
JOINT VENTURE TO DEVELOP A SECOND CITY LOFT PROJECT IN HLAING THAR YAR TOWNSHIP AS AN INTERESTED PERSON TRANSACTION

Reference is made to the Company's press release dated 30 November 2020 in relation to the Second City Loft Project in Yangon (the "**CLW Press Release**").

1. INTRODUCTION

The Board of Directors (the "**Board**") of Yoma Strategic Holdings Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that, having assessed the feasibility of the project, the Company had through its wholly-owned subsidiary, Yoma Development Group Limited ("**YDG**"), entered into an agreement¹ (the "**JV Agreement**") with First Myanmar Investment Public Company Limited ("**FMI**"), and Jebsen & Jessen Property Holdings Pte. Ltd. ("**JJPH**", together with FMI, the "**JV Partners**", and collectively with YDG, the "**Parties**") to participate in the co-development of part of the Target Site into residential apartments ("**City Loft West Project**") replicating the Group's City Loft @ StarCity concept.

2. INFORMATION ON CITY LOFT WEST PROJECT

- 2.1 The site consists of 21.31 acres of land on the banks of the Hlaing River in Hlaing Thar Yar Township (the "**Target Site**"). It has been chosen as the location for the City Loft West Project, after considering the location of the land and the sizeable population of Hlaing Thar Yar Township. The development would be undertaken in two (2) different phases (Phase 1 comprising 11.08 acres and Phase 2 comprising 10.23 acres).
- 2.2 Construction for Phase 1 is expected to commence in 2021 and will consist of 7 towers and approximately 1,800 units with a total gross floor area of approximately 1.4 million square feet, subject to receipt of the requisite approvals from the relevant authorities.

3. INFORMATION ON THE JV PARTNERS

3.1 JJPH

JJPH is part of the Jebsen & Jessen Group, an ASEAN-focused industrial conglomerate engaged in cable technology, ingredients, life sciences, packaging and technology. The group operates through a network of subsidiaries spanning various locations, including several manufacturing facilities, in Cambodia, China, Indonesia, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

For more information, please go to <http://www.jjsea.com>

¹ This is in relation to the First Right of Refusal Deed ("**FRRD**") entered into between SPA and Yoma Strategic Investments Ltd. ("**YSIL**"), a wholly owned subsidiary of the Company, dated 17 August 2006.

3.2 FMI

FMI is a public company incorporated in Myanmar and is listed on the Yangon Stock Exchange. FMI's principal activities include financial services, healthcare services, real estate development and services, and investment holding.

For more information, please go to <http://www.fmi.com.mm>

4. RATIONALE AND BENEFIT FOR THE JOINT VENTURE

In 2018, the Group expanded its real estate offerings with City Loft @ StarCity, a new division of modern affordable housing that targets the underserved middle-income market in Yangon. Since its launch, City Loft @ StarCity has achieved great success. The City Loft West Project represents an opportunity for the Group to further expand its real estate activities to the west side of Yangon. The Group is of the view that this is an opportunity to replicate the success of City Loft @ StarCity in additional locations in Yangon and is confident that there is similar vast market demand given the correct choice of geographical location.

5. THE JOINT VENTURE

- 5.1 A joint venture company, known as CLW Development Limited (the “**JV Company**”), has been incorporated in Myanmar such that JJPH holds 50%, YDG holds 25% and FMI holds 25% in JV Company. Neither YDG nor FMI has control over JV Company.
- 5.2 The initial investment in JV Company would amount to US\$28 million and the Group's pro rata share would amount to US\$7 million (which is expected to be funded through internal cash).
- 5.3 The Target Site is currently owned by FMI Riverside Development Limited (“**FMIRDL**”). FMIRDL is 47.5% owned by FMI and 52.5% owned by Yangon Land Company Ltd (“**YLCL**”), an indirect wholly-owned subsidiary of Serge Pun & Associates (Myanmar) Limited (“**SPA**”).
- 5.4 As FMIRDL has been granted the land development rights of the Target Site by the relevant authorities, JV Company would be a co-developer of Phase 1 with FMIRDL.
- 5.5 FMIRDL as co-developer would be paid US\$20 million by JV Company, being the land development rights of Phase 1 which is supported by a valuation commissioned by the Parties and carried out by an independent valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Ltd. JV Company would be responsible for the development, project management and sales and marketing of residential units of the City Loft West Project and shall be solely entitled to all proceeds derived from such sales of Phase 1.
- 5.6 JV Company would be granted a first right to participate in the development of Phase 2 of the Target Site.

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6. INTERESTED PERSON TRANSACTION

- 6.1 Mr. Serge Pun, the executive chairman and controlling shareholder of the Company, holds approximately 28.13% direct and deemed interests in the Company as at the date of this Announcement.
- 6.2 Mr. Serge Pun is also the executive chairman and the controlling shareholder of FMI. Accordingly, FMI is an interested person of the Company as defined under Chapter 9 of the Singapore Exchange Securities Trading Limited Listing Manual ("**Listing Manual**"), by virtue of it being an associate of a Director of the Company.

7. STATEMENT BY THE AUDIT AND RISK MANAGEMENT COMMITTEE

- 7.1 The Audit and Risk Management Committee of the Company has reviewed the terms of the JV Agreement and is of the view that:
- (a) the risks and rewards of the JV Agreement (including loans to be extended by the JV Partners) are in proportion to the equity of each joint venture partner; and
 - (b) the terms of the JV Agreement (as well as the provision of loans to the JV Company) are not prejudicial to the interests of the Company and its minority shareholders.
- 7.2 The investment by the Group in the JV Agreement falls within the ambit of Rule 916(2) of the Listing Manual, having satisfied the relevant criteria listed under the said rule.
- 7.3 The value of transactions with interested persons associated with Mr. Serge Pun (excluding transactions less than S\$100,000 and transactions conducted under the shareholders mandate) for the current financial year ending 30 September 2021 is approximately US\$0.37 million as at the date of this Announcement.

8. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this Announcement and other than their respective shareholdings in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct and indirect, in the above transaction.

BY ORDER OF THE BOARD

Melvyn Pun
Chief Executive Officer
15 December 2020