
INTERESTED PERSON TRANSACTION – PROPOSED LANDMARK DEVELOPMENT

*Reference is made to the circular issued by Yoma Strategic Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) on 22 December 2014 (the “**Circular**”) and the announcement dated 4 January 2016 (the “**Announcement**”), in relation to the Proposed Landmark Development.*

Unless otherwise defined, all terms used herein shall be as defined in the Circular and the Announcement.

PROPOSED JOINT VENTURE

1. Further to the announcements on 1 October 2013 and 20 December 2013, the Board of Directors (the “**Board**”) is pleased to announce that the Company and its wholly-owned subsidiary, Yoma Strategic Investments Limited (“**YSIL**”), have entered into a definitive shareholders’ agreement (the “**Shareholders’ Agreement**”) on 12 July 2016 with amongst others, First Myanmar Investment Company Limited (“**FMI**”), Mitsubishi Corporation, Mitsubishi Estate Co., Ltd (collectively, the “**Mitsubishi Companies**”) and the International Finance Corporation (“**IFC**”) in relation to the redevelopment of the Landmark Development¹ excluding the redevelopment of the former headquarters of the Burma Railway Company into “The Peninsula Yangon” (the “**Proposed Landmark Development**”).
2. The Shareholders’ Agreement is subject to a number of conditions precedent (the “**Conditions**”) including but not limited to, the entry into the form of adherence whereby the Asian Development Bank (“**ADB**”) shall become a party to the Shareholders’ Agreement, the receipt of the approval from the Myanmar Investment Commission for the incorporation of the joint venture entity to undertake the Proposed Landmark Development (to be known as “**Meeyahta Development Limited**”) and certain prescribed documents² being in agreed form and executed.

¹The proposed mixed-use development located at 372 and 380 Bogyoke Aung San Road, Pabedan Township, Yangon, Myanmar.

²The prescribed documents include the business plan, budget, sublease in relation to the Proposed Landmark Development and put option agreements whereby each of IFC and ADB will be granted the right to put their shares in MDL to the Company commencing from the 8th anniversary of the first subscription of shares in MDL by IFC or ADB to the 11th anniversary of such first subscription or where there is a breach of certain obligations under the Shareholders’ Agreement at any time or the date of a qualified initial public offering, whichever is the earlier. FMI will also be providing similar put options to IFC and ADB under certain circumstances.

3. Upon the satisfaction of certain specified Conditions, parties will subscribe for shares in Meeyahta Development Limited (“**MDL**”) such that each of the parties’ respective ultimate effective interests will be (a) 48% held by the Company; (b) 12% held by FMI; (c) 30% held by the Mitsubishi Companies³; and (d) 5% held by each of IFC and ADB. In the event that the first subscription of shares does not take place on or before 30 June 2017 (or such other date the parties may agree), the Shareholders’ Agreement shall terminate.
4. The shareholders of MDL will provide their contributions pro rata to the investment of the Proposed Landmark Development.

CERTAIN RELEVANT TERMS OF THE SHAREHOLDERS’ AGREEMENT

5. Both YSIL and FMI have agreed to use their reasonable endeavours to, *inter alia*, assist MDL to make all the necessary submissions and applications to obtain any and all governmental authorisations required to undertake the Proposed Landmark Development and to procure that the joint venture shall only undertake the activities related to the Proposed Landmark Development.
6. In the event of a default, where the defaulting shareholder is FMI or YSIL, each of YSIL or FMI, as the case may be, shall have the first right of refusal to buy all (but not some only) of the shares held by such defaulting party at such price as may be mutually agreed between FMI and YSIL.
7. The shareholders agree that they will not voluntarily transfer any of their respective shares of MDL prior to the completion date of the Proposed Landmark Development save in certain prescribed circumstances including breach of a reserved matter or the service of a notice under the put option agreement.
8. Parties to the Shareholders’ Agreement acknowledge and agree that FMI and YSIL are independent and are not Associates of each other. “Associate” means (in relation to any party other than an individual) a subsidiary or holding company of that entity, and any other subsidiary of any holding company of that entity.

³The Mitsubishi Companies will establish a joint venture with preferred equity investment from Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN). JOIN is the first and only government-private sponsored fund in Japan that specialises in overseas infrastructure investment (source: <http://www.join-future.co.jp>)

9. The Company, as the ultimate holding company of YSIL, the shareholder of MDL, also irrevocably and unconditionally guarantees to each of the other shareholders (excluding YSIL) and MDL (each a “**YSH Indemnified Party**”) and for so long only as it remains a shareholder of YSIL, the proper and punctual performance by YSIL of all of its obligations under the Shareholders’ Agreement or the other documents to be executed in connection with it and, for so long only as it remains a shareholder of YSIL, further indemnifies each YSH Indemnified Party on demand against losses and expenses which such YSH Indemnified Party suffers by reason of a default by YSIL in the performance of its obligations under the Shareholders’ Agreement or the other documents to be executed in connection with the Shareholders’ Agreement (to which YSIL is a party) and agrees to compensate the YSH Indemnified Party for all resulting loss and damage.

INTERESTED PERSON TRANSACTION

10. Mr. Serge Pun is the Executive Chairman and a Controlling Shareholder of the Company, holding approximately 36.27% direct and deemed interests in the Company as at the date of this Announcement.
11. 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 Shareholders’ Agreement is therefore an interested person transaction under Chapter 9 of the Listing Manual.
12. Based on the latest audited consolidated financial statements of the Group as at 31 March 2016, the net tangible assets less non-controlling interest (the “**NTA**”) of the Group is S\$638.95 million. The Company’s proposed overall investment in the Proposed Landmark Development (based on current development estimates which are made on certain assumptions) exceeds five per cent. (5%) of the NTA of the Group and as such, pursuant to Rule 905 of the Listing Manual, the Company is required to make an immediate announcement on the Shareholders’ Agreement.

EXCEPTION TO THE REQUIREMENT TO SEEK SHAREHOLDERS’ APPROVAL AND THE STATEMENT BY THE AUDIT AND RISK MANAGEMENT COMMITTEE

13. The Audit and Risk Management Committee of the Company is of the view that the risks and rewards of the joint venture 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. Neither Mr. Serge Pun nor his associates have an interest in MDL prior to the entry of the Shareholders’ Agreement.

14. The Company has met the requirements under Rule 916(2) of the Listing Manual and accordingly, the Company is exempted from the requirement to seek shareholders' approval for the joint venture investment in MDL.

VALUE OF INTERESTED PERSON TRANSACTIONS

15. The aggregate value of all interested person transactions, excluding transactions which are less than S\$100,000 and transactions conducted under the shareholders' mandate for interested person transaction under Rule 920, for the financial year ended 31 March 2016 with Mr. Serge Pun and his associates is S\$5.01 million.

The Board wishes to inform shareholders that further information on the Proposed Landmark Development including latest master development plan, the project cost and the development timeline will be disclosed to shareholders on 26 July 2016, the date of the annual general meeting of the Company.

ON BEHALF OF THE BOARD

Melvyn Pun
Chief Executive Officer
12 July 2016