PROPOSED JOINT VENTURE WITH INTERESTED PERSON
PROPOSED ACQUISITION OF TOURISM BUSINESS

The Board of Directors of Yoma Strategic Holdings Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to inform shareholders of its new joint venture and its proposed acquisition of a tourism business in Myanmar.

INCORPORATION OF JOINT VENTURE COMPANY

The Company has established a joint venture company with First Myanmar Investment Co., Ltd ("**FMI**"), a subsidiary of Serge Pun & Associates (Myanmar) Limited ("**SPA**"). Mr. Serge Pun is the Executive Chairman and controlling shareholder of the Company. He is also the Chairman and controlling shareholder of SPA and its group of companies (the "**SPA Group**").

Details of the joint venture company are as follows:-

1.	Name of company	: Chindwin Holdings Pte. Ltd.("**Chindwin**")
2.	Place of incorporation	: Singapore
3.	Issued and paid-up share capital	: S$10.00 comprising 10 ordinary shares with the Company holding 7 ordinary shares and FMI holding 3 ordinary shares
4.	Principal activity	: Investment holding

Save for Mr. Serge Pun, Mr. Cyrus Pun and Mr. Melvyn Pun who hold directorships in the SPA Group and Mr. Serge Pun's shareholdings in the Company, none of the directors of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the above transaction.

PROPOSED ACQUISITION

1. Introduction

The Company and FMI have entered into a Heads of Agreement (the "**Heads of Agreement**") to acquire the following assets (the "**Proposed Acquisition**") subject to the terms of a conditional final agreement to be entered into between the parties:-

(a) **Part A:** 75% of the issued and paid-up share capital of Shwe Lay Ta Gun Travels and Tours Company Limited ("**SLTG**") from Ms Khin Omar Win and Ms Khin San Win.

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SLTG is a Myanmar company which owns and operates the “Balloons over Bagan” business in Bagan, Myanmar (“**BoB**”).

(b) **Part B:** a 75% interest in 21.16 acres of land (comprising 4 plots of land that are adjacent or within close proximity to each other) located near the Irrawaddy River in Bagan, Myanmar from Ms Khin Omar Win (“**Bagan Land**”).

In addition to the conditions to be set out in the final agreement, the sale of the Bagan Land is also conditional on Ms Khin Omar Win formally converting each of the 4 plots that comprise the Bagan Land to “other use purposes” other than farmland use and obtaining the proper Myanmar legal status for the construction and operation of a hotel business on the Bagan Land in accordance with the Farmland Law 2012 (the “**Condition**”).

If Part B cannot be completed for whatever reason within a long-stop date to be agreed by the parties, Part B shall ipso facto cease and determine.

(c) **Part C:** 75% of the issued and paid-up share capital of Eastern Safaris Pte. Ltd. (“**ESPL**”) free from all encumbrances from Mr Brett Melzer.

ESPL which is incorporated in Singapore is a management company that offers exclusive and luxurious adventure products in Myanmar and Bhutan. Mr Brett Melzer also represents that he owns the intellectual property rights of the names, marks, registered design, brands, copyrights, business names, selling, marketing, distribution and promotion rights in connection with the name “Eastern Safaris” and certain domain names (collectively, the “**IPR**”) and he warrants that he will procure that the IPR be assigned and transferred to ESPL at a nominal fee of S$1 before the completion of the sale of 75% interest in ESPL.

Part C shall be conditional on and shall complete simultaneously with Part A.

The Company and FMI will use Chindwin or its nominee to complete the Proposed Acquisition and in the case of Part A, FMI shall be the legal owner of 75% interest in SLTG and it shall assign the rights, interests and benefits of such 75% interest in SLTG to Chindwin at no consideration. Ms Khin Omar Win, Ms Khin San Win and Mr Brett Melzer are not related to any of the Directors or the controlling shareholder of the Company.

It is the intention of the parties that after completion of all the transactions contemplated in the Proposed Acquisition, the Company and FMI (through Chindwin) will hold 75% interest of, and Ms Khin Omar Win and Mr Brett Melzer will (whether jointly or otherwise) hold or control 25% interest of, the assets and businesses specified in the Proposed Acquisition.

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2. Consideration

Part A

Chindwin or its nominee will acquire 75% of the issued and paid-up share capital of SLTG free from all encumbrances for a total consideration of United States Dollars Ten Million and Seven Hundred Thousand (US$10,700,000) to be paid as follows:

(a) US$8,600,000 will be paid on the completion date of Part A of the Proposed Acquisition; and

(b) US$2,100,000 will be paid in three equal instalments of US$700,000 on the first, second and third anniversaries of the completion date of Part A of the Proposed Acquisition, provided Mr Brett Melzer and Ms Khin Omar Win increase the capacity of the BoB business by at least one balloon (with a total capacity of 16 or more passengers) per annum whilst complying with the international health and safety regulations adopted by SLTG.

Part B

Chindwin or its nominee will acquire a 75% interest in the Bagan Land free from all encumbrances for a total consideration of United States Dollars Three Million Seven Hundred and Fifty Thousand (US$3,750,000) to be paid upon completion of this acquisition.

Part C

Chindwin or its nominee will acquire 75% of the issued and paid-up share capital of ESPL from Mr Brett Melzer free from all encumbrances for a total consideration of United States Dollars One Hundred Thousand (US$100,000).

The aggregate consideration of United States Dollars US$14.55 million (US$14,550,000) for Part A, Part B and Part C was arrived at arm's length negotiations on a willing seller-willing buyer basis and after taking into account, *inter alia,* the net asset value and the profitability of the assets to be acquired and land prices of other comparable lands near the Bagan Land.

3. Interested Person Transaction

In view of the Proposed Acquisition, the Company's initial 70% investment in Chindwin, being approximately S$12.45 million, will be approximately 10% of the group's latest consolidated audited net tangible assets. The investment in Chindwin will be funded through internal resources or proceeds raised through the private placement exercise that was completed in November 2012 and it is not expected to have any material financial impact on the consolidated net tangible assets and the earnings per share of the Company for the current financial year ending 31 March 2013.

4. Audit Committee Statement

The Audit Committee is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the Company and its minority shareholders.

5. Relative Figures

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual, based on the latest announced results for the period ended 31 December 2012 ("**YTD Dec 2012**"), are set out below:-

(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable
(b)	The net profit attributable to the Proposed Acquisition compared with the Group's net profit.(1)	23.06%
(c)	The aggregate consideration(2) given for the Proposed Acquisition compared with the Company's market capitalisation(3) based on the total number of issued shares excluding treasury shares.	1.34%
(d)	The number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue.	Not applicable

Notes:-

(1) The net profit attributable to the Proposed Acquisition (based on the Company's 70% interest in the Proposed Acquisition) for the nine-month period ended 31 December 2012 is S$443,000 and the Group's profit for the same period is S$1,922,000.

(2) The aggregate consideration payable by the Group is US$10.19 million (approximately S$12.45million) which is equivalent to 70% of the total consideration of US$14.55 million.

(3) The Company's market capitalisation of approximately S$931.48 million is based on its total number of issued Shares of 1,157,118,215 and the closing price of S$0.805 per Share on 15 March 2013, the market day preceding the date of the Heads of Agreement.

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The relative figure for the Proposed Acquisition under Rule 1006(b) exceeds 20%. Accordingly, the Proposed Acquisition is considered a "Major Transaction" under Rule 1014 of the Listing Manual and may be conditional upon the approval of the shareholders of the Company, unless the SGX confirms that shareholders' approval is not required under Rule 1014(2) on the basis that the only limit breached is Rule 1006(b).

6. Financial Effects

6.1 Assumptions

The financial effects of the Proposed Acquisition 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 Proposed Acquisition. The financial effects of the Proposed Acquisition are prepared based on the most recently completed financial year ended 31 March 2012 and the latest announced financial information of the Group for the nine month period ended 31 December 2012 (as the case may be).

6.2 Share Capital

FY 2012

Assuming that the Proposed Acquisition had been completed on 31 March 2012, the effect of the Proposed Acquisition on the share capital of the Company as at 31 March 2012 would have been as follows:

	Before the Transactions	**After the Transactions** [1]
Issued and paid up Share capital (S$'000)	120,810	120,810
Number of Shares ('000)	527,647	527,647

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Nine months ended 31 December 2012

Assuming that the Proposed Acquisition had been completed on 31 December 2012, the effect of the Proposed Acquisition on the share capital of the Company as at 31 December 2012 would have been as follows:

	Before the Transactions	After the Transactions [(1)]
Issued and paid up Share capital (S$'000)	327,204	327,204
Number of Shares ('000)	1,157,118	1,157,118

Notes:-

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

6.3 Net Tangible Assets

FY 2012

Assuming that the Proposed Acquisition had been completed on 31 March 2012, the effect of the Proposed Acquisition on the NTA of the Group as at 31 March 2012 would have been as follows:

	Before the Transactions	After the Transactions [(1)]
NTA (S$'000)	123,470	116,575
Number of Shares ('000)	527,647	527,647
NTA per Share (cents)	23.40	22.09

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Nine months ended 31 December 2012

Assuming that the Proposed Acquisition had been completed on 31 December 2012, the effect of the Proposed Acquisition on the NTA of the Group as at 31 December 2012 would have been as follows:

	Before the Transactions	After the Transactions [(1)]
NTA (S$'000)	332,238	324,725
Number of Shares ('000)	1,157,118	1,157,118
NTA per Share (cents)	28.71	28.06

Notes:-

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

6.4 **Earnings Per Share**

FY 2012

Assuming that the Proposed Acquisition had been completed on 1 April 2011, the effect of the Proposed Acquisition on the EPS of the Group for the financial year ended 31 March 2012 would have been as follows:

	Before the Transactions	After the Transactions [(1)]
Net profit after tax (S$'000)	6,040	6,446
Weighted average number of Shares ('000)	633,176	633,176
EPS per Share (cents)	0.95	1.02

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Nine months ended 31 December 2012

Assuming that the Proposed Acquisition had been completed on 1 April 2012, the effect of the Proposed Acquisition on the EPS of the Group for the nine month period ended 31 December 2012 would have been as follows:

	Before the Transactions	**After the Transactions** [(1)]
Net profit after tax (S$'000)	1,922	2,365
Weighted average number of Shares ('000)	919,964	919,964
EPS per Share (cents)	0.21	0.26

Notes:-

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

RATIONALE

Chindwin will be a 70% subsidiary of the Company and the remaining 30% will be held by FMI. All risks and rewards of the investments in Chindwin will be in proportion to the equity of each of the Company and FMI. The Company and FMI intend to use Chindwin as the joint venture entity to hold the parties' joint investments in the tourism business in Myanmar. With the opportunities emerging in different sectors of the economy in Myanmar, the Company wants to capitalize on these developments and venture into the tourism business in Myanmar.

THE COMPANY, FMI AND THE VENDORS WILL BE FINALISING THE TERMS OF THE PROPOSED ACQUISITON BY ENTERING INTO A FINAL AGREEMENT WHICH WILL BE CONDITIONAL UPON, INTER ALIA, THE REQUISITE CONSENTS BEING OBTAINED BY THE COMPANY TO COMPLETE THE PROPOSED ACQUISITION AND DUE DILIGENCE. THE COMPANY WILL MAKE AN ANNOUNCEMENT TO PROVIDE FURTHER DETAILS OF THE FINAL AGREEMENT IN DUE COURSE.

A copy of the Heads of Agreement will be available for inspection during normal business hours at the Company's registered office for 3 months from the date of this announcement.

BY ORDER OF THE BOARD

Mr Andrew Rickards
Chief Executive Officer
18 March 2013

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