

CIRCULAR DATED 15 JULY 2013

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your ordinary shares (the “**Shares**”) in the capital of Yoma Strategic Holdings Ltd. (the “**Company**”) held through The Central Depository (Pte) Limited (the “**CDP**”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should immediately forward this Circular and the Proxy Form to the purchaser or to the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the accuracy of any of the statements made or opinions expressed or reports contained in this Circular.

Terms appearing on the cover of this Circular have the same meanings as defined in this Circular.



YOMA STRATEGIC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 196200185E)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- 1. THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 289,279,553 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE “RIGHTS SHARES”) AT AN ISSUE PRICE OF S\$0.38 FOR EACH RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FOUR (4) EXISTING SHARES HELD BY SHAREHOLDERS OF THE COMPANY AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “PROPOSED RIGHTS ISSUE”); AND**
- 2. THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER OF THE RIGHTS OF INDEPENDENT SHAREHOLDERS (AS DEFINED HEREIN) TO RECEIVE A MANDATORY GENERAL OFFER FROM MR. SERGE PUN AND HIS CONCERT PARTIES (AS DEFINED HEREIN) AS A RESULT OF THEIR ACQUISITION OF RIGHTS SHARES PURSUANT TO THE PROPOSED RIGHTS ISSUE.**

Independent Financial Adviser to the Recommending Directors in respect
of the Proposed Whitewash Resolution



KPMG CORPORATE FINANCE PTE LTD
(Incorporated in the Republic of Singapore)
(Company Registration No.: 198500417D)

IMPORTANT DATES AND TIMES

- | | | |
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| Last date and time for lodgement of Proxy Form | : | 28 July 2013 at 4 p.m. |
| Date and time of Extraordinary General Meeting | : | 30 July 2013 at 4 p.m. (or immediately after the conclusion or adjournment of the annual general meeting of the Company to be held at 3 p.m. on the same day and at the same place) |
| Place of Extraordinary General Meeting | : | The Straits Room
Level Four, The Fullerton Hotel
1 Fullerton Square
Singapore 049178 |

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DEFINITIONS

For the purpose of this Circular, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

Companies in the YSH Group

- “Company” or “YSH” : Yoma Strategic Holdings Ltd.
- “Group” : The Company and its subsidiaries, collectively
- “YSIL” : Yoma Strategic Investments Ltd., a wholly-owned subsidiary of the Company incorporated in Singapore

Companies in the SPA Group

- “FMI” : First Myanmar Investment Co., Ltd, a subsidiary of SPA as a result of SPA having a contractual right of absolute management control of FMI pursuant to an existing management agreement between SPA and FMI
- “MIHL” : Meeyahta International Hotel Limited, a foreign investment company incorporated in Myanmar
- “SPA” : Serge Pun & Associates (Myanmar) Limited
- “SPA Group” : SPA and its subsidiaries (including FMI and Yangon Land Co., Ltd, a wholly-owned subsidiary of SPA whose shares are held on trust for SPA)

Other companies, corporations and organisations

- “CDP” : The Central Depository (Pte) Limited
- “SGX-ST” : Singapore Exchange Securities Trading Limited

General

- “2013 AGM” : The annual general meeting of the Company to be held on 30 July 2013 at 3 p.m.
- “Acquisition Price” : US\$81.28 million (approximately S\$99.16 million at the exchange rate of US\$1 to S\$1.22), being the acquisition price of the Sale Shares
- “ARE” : Application and acceptance form for Rights Shares and excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Proposed Rights Issue
- “ARS” : Application and acceptance form for Rights Shares to be issued to purchasers of the provisional allotments of Rights Shares under the Proposed Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system
- “Assignment of Shareholder’s Loan” : The proposed assignment of a shareholder’s loan in MIHL from SPA which is in proportion to the proposed acquisition of eighty per cent. (80%) interests in MIHL
- “ATM” : Automated teller machine of a Participating Bank

“Authority”	: The Monetary Authority of Singapore
“Balance Sheet Outstanding Outgoings Amount”	: In relation to the Final Consideration to be paid for the Proposed Acquisition, the amount relating to the outstanding outgoings (including, <i>inter alia</i> , land rent, rates, taxes, assessments and fees) levied and imposed on MIHL and the Sites by the relevant government authorities, that have been outstanding since and as at the date of the Sale and Purchase Agreement which amounts to an aggregate amount of approximately US\$12,000,000, as reflected in the balance sheet of MIHL to be prepared as at the completion date under the Sale and Purchase Agreement
“Board” or “Directors”	: The directors of the Company as at the date of this Circular comprising Messrs Serge Pun @ Theim Wai (Executive Chairman), Andrew Jonathan Rickards, Cyrus Pun Chi Yam, Adrian Chan Pengee, Basil Chan, Kyi Aye, Dato Dr. Mohd Amin Liew Abdullah and Melvyn Pun Chi Tung (alternate Director of Serge Pun)
“Books Closure Date”	: Subject to, <i>inter alia</i> , Shareholders’ approval of the Proposed Rights Issue, Independent Shareholders’ approval of the Proposed Whitewash Resolution, and the completion of the Proposed Acquisition, the time and date to be determined by the Directors and announced by the Company in due course, at and on which the Register of Members and the share transfer books of the Company will be closed to determine the provisional allotments of Rights Shares of Entitled Shareholders under the Proposed Rights Issue
“Circular”	: This circular to Shareholders dated 15 July 2013
“Closing Date”	: The last time and date for acceptance of and/or excess application and payment and/or renunciation and payment for the Rights Shares under the Proposed Rights Issue through CDP or the Share Registrar or through an ATM of a Participating Bank, to be announced by or on behalf of the Company
“Code”	: The Singapore Code on Take-Overs and Mergers
“Companies Act”	: The Companies Act, Chapter 50, of Singapore as amended, supplemented or modified from time to time
“Concert Parties”	: As defined in paragraph 1 of the Definitions section of the Code, being parties acting in concert with Mr. Serge Pun
“Controlling Shareholder”	: A person who (i) holds directly or indirectly fifteen per cent. (15%) or more of the total number of issued Shares of the Company; or (ii) in fact exercises control over the Company
“CPF”	: Central Provident Fund
“CPF Funds”	: Monies standing to the credit of the CPF account savings of CPF members under the CPF Investment Scheme - Ordinary Account

“EGM”	: The extraordinary general meeting of the Company to be held on 30 July 2013, notice of which is set out in this Circular
“Electronic Application”	: Acceptance of the Rights Shares and (if applicable) application for excess Rights Shares made through an ATM of a Participating Bank in accordance with the terms and conditions of the Offer Information Statement
“Entitled Depositors”	: Shareholders with Shares standing to the credit of their Securities Accounts maintained with CDP as at the Books Closure Date and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
“Entitled Scripholders”	: Shareholders whose share certificates are not deposited with CDP and have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Share Registrar are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
“Entitled Shareholders”	: Entitled Depositors and Entitled Scripholders, collectively
“Existing Share Capital”	: The existing issued and paid-up share capital of the Company as at the Latest Practicable Date of 1,157,118,215 Shares (excluding treasury shares)
“Final Consideration”	: The final consideration to be paid for the Proposed Acquisition which shall be subject to adjustments determined by the Company depending on the items reflected in the balance sheet of MIHL and the retention of any Balance Sheet Outstanding Outgoings Amount
“Foreign Purchasers”	: Persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system and whose registered addresses with CDP are outside Singapore
“Foreign Shareholders”	: Shareholders whose registered addresses with CDP or the Company, as the case may be, are outside Singapore as at the Books Closure Date, and who have not, at least three (3) Market Days prior to the Books Closure Date, provided to CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents
“FRRD”	: The First Right of Refusal Deed entered into by YSIL and SPA in relation to the acquisition of LDRs in respect of land in Yangon, Myanmar, dated 17 August 2006
“FY”	: Financial year ending or ended 31 March, as the case may be
“FY2013”	: Financial year ended 31 March 2013

- “Independent Financial Adviser”, “IFA” or “KPMG”** : The independent financial adviser in relation to the Proposed Whitewash Resolution, being KPMG Corporate Finance Pte Ltd (Company Registration No. 198500417D)
- “Independent Shareholders”** : Shareholders other than Mr. Serge Pun and his Concert Parties for the purpose of the Proposed Whitewash Resolution
- “Initial Announcement”** : The initial announcement made by the Company on 19 November 2012 in relation to the Proposed Rights Issue
- “Initial Whitewash Resolution”** : The initial whitewash resolution for the waiver by Independent Shareholders of their rights to receive a mandatory general offer from Mr. Serge Pun and his Concert Parties for all the issued and paid-up Shares not already owned, controlled or agreed to be acquired by them arising from the subscription of Rights Shares by Mr. Serge Pun pursuant to the Irrevocable Undertaking given in relation to the Proposed Rights Issue, which was approved by Independent Shareholders at the Landmark EGM, but which has since lapsed on 27 May 2013
- “Irrevocable Undertaking”** : The revised irrevocable undertaking given by Mr. Serge Pun on 6 February 2013 (replacing the undertaking given by Mr. Serge Pun on 19 November 2012) in favour of the Company in relation to the Proposed Rights Issue, that, *inter alia*:
- (a) he will subscribe and pay for and/or procure subscriptions and payments in full for his Pro Rata Entitlements; and
 - (b) he will make and/or procure to be made excess application(s) and payment(s) for such number of Rights Shares which are not subscribed or applied for by Shareholders other than himself, which together with the Pro Rata Entitlements will amount to approximately S\$84.52 million, being the consideration for the Proposed Acquisition less the Balance Sheet Outstanding Outgoings Amount as at the date of the Sale and Purchase Agreement (being US\$12 million or approximately S\$14.64 million at the exchange rate of US\$1 to S\$1.22)
- “Issue Price”** : The issue price of S\$0.38 for each Rights Share
- “Landmark Development”** : The proposed development of the Sites into a mixed-use development comprising hotels, a condominium building, a serviced apartment complex, office towers and a retail podium on approximately ten (10) acres of land, the details of which were set out in the Company’s circular to Shareholders dated 8 February 2013
- “Landmark EGM”** : The extraordinary general meeting of the Company held on 28 February 2013, which approved the Proposed Acquisition and the Initial Whitewash Resolution
- “Latest Practicable Date” or “LPD”** : 8 July 2013, being the latest practicable date prior to the printing of this Circular
- “LDRs”** : Land development rights

“Listing Manual”	:	The Listing Manual of the SGX-ST
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Master Lease”	:	The new leasehold title to be issued by the Myanmar Investment Commission, the Yangon City Development Committee and the Ministry of Rail Transportation for the benefit and in favour of MIHL and/or its wholly owned subsidiaries whereby the existing leases of Site 1 and Site 2 will be combined, with renewed terms for redevelopment
“Myanmar” or “State”	:	Republic of the Union of Myanmar
“NTA”	:	Net tangible assets
“Offer Information Statement”	:	The offer information statement referred to in Section 277 of the SFA, together with (where the context requires) the PAL, the ARE, the ARS and all other accompanying documents including, where the context so admits, any supplementary or replacement document, which may be issued by the Company in connection with the Proposed Rights Issue
“PAL”	:	The provisional allotment letter to be issued to Entitled Scripholders in respect of their provisional allotments of Rights Shares under the Proposed Rights Issue
“Participating Banks”	:	The banks in Singapore to be appointed and named in the Offer Information Statement in due course
“Pro Rata Entitlements”	:	Mr. Serge Pun’s <i>pro-rata</i> entitlement to 120,552,215 Rights Shares (direct and indirect) under the Proposed Rights Issue
“Proposed Acquisition”	:	The proposed acquisition of eighty per cent. (80%) shareholding interests in MIHL (together with the Assignment of Shareholder’s Loan), details of which were set out in the Company’s circular to Shareholders dated 8 February 2013, and approved by Shareholders at the Landmark EGM
“Proposed Rights Issue”	:	The proposed renounceable non-underwritten rights issue of up to 289,279,553 Rights Shares announced by the Company on SGXNET on 19 November 2012, with subsequent announcements dated 20 November 2012, 18 December 2012, 7 February 2013, 15 March 2013 and 16 June 2013, on the basis of one (1) Rights Share for every four (4) existing Shares held by Shareholders as at a Books Closure Date to be determined, fractional entitlements to be disregarded, at an issue price of S\$0.38 per Rights Share
“Proposed Whitewash Resolution”	:	The proposed whitewash resolution to be tabled at the EGM for the waiver by Independent Shareholders of their rights to receive a mandatory general offer from Mr. Serge Pun and his Concert Parties for all the issued and paid-up Shares not already owned, controlled or agreed to be acquired by them arising from the subscription of Shares by Mr. Serge Pun pursuant to the Irrevocable Undertaking given in relation to the Proposed Rights Issue
“Proxy Form”	:	The proxy form in respect of the EGM as set out in this Circular

“Purchasers”	: Persons purchasing the provisional allotments of Rights Shares under the Proposed Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system, and “Purchaser” refers to any one of them
“Recommending Directors”	: The Directors who are deemed independent for the purposes of the Proposed Whitewash Resolution, namely, Messrs. Andrew Jonathan Rickards, Basil Chan, Adrian Chan Pengee, Kyi Aye and Dato Dr. Mohd Amin Liew Abdullah
“Record Date”	: In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or CDP or the Securities Accounts of Shareholders must be credited with Shares, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
“Register of Members”	: Register of members of the Company
“Rights Share”	: A new share to be issued under the Proposed Rights Issue, and “Rights Shares” shall be construed accordingly
“Sale and Purchase Agreement”	: The conditional sale and purchase agreement dated 19 November 2012 entered into between SPA, YSH and Mr. Serge Pun in relation to the Proposed Acquisition
“Sale Shares”	: Eighty per cent. (80%) of the issued and paid up share capital of MIHL to be acquired from SPA pursuant to the Proposed Acquisition
“Securities Account”	: A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“SFA”	: The Securities and Futures Act, Chapter 289, of Singapore, as amended or modified from time to time
“SGXNET”	: The SGXNET Corporate Announcement System
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Share”	: An ordinary share in the capital of the Company and “Shares” shall be construed accordingly
“Shareholders”	: Persons who are registered as holders of the Shares in the Register of Members of the Company, or where CDP is the registered holder, the term “Shareholders” shall, in relation to such Shares, mean the Depositors who have Shares entered against their names in the Depository Register
“Share Registrar”	: B.A.C.S. Private Limited
“Site 1”	: An area located at 372 Bogyoke Aung San Road, Pabedan Township, Yangon, Myanmar, which is approximately 9.5 acres of land
“Site 2”	: An area located at 380 Bogyoke Aung San Road, Pabedan Township, Yangon, Myanmar, which is approximately 0.5 acres of land

“ Sites ”	: Collectively, Site 1 and Site 2
“ SRS ”	: Supplementary Retirement Scheme
“ SRS Investors ”	: Entitled Shareholders who had purchased the Shares using their SRS accounts
“ Substantial Shareholder ”	: Has the meaning ascribed to it under Section 81 of the Companies Act
“ Whitewash Opinion Letter ”	: The IFA’s letter to the Recommending Directors dated 15 July 2013 in relation to the Proposed Whitewash Resolution, annexed to this Circular as Appendix A

Currencies, units of measurement and others

“ SGD ” or “ S\$ ” and “ cents ”	: Singapore dollars and cents respectively, representing the lawful currency of the Republic of Singapore
“ US\$ ”	: United States dollars, representing the lawful currency of the United States of America
“ % ” or “ per cent. ”	: Percentage or per centum

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

YOMA STRATEGIC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 196200185E)

LETTER TO SHAREHOLDERS

Board of Directors:

Mr. Serge Pun (Executive Chairman)
Mr. Andrew Rickards (Executive Director and Chief Executive Officer)
Mr. Cyrus Pun (Executive Director)
Mr. Adrian Chan Pengee (Lead Independent Director)
Mr. Basil Chan (Independent Director)
Mr. Kyi Aye (Independent Director)
Dato Dr. Mohd Amin Liew Abdullah (Independent Director)
Mr. Melvyn Pun (Alternate Director to Mr. Serge Pun)

Registered Office:

80 Anson Road
Fuji Xerox Towers
#25-05
Singapore 079907

15 July 2013

To: The Shareholders of Yoma Strategic Holdings Ltd.

Dear Sir/Madam,

- 1. THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 289,279,553 NEW SHARES IN THE CAPITAL OF THE COMPANY (THE "RIGHTS SHARES") AT AN ISSUE PRICE OF S\$0.38 FOR EACH RIGHTS SHARE (THE "ISSUE PRICE"), ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FOUR (4) EXISTING SHARES HELD BY SHAREHOLDERS OF THE COMPANY AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED; AND**
- 2. THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER OF THE RIGHTS OF INDEPENDENT SHAREHOLDERS (AS DEFINED HEREIN) TO RECEIVE A MANDATORY GENERAL OFFER FROM MR. SERGE PUN AND HIS CONCERT PARTIES (AS DEFINED HEREIN) AS A RESULT OF THEIR ACQUISITION OF RIGHTS SHARES PURSUANT TO THE PROPOSED RIGHTS ISSUE.**

1. INTRODUCTION

The Directors are convening an EGM to be held at The Straits Room, Level Four, The Fullerton Hotel, 1 Fullerton Square, Singapore 049178 on 30 July 2013 at 4 p.m. (or immediately after the conclusion or adjournment of the 2013 AGM) to seek Shareholders' approval for the following proposals:-

- (a) the proposed renounceable non-underwritten rights issue of up to 289,279,553 Rights Shares at the Issue Price for each Rights Share, on the basis of one (1) Rights Share for every four (4) existing Shares held by Shareholders of the Company as at a Books Closure Date to be determined, fractional entitlements to be disregarded (the "**Proposed Rights Issue**"); and
- (b) the proposed whitewash resolution (the "**Proposed Whitewash Resolution**") for the waiver of the rights of Independent Shareholders to receive a mandatory general offer from Mr. Serge Pun and his Concert Parties for all the issued and paid-up Shares not already owned, controlled or agreed to be acquired by them, which may arise as a result of the subscription of Rights Shares by Mr. Serge Pun pursuant to the Irrevocable Undertaking given by him in favour of the Company on 6 February 2013 (the "**Irrevocable Undertaking**") in relation to the Proposed Rights Issue. Pursuant to the Irrevocable Undertaking, Mr. Serge Pun has undertaken to, *inter alia*, (a) subscribe and pay for and/or procure subscriptions and payments in full for his Pro Rata Entitlements; and (b) make

and/or procure to be made excess application(s) and payment(s) for such number of Rights Shares which are not subscribed or applied for by Shareholders other than himself, which together with the Pro Rata Entitlements will amount to approximately S\$84.52 million. Further details of the Irrevocable Undertaking are set out in Section 2.3 of this Circular. Assuming the completion of the Proposed Rights Issue, Mr. Serge Pun will hold (directly and indirectly) between 602,761,078 Shares (representing approximately forty-two per cent. (41.67%) of the Company's enlarged share capital assuming that all Shareholders take up their pro rata entitlements under the Proposed Rights Issue) to 704,634,126 Shares (representing approximately fifty-one per cent. (51.08%) of the Company's enlarged share capital assuming that (i) Mr. Serge Pun takes up his Pro Rata Entitlements and he is allotted and issued such number of Rights Shares which are not subscribed or applied for by Shareholders other than himself which together with the Pro Rata Entitlements amount to approximately S\$84.52 million; and (ii) no other Shareholder takes up their entitlements under the Proposed Rights Issue) depending on his subscriptions under the Irrevocable Undertaking.

Summary of the Proposed Acquisition

On 17 August 2006, the Company had, through its wholly-owned subsidiary YSIL, entered into a first right of refusal deed (the "FRRD") with Serge Pun & Associates (Myanmar) Limited ("SPA"). Under the terms of the FRRD, the Group has, *inter alia*, the right to purchase or acquire from the SPA Group, in whole or in part, at any time and from time to time, the land development rights (the "LDRs") in respect of land in Yangon, Myanmar. Details of the FRRD have previously been described and disclosed in the circular to Shareholders dated 19 July 2006. SPA had, on 3 September 2012, by way of written notice, offered the Group the right to acquire the LDRs of and to participate in the redevelopment of an area located at 372 Bogyoke Aung San Road, Pabedan Township, Yangon, Myanmar, which is approximately 9.5 acres of land (the "Site 1"). The Group had on 1 October 2012 indicated its affirmative interest to acquire the LDRs of and to participate in the redevelopment of Site 1. Further, in view of the proposed development, parties also agreed that the LDRs in relation to an area located at 380 Bogyoke Aung San Road, Pabedan Township, Yangon, Myanmar, which is approximately 0.5 acres of land (the "Site 2") (located next to Site 1), currently held by Yangon Land Co., Ltd, a wholly owned subsidiary of SPA, shall also be acquired by the Group. The LDRs of the Sites are and will be held by MIHL. It was agreed that the Group shall acquire eighty per cent. (80%) of the LDRs of the Sites by way of the acquisition of eighty per cent. (80%) of the issued and paid up share capital of MIHL from SPA, and the Company had on 19 November 2012 entered into the Sale and Purchase Agreement.

As provided in the Sale and Purchase Agreement, if any of the conditions precedent are not fulfilled on or before 30 June 2013 or such other date that the parties shall mutually agree in writing, and the fulfillment of such conditions are not waived by the relevant party to the Sale and Purchase Agreement, the Sale and Purchase Agreement shall *ipso facto* cease and terminate. One of the conditions precedent is that the Master Lease has been issued with renewed terms for redevelopment. On 16 June 2013, the Company announced that the Company has been informed by SPA that it is finalising its discussions with the relevant government authorities regarding the terms of the Master Lease. SPA has assured the Company that it remains confident that the Master Lease will be issued but completion of the Proposed Acquisition will not take place by 30 June 2013. Given that the Company is also of the view that the Proposed Acquisition will take place, it agreed to extend the long-stop date to 31 December 2013 (the "Extension"). The Company will announce the completion date of the Proposed Acquisition once such date has been ascertained.

Background on the Proposed Rights Issue

As disclosed in the Initial Announcement, the Company intends to use the net proceeds from the Proposed Rights Issue to fund, *inter alia*, the Acquisition Price for the Proposed Acquisition and that the Rights Shares would be issued pursuant to the general share issuance mandate granted by the Shareholders to Directors of the Company at the Company's last annual general meeting held on 25 July 2012 (the "2012 Share Issue Mandate"). Further, the Company only intends to proceed with the Proposed Rights Issue upon the completion of the Proposed Acquisition. Given

that the 2012 Share Issue Mandate will expire at the 2013 AGM and as mentioned above, as completion of the Proposed Acquisition had not taken place by 30 June 2013 and parties had agreed to the Extension, the Company proposes to seek Shareholders' specific approval for the Proposed Rights Issue at the EGM on the same terms as were disclosed in the Initial Announcement and the announcement dated 18 December 2012 (whereby the Company announced the Issue Price for each Rights Share).

Shareholders should note that the Proposed Rights Issue is conditional upon, *inter alia*, the completion of the Proposed Acquisition and Independent Shareholders' approval for the Proposed Whitewash Resolution.

Independent Shareholders should also note that following Independent Shareholders' approval for the Proposed Whitewash Resolution, the subscription of Rights Shares by Mr. Serge Pun pursuant to the Irrevocable Undertaking could result in him and his Concert Parties holding Shares carrying over forty-nine per cent. (49%) of the voting rights of the Company based on its enlarged issued share capital after the Proposed Rights Issue, and Mr. Serge Pun and his Concert Parties will thereafter be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a mandatory general offer for the Company.

The purpose of this Circular is to provide Shareholders and Independent Shareholders with information relating to the Proposed Rights Issue and the Proposed Whitewash Resolution respectively, and to seek Shareholders' and Independent Shareholders' respective approval at the EGM for the same.

2. THE PROPOSED RIGHTS ISSUE

2.1 Basis for and principal terms of the Proposed Rights Issue

Based on the Existing Share Capital of the Company as at the Latest Practicable Date, up to 289,279,553 Rights Shares are proposed to be offered on a renounceable basis to Entitled Shareholders.

Basis of Provisional Allotment : The Proposed Rights Issue will be made on a renounceable basis to Entitled Shareholders on the basis of one (1) Rights Share for every four (4) existing Shares standing to the credit of the Entitled Shareholders as at the Books Closure Date.

Issue Price : S\$0.38 for each Rights Share, payable in full on acceptance and/or application, representing a discount of approximately 32.1% to the closing price of S\$0.56 per Share as at 16 November 2012, being the last trading day of the Shares on the SGX-ST preceding the date of the Initial Announcement and approximately 44.5% to the last transacted price of S\$0.685 per Share on 17 December 2012, being the last trading day of the Shares on the SGX-ST preceding the date the Company announced the Issue Price for each Rights Share.

Status of Rights Shares : The Rights Shares, upon allotment and issuance, will rank *pari passu* in all respects with the then existing issued Shares, save for any dividends, rights, allotments or other distributions that may be declared or paid, the Record Date for which falls before the date of issue of the Rights Shares.

Number of Rights Shares to be issued : Based on the Existing Share Capital of the Company of 1,157,118,215 Shares as at the Latest Practicable Date, up to 289,279,553 Rights Shares will be issued.

Eligibility to participate in the Proposed Rights Issue : Please see Section 2.4 of this Circular.

Listing and trading : On 4 July 2013, the Company received the approval-in-principal of the SGX-ST for the listing of and quotation for the Rights Shares on the SGX-ST, subject to certain conditions, the details of which are set out in Section 2.2 of this Circular.

The approval-in-principal granted by the SGX-ST is not to be taken as an as an indication of the merits of the Proposed Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

Trading of the Rights Shares : Upon the listing of and quotation for the Rights Shares on the SGX-ST, the Rights Shares will be traded under the book-entry (scripless) settlement system. For the purposes of trading on the SGX-ST, each board lot of Shares will comprise 1,000 Shares or such number as may be notified by the Company.

Acceptance, excess application and payment procedures : Entitled Shareholders will be at liberty to accept, decline or otherwise renounce (in part or in whole) or in the case of Entitled Depositors trade their provisional allotments of Rights Shares during the provisional allotment trading period prescribed by the SGX-ST and will be eligible to apply for Rights Shares in excess of their provisional allotments under the Proposed Rights Issue.

Provisional allotments which are not taken up for any reason shall be used to satisfy excess applications or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company. In the allotment of excess Rights Shares, preference will be given to Shareholders for rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Proposed Rights Issue, or have representation (direct or through a nominee) on the Board of the Company will rank last in priority for the rounding of odd lots and allotment of the excess Rights Shares.

Use of CPF Funds : CPF members under the CPF Investment Scheme - Ordinary Account (“**CPFIS Members**”) who wish to accept the provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares can only do so using their CPF Funds, subject to applicable CPF rules and regulations. Such CPFIS Members will need to instruct their respective approved CPF agent banks where they hold their CPF Investment Accounts, to accept the Rights Shares and (if applicable) apply for the excess Rights Shares on their behalf in accordance with the terms and conditions of the Offer Information Statement. In the case of insufficient CPF Funds or stock limit, CPFIS Members can top-up cash into their CPF Investment Accounts before instructing their respective approved CPF agent banks to accept the Rights Shares and (if applicable) apply for excess Rights Shares.

CPFIS Members should also note that CPF Funds cannot be used for the payment of Rights Shares and/or excess Rights Shares if they submit their acceptances and/or applications directly to CDP and/or through the ATMs of Participating Banks. Any such acceptances and/or applications purporting to use CPF Funds for the payment of Rights Shares and/or excess

Rights Shares will be rejected. For the avoidance of doubt, CPF Funds may not be used for the purchase of the provisional allotments of the Rights Shares directly from the market.

- Use of SRS monies : SRS Investors who wish to accept their provisional allotment of Rights Shares and (if applicable) apply for excess Rights Shares can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS accounts. SRS Investors who wish to accept their provisional allotment of Rights Shares and (if applicable) apply for excess Rights Shares using SRS monies, must instruct the relevant approved banks in which they hold their SRS accounts to accept their Rights Shares and (if applicable) apply for excess Rights Shares on their behalf. Any acceptance and/or application made directly through CDP, the Share Registrar, the Company or by way of Electronic Applications at any ATMs of the Participating Banks will be rejected. Monies in SRS accounts may not be used for the purchase of the provisional allotments of the Rights Shares directly from the market.
- Irrevocable Undertaking : In view of the Proposed Rights Issue not being underwritten by any financial institution and as an indication of his support and commitment to the Company, Mr. Serge Pun has given an Irrevocable Undertaking in favour of the Company. Please refer to Section 2.3 for further information.
- Governing laws : Laws of Singapore

The terms and conditions of the Proposed Rights Issue are subject to such changes as the Directors deem fit. The final terms and conditions of the Proposed Rights Issue will be set out in the Offer Information Statement to be despatched by the Company to Entitled Shareholders in due course, subject to, *inter alia*, completion of the Proposed Acquisition and Independent Shareholders' approval of the Proposed Whitewash Resolution.

2.2 Conditions for the Proposed Rights Issue

The Proposed Rights Issue is subject to, *inter alia*, the terms and conditions to be set out in the Offer Information Statement, and the following:-

- (a) completion of the Proposed Acquisition;
- (b) approval of the Proposed Rights Issue by Shareholders at the EGM;
- (c) approval of the Proposed Whitewash Resolution by Independent Shareholders at the EGM;
- (d) receipt by the Company of the approval-in-principle from the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Main Board of the SGX-ST; and
- (e) the lodgment of the Offer Information Statement with the Authority.

On 4 July 2013, the Company received the approval-in-principle of the SGX-ST (the "AIP") for the dealing in, listing of and quotation for the Rights Shares on the Main Board of the SGX-ST, subject to, *inter alia*, the following conditions:-

- (a) compliance with the SGX-ST's listing requirements;
- (b) Shareholders' approval being obtained for the Proposed Rights Issue;
- (c) Shareholders' approval being obtained for the Proposed Acquisition which is to be funded by the Proposed Rights Issue;

- (d) completion of the Proposed Acquisition;
- (e) submission to the SGX-ST of:
 - (i) a written undertaking from the Company that it will comply with Listing Rules 704(30), 815 and 1207(20) in relation to the use of the proceeds from the Proposed Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report; and
 - (ii) a written undertaking from the Company that it will comply with the confirmation given in Listing Rule 877(10) that in the allotment of excess Rights Shares, preference will be given to the Shareholders of the Company for rounding of odd lots, and that Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or terms of the Proposed Rights Issue, or have representation on the Board of the Company will rank last in priority.

The approval-in-principle of the SGX-ST is not to be taken as an indication of the merits of the Proposed Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

In respect of the condition set out above in paragraph (c) of the AIP, Shareholders' approval for the Proposed Acquisition had been obtained at the Landmark EGM.

2.3 Irrevocable Undertaking

Mr. Serge Pun (Executive Chairman and Controlling Shareholder of the Company), who directly and indirectly holds an aggregate number of 482,208,863 Shares representing approximately forty-two per cent. (41.67%) of the existing share capital of the Company as at the Latest Practicable Date, has, as an indication of support and commitment to the Company, given the Irrevocable Undertaking in favour of the Company that, *inter alia*:-

- (a) he will subscribe and pay for and/or procure subscriptions and payments in full for his Pro Rata Entitlements; and
- (b) he will make and/or procure to be made excess application(s) and payment(s) for such number of the Rights Shares which are not subscribed or applied for by Shareholders other than himself, which together with the Pro Rata Entitlements will amount to approximately S\$84.52 million, being the consideration for the Proposed Acquisition less the Balance Sheet Outstanding Outgoings Amount as at the date of the Sale and Purchase Agreement (being US\$12 million or approximately S\$14.64 million at the exchange rate of US\$1 to S\$1.22).

In connection with the Irrevocable Undertaking, Independent Shareholders had, at the Landmark EGM, approved the Initial Whitewash Resolution. The Initial Whitewash Resolution was subject to, *inter alia*, the subscription of Rights Shares by Mr. Serge Pun pursuant to the Irrevocable Undertaking being completed within three (3) months of the date of approval of the Initial Whitewash Resolution. As the Proposed Acquisition was not completed prior to the expiry of the aforementioned three (3) month period, the Company was unable to proceed with the Proposed Rights Issue within the aforementioned three (3) month period and the Initial Whitewash Resolution has accordingly lapsed. As such, the Company is seeking Independent Shareholders' approval for the Proposed Whitewash Resolution.

In view of the Acquisition Price for the Proposed Acquisition being payable directly to Mr. Serge Pun pursuant to the Sale and Purchase Agreement, the Company has also granted to Mr. Serge Pun the right to set-off the amount payable by Mr. Serge Pun pursuant to the Irrevocable Undertaking against the Acquisition Price payable by the Company to him (the "**Setting-off Arrangement**"). As the Acquisition Price amounting to US\$81.28 million (approximately S\$99.16 million at the exchange rate of US\$1 to S\$1.22) payable to Mr. Serge Pun under the Proposed

Acquisition exceeds the maximum amount of approximately S\$84.52 million (being the consideration for the Proposed Acquisition less the Balance Sheet Outstanding Outgoings Amount as at the date of the Sale and Purchase Agreement (being US\$12 million or approximately S\$14.64 million at the exchange rate of US\$1 to S\$1.22)) payable by Mr. Serge Pun pursuant to the Irrevocable Undertaking, Mr. Serge Pun will therefore not be required to make any payments in cash for the Rights Shares he subscribes for pursuant to the Irrevocable Undertaking. Assuming that the Proposed Rights Issue is fully subscribed, the estimated net proceeds of the Proposed Rights Issue, after deducting estimated expenses of approximately S\$0.50 million, is expected to be approximately S\$109.43 million (the “**Net Proceeds**”), which is sufficient to fund the Proposed Acquisition.

In the reasonable opinion of the Directors, and in view of the Irrevocable Undertaking, there is no minimum amount which must be raised from the Proposed Rights Issue.

The Company has decided to proceed with the Proposed Rights Issue on a non-underwritten basis in view of the Irrevocable Undertaking provided by Mr. Serge Pun and cost considerations in avoiding underwriting fees.

2.4 Eligibility of Shareholders to Participate in the Proposed Rights Issue

2.4.1 Entitled Shareholders

Entitled Shareholders are entitled to participate in the Proposed Rights Issue and to receive the Offer Information Statement together with the AREs or PALs, as the case may be, and its accompanying documents at their respective Singapore addresses. Entitled Depositors who do not receive the Offer Information Statement and AREs may obtain them from CDP during the period from the date the Proposed Rights Issue commences up to the Closing Date. Entitled Scripholders who do not receive the Offer Information Statement and the PALs may obtain them from the Share Registrar during the period from the date the Proposed Rights Issue commences up to the Closing Date.

Entitled Shareholders will be provisionally allotted the Rights Shares under the Proposed Rights Issue on the basis of their shareholdings as at the Books Closure Date, fractional entitlements to be disregarded. Entitled Shareholders are at liberty to accept, decline, renounce or in the case of Entitled Depositors only, trade on SGX-ST in part or in full (during the provisional allotment trading period prescribed by SGX-ST) their provisional allotments of Rights Shares, and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Proposed Rights Issue.

Entitled Depositors, who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares may do so through CDP and/or by way of an Electronic Application through an ATM.

For Entitled Shareholders who hold Shares through finance companies or Depository Agents, acceptances of the Rights Shares provisionally allotted to them and (if applicable) applications for excess Rights Shares must be done through these intermediaries. Any acceptance and/or application of the Rights Shares by such Entitled Shareholders directly to CDP or through the ATMs of the Participating Banks will be rejected.

All dealings in and transactions of the provisional allotments of Rights Shares through SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs which are issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on SGX-ST.

(i) Entitled Depositors

Entitled Depositors should note that all correspondences and notices will be sent to their last registered mailing addresses with CDP. Entitled Depositors are reminded that any request to effect any change in address must reach CDP not later than three (3) Market Days before the Books Closure Date.

(ii) Entitled Scripholders

Entitled Scripholders are encouraged to open Securities Accounts if they have not already done so and to deposit their share certificates with CDP prior to the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and the provisional allotments of Rights Shares. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the twelfth (12th) Market Day from the date of lodgment of the share certificates with CDP or such other date as CDP may determine.

Entitled Scripholders should note that all correspondences and notices will be sent to their last registered address with the Share Registrar.

2.4.2 Foreign Shareholders

The Offer Information Statement and its accompanying documents relating to the Proposed Rights Issue will be lodged with the Authority in Singapore. The Offer Information Statement and its accompanying documents will not be lodged, registered or filed in any jurisdiction other than Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.

For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Offer Information Statement and its accompanying documents will not be despatched to Foreign Shareholders.

Accordingly, Foreign Shareholders will not be entitled to participate in the Proposed Rights Issue. No provisional allotment of the Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application therefor by Foreign Shareholders will be valid.

The Offer Information Statement and its accompanying documents will also not be despatched to Foreign Purchasers. Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares credited by CDP to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

The Company further reserves the right to reject any acceptances of the Rights Shares and/or applications for excess Rights Shares where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction. The Company reserves the right, but shall not be obliged, to treat as invalid any PAL, ARE and/or ARS which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction; (b) provides an address outside Singapore for the receipt of the physical certificate(s) of the Rights Shares or which requires the Company to despatch the physical certificate(s) to an address in any jurisdiction outside Singapore; or (c) purports to exclude any deemed representation or warranty.

Foreign Shareholders who wish to be eligible to participate in the Proposed Rights Issue may provide a Singapore address by notifying in writing, as the case may be, to (a) CDP at 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807; or (b) the Share Registrar at 63 Cantonment Road, Singapore 089758, not later than three (3) Market Days before the Books Closure Date.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders to be sold "nil-paid" on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date by means of a crossed cheque drawn on a bank and sent to them at their own risk by ordinary post to their mailing addresses as recorded with CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such amount as the Directors may, in their absolute discretion, deem fit in the interests of the Company and Foreign Shareholders shall not have any claim whatsoever against the Company, the Directors, the Share Registrar or CDP in connection therewith.

Where such provisional allotments of Rights Shares are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and Foreign Shareholders shall not have any claim whatsoever against the Company, the Directors, the Share Registrar or CDP in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments of Rights Shares cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be issued and allotted to satisfy excess applications for Rights Shares or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and Foreign Shareholders shall not have any claim whatsoever against the Company, the Directors, the Share Registrar or CDP in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

Notwithstanding the above, Entitled Shareholders and any other person having possession of the Offer Information Statement and/or its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any jurisdiction outside Singapore receiving the Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation can lawfully be made without violating any regulatory or legal requirements in such jurisdictions.

The Rights Shares which are not otherwise taken up or allotted for any reason shall be used to satisfy excess applications for Rights Shares as the Directors may, in their absolute discretion, deem fit in the interests of the Company. All fractional entitlements to the Rights Shares will be disregarded in arriving at Entitled Shareholders' entitlements and will, together with the provisional allotments which are not taken up or allotted for any reason, be aggregated and used to satisfy excess applications for Rights Shares (if any), or otherwise disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of excess Rights Shares, preference will be given to rounding of odd lots, and Substantial Shareholders and Directors will rank last in priority. The Company will not make any allotment and issue of Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

2.5 Purpose of the Proposed Rights Issue and the Use of Proceeds

Assuming that the Proposed Rights Issue is fully subscribed, the estimated Net Proceeds of the Proposed Rights Issue, after deducting estimated expenses of approximately S\$0.50 million, is expected to be approximately S\$109.43 million.

The Company intends to use the Net Proceeds from the Proposed Rights Issue for the purposes of funding the following:-

- (a) US\$81.28 million (approximately S\$99.16 million at the exchange rate of US\$1 to S\$1.22) being the Acquisition Price for the Sale Shares, will be utilised to satisfy the Acquisition Price for the acquisition of the Sale Shares; and

- (b) the balance of the Net Proceeds will be used for working capital purposes.

In the reasonable opinion of the Directors, and in view of the Irrevocable Undertaking, there is no minimum amount which must be raised from the Proposed Rights Issue.

Pending the deployment of the Net Proceeds for the purposes mentioned above, such proceeds may be deposited with banks or financial institutions, invested in short-term money markets or marketable securities or used for any other purpose on a short-term basis as the Directors may deem fit.

2.6 Offer Information Statement

An Offer Information Statement will be despatched to Entitled Shareholders subject to, among others, the approval from Shareholders for the Proposed Rights Issue being obtained at the EGM. Acceptances and applications under the Proposed Rights Issue can only be made on the following (all of which will form part of the Offer Information Statement):-

- (a) the PAL, in the case of Entitled Scripholders whose Shares are registered in their own names;
- (b) the ARE, or through the ATMs of the Participating Banks, in the case of Entitled Depositors; and/or
- (c) the ARS, or through the ATMs of the Participating Banks, in the case of persons purchasing provisional allotment of Rights Shares through the book-entry (scripless) settlement system whose registered addresses with CDP are in Singapore.

The procedures for acceptance, excess application and payment by Entitled Shareholders will be set out in the Offer Information Statement.

2.7 Non-Underwritten Basis

In view of the fact that Mr. Serge Pun has given the Irrevocable Undertaking and the cost savings for the Company in not having to incur underwriting fees, the Proposed Rights Issue will not be underwritten by any financial institution.

2.8 Books Closure Date

The Books Closure Date for the purpose of determining Entitled Shareholders' entitlements under the Proposed Rights Issue will be announced at a later date.

2.9 Working Capital

The total current assets, total current liabilities and working capital of the Group as at 31 March 2010, 31 March 2011, 31 March 2012 and 31 March 2013 are as follows:-

S\$'000	Audited As at 31 March 2010	Audited As at 31 March 2011	Audited As at 31 March 2012	Audited As at 31 March 2013
Current assets	8,381	11,108	44,321	178,909
Current liabilities	(8,937)	(8,742)	(12,630)	(52,053)
Working capital	(556)	2,366	31,691	126,856

31 March 2013 compared to 31 March 2012

The Group's total current assets increased significantly by S\$134.59 million to S\$178.91 million in FY2013 as compared to S\$44.32 million in FY2012. The main reasons for the increase were due to the increase in cash and cash equivalents from S\$20.08 million in FY2012 to S\$106.18 million in FY2013 resulting from the private placement exercise and the increase in trade receivables as a result of higher revenue recorded in FY2013.

The Group's total current liabilities increased by S\$39.42 million to S\$52.05 million in FY2013 as compared to S\$12.63 million in FY2012. The increase was due to the increase in advance receipts received for the sales of apartments and houses amounting to S\$21.10 million and the current portion of bank borrowings of S\$14.39 million due by the Company's newly acquired subsidiary.

As a result of the foregoing, the net current assets position of S\$31.69 million in FY2012 improved to S\$126.86 million in FY2013.

31 March 2012 compared to 31 March 2011

The Group's total current assets increased significantly by S\$33.21 million in FY2012 as compared to S\$11.11 million in FY2011. The main reasons for the increase were realization of non-current assets, the LDRs, to cash balances. The total amount of LDRs sold during the year amounted to S\$15.58 million. In FY2012, there was a reclassification of the non-current portion of LDRs amounting to S\$7.76 million to current assets.

The Group's total current liabilities increased by S\$3.89 million to S\$12.63 million in FY2012 as compared to S\$8.74 million in FY2011. The increase was due to the increase in advances received from customers for the sales of apartments and houses.

As a result of the foregoing, the net current assets position of S\$2.37 million in FY2011 improved to S\$31.69 million in FY2012.

31 March 2011 compared to 31 March 2010

The Group's total current assets increased by S\$2.73 million from S\$8.38 million in FY2010 to S\$11.11 million in FY2011. This was mainly attributable to increase in trade receivables as a result of an increase in sales of LDRs.

The Group's total current liabilities decreased by S\$0.20 million from S\$8.94 million in FY2010 to S\$8.74 million in FY2011. The slight decrease was mainly caused by a substantial decrease of income tax liabilities of S\$2.45 million resulting from the disposal of the Group's piling business against an increase in borrowings of S\$1.72 million.

As a result of the foregoing, the net current liabilities position of S\$0.56 million in FY2010 improved to a positive working capital of S\$2.34 million in FY2011.

2.10 Financial Effects of the Proposed Acquisition and the Proposed Rights Issue (collectively, the "Transactions")

The financial effects of the Transactions set out below are purely for illustrative purposes and do not reflect the future actual financial results or positions of the Group after the completion of the Transactions. The financial effects of the Transactions are prepared based on the audited consolidated financial statements of the Group for FY2013 and on the basis that the Proposed Rights Issue will be fully subscribed for and paid by Shareholders. In addition, the financial effects below are premised on the assumption that an aggregate of 289,279,553 Rights Shares are allotted and issued pursuant to the Proposed Rights Issue at the Issue Price of S\$0.38 for each Rights Share.

The results of MIHL, being the entity which will be acquired by the Company pursuant to the Proposed Acquisition, for the 12-month period ended 31 March 2013 do not include the results relating to the Landmark Development as it is a new development with no relevant historical financial results.

2.10.1 Share capital

Assuming that the Transactions had been completed on 31 March 2013, the effect of the Transactions on the share capital of the Company as at 31 March 2013 would have been:-

	Before the Transactions	After the Transactions ⁽¹⁾
Issued and paid up Share capital (S\$'000)	327,204	437,130
Number of Shares ('000)	1,157,118	1,446,398

Note:-

- (1) The financial effects as set out above are presented before taking into account fees and expenses to be incurred in relation to the Transactions.

2.10.2 Net Tangible Assets

Assuming that the Transactions had been completed on 31 March 2013, the effect of the Transactions on the NTA of the Group as at 31 March 2013 would have been:-

	Before the Transactions	After the Transactions ⁽¹⁾
NTA (S\$'000)	368,873	483,596
Number of Shares ('000)	1,157,118	1,446,398
NTA per Share (cents)	31.88	33.43

Note:-

- (1) The financial effects as set out above are presented before taking into account fees and expenses to be incurred in relation to the Transactions.

2.10.3 Earnings per Share

Assuming that the Transactions had been completed on 1 April 2013, the effect of the Transactions on the EPS of the Group as at 31 March 2013 would have been:-

	Before the Transactions	After the Transactions ⁽¹⁾
Net profit after tax attributable to equity Shareholders (S\$'000)	14,444	13,973
Weighted average number of Shares ('000)	994,872	1,284,152
EPS per Share (cents)	1.45	1.09

Note:-

- (1) The financial effects as set out above are presented before taking into account fees and expenses to be incurred in relation to the Transactions.

3. PROPOSED WHITEWASH RESOLUTION

3.1 Mandatory general offer requirement under the Code

Rule 14.1 of the Code provides that, *inter alia*, except with the consent of the Securities Industry Council of Singapore (the "SIC"):-

- (a) any person who acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry thirty per cent. (30%) or more of the voting rights of a company; or

- (b) any person who, together with persons acting in concert with him, holds not less than thirty per cent. (30%) but not more than fifty per cent. (50%) of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than one per cent. (1%) of the voting rights,

is required to make a mandatory general offer for all shares in the company which he and parties acting in concert with him do not own or control.

As at the Latest Practicable Date, Mr. Serge Pun holds 482,208,863 Shares in the capital of the Company, representing approximately forty-two per cent. (41.67%) of the issued and paid-up share capital of the Company.

Assuming that:-

- (a) none of the other Shareholders subscribe for their entitlements under the Proposed Rights Issue;
- (b) Mr. Serge Pun subscribes for his Pro Rata Entitlements; and
- (c) Mr. Serge Pun applies and pays for and is allocated and issued such number of Rights Shares which are not subscribed or applied for by Shareholders other than himself, which together with the Pro Rata Entitlements amounts to approximately S\$84.52 million pursuant to the Irrevocable Undertaking,

Mr. Serge Pun will hold 704,634,126 Shares in the capital of the Company, representing approximately fifty-one per cent. (51.08%) of the issued and paid-up share capital of the Company upon the completion of the Proposed Rights Issue.

Pursuant to Rule 14.1, Mr. Serge Pun and his Concert Parties will be obliged to make a mandatory general offer to the Independent Shareholders to acquire all their Shares under Rule 14 of the Code, unless such obligation to make a mandatory general offer is waived by the SIC.

Accordingly, an application was made to the SIC for a waiver (the “**Whitewash Waiver**”) of the obligation of Mr. Serge Pun and his Concert Parties to make a mandatory general offer to the Independent Shareholders to acquire all their Shares under Rule 14 of the Code. On 2 July 2013, the SIC granted the Whitewash Waiver subject to the satisfaction of the conditions stated in Section 3.2 below.

3.2 Conditional Whitewash Waiver of the mandatory general offer requirement by the SIC

The SIC had, on 2 July 2013, waived the requirement for Mr. Serge Pun and his Concert Parties to make a mandatory general offer to the Independent Shareholders to acquire all their Shares under Rule 14 of the Code as a result of the subscription of Rights Shares by Mr. Serge Pun pursuant to the Irrevocable Undertaking, subject to, *inter alia*, the following conditions:-

- (a) a majority of holders of voting rights of the Company present and voting at a general meeting, held before the Proposed Rights Issue, approve by way of a poll, the Proposed Whitewash Resolution to waive their rights to receive a general offer from Mr. Serge Pun and his Concert Parties;
- (b) the Proposed Whitewash Resolution is separate from other resolutions;
- (c) Mr. Serge Pun, his Concert Parties, and parties not independent of them abstain from voting on the Proposed Whitewash Resolution;

- (d) Mr. Serge Pun and his Concert Parties did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in this Circular):-
- (i) during the period between 19 November 2012 (being the date of the Initial Announcement) and the date Shareholders' approval is obtained for the Proposed Whitewash Resolution; and
 - (ii) in the 6 months prior to 19 November 2012 (being the date of the Initial Announcement), but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors of the Company in relation to the Proposed Rights Issue;
- (e) the Company appoints an independent financial adviser to advise the Independent Shareholders on the Proposed Whitewash Resolution;
- (f) the Company sets out clearly in this Circular:-
- (i) details of the Proposed Rights Issue, including the Irrevocable Undertaking;
 - (ii) the possible dilution effect to existing holders of voting rights of Mr. Serge Pun's subscription for Rights Shares pursuant to the Irrevocable Undertaking;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by Mr. Serge Pun and his Concert Parties as at the Latest Practicable Date;
 - (iv) the number and percentage of voting rights to be issued to Mr. Serge Pun and his Concert Parties as a result of Mr. Serge Pun subscribing for Rights Shares pursuant to the Irrevocable Undertaking;
 - (v) that Shareholders, by voting for the Proposed Whitewash Resolution, are waiving their rights to a general offer from Mr. Serge Pun and his Concert Parties at the highest price paid by Mr. Serge Pun and his Concert Parties for Shares in the past 6 months preceding the commencement of the offer; and
 - (vi) that the subscription for Rights Shares by Mr. Serge Pun pursuant to the Irrevocable Undertaking could result in Mr. Serge Pun and his Concert Parties holding Shares carrying over forty-nine per cent. (49%) of the voting rights of the Company based on its enlarged issued share capital and the fact that Mr. Serge Pun and his Concert Parties will be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer;
- (g) this Circular states that the Whitewash Waiver granted by the SIC to Mr. Serge Pun and his Concert Parties from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions stated at (a) to (f) above;
- (h) Mr. Serge Pun and his Concert Parties obtain the SIC's approval in advance for those parts of this Circular that refer to the Proposed Whitewash Resolution; and
- (i) to rely on the Proposed Whitewash Resolution, the subscription by Mr. Serge Pun for Rights Shares pursuant to the Irrevocable Undertaking must be completed within three (3) months of the date of approval of the Proposed Whitewash Resolution.

As at the Latest Practicable Date, save for conditions (a), (c) and (i), all the above conditions imposed by the SIC have been satisfied.

Shareholders should note that the Proposed Rights Issue is conditional upon, *inter alia*, the approval of Independent Shareholders at the EGM for the Proposed Whitewash Resolution. In view of this, in the event the Proposed Whitewash Resolution is not passed by Independent Shareholders, the Proposed Rights Issue will not take place.

3.3 Dilution

The dilutive effect to the shareholdings of existing Shareholders upon completion of the Proposed Rights Issue will be as follows:-

	Shareholding as at the Latest Practicable Date		After the Proposed Rights Issue			
	No. of Shares	%	Minimum subscription scenario (assuming that all Shareholders take up their pro rata entitlements under the Proposed Rights Issue)		Maximum subscription scenario (assuming that (a) Mr. Serge Pun takes up his Pro Rata Entitlements and he is allotted and issued such number of Rights Shares which are not subscribed or applied for by Shareholders other than himself which together with the Pro Rata Entitlements amount to approximately S\$84.52 million and (b) no other Shareholder takes up their entitlements under the Proposed Rights Issue)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Mr. Serge Pun and his Concert Parties	482,208,863	41.67	602,761,078	41.67	704,634,126	51.08
Other Shareholders	674,909,352	58.33	843,636,690	58.33	674,909,352	48.92
Total	1,157,118,215	100	1,446,397,768	100	1,379,543,478	100

3.4 Proposed Whitewash Resolution

Independent Shareholders are requested to vote by way of a poll, on the Proposed Whitewash Resolution set out as an ordinary resolution in the Notice of EGM in this Circular.

Shareholders should note that the Proposed Rights Issue is conditional upon, *inter alia*, the approval of Independent Shareholders at the EGM for the Proposed Whitewash Resolution. In view of this, in the event the Proposed Whitewash Resolution is not passed by Independent Shareholders, the Proposed Rights Issue will not take place.

By voting in favour of the Proposed Whitewash Resolution, Independent Shareholders should also note that they are waiving their rights to receive a mandatory general offer under Rule 14 of the Code from Mr. Serge Pun and his Concert Parties, which Mr. Serge Pun and his Concert Parties would otherwise have been obliged to make at the highest price paid or agreed to be paid by them for the Shares in the past six (6) months preceding the commencement of the Proposed Rights Issue.

Independent Shareholders should also note that following Shareholders' approval for the Proposed Whitewash Resolution, the subscription of Rights Shares by Mr. Serge Pun pursuant to the Irrevocable Undertaking could result in him and his Concert Parties holding Shares carrying over forty-nine per cent. (49%) of the voting rights of the Company based on its enlarged issued share capital after the Proposed Rights Issue, and Mr. Serge Pun and his Concert Parties will thereafter be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a mandatory general offer for the Company.

KPMG Corporate Finance Pte Ltd has been appointed as the IFA for the Proposed Whitewash Resolution. The Whitewash Opinion Letter containing the IFA's advice on the Proposed Whitewash Resolution is set out in Appendix A of this Circular.

3.5 IFA opinion

Pursuant to the conditions imposed by the SIC, the Recommending Directors have appointed KPMG Corporate Finance Pte Ltd as the IFA to advise on the Proposed Whitewash Resolution.

Based on their considerations and subject to the qualifications and assumptions set out in the Whitewash Opinion Letter, the IFA is of the opinion that the terms of the Proposed Whitewash Resolution, in the context of the Proposed Rights Issue, is on normal commercial terms and is not prejudicial to the interests of the Independent Shareholders. Accordingly, the IFA has advised the Recommending Directors to recommend to the Independent Shareholders to vote in favour of the Proposed Whitewash Resolution.

The Whitewash Opinion Letter dated 15 July 2013 is reproduced and appended as Appendix A of this Circular. Shareholders are advised to read the Whitewash Opinion Letter carefully.

4. ABSTENTION FROM VOTING

Proposed Rights Issue

Mr. Serge Pun and his sons, Mr. Cyrus Pun and Mr. Melvyn Pun are deemed to be interested in the Proposed Rights Issue. As at the Latest Practicable Date, Mr. Cyrus Pun and Mr. Melvyn Pun do not hold any Shares. Mr. Serge Pun and (if applicable) both Mr. Cyrus Pun and Mr. Melvyn Pun will abstain and have undertaken that their associates will abstain, from voting at the EGM in relation to the Proposed Rights Issue, and will not accept nominations as proxy or otherwise for voting at the EGM in respect of the said ordinary resolution unless the Shareholders appointing them as proxies give specific instructions in the relevant proxy form in the manner in which they wish their votes to be cast for the ordinary resolution.

Proposed Whitewash Resolution

Mr. Serge Pun and his sons, Mr. Cyrus Pun and Mr. Melvyn Pun, are deemed to be interested in the Proposed Whitewash Resolution. As at the Latest Practicable Date, Mr. Cyrus Pun and Mr. Melvyn Pun do not hold any Shares. Mr. Serge Pun and (if applicable) both Mr. Cyrus Pun and Mr. Melvyn Pun will abstain and have undertaken that their associates will abstain, from voting at the EGM in relation to the Proposed Whitewash Resolution and will not accept nominations as proxy or otherwise for voting at the EGM in respect of the Proposed Whitewash Resolution unless the Independent Shareholders appointing them as proxies give specific instructions in the relevant proxy form in the manner in which they wish their votes to be cast for the Proposed Whitewash Resolution.

5. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and the Substantial Shareholders of the Company as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders maintained under the provisions of the Companies Act are as follows:-

	Direct Interest		Deemed Interest		Shares comprised in an option ⁽³⁾
	No. of Shares	% of total issued Shares (%)	No. of Shares	% of total issued Shares (%)	
Directors					
Mr. Serge Pun	308,536,270 ⁽¹⁾	26.66	173,672,593 ⁽²⁾	15.01	2,000,000
Mr. Cyrus Pun	–	–	–	–	2,000,000
Mr. Andrew Rickards	7,500,000	0.65	–	–	4,000,000
Mr. Adrian Chan Pengee	–	–	–	–	500,000
Mr. Basil Chan	–	–	–	–	500,000
Mr. Kyi Aye	–	–	–	–	500,000
Dato Dr. Mohd Amin Liew Abdullah	–	–	–	–	500,000
Mr. Melvyn Pun	–	–	–	–	–
Substantial Shareholders					
Mr. Serge Pun	308,536,270 ⁽¹⁾	26.66	173,672,593 ⁽²⁾	15.01	–
The Capital Group Companies, Inc. ⁽⁴⁾	–	–	82,000,000	7.087	–
Aberdeen Asset Management PLC ⁽⁵⁾	–	–	62,579,000	5.4081	–

Notes:-

- (1) 96,430,000 Shares are held through DBS Nominees Pte Ltd.
- (2) Mr. Serge Pun is deemed interested in (a) 672,593 Shares held by Pun Holdings Pte Ltd and (b) 173,000,000 Shares held by Pun Holdings Pte Ltd and Pun Holdings Investments Ltd that are all held through Raffles Nominees Pte Ltd. Both Pun Holdings Pte Ltd and Pun Holdings Investments Ltd are 100% owned by Mr. Serge Pun.
- (3) The options were granted pursuant to the Yoma Strategic Holdings Employees Share Option Scheme 2012.
- (4) The Capital Group Companies, Inc. ("CGC") is the parent company of Capital Research and Management Company ("CRMC"). CRMC is a U.S.-based investment management company that manages the American Funds family of mutual funds. CGC is also the parent company of Capital Group International, Inc. ("CGII"), which in turn is the parent company of five investment management companies ("CGII management companies"): Capital Guardian Trust Company ("CGTC"), Capital International, Inc. ("CII"), Capital International Limited ("CIL"), Capital International Sàrl ("CISA") and Capital International K.K. ("CIKK"). Each of these investment management companies acts separately from the others and from CGC in exercising investment discretion over its managed accounts.

Neither CGC nor any of its affiliates own shares of Yoma Strategic Holdings Ltd. for its own account. Rather, the shares are owned by accounts under the discretionary investment management of one or more of the investment management companies described above.

CGII has an interest in 82,000,000 shares (7.087%) in Yoma Strategic Holdings Ltd. by reason that it is the holding company of the CGII management companies. Breakdown of holdings of the CGII management companies is as follows: CGTC - 5,852,000 shares (0.506%), CIL - 1,328,000 shares (0.115%), CII - 53,463,000 shares (4.620%) and CISA - 21,357,000 shares (1.846%).

- (5) Aberdeen Asset Management PLC is the parent company of Aberdeen Asset Management Asia Limited. Aberdeen Asset Management Asia Limited, acts as an investment manager for various clients/funds and has the power to exercise, or control the exercise of, a right to vote attached to the securities and has the power to dispose of, or control the disposal of, the securities. The registered holder(s) of the securities is the client's or fund's custodian.

Save for Mr. Serge Pun, Mr. Cyrus Pun and Mr. Melvyn Pun, none of the other Directors (save for their shareholdings in the Company as disclosed above and in their capacity as Directors) and Substantial Shareholders have any interests, direct or indirect, in the Proposed Rights Issue and the Proposed Whitewash Resolution.

6. DIRECTORS' RECOMMENDATION

Proposed Rights Issue

After having considered, *inter alia*, the rationale for and benefits of the Proposed Rights Issue, the Directors (except for Mr. Serge Pun, Mr. Cyrus Pun and Mr. Melvyn Pun) who are interested in, and who will abstain from making any recommendation in respect of, the Proposed Rights Issue) are of the opinion that the Proposed Rights Issue is in the interests of the Company and Shareholders and recommend that Shareholders vote in favour of Ordinary Resolution 1 relating to the Proposed Rights Issue as set out in the Notice of EGM.

Proposed Whitewash Resolution

After having considered, *inter alia*, the terms, rationale for and benefits of the Proposed Rights Issue, the Proposed Whitewash Resolution and the Whitewash Opinion Letter, the Directors (except for Mr. Serge Pun, Mr. Cyrus Pun and Mr. Melvyn Pun who are interested in, and who will abstain from making any recommendation in respect of the Proposed Whitewash Resolution) are of the opinion that the Proposed Whitewash Resolution is in the interests of the Company and Independent Shareholders. Accordingly, they recommend that Independent Shareholders vote in favour of Ordinary Resolution 2 relating to the Proposed Whitewash Resolution as set out in the Notice of EGM.

7. CONSENT OF THE IFA

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the Whitewash Opinion Letter reproduced in Appendix A and all references thereto in the form and context in which they appear in this Circular.

8. EXTRAORDINARY GENERAL MEETING

The EGM will be held at The Straits Room, Level Four, The Fullerton Hotel, 1 Fullerton Square, Singapore 049178 on 30 July 2013 at 4 p.m. (or immediately after the conclusion or adjournment of the 2013 AGM to be held at 3 p.m. on the same day and at the same place) for the purpose of considering, and if thought fit, passing, with or without modifications, the ordinary resolutions set out in the Notice of EGM relating to the Proposed Rights Issue and the Proposed Whitewash Resolution.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

(a) Appointment of Proxies

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf will find attached to this Circular, a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company not less than forty-eight (48) hours before the time fixed for the EGM. The completion and lodgement of the Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so.

(b) When Depositor regarded as Shareholder

A Depositor will not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as at forty-eight (48) hours before the EGM.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Rights Issue and the Proposed Whitewash Resolution, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

11. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 80 Anson Road Fuji Xerox Towers #25-05 Singapore 079907 during normal business hours from the date of this Circular for a period of three (3) months:-

- (a) the memorandum and articles of association of the Company;
- (b) the annual report of the Company for FY2013;
- (c) Whitewash Opinion Letter of the IFA; and
- (d) letter of consent from the IFA.

Yours faithfully,

ANDREW RICKARDS
Chief Executive Officer and Director

For and on behalf of the Board of Directors of
Yoma Strategic Holdings Ltd.

15 July 2013

APPENDIX A – WHITEWASH OPINION LETTER OF THE IFA

The Recommending Directors
Yoma Strategic Holdings Ltd
80 Anson Road
Fuji Xerox Towers #25-05
Singapore 079907

15 July 2013

Dear Sirs

INDEPENDENT FINANCIAL ADVISER'S OPINION LETTER IN RESPECT OF THE PROPOSED WHITEWASH RESOLUTION

*For the purpose of this opinion letter (“**Whitewash Opinion Letter**”), capitalised terms not otherwise defined herein shall have the same meaning as given to them in the circular dated 15 July 2013 to the shareholders of Yoma Strategic Holdings Ltd (the “**Circular**”) or in the Acquisition Opinion Letter dated 8 February 2013.*

1. INTRODUCTION

1.1 General overview

On 19 November 2012 (the “**Announcement Date**”), Yoma Strategic Holdings Ltd (“**Yoma Strategic**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) announced that the Company had entered into a sale and purchase agreement with SPA (“**Sale and Purchase Agreement**”) to, *inter alia*, acquire 80 percent of the issued and paid up share capital (the “**Sale Shares**”) of Meeyahta International Hotel Limited (“**MIHL**”) (the “**Proposed Acquisition**”).

The consideration for the Proposed Acquisition is US\$81.28 million (approximately S\$99.16 million¹) (the “**Consideration**”). The Proposed Acquisition shall be paid by the Company fully in cash.

For the purposes of, *inter alia*, funding the Proposed Acquisition, the Company also announced on the Announcement Date, as supplemented/varied by announcements dated 20 November 2012, 18 December 2012, 7 February 2013, 15 March 2013 and 16 June 2013, that it is proposing to undertake a renounceable non-underwritten rights issue (“**Proposed Rights Issue**”) of up to 289,279,553 new Shares (the “**Rights Shares**”) on the basis of one Rights Share for every four existing Shares held by the shareholders of the Company (the “**Shareholders**”) at an issue price of S\$0.380 per Rights Share (the “**Rights Issue Price**”). The Proposed Rights Issue is conditional upon, *inter alia*, the completion of the Proposed Acquisition.

1.2 Regulatory regime

Whitewash waiver

As at the Latest Practicable Date, Mr. Serge Pun holds 482,208,863 Shares in the capital of the Company, representing approximately 41.67 percent of the issued and paid-up share capital of the Company.

¹ Based on the Exchange Rate of US\$1 to S\$1.22

Pursuant to Rule 14.1 (b) of the Singapore Code on Take-overs and Mergers (the “**Code**”), any person who, together with persons acting in concert with him, holds not less than 30 percent but not more than 50 percent of the voting rights and such person, or any person acting in concert with him, acquires in any period of six months additional shares carrying more than one percent of the voting rights, such person would be required to make a mandatory general offer. As such, in connection with the Proposed Rights Issue, Mr. Serge Pun may acquire additional Rights Shares and in doing so increase his shareholding in excess of that permitted under Rule 14.1 (b) of the Code, therefore requiring him to make a mandatory general offer.

On 2 July 2013, the Securities Industry Council of Singapore (“**SIC**”) granted a waiver (“**Whitewash Waiver**”) of the abovementioned requirement subject to, *inter alia*, the Shareholders passing a resolution waiving their right to receive a mandatory general offer from Mr. Serge Pun and his Concert Parties for all the remaining issued Shares not already owned, controlled or agreed to be acquired by them (“**Proposed Whitewash Resolution**”).

In accordance with the abovementioned regulatory implication stated in the Circular, KPMG Corporate Finance Pte Ltd (“**KPMG Corporate Finance**”) has been appointed as the independent financial adviser (“**Independent Financial Adviser**” or “**IFA**”) to advise Messrs. Andrew Jonathan Rickards, Basil Chan, Adrian Chan Pengee, Kyi Aye and Dato Dr. Mohd Amin Liew Abdullah, being the directors of Yoma Strategic who, as at the date of the Circular, are considered independent (the “**Recommending Directors**”), as to whether the Proposed Whitewash Resolution is (a) on normal commercial terms and (b) not prejudicial to the interests of Yoma Strategic and its Independent Shareholders.

This Whitewash Opinion Letter to be included in the Circular to Shareholders sets out, *inter alia*, our evaluation of the Proposed Whitewash Resolution and our advice to the Recommending Directors in relation to their recommendation to the Independent Shareholders on the resolution concerning the Proposed Whitewash Resolution.

2. TERMS OF REFERENCE

KPMG Corporate Finance was appointed by the Recommending Directors of the Company to advise them on the Proposed Whitewash Resolution. We were neither a party to the negotiations in relation to the Proposed Rights Issue highlighted above, nor were we involved in the deliberations leading up to the decision by the board of directors (“**Board of Directors**”) to enter into the Proposed Rights Issue and its subsequent actions relating thereof. We do not, by this letter, warrant the merits of the Proposed Rights Issue other than to form an opinion for the Recommending Directors with respect to the Proposed Whitewash Resolution.

It is not within our terms of reference to evaluate or comment on the legal, strategic, and/or commercial merits and risks of the Proposed Rights Issue or on the future growth prospects or earnings potential of Yoma Strategic should the Proposed Rights Issue be completed or not completed. We are not addressing the relative merits of the Proposed Rights Issue vis-à-vis any alternative transaction previously considered by the Company or transactions that the Company may consider in the future, and as such, we do not express a view thereon. Such evaluations or comments are and remain the sole responsibility of the Board of Directors and the management of the Company although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion.

We have not conducted a comprehensive independent review of the business, operations or financial condition of the Company. Further, the scope of our appointment does not require us to express an opinion on the future prospects of the Company following the Proposed Rights Issue. We are therefore not expressing any opinion herein as to the prices at which the ordinary shares of Yoma Strategic (the “**Shares**”) may trade upon completion of the Proposed Rights Issue, should this occur, or the future performance of the Company.

In formulating our opinion and recommendation, we have relied to a considerable extent on the information set out in the Circular, other public information collated by us and the information, opinions and facts provided to us by the Company, and its other professional advisers. We have also relied on the information contained in the various announcements made by Yoma Strategic in relation to the Proposed Rights Issue. Whilst care has been exercised in reviewing the information we have relied upon, we have not independently verified the information. Nevertheless, we have made such enquiries and judgment as we deemed necessary and have found no reason to doubt the accuracy or reliability of such information.

We have also relied on the responsibility statement of the directors of Yoma Strategic (the “**Directors**”) that the Circular and all documents relating to the Circular have been seen and approved by them and they collectively and individually accept responsibility for the information given, and confirm that, having made all reasonable enquiries, to the best of their knowledge and belief, the facts stated and opinions expressed in the Circular are fair and accurate and that there is no other material fact the omission of which would make any statement in the Circular misleading.

This Whitewash Opinion Letter is addressed to the Recommending Directors for their benefit in connection with and for the purposes of their consideration of the Proposed Whitewash Resolution, and the recommendations made by them shall remain the responsibility of the Recommending Directors. Our opinion should not be relied on as a recommendation to any Shareholder as to how the Shareholders should vote on the resolutions in relation to the Proposed Rights Issue/Proposed Whitewash Resolution or any matters related thereto.

In rendering our advice and giving our recommendation, we did not have regard to the specific investment objectives, financial situation or unique needs and constraints of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

This Whitewash Opinion Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter. No other person may reproduce, disseminate or quote this Whitewash Opinion Letter (or any part thereof) for any other purpose at any time and in any manner except with KPMG Corporate Finance’s prior written consent in each specific case.

Our opinion is based upon market, economic, industry, monetary, and other conditions in effect on, and the information made available to us as at 8 July 2013, being the “**Latest Practicable Date**”. Such conditions can change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in the light of any subsequent development after the date of this Whitewash Opinion Letter even if it might affect our opinion contained herein.

Our opinion in relation to the Proposed Whitewash Resolution should be considered in the context of the entirety of our Whitewash Opinion Letter and the Circular.

3. THE PROPOSED WHITEWASH RESOLUTION

Overview of the Proposed Rights Issue

The Company is proposing to undertake the Proposed Rights Issue for the purposes of, *inter alia*, funding the Consideration for the Proposed Acquisition. The salient details of the Proposed Rights Issue are as follows:

- The Company is proposing to undertake the renounceable, non-underwritten Proposed Rights Issue of up to 289,279,553 Rights Shares on the basis of one Rights Share for every four existing Shares held by the Shareholders of the Company.

- The Rights Shares, if fully allotted and issued, represent approximately 20.00 percent of the total number of enlarged issued and paid-up share capital of 1,446,397,768 Shares after completion of the Proposed Rights Issue.
- The Rights Shares are priced at the Rights Issue Price of S\$0.380, which represents a discount of 32.14 percent and 27.48 percent, respectively, to the closing price of S\$0.560² per Share on the SGX-ST and the theoretical ex-rights trading price (the “**TERP**”) of S\$0.524 per Share, calculated as at 16 November 2012, being the last trading day preceding the Announcement Date.
- The Rights Issue Price of S\$0.380 which represents a discount of 44.53 percent and 39.10 percent, respectively, to the closing price of S\$0.685² per Share on the SGX-ST and the TERP of S\$0.624 per Share, calculated as at 17 December 2012, being the last trading day preceding the announcement of the Rights Issue Price (“**Issue Price Announcement**”).
- Assuming that the Proposed Rights Issue is fully subscribed, the Company intends to use the proceeds from the Proposed Rights Issue (less expenses associated with the Proposed Rights Issue, the “**Net Rights Issue Proceeds**”) for the purposes of funding the Consideration for the Proposed Acquisition and the balance of the Net Rights Issue Proceeds (if any) will be utilised for working capital purposes.
- Mr. Serge Pun has given an irrevocable undertaking (the “**Irrevocable Undertaking**”) in favour of the Company that, *inter alia*, he will:
 - Subscribe and pay for and/or procure subscriptions and payments in full for his pro-rata entitlement to 120,552,215 Rights Shares (direct and indirect) under the Proposed Rights Issue (the “**Pro Rata Entitlements**”); and
 - Make and/or procure to be made excess application(s) and payment(s) for such number of the Rights Shares which are not subscribed or applied for by Shareholders other than himself, which together with the Pro Rata Entitlements will amount to S\$84.52 million, being the Consideration for the Proposed Acquisition less the Balance Sheet Outstanding Outgoings Amount as at the date of the Sale and Purchase Agreement (being US\$12 million or approximately S\$14.64 million³).

In light of the Consideration for the Proposed Acquisition being payable directly to Mr. Serge Pun, the Company has also granted to Mr. Serge Pun the right to set-off his liability under the Irrevocable Undertaking against the Final Consideration for the Proposed Acquisition payable by the Company to him (“**Setting-off Arrangement**”).

Rule 14 of the Code

As at the Latest Practicable Date, Mr Serge Pun holds directly and indirectly 482,208,863 Shares in the capital of the Company, representing approximately 41.67 percent of the issued and paid-up share capital of the Company.

Assuming that:

- (i) None of the other Shareholders subscribe for their entitlements under the Proposed Rights Issue;
- (ii) Mr. Serge Pun subscribes for his Pro Rata Entitlements; and

² Source: Capital IQ
³ Based on the Exchange Rate of US\$1 to S\$1.22

- (iii) Mr. Serge Pun applies and pays for and is allotted and issued such number of Rights Shares which are not subscribed or applied for by Shareholders other than himself, which together with the Pro Rata Entitlements amounts to S\$84.52 million pursuant to the Irrevocable Undertaking.

Mr. Serge Pun and Concert Parties will hold 704,634,126 Shares in the Company, representing approximately 51.08 percent of the issued and paid-up share capital of the Company upon completion of the Proposed Rights Issue. As at the Latest Practicable Date, Mr. Serge Pun holds 482,208,863 Shares in the capital of the Company, representing approximately 41.67% of the issued and paid-up share capital of the Company.

Pursuant to Rule 14.1 (b) of the Code, any person who, together with persons acting in concert with him, holds not less than 30 percent but not more than 50 percent of the voting rights and such person, or any person acting in concert with him, acquires in any period of six months additional shares carrying more than one percent of the voting rights, such person would be required to make a mandatory general offer. As such, Mr. Serge Pun and his Concert Parties will be required to make a mandatory general offer for the remaining Shares in issue, not already owned, controlled or agreed to be acquired by them at the highest price paid or agreed to be paid by them for the Shares in the past six months preceding the commencement of the offer, unless such obligation to make a mandatory general offer is waived by the SIC.

On 2 July 2013, the SIC granted a waiver of this requirement subject to the fulfillment of certain conditions set out in section 3.2 of the Circular, including, *inter alia*, the Proposed Whitewash Resolution being approved by the Shareholders at the EGM.

Further details concerning the Proposed Rights Issue and the Proposed Whitewash Resolution can be found in section 2 and section 3 of the Circular.

4. EVALUATION OF THE PROPOSED WHITEWASH RESOLUTION

In arriving at our opinion in relation to the Proposed Whitewash Resolution, we have taken into account the following key factors:

4.1 Rationale for the Proposed Whitewash Resolution

As stated in section 2.5 of the Circular, the Company intends to undertake the Proposed Rights Issue for the purposes of, *inter alia*, funding the Proposed Acquisition. Further information of the Proposed Whitewash Resolution can be found in the aforementioned section.

4.2 Pricing assessment of the Proposed Rights Issue

For the purposes of funding, *inter alia*, the Proposed Acquisition the Company will be undertaking the Proposed Rights Issue.

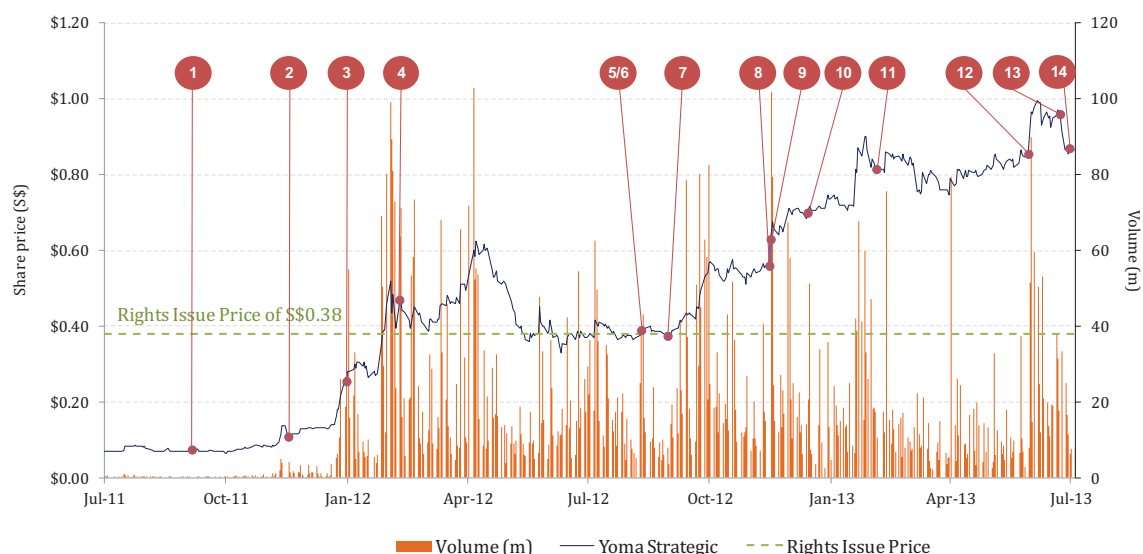
The Rights Issue Price of S\$0.380 per Rights Share, represents a discount of:

- Approximately 32.14 percent to the closing price of S\$0.560 per Share on the SGX-ST on 16 November 2012, being the last trading day preceding the Announcement Date.
- Approximately 44.53 percent to the closing price of S\$0.685 per Share on the SGX-ST on 17 December 2012, being the last trading day preceding the Issue Price Announcement.
- Approximately 27.48 percent to the TERP of S\$0.524 per Share, calculated as at 16 November 2012.
- Approximately 39.10 percent to the TERP of S\$0.624 per Share, calculated as at 17 December 2012.

Historical price performance of the Shares

We have considered the historical price performance of the Shares.

The following chart shows the price performance of the Shares for the two year period preceding the Latest Practicable Date.



No.	Date	Announcement
1	09-Sep-11	Announced extension of loan facility from Gifted Champion
2	21-Nov-11	Announced the appointment of Mr. Andrew J. Rickards as New CEO and executive director of the board; and entering into Fountana project
3	04-Jan-12	Announced proposed acquisition of "Star City" under first right of refusal deed
4	13-Feb-12	Entered into conditional deed of assignment and conditional joint development deed to acquire 70% interest in the LDRs of Star City
5	14-Aug-12	Entered into a memorandum of agreement with Parkson Retail Asia to establish a joint venture company to operate department stores in Myanmar
6	14-Aug-12	SPA informed the Company of its proposed acquisition of ten acres of land in central Yangon
7	03-Sep-12	Announced the formal notice from SPA Group offering the acquisition of "Site 1" under the first right of refusal deed
8	19-Nov-12	Entered into the Sale and Purchase Agreement in relation to the Proposed Acquisition
9	20-Nov-12	Announced the Proposed Private Placement exercise of which some of the gross proceeds of S\$101.25m may be allocated towards partial funding of the development costs for the Landmark Development
10	18-Dec-12	Announced the issue price of S\$0.38 for the Proposed Rights Issue
11	08-Feb-13	Announced receipt of in-principle approval from SGX for the Proposed Right Issue
12	02-Jun-13	Announced completion of acquisition of tourism business in Myanmar
13	27-Jun-13	Announcement that Digicel consortium has not been successful in securing one of the two nationwide telecommunications licences on offer in Myanmar
14	4-Jul-13	Announced receipt of in-principle approval from SGX for the Proposed Right Issue of 289,279,553 Rights Shares on the Main Board of the SGX-ST

Source: Capital IQ, Company filings

The volume weighted average prices (“VWAP”) for various periods beginning up to 12 months prior to the Announcement Date and prior to the Issue Price Announcement are set out below:

Analysis of the Rights Issue Price against the VWAP of the Shares		
Reference period	VWAP (S\$)	Discount of Rights Issue Price to VWAP (%)
<u>Prior to the Announcement Date</u>		
One market day prior	0.560	32.14%
1 month prior	0.551	31.03%
3 month prior	0.495	23.23%
6 month prior	0.445	14.61%
One year prior	0.447	14.99%
<u>Prior to the Issue Price Announcement</u>		
One market day prior	0.685	44.53%
1 month prior	0.676	43.79%
3 month prior	0.577	34.14%
6 month prior	0.496	23.39%
One year prior	0.472	19.49%
Latest Practicable Date	0.865	56.07%
Rights Issue Price	0.380	

Source: Capital IQ, Company filings

During the 12-month period prior to the Announcement Date, the Shares had traded within a range of S\$0.109 and S\$0.625. The VWAP of the Shares over the reference period was approximately S\$0.447.

During the 12-month period prior to the Issue Price Announcement, the Shares traded within a range of S\$0.130 and S\$0.710. The VWAP of the Shares over the reference period was approximately S\$0.472.

We note that the Rights Issue Price represents a discount of approximately 31.03 percent, 23.23 percent, 14.61 percent and 14.99 percent to the VWAP per Share for the 1, 3, 6 and 12 month periods prior to the Announcement Date.

We note that the Rights Issue Price represents a discount of approximately 43.79 percent, 34.14 percent, 23.39 percent and 19.49 percent to the VWAP per Share for the 1, 3, 6 and 12 month periods prior to the Issue Price Announcement.

We further note that the Rights Issue Price represents a discount of approximately 56.07 percent to the VWAP per Share as at the Latest Practicable Date.

Comparison of selected precedent rights issues

To ascertain the reasonableness of the Rights Issue Price, we have reviewed completed precedent rights issues announced by companies listed on SGX-ST from 1 January 2011 to the Latest Practicable Date.

For each completed precedent rights issue, we have considered the discount implied by the issue price to the last traded price prior to the announcement of the issue price and to its respective TERP.

Selected precedent rights issues						
Company Name	Date of announcement	Terms of rights issue	Rights issue price	Discount of rights issue price to LTP ⁽¹⁾	Discount of rights issue price to TERP ⁽²⁾	
KLW Holdings Limited	25-Mar-13	1 for 1	SS0.010	47.37%	31.03%	
Rickmers Maritime	19-Mar-13	1 for 1	SS0.240	33.33%	20.00%	
Sysma Holdings Limited	18-Mar-13	1 for 1	SS0.170	39.29%	24.44%	
GSH Corporation Limited	6-Mar-13	1 for 1	SS0.050	59.68%	39.06%	
Tiger Airways Holdings Limited	4-Mar-13	1 for 5	SS0.470	34.72%	30.67%	
Annica Holdings Limited	28 Sep 2012	1 for 1	SS0.015	40.00%	25.00%	
KTL Global Limited	28 Sep 2012	2 for 5	SS0.082	45.33%	37.20%	
Sing Investments & Finance Limited	17 Sep 2012	1 for 2	SS1.200	22.58%	16.28%	
Raffles Education Corporation Ltd	27 Aug 2012	1 for 5	SS0.140	61.64%	56.42%	
Oxley Holdings Limited	24 Aug 2012	1 for 10	SS0.170	22.53%	20.91%	
Koon Holdings Limited	01 Aug 2012	3 for 5	SS0.190	5.00%	3.18%	
ICP Ltd ⁽⁵⁾	28 Jun 2012	1 for 1	SS0.002	50.00%	33.33%	
Interra Resources Limited	27 Jun 2012	1 for 2	SS0.150	63.41%	53.61%	
Lantrovision Ltd	12 Jun 2012	12 for 1	SS0.090	97.19%	72.66%	
IPC Corporation Limited	25 May 2012	1 for 2	SS0.080	42.86%	29.47%	
Equation Corp Limited	16 May 2012	1 for 2	SS0.012	45.45%	33.49%	
Asti Holdings Limited	14 May 2012	1 for 5	SS0.050	26.47%	23.08%	
China Paper Holdings Limited	30 Mar 2012	1 for 1	SS0.036	42.86%	27.27%	
Otto Marine Limited	28 Mar 2012	1 for 2	SS0.080	44.44%	34.78%	
Pacific Andes Resources Development Limited	06 Mar 2012	2 for 1	SS0.140	39.13%	30.00%	
Yoma Strategic Holdings Ltd. ⁽⁴⁾	13 Feb 2012	4 for 5	SS0.240	39.24%	26.38%	
Global Investments Ltd	07 Feb 2012	1 for 2	SS0.128	19.50%	13.90%	
Tiong Woon Corporation Holding Ltd	29 Dec 2011	1 for 4	SS0.110	48.84%	43.30%	
Hengyang Petrochemical Logistics Limited	22 Dec 2011	2 for 5	SS0.300	40.00%	32.26%	
HLH Group Limited	12 Dec 2011	1 for 2	SS0.012	29.41%	21.74%	
GSH Corporation Limited	08 Nov 2011	4 for 1	SS0.004	68.18%	30.00%	
GMG Global Ltd.	26 Oct 2011	1 for 1	SS0.091	61.28%	44.17%	
Keppel REIT Management Limited	17 Oct 2011	17 for 20	SS0.850	17.48%	10.27%	
Teledata (Singapore) Limited	30 Sep 2011	1 for 2	SS0.005	37.50%	28.57%	
Digiland International Limited	31 Aug 2011	2 for 1	SS0.001	50.00%	25.00%	
Tiger Airways Holdings Limited	25 Aug 2011	1 for 2	SS0.580	39.27%	30.02%	
Cogent Holdings Limited	12 Aug 2011	1 for 2	SS0.110	8.33%	5.71%	
Plastoform Holdings Limited	30 Jun 2011	3 for 1	SS0.015	25.00%	7.69%	
Cityspring Infrastructure Trust	30 Jun 2011	11 for 20	SS0.390	27.10%	19.35%	
Scintronix Corporation Ltd	29 Jun 2011	1 for 1	SS0.025	61.54%	44.44%	
Uni-Asia Finance Corporation	13 May 2011	1 for 2	SS0.200	20.00%	14.29%	
Advanced Sytems Automation Limited	31 Mar 2011	11 for 1	SS0.025	66.63%	14.29%	
Ace Achieve Infocom Limited	21 Mar 2011	1 for 1	SS0.040	33.33%	20.00%	
Cambridge Industrial Trust	10 Mar 2011	1 for 8	SS0.429	15.05%	13.60%	
Eastgate Technology Ltd ⁽⁵⁾	28 Jan 2011	11 for 1	SS0.015	97.00%	72.93%	
Willis-Array Electronics (Holdings) Limited	27 Jan 2011	1 for 5	SS0.120	35.14%	31.10%	
S i2i Limited ⁽⁶⁾	25 Jan 2011	1 for 1	SS0.055	52.17%	35.29%	
			Min	5.00%	3.18%	
			Mean	41.79%	29.20%	
			Median	39.64%	29.02%	
			Max	97.19%	72.93%	
Yoma Strategic Holdings Ltd.	19 Nov 2012 ⁽⁷⁾	1 for 4	SS0.380	32.14%	27.48%	
	18 Dec 2012 ⁽⁸⁾			44.53%	39.10%	

Source: Capital IQ, company filings

Notes:

- (1) Last traded price prior to the announcement date of the rights issue price.
- (2) TERP = (Market capitalisation prior to the announcement date of the rights issue price + gross proceeds from the rights issue) / total shares/units outstanding after the rights issue.

- (3) Formerly known as Goldtron Limited.
- (4) This rights issue by the Company relates to the acquisition of economic interests in the LDRs in respect of the Star City Project.
- (5) The last traded price for Eastgate Technology Limited was computed after taking into account of the share consolidation of 100 shares to 1 share.
- (6) Formerly known as Spice i2i Limited.
- (7) This is the Announcement Date, which included the announcement of the Proposed Rights Issue.
- (8) This is the Issue Price Announcement, which included the announcement of the Rights Issue Price.

Based on the Rights Issue Price of S\$0.380 and the information above, we note that:

- The discount of approximately 32.14 percent of the Rights Issue Price to the closing price of S\$0.560 prior to the Announcement Date is below the mean and median discount of 41.79 percent and 39.64 percent, respectively of the selected precedent rights issues;
- The discount of approximately 32.14 percent of the Rights Issue Price to the closing price of S\$0.560 prior to the Announcement Date is within the range of 5.00 percent to 97.19 percent of the selected precedent rights issues;
- The discount of approximately 44.53 percent of the Rights Issue Price to the closing price of S\$0.685 prior to the Issue Price Announcement is above the mean and median discount of 41.79 percent and 39.64 percent, respectively of the selected precedent rights issues;
- The discount of approximately 44.53 percent of the Rights Issue Price to the closing price of S\$0.685 prior to the Issue Price Announcement is within the range of 5.00 percent to 97.19 percent of the selected precedent rights issues;
- The discount of approximately 27.48 percent of the Rights Issue Price to the TERP of S\$0.524 prior to the Announcement Date is below the mean and median discount of 29.20 percent and 29.02 percent, respectively of the selected precedent rights issues;
- The discount of approximately 27.48 percent of the Rights Issue Price to the TERP of S\$0.524 prior to the Announcement Date is within the range of 3.18 percent to 72.93 percent of the selected precedent rights issues;
- The discount of approximately 39.10 percent of the Rights Issue Price to the TERP of S\$0.624 prior to the Issue Price Announcement is above the mean and median discount of 29.20 percent and 29.02 percent, respectively of the selected precedent rights issues; and
- The discount of approximately 39.10 percent of the Rights Issue Price to the TERP of S\$0.624 prior to the Issue Price Announcement is within the range of 3.18 percent to 72.93 percent of the selected precedent rights issues.

The Recommending Directors should note that certain circumstances and terms relating to the selected precedent rights issues are unique and might not be identical to the Proposed Rights Issue, and are largely dependent on the market sentiments prevailing at the time of such precedent rights issues.

The companies which had carried out the selected precedent rights issues might be different from the Company in terms of composition of business activities, scale of operations, risk profile, geographical spread of activities, track record, future prospects and other relevant criteria. In addition, the list of selected precedent rights issues is by no means exhaustive and information relating to the selected companies was compiled from publicly available information.

Consequently, the Recommending Directors should note that the above comparison is merely for illustrative purposes and serves as a general guide only.

4.3 Financial effects of the Proposed Acquisition and the Proposed Rights Issue

The financial effects of the Proposed Acquisition and the Proposed Rights Issue (collectively, the “**Transactions**”) are set out in section 2.10 of the Circular and are reproduced with applicable commentary as follows:

Share Capital

Assuming that the Transactions had been completed on 31 March 2013, the effect of the Transactions on the share capital of the Company as at 31 March 2013 would have been:-

	Before the Transactions	After the Transactions ⁽¹⁾
Issued and paid up Share capital (S\$'000)	327,204	437,130
Number of Shares ('000)	1,157,118	1,446,398

Note:-

- (1) The financial effects as set out above are presented before taking into account fees and expenses to be incurred in relation to the Transactions.

The issued and paid-up capital of the Company is S\$327,204,000 divided into 1,157,118,215 Shares. Upon completion of the Transactions, the issued and paid-up share capital of the Company will be S\$437,130,000 divided into 1,446,397,768 Shares.

Net Tangible Assets

Assuming that the Transactions had been completed on 31 March 2013, the effect of the Transactions on the NTA of the Group as at 31 March 2013 would have been:-

	Before the Transactions	After the Transactions ⁽¹⁾
NTA (S\$'000)	368,873	483,596
Number of Shares ('000)	1,157,118	1,446,398
NTA per Share (cents)	31.88	33.43

Note:-

- (1) The financial effects as set out above are presented before taking into account fees and expenses to be incurred in relation to the Transactions.

The net tangible assets of the Company is S\$368,873,000, translating to S\$0.3188 per Share. Upon completion of the Transactions, the net tangible assets of the Company will be S\$483,596,000, translating to S\$0.3343 per Share.

Earnings per Share

Assuming that the Transactions had been completed on 1 April 2013, the effect of the Transactions on the EPS of the Group as at 31 March 2013 would have been:-

	Before the Transactions	After the Transactions ⁽¹⁾
Net profit after tax attributable to equity Shareholders (S\$'000)	14,444	13,973
Weighted average number of Shares ('000)	994,872	1,284,152
EPS per Share (cents)	1.45	1.09

Note:-

- (1) The financial effects as set out above are presented before taking into account fees and expenses to be incurred in relation to the Transactions.

The net profit after tax of the Company is translating to S\$0.0145 earning per Share. Upon completion of the Transactions, earning per Share will fall to S\$0.0109.

4.4 Dilution effects

The dilution effect to the shareholdings of existing Shareholders upon completion of the Proposed Rights Issue will be as follows:

Dilution effects						
	Current shareholding ⁽¹⁾		After Proposed Rights Issue			
	No. of Shares	%	Minimum subscription scenario ⁽²⁾		Maximum subscription scenario ⁽³⁾	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Mr. Serge Pun and his concert parties	482,208,863	41.67%	602,761,078	41.67%	704,634,126	51.08%
Other Shareholders	674,909,352	58.33%	843,636,690	58.33%	674,909,352	48.92%
Total	1,157,118,215	100.00%	1,446,397,768	100.00%	1,379,543,478	100.00%

Notes:

- (1) As at the Latest Practicable Date.
- (2) This scenario assumes that all Shareholders take up their pro rata entitlements under the Proposed Rights Issue.
- (3) This scenario assumes that (a) Mr. Serge Pun takes up his Pro Rata Entitlements and he is allotted and issued such number of Rights Shares which are not subscribed or applied for by Shareholders other than himself which together with the Pro Rata Entitlements amounts to S\$84.52 million and (b) no other Shareholder takes up their entitlements under the Proposed Rights Issue.

It is important to note that the Proposed Rights Issue is being offered on a pro-rata basis to Shareholders based on their shareholdings as at a books closure date. Hence, Shareholders are not being prejudiced in the allocation of the Proposed Rights Issue. This is indicated in the minimum subscription scenario above.

However, as Mr. Serge Pun has given the Irrevocable Undertaking, he will make and/or procure to be made excess application(s) and payment(s) for such number of the Rights Shares which are not subscribed or applied for by Shareholders other than himself, which together with the Pro Rata Entitlements will amount to S\$84.52 million. The table above indicates that in the maximum subscription scenario, which assumes that (a) Mr. Serge Pun takes up his Pro Rata Entitlements and he is allotted and issued such number of Rights Shares which are not subscribed or applied for by Shareholders other than himself which together with the Pro Rata Entitlements amounts to S\$84.52 million and (b) no other Shareholder takes up their entitlements under the Proposed Rights Issue, Mr Serge Pun's shareholding in the Company will increase from 41.67 percent to 51.08 percent, and the shareholdings of other Shareholders will be diluted from 58.33 percent to 48.92 percent.

4.5 Offering of the Proposed Rights Issue on a renounceable basis

Entitled Shareholders will be at liberty to accept, decline, renounce or, in the case of Entitled Depositors, trade their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Proposed Rights Issue ("**Excess Rights Shares**").

4.6 Other relevant factors

Proposed Whitewash Resolution being a condition precedent for the completion of the Proposed Acquisition

We note that the completion of the Proposed Acquisition and the Proposed Rights Issue are conditional upon one another. In the event that, *inter alia*, the Whitewash Waiver and the Proposed Whitewash Resolution from the SIC and the Shareholders, respectively, is not obtained, the Proposed Acquisition will not take place.

5. OUR OPINION

In arriving at our opinion in respect of the Proposed Whitewash Resolution, we have reviewed and examined all factors which we consider to be pertinent in our assessment, including the following key considerations:

Rationale of the Proposed Whitewash Resolution

The company intends to undertake the Proposed Rights Issue for the purposes of, *inter alia*, funding the Proposed Acquisition.

Pricing assessment of the Proposed Rights Issue

- The discount of approximately 32.14 percent of the Rights Issue Price to the closing price of S\$0.560 prior to the Announcement Date is below the mean and median discount of 41.79 percent and 39.64 percent, respectively of the selected precedent rights issues;
- The discount of approximately 32.14 percent of the Rights Issue Price to the closing price of S\$0.560 prior to the Announcement Date is within the range of 5.00 percent to 97.19 percent of the selected precedent rights issues;
- The discount of approximately 44.53 percent of the Rights Issue Price to the closing price of S\$0.685 prior to the Issue Price Announcement is above the mean and median discount of 41.79 percent and 39.64 percent, respectively of the selected precedent rights issues;
- The discount of approximately 44.53 percent of the Rights Issue Price to the closing price of S\$0.685 prior to the Issue Price Announcement is within the range of 5.00 percent to 97.19 percent of the selected precedent rights issues;
- The discount of approximately 27.48 percent of the Rights Issue Price to the TERP of S\$0.524 prior to the Announcement Date is below the mean and median discount of 29.20 percent and 29.02 percent, respectively of the selected precedent rights issues;
- The discount of approximately 27.48 percent of the Rights Issue Price to the TERP of S\$0.524 prior to the Announcement Date is within the range of 3.18 percent to 72.93 percent of the selected precedent rights issues;
- The discount of approximately 39.10 percent of the Rights Issue Price to the TERP of S\$0.624 prior to the Issue Price Announcement is above the mean and median discount of 29.20 percent and 29.02 percent, respectively of the selected precedent rights issues; and
- The discount of approximately 39.10 percent of the Rights Issue Price to the TERP of S\$0.624 prior to the Issue Price Announcement is within the range of 3.18 percent to 72.93 percent of the selected precedent rights issues.

Financial effects of the Transactions

Assuming the completion of the Transactions, we note that based on the latest announced financial information of the Group for FY2013 :

- The issued and paid up share capital increases from S\$327,204,000 to S\$437,130,000;
- The NTA per Share increases from 31.88 Singapore cents to 33.43 Singapore cents; and
- The earnings per Share of 1.45 Singapore cents decreases to 1.09 Singapore cents.

Dilution effects

We note that if not all Shareholders subscribe for the Rights Shares under the Proposed Rights Issue, the shareholdings of existing Shareholders would potentially be diluted.

Nature of the Proposed Rights Issue

The Proposed Rights Issue is being offered on a pro rata and renounceable basis.

Other relevant factors

We note that the completion of the Proposed Acquisition and the Proposed Rights Issue are conditional upon one another. In the event that, *inter alia*, the Whitewash Waiver and the Proposed Whitewash Resolution from the SIC and the Shareholders, respectively, is not obtained, the Proposed Acquisition will not take place.

After carefully considering the information available to us as at the Latest Practicable Date, and based upon the monetary, industry, market, economic and other relevant conditions subsisting as at the Latest Practicable Date and based on our considerations above, we are of the opinion that the Proposed Whitewash Resolution is on normal commercial terms and is not prejudicial to the Independent Shareholders. Accordingly, we advise the Recommending Directors to recommend that Shareholders vote in favor of the Proposed Whitewash Resolution.

In rendering the above opinion, we have not taken into consideration the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder. Accordingly, any individual Shareholder who may require specific advice in relation to their investment portfolio including their investment in Yoma Strategic should consult their stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser immediately.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
KPMG Corporate Finance Pte Ltd

Vishal Sharma
Executive Director

Jeremy Bogue
Director

YOMA STRATEGIC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 196200185E)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at The Straits Room, Level Four, The Fullerton Hotel, 1 Fullerton Square, Singapore 049178 on 30 July 2013 at 4 p.m. (or immediately after the conclusion or adjournment of the annual general meeting of the Company to be held at 3 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications the following Ordinary Resolutions.

All capitalised terms in this Notice of EGM which are not defined herein shall have the same meanings ascribed to them in the circular to Shareholders of the Company dated 15 July 2013 (the “**Circular**”).

ORDINARY RESOLUTION 1 – THE PROPOSED RIGHTS ISSUE

THAT CONTINGENT ON THE PASSING OF ORDINARY RESOLUTION 2, approval be and is hereby given:-

- (a) for the Company to undertake a renounceable non-underwritten Proposed Rights Issue and, in that connection, the Directors be and are hereby authorised to provisionally allot and issue up to 289,279,553 Rights Shares in the capital of the Company, or such other number of Rights Shares as the Directors may determine, at an issue price of S\$0.38 for each Rights Share, on the basis of one (1) Rights Share for every four (4) existing Shares held by the Shareholders of the Company as at the Books Closure Date, on such terms and conditions as the Directors may think fit;
 - (i) the provisional allotment of the Rights Shares shall be made on a renounceable basis to Entitled Shareholders;
 - (ii) no provisional allotment of the Rights Shares shall be made in favour of Foreign Shareholders, unless they have, at least three (3) Market Days prior to the Books Closure Date, provided the Company or CDP, as the case may be, with addresses in Singapore for the service of notices and documents;
 - (iii) the provisional allotments of the Rights Shares which would otherwise accrue to Foreign Shareholders may be disposed of or otherwise dealt with by the Company in such manner, at such price or prices and on such other terms and conditions as the Directors deem fit, including, for the purpose of renouncing the rights entitlements relating thereto to purchasers thereof, selling such provisional allotments “nil-paid” on the SGX-ST and pooling and thereafter distributing the proceeds thereof, in accordance with their respective shareholdings as at the Books Closure Date, provided that if the amount to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such amount as the Directors may, in their absolute discretion, deem fit in the interests of the Company;
 - (iv) any provisional allotments of the Rights Shares not taken up or allotted for any reason shall be aggregated and allotted to satisfy excess applications (if any) for the Rights Shares or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company;
 - (v) the Rights Shares when issued and fully paid-up will rank *pari passu* in all respects with the then existing Shares save for any dividends, rights, allotments, or other distributions, the Record Date for which falls before the date of issue of the Rights Shares; and

- (b) the Directors of the Company be and are hereby authorised to make such amendments to the above terms of the Proposed Rights Issue as the Directors may, in consultation with the SGX-ST, deem fit and be and are hereby authorised to take such steps, and exercise such discretion, as the Directors may, from time to time in their absolute discretion, deem fit, advisable, necessary or expedient in connection with any of the foregoing matters.

ORDINARY RESOLUTION 2 – THE PROPOSED WHITEWASH RESOLUTION

THAT the Proposed Whitewash Resolution for the waiver by Independent Shareholders of their right to receive a mandatory general offer in accordance with Rule 14 of the Singapore Code on Take-Overs and Mergers from Mr. Serge Pun and his Concert Parties for all the issued and paid-up Shares of the Company following the Proposed Rights Issue be and is hereby (on a poll taken) approved by the Independent Shareholders subject to the satisfaction of all the conditions set out in the SIC letter dated 2 July 2013.

By Order of the Board

ANDREW RICKARDS
Chief Executive Officer and Director
Yoma Strategic Holdings Ltd.

15 July 2013

Notes:-

- (1) A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one (1) or two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (2) A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
- (3) The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
- (4) The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 80 Anson Road, Fuji Xerox Towers #25-05, Singapore 079907, not less than forty-eight (48) hours before the time set for the Extraordinary General Meeting.

YOMA STRATEGIC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 196200185E)

EXTRAORDINARY GENERAL MEETING PROXY FORM

(You are advised to read the notes below before completing this form.)

IMPORTANT:

1. For investors who have used their CPF monies to buy Shares, this Circular to Shareholders is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We _____ (Name)

of _____ (Address)

being a member/members of YOMA STRATEGIC HOLDINGS LTD. (the "Company") hereby appoint:-

Name	Address	NRIC / Passport No.	Proportion of shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC / Passport No.	Proportion of shareholdings (%)

or failing him/her/them*, the Chairman of the Meeting as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf at the Extraordinary General Meeting of the Company, to be held at The Straits Room, Level Four, The Fullerton Hotel, 1 Fullerton Square, Singapore 049178 on 30 July 2013 at 4 p.m. (or immediately after the conclusion or adjournment of the annual general meeting of the Company to be held at 3 p.m. on the same day and at the same place) and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the Resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies* will vote or abstain from voting at his/their* discretion, as he/they* will on any other matter arising at the Extraordinary General Meeting. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

Ordinary Resolutions	For	Against
1. Contingent on the passing of Ordinary Resolution 2, to approve the allotment and issuance of the Rights Shares		
2. To approve the Proposed Whitewash Resolution (by poll)		

Dated this _____ day of _____ 2013

Total number of Shares in:	Number of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s) / Common Seal

* Delete accordingly

IMPORTANT: PLEASE READ NOTES TO PROXY FORM



NOTES:-

1. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one (1) or two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy, and if no such proportion is specified, the first named proxy shall be deemed to represent one hundred per cent. (100%) of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
3. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Extraordinary General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Extraordinary General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Extraordinary General Meeting.
4. A member should insert the total number of Shares held. If the member has Shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap.50 of Singapore), he should insert that number of Shares. If the member has Shares registered in his name in the Register of Members of the Company, he should insert that number of Shares. If the member has Shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by the member.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 80 Anson Road, Fuji Xerox Towers #25-05, Singapore 079907, not less than forty-eight (48) hours before the time set for the Extraordinary General Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof must (falling previous registration with the Company) be lodged with the instrument of proxy, falling which the instrument may be treated as invalid.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified on the instrument. In addition, in the case of shares entered in the Depository Register, the Company may reject the instrument appointing a proxy or proxies if the member, being the appointer, is not shown to have shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.