend RMB44 million ("**Loan to AWG**") to Allied Win Group Limited ("**AWG**"). AWG owns 100% interests in Pridetop Limited and Delight Results Limited, which are both shareholders of WSI. The Loan to AWG will be used by AWG towards its required contributions to WSI. It is proposed that Wayville shall provide 16.7% of its shares in Wyndale as security for the Loan to AWG ("**Provision of Security**"), which is a condition for the Loan to AWG. The Company will be making a separate announcement relating to the Provision of Security in due course.

Consideration, Value and Use of Proceeds

Using the principal amount of the Loan to Wyndale, the aggregate consideration in respect of the Conversion Shares would be RMB22 million. The basis of calculation for the conversion prices under the Call Option were arrived at on a willing-buyer willing-seller basis.

Based on the latest financial results of Wyndale for its financial year ended 31 March 2009, and assuming the Conversion takes place at the conversion price of RMB10,000 psm, both the book value and net tangible asset value of the Conversion Shares are S\$4.16 million. The excess of the aggregate consideration of RMB22 million over the book value of the Consideration Shares is S\$0.47 million, based on the exchange rate of 4.7505 on the day immediately preceding the date of this Announcement.

In the event that the Conversion takes place, the Loan will be fully discharged.

Net Profits Attributable to Conversion Shares

Assuming the Conversion takes place at the conversion price of RMB10,000 psm, the net profit before tax attributable to the Conversion Shares, or 13.28% of Wyndale Shares, is approximately S\$0.58 million, based on the financial results of Wyndale for its financial year ended 31 March 2009.

Gain on Conversion

Assuming the Conversion takes place at the conversion price of RMB10,000 psm, the Company's gain is approximately S\$0.47 million, being the difference between the aggregate consideration of RMB22 million and the cost of investment to the Company in respect of the Conversion Shares.

Illustrative Financial Effects

Purely for illustrative purposes, the financial effects of the Conversion on the financial position of the Company and its subsidiaries ("**Group**"), based on the Group's consolidated audited financial statements for its financial year ended 31 March 2009 ("**FY2009**"), are set out below.

- (a) Assuming the Conversion had been completed at the end of FY2009, the impact of the Conversion at different conversion prices on the net tangible assets ("**NTA**") per share of the Group for FY2009 is as follows:-

	<u>Before Conversion</u>	<u>After Conversion</u>
<i>At a conversion price of RMB10,000 psm</i>		
NTA (S\$'000)	115,012	115,711
Number of shares ('000)	485,648	485,648
NTA per share (cents)	23.68	25.23
<i>At a conversion price of RMB10,750 psm</i>		
NTA (S\$'000)	115,012	116,179
Number of shares ('000)	485,648	485,648
NTA per share (cents)	23.68	25.33
<i>At a conversion price of RMB11,500 psm</i>		
NTA (S\$'000)	115,012	116,549
Number of shares ('000)	485,648	485,648
NTA per share (cents)	23.68	25.41

- (b) Assuming the Conversion had been completed at the beginning of FY2009, the impact of the Conversion at different conversion prices on the earnings per share (“EPS”) of the Group for FY2009 is as follows:-

	<u>Before Conversion</u>	<u>After Conversion</u>
<u>At a conversion price of RMB10,000 psm</u>		
Earnings (S\$'000)	1,533	1,646
Weighted average number of shares ('000)	445,038	445,038
EPS (cents)	0.34	0.37
<u>At a conversion price of RMB10,750 psm</u>		
Earnings (S\$'000)	1,533	2,184
Weighted average number of shares ('000)	445,038	445,038
EPS (cents)	0.34	0.49
<u>At a conversion price of RMB11,500 psm</u>		
Earnings (S\$'000)	1,533	2,609
Weighted average number of shares ('000)	445,038	445,038
EPS (cents)	0.34	0.59

Rationale

The Directors, after having considered the use and terms of the Loan to Wyndale, are of the view that the proposed grant of the Call Option is in the commercial interests of the Company.

Relative Figures under Rule 1006 of the Listing Manual

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“Listing Manual”) for the Conversion are set out below. The computed figures are based on the Group’s audited financial results for FY2009.

<u>Rule 1006(a)</u> The net asset value of the Conversion Shares, compared with the Group’s net asset value	3.04%
<u>Rule 1006(b)</u> The net profits attributable to the Conversion Shares, compared with the Group’s net profits	38.11%
<u>Rule 1006(c)</u> The aggregate value of the consideration given for the Conversion Shares, compared with the Company’s market capitalization based on the total number of issued shares excluding treasury shares	11.92%
<u>Rule 1006(d)</u> The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable.



Notes:-

- (1) The computation of figures above assumes a conversion price of RMB10,000 psm and 13.28% Conversion Shares.
- (2) The consolidated net asset value of the Company for FY2009 was S\$129million.
- (3) The consolidated net profits of the Company for FY2009 was S\$1.53million.
- (4) The Company's market capitalization of S\$38.85million is based on its total number of issued shares of 485,648,302 and the volume weighted average traded price of S\$0.08 per share on 11 August 2009, being the trading day immediately preceding the date of the Announcement.

* The relative figure will exceed 20% regardless of the conversion price being RMB10,000 psm, RMB10,750 psm or RMB11,500 psm.

As the relative figure under Rule 1006(b) of the Listing Manual exceeds 20%, the proposed grant of the Call Option constitutes a 'major transaction' pursuant to Rule 1013 of the Listing Manual and is conditional upon approval of shareholders in a general meeting.

A circular to shareholders of the Company containing further information on the Call Option as well as a notice of extraordinary general meeting will be despatched to shareholders in due course.

Interest of Directors or Substantial Shareholder

Mr. Serge Pun, a Director and substantial shareholder of the Company, has indirect interest in WSI by virtue of his shareholding in Delight Results Limited and Pridetop Limited, which together hold an aggregate of 23% shareholding in WSI. He is also a director of WSI.

Other than Mr. Serge Pun, there are no other Directors or substantial shareholder of the Company who has any interest, direct or indirect, in the above-mentioned transaction.

ON BEHALF OF THE BOARD

SERGE PUN
Chairman and CEO
12 August 2009

YOMA Strategic Holdings Ltd
Company Registration No. 196200185E
#25-05 Fuji Xerox Towers
80 Anson Road
Singapore 079907
Tel: (65) 6223-2262
Fax: (65) 6220-7939
Website: www.yomastrategic.com