

CIRCULAR DATED 22 DECEMBER 2014

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.

In deciding whether to approve the Proposed IPT Transactions, Shareholders are advised to have due regard to the risk factors set out in Section 17. In addition, Shareholders should also note that investments in frontier markets carry additional uncertainty and risks compared to more developed markets.

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 VARIATIONS TO THE TERMS OF THE PROPOSED ACQUISITION OF EIGHTY PER CENT. (80%) INTEREST IN RESPECT OF THE LANDMARK DEVELOPMENT (WHICH WAS PREVIOUSLY APPROVED BY SHAREHOLDERS) AS AN INTERESTED PERSON TRANSACTION**
- 2. THE PROPOSED ACQUISITION OF ECONOMIC INTERESTS IN THE LAND DEVELOPMENT RIGHTS IN PUN HLAING GOLF ESTATE (“PHGE”) AND THE OPERATING RIGHTS IN RESPECT OF THE PHGE GOLF COURSE & COUNTRY CLUB AND THE PHGE ESTATE AS AN INTERESTED PERSON TRANSACTION**
- 3. THE PROPOSED ACQUISITION OF ONE HUNDRED PER CENT. (100%) INTEREST IN CONVENIENCE PROSPERITY CO., LTD. AS AN INTERESTED PERSON TRANSACTION**
- 4. THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 432,539,405 NEW SHARES AT AN ISSUE PRICE OF S\$0.38 FOR EACH RIGHTS SHARE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY THREE EXISTING SHARES HELD BY SHAREHOLDERS AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED**
- 5. 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 AS A RESULT OF THEIR ACQUISITION OF RIGHTS SHARES**

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



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

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form : 4 January 2015 at 10 a.m.
Date and time of Extraordinary General Meeting : 6 January 2015 at 10 a.m.
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 Group

- “Elite Matrix”** : Elite Matrix International Limited (Company Registration No. 1599481), a wholly-owned subsidiary within the Group
- “Company” or “YSH”** : Yoma Strategic Holdings Ltd. (Company Registration No. 19620185E)
- “Group”** : The Company and its subsidiaries
- “LCP”** : Lion Century Properties Limited (Company Registration No. 593805), a wholly-owned subsidiary within the Group
- “Myanmar Motors”** : Myanmar Motors Pte Ltd (Company Registration No. 201304150W), a wholly-owned subsidiary within the Group
- “YDG”** : Yoma Development Group Limited (Company Registration No. 11/1994-1995), a wholly-owned subsidiary within the Group, by way of an assignment of rights, interests and benefits to the Group
- “YSIL”** : Yoma Strategic Investments Ltd. (Company Registration No. 200410344H), a wholly-owned subsidiary within the Group

Companies in the SPA Group

- “CPCL”** : Convenience Prosperity Company Limited (Company Registration No. 878/1998-1999), a wholly-owned subsidiary within the SPA Group
- “HRGCC”** : Hlaing River Golf and Country Club Limited (Company Registration No. 12JV/1998-1999), a seventy per cent. (70%) subsidiary within the SPA Group
- “FMI”** : First Myanmar Investment Company Limited (Company Registration No. 159/1992-1993), 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 (Company Registration No. 93FC/1993-1994), a foreign investment company incorporated in Myanmar
- “PHIH”** : Pun Hlaing International Hospital Limited. (Company Registration No. 679/2000-2001), a majority-owned subsidiary within the SPA Group
- “PHL”** : Pun Hlaing Lodge Ltd. (Company Registration No. 3112/2012-2013), a wholly-owned subsidiary within the SPA Group
- “SPA”** : Serge Pun & Associates (Myanmar) Limited (Company Registration No. 14FC/1992-1993)

“SPA Group”	: SPA and its subsidiaries (including FMI and YLC)
“Yangon Nominees”	: Yangon Nominees Limited (Company Registration No. 991/1993-1994), a wholly-owned subsidiary within the SPA Group
“YLC”	: Yangon Land Company Limited (Company Registration No. 163/1992-1993), a wholly-owned subsidiary within the SPA Group
“YSI”	: Yangon Sands Industries Limited (Company Registration No. 1176/997-1998), a wholly-owned subsidiary within the SPA Group

Other companies, corporations and organisations

“CDP”	: The Central Depository (Pte) Limited
“CPF”	: Central Provision Fund
“CRO”	: Company Registration Office, Myanmar
“DHSHD”	: Department of Human Settlement and Housing Development, Myanmar
“HIMS”	: Harrow International Management Services
“JLLS”	: Jones Lang LaSalle group of companies
“JLLS CAA”	: Jones Lang LaSalle Corporate Appraisal and Advisory Limited
“MAS”	: Monetary Authority of Singapore
“MIC”	: Myanmar Investment Commission
“MR”	: Ministry of Rail Transportation, Myanmar
“RKPL”	: Robert Khan & Co Pte Ltd (Company Registration No. 199305890G)
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“SIC”	: The Securities Industry Council of Singapore

General

“16 June Announcement”	: The announcement made by the Company on 16 June 2014 in relation to the Proposed Variations to the Proposed Landmark Acquisition
“3 September Announcement”	: The announcement made by the Company on 3 September 2014 in relation to the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club, the Proposed CPCL Acquisition and the Proposed Rights Issue
“Acquisition Price of the Remaining Land in PHGE”	: S\$55.12 million, being the acquisition price for seventy per cent. (70%) of the economic interest in the LDRs in respect of the Remaining Land in PHGE, as detailed in Section 8.6
“Acting in Concert”	: Has the meaning ascribed in paragraph 1 of the Definitions section of the Code

“Annual Report”	: The annual report of the Company for FY 2014
“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 for a nominal consideration of S\$1
“Associates”	: Has the meaning ascribed in Chapter 9 of the Listing Manual
“ATM”	: Automated teller machine of a Participating Bank
“ARE”	: Application and acceptance form for Right 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 Right 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
“ARM Committee”	: The audit and risk management committee of the Company as at the date of this Circular comprising Messrs Basil Chan (Chairman), Adrian Chan Pengee, Kyi Aye and Dato Dr. Mohd Amin Liew Abdullah @ Liew Kong Ming (“Dr Amin”)
“Board” or “Directors”	: The directors of the Company as at the date of this Circular comprising Messrs Serge Pun@Theim Wai (“Serge Pun”) (Executive Chairman), Andrew Jonathan Rickards, Cyrus Pun Chi Yam, Adrian Chan Pengee, Basil Chan, Kyi Aye, Dr Amin 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, the time and date to be determined by Directors, 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
“BVI”	: British Virgin Islands
“Circular”	: This circular to Shareholders dated 22 December 2014
“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”	: Persons Acting in Concert with Mr. Serge Pun, including, Pun Holdings Pte Ltd (a Singapore company which is 100% owned by Mr. Serge Pun), Pun Holdings Investments Limited (a wholly-owned BVI subsidiary of Pun Holdings Pte Ltd, Mr. Cyrus Pun (son of Mr. Serge Pun), Mr. Melvyn Pun (son of Mr. Serge Pun), Mr. Martin Pun Chi Cheong (brother of Mr. Serge Pun), Ms Patricia Pun (sister of Mr. Serge Pun) and Ms Suzanne Pun (sister of Mr. Serge Pun)
“Control”	: The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“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 Funds”	: CPF account savings
“CPF Investment Accounts”	: The investment account maintained with a CPF agent bank for the purpose of investment of CPF Funds under the CPFIS – Ordinary Account
“CPCL Acquisition Price”	: S\$14.78 million, subject to adjustments as detailed in Section 6
“CPCL S&P Agreement”	: The conditional sale and purchase agreement entered into between Elite Matrix, SPA and FMI to acquire an effective interest of the one hundred per cent. (100%) interest in CPCL
“EGM”	: The extraordinary general meeting of the Company to be held on 6 January 2015, notice of which is set out in this Circular
“Election”	: The right for the Company to elect to appoint an independent valuer to value the terms of the lease extensions for Site 1 and Site 2 where it is of the view that the terms and conditions of the extensions are materially different from the assumptions used by JLLS in its original valuation and may therefore be materially adverse to the Company, as detailed in Section 4.1(d)(i)
“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
“Enlarged Transactions”	: Collectively, the Proposed IPT Transactions and the Proposed Rights Issue (taking into account the Vested Options)
“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 five (5) 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 transfer 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 five (5) 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”	: Collectively, the Entitled Depositors and Entitled Scripholders
“Existing Share Capital”	: The existing issued and paid-up share capital of the Company as at the Latest Practicable Date of 1,292,118,215 Shares (excluding treasury shares)
“First Payment”	: S\$54.00 million, being the payment to be made to SPA in accordance with the Proposed Variations to the Proposed Landmark Acquisition, as detailed in Section 4.1(d)(ii)
“First Right of Refusal Deed”	: The first right of refusal deed entered into by YSIL and SPA in relation to the first right of refusal to purchase LDRs in respect of land in Yangon, Myanmar, dated 17 August 2006
“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 five (5) 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 Announcement”	: The announcement made by the Company on 24 June 2014 in relation to the proposed acquisition of LDRs in PHGE under the First Right of Refusal Deed
“Funding Amount”	: Up to a maximum of US\$40 million, being the Company’s pro rata share of eighty per cent. (80%) of the development costs for the purpose of or in connection with the redevelopment of Site 1 and Site 2, as detailed in Section 4.1(k)
“FY”	: Financial year ending or ended 31 March, as the case may be
“FY2014”	: Financial year ended 31 March 2014
“IFA Opinion Letter”	: The IFA’s letter to the Recommending Directors dated 22 December 2014 in relation to the Proposed IPT Transactions and the Proposed Whitewash Resolution
“Independent Financial Adviser”, “IFA” or “KPMG”	: The independent financial adviser in relation to the Proposed Acquisition and 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
“Irrevocable Undertaking”	: The irrevocable undertaking given by Mr. Serge Pun on 2 September 2014 in favour of the Company in relation to the Proposed Rights Issue, as detailed in Section 19.3

“Issue Price”	: The issue price of S\$0.38 for each Right Share
“JDD”	: Collectively, the conditional joint development and operating deed and a deed of assignment entered into between Yangon Nominees, LCP, SPA and Mr. Serge Pun
“Landmark Acquisition S&P Agreement”	: The conditional sale and purchase agreement entered into between the Company, SPA and Mr. Serge Pun on 19 November 2012 in respect of the Proposed Landmark Acquisition
“Land Adjacent to Hospital”	: 4.03 acres (approximately 0.18 million square feet) of land which comprises a utilities building and an open space car park, as detailed in Section 8.3
“Land Adjacent to Hospital Acquisition Price”	: S\$14.31 million, being the acquisition price for the LDRs in respect of the Land Adjacent to Hospital, as detailed in Section 8.3
“Landmark Consideration”	: US\$81.28 million (approximately S\$99.16 million based on the Landmark Exchange Rate), as detailed in Section 4.1(d)(i)
“Landmark Development”	: The proposed development of the Sites into a mixed-use development on approximately ten (10) acres of land, the details of which were set out in the Company’s Circular dated 8 February 2013
“Landmark EGM”	: The extraordinary general meeting of the Company held on 28 February 2013, which approved, <i>inter alia</i> , the Proposed Landmark Acquisition
“Latest Practicable Date”	: 15 December 2014, 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 MIC and the MR 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
“Net Proceeds”	: Net proceeds of the Proposed Rights Issue, as detailed in Section 19.5(a)
“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
“PHGE”	:	Pun Hlaing Golf Estate
“PHGE Acquisition Prices”	:	S\$95.90 million, being the aggregate acquisition prices payable pursuant to the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club comprising the Land Adjacent to Hospital Acquisition Price, the School Land Acquisition Price, PHL Land Acquisition Price, Acquisition Price of the Remaining Land in PHGE, Value of Golf Course Operating Rights and the PHGE Related Costs
“PHGE Related Costs”	:	S\$2.69 million, subject to adjustments as at completion, being the costs incurred by Yangon Nominees in relation to the related businesses, infrastructure and facilities of the entire estate of subject to adjustments, as detailed in Section 8.7
“PHGE Lease”	:	The leasehold right granted to HRGCC in respect of PHGE, as detailed in Appendix D
“PHL Land Acquisition Price”	:	S\$3.80 million, subject to adjustments in accordance with the completion accounts, being the aggregate acquisition price for the legal interests in (a) twenty per cent. (20%) interest in 2.19 acres of land; and (b) one hundred per cent. (100%) interest in 1.60 acres of land
“PHL S&P Agreement”	:	The conditional sale and purchase agreement entered into between YDG and SPA on 2 September 2014 to acquire one hundred per cent. (100%) interest in PHL
“Pro Rata Development Costs”	:	S\$7 million, being the Company’s pro rata share of eighty per cent (80%) of the preliminary development costs in respect of the Landmark Development that had already been disbursed
“PHIH S&P Agreement”	:	The conditional sale and purchase agreement entered into between PHIH, SPA and Mr. Serge Pun on 2 September 2014 to acquire one hundred per cent. (100%) interest in the LDRs of the Land Adjacent to Hospital
“Private Placement”	:	The private placement of 135,000,000 Shares completed by the Company on 2 July 2014
“Pro Rata Entitlements”	:	Mr. Serge Pun’s pro-rata entitlement to up to 160,958,510 Rights Shares (direct and indirect) under the Proposed Rights Issue, as detailed in Section 19.3(a)(i)
“Proposed Acquisition of PHGE and PHGE Golf Course & Country Club”	:	The proposed acquisition of economic interests in LDRs in respect of land in PHGE and operating rights in respect of the PHGE Golf Course & Country Club and the PHGE estate

- “Proposed CPCL Acquisition”** : The proposed acquisition of one hundred per cent. (100%) interest in CPCL
- “Proposed Landmark Acquisition”** : The proposed acquisition of eighty per cent. (80%) shareholding interests in MIHL (together with the Assignment of Shareholder’s Loan) as a specific interested person transaction and as a major transaction, 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 IPT Transactions”** : Collectively, the Proposed Variations to the Proposed Landmark Acquisition, the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club and the Proposed CPCL Acquisition
- “Proposed Rights Issue”** : The proposed renounceable non-underwritten rights issue announced by the Company on SGXNET on 16 June 2014 and as amended by the announcements on 24 June 2014 and 3 September 2014, on the basis of one (1) Rights Share for every three (3) existing Shares held by Shareholders as at the Books Closure Date, fractional entitlements to be disregarded, at an issue price of S\$0.38 per Rights Share
- “Proposed Whitewash Resolution”** : The proposed whitewash resolution for the waiver of the rights of Independent Shareholders of their rights to receive a mandatory 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 in relation to the Proposed Rights Issue
- “Proposed Variations to the Proposed Landmark Acquisition”** : The proposed variations to the terms of the Proposed Landmark Acquisition
- “Pun Hlaing Lodge Land”** : Three (3) plots of land comprising land areas of 1.60 acres, 2.19 acres and 2,384 square feet all earmarked to be developed into a boutique hotel
- “Proxy Form”** : The proxy form in respect of the EGM as set out in this Circular
- “Recommending Directors”** : The Directors who are deemed independent for the purposes of the Proposed IPT Transactions and the Proposed Whitewash Resolution, namely, Messrs Andrew Rickards, Basil Chan, Adrian Chan, Kyi Aye and Dr. Amin
- “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 share to be issued under the Proposed Rights Issue, and **“Rights Shares”** shall be construed accordingly

“Sale Shares”	: Eighty per cent. (80%) of the issued and paid up share capital of MIHL to be acquired pursuant to the Proposed Landmark Acquisition, details of which are set out in Section 2.1 of this Circular
“Scale Down Option”	: The right to be given to the Company by the Shareholders at the EGM to scale down the ratio of Rights Shares to be issued in its discretion, but all other terms and conditions of the Proposed Rights Issue (including the price of the Rights Shares) will remain the same, details of which are set out in Sections 19.1 and 19.4 of this Circular
“School Land”	: A twelve-acre site which is adjacent to the Early Years Centre (managed by Harrow International Management Services)
“School Land Acquisition Price”	: S\$6.37 million, being the acquisition price for the legal interest in one hundred per cent. (100%) interest in YSI relating to the School Land, as detailed in Section 8.4
“Securities Account”	: A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“Setting-Off Arrangement”	: The right granted by the Company to Mr. Serge Pun to set-off the monies payable pursuant to the Irrevocable Undertaking against the First Payment, the PHGE Acquisition Prices and the CPCL Acquisition Price payable by the Company to him
“SFA”	: The Securities and Futures Act, Chapter 289, of Singapore, as amended or modified from time to time
“SGXNET”	: The SGXNET Corporate Announcement System
“Share”	: An ordinary share in the capital of the Company and “Shares” shall be construed accordingly
“Share Options”	: The option to subscribe for new Shares granted under the YSH ESOS 2012
“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, of approximately 9.5 acres of land
“Site 2”	: An area located at 380 Bogyoke Aung San Road, Pabedan Township, Yangon, Myanmar, of 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 2(6) of the SFA
“Third Supplemental Agreement”	: The supplementary agreement dated 16 June 2014 to the Landmark Acquisition S&P Agreement
“Valuation Certificates”	: The valuation certificates issued by JLLS and RKPL in relation to the Proposed Variations to the Proposed Landmark Acquisition and the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club, annexed to this Circular as Appendix G
“Value of Golf Course Operating Rights”	: S\$13.61 million, being the acquisition price for seventy per cent. (70%) of the economic interest in the operating rights of the PHGE Golf Course & Country Club and the PHGE estate, as detailed in Section 8.7
“Vested Options”	: 5,500,000 Shares comprised in options, which have vested as at the Latest Practicable Date and will vest as at 31 December 2014
“Whitewash Waiver”	: The waiver granted by the SIC 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
“YSH ESOS 2012”	: The Yoma Strategic Holdings Employee Share Option Scheme 2012, approved by the Shareholders and adopted on 25 May 2012

Currencies, units of measurement and others

“Kyats”	: Myanmar Kyats, representing the lawful currency of Myanmar
“SGD” or “S\$” and “cents”	: Singapore dollars and cents respectively, representing the lawful currency of the Republic of Singapore
“sq. ft.”	: Square feet
“US\$” or “USD”	: 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.

For the purpose of the Proposed Variations to the Proposed Landmark Acquisition, the “**Landmark Exchange Rate**” means US\$1 to S\$1.22, being the exchange rate agreed by the parties as disclosed in the circular to shareholders on 8 February 2013.

For the purpose of the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club and the Proposed CPCL Acquisition, the “**PHGE and CPCL Exchange Rate**” means US\$1 to S\$1.2484, being the exchange rate agreed by the parties as disclosed in the 3 September Announcement.

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.

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

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 (Lead Independent Director)
Mr. Basil Chan (Independent Director)
Mr. Kyi Aye (Independent Director)
Dr. Mohd Amin Liew Abdullah (Independent Director)
Mr. Melvyn Pun (Alternate Director to Mr. Serge Pun)

Registered Office:

78 Shenton Way
#32-00
Singapore 079120

22 December 2014

To: **The Shareholders of Yoma Strategic Holdings Ltd.**

Dear Sir/Madam,

- (1) **PROPOSED VARIATIONS TO THE PROPOSED LANDMARK ACQUISITION**
- (2) **PROPOSED ACQUISITION OF PHGE AND PHGE GOLF COURSE & COUNTRY CLUB**
- (3) **PROPOSED CPCL ACQUISITION**
- (4) **PROPOSED RIGHTS ISSUE**
- (5) **PROPOSED WHITEWASH RESOLUTION**

1. INTRODUCTION

The Directors are convening an extraordinary general meeting to be held on 6 January 2015 (“EGM”) to seek Shareholders’ approvals for the following proposals:

- 1.1 The proposed variations to the terms of the proposed acquisition of eighty per cent. (80%) shareholding interests in Meeyahta International Hotel Limited, a foreign investment company incorporated in Myanmar (“MIHL”) (together with the proposed assignment of a shareholder’s loan in MIHL which is in proportion to the proposed acquisition of eighty per cent. (80%) interests in MIHL (the “**Assignment of Shareholder’s Loan**”) for a nominal consideration of S\$1) from Serge Pun & Associates (Myanmar) Limited (“SPA” or the “**vendor**”) as an interested person transaction (the “**Proposed Variations to the Landmark Acquisition**”). Shareholders had on 28 February 2013 approved the terms of the proposed acquisition of eighty per cent. (80%) interest in MIHL for a consideration of US\$81.28 million (approximately S\$99.16 million based on the Landmark Exchange Rate). The proposed variations include segregating the consideration into two (2) parts, namely, a first payment of US\$43.20 million (approximately S\$54.00 million based on the exchange rate of US\$1 to S\$1.25) in cash at completion using part of the net proceeds of the Proposed Rights Issue upon the satisfaction of the revised conditions precedent set out in Appendix C and the balance payment US\$38.08 million (approximately S\$45.16 million) to be made as and when the terms of the extension of the leases are finalised by the authorities. Please refer to Sections 2, 3, 4 and 5 for more information.

The Company had announced on 19 August 2013 that in order to ensure that there will be no delay to the completion of the Landmark Development, it will fund its pro rata share of eighty per cent. (80%) of the preliminary development costs of up to S\$7 million. The Company had also subsequently announced to Shareholders on 19 August 2013, 25 November 2013 and 11 March 2014 that it had funded this S\$7 million using proceeds from its placement exercise which was completed in November 2012. The Company has not made any payment towards the consideration for the Proposed Landmark Acquisition of US\$81.28 million.

1.2 The proposed acquisitions of land development rights (“LDRs”) in respect of land in the Pun Hlaing Golf Estate (“PHGE”) and operating rights in respect of the PHGE Golf Course & Country Club and PHGE estate from different wholly-owned subsidiaries within the SPA Group as an interested person transaction (collectively, the “**Proposed Acquisition of PHGE and PHGE Golf Course & Country Club**”). The Proposed Acquisition of PHGE and PHGE Golf & Country Club comprises the following transactions:

(a) **The acquisition of LDRs in respect of land which is adjacent to the Pun Hlaing International Hospital (the “Land Adjacent to Hospital”), this hospital is located within PHGE and the Land Adjacent to Hospital will form part of the development in PHGE to be undertaken by the Company**

The acquisition of 100% interest in the LDRs in respect of the Land Adjacent to Hospital for a sale consideration of approximately US\$11.46 million (approximately S\$14.31 million based on the PHGE and CPCL Exchange Rate) by Yoma Development Group Ltd (“YDG”), a wholly-owned subsidiary of the Company. The Land Adjacent to Hospital is approximately 4.03 acres. Following the acquisition, it is expected that this site will be redeveloped to form part of a commercial centre development. The Pun Hlaing International Hospital will continue to be owned and operated by the SPA Group.

(b) **The acquisition of the LDRs in respect of the School Land**

The acquisition of 100% interest in the LDRs in respect of the School Land by way of YDG acquiring 100% interest in Yangon Sands Industries Ltd. (“YSI”), a wholly-owned subsidiary within the SPA Group, for a sale consideration of US\$5.10 million (approximately S\$6.37 million based on the PHGE and CPCL Exchange Rate) subject to adjustments in accordance with completion accounts. The School Land is approximately 12 acres and YSI holds 100% interests in the LDRs in respect of the School Land. Following the acquisition, it is expected that this site will be developed into an international school.

(c) **The acquisition of the LDRs in respect of the Pun Hlaing Lodge Land**

The Pun Hlaing Lodge Land comprises two (2) plots of land, the first plot with a land area of approximately 1.60 acres and the second plot with a land area of approximately 2.19 acres. Hence, the acquisition of Pun Hlaing Lodge Land comprises two (2) parts as follows:

- (i) the acquisition of 100% interest in the LDRs in respect of approximately 1.60 acres of the Pun Hlaing Lodge Land for a sale consideration of US\$2.45 million (approximately S\$3.05 million based on the PHGE and CPCL Exchange Rate); and
- (ii) the acquisition of the remaining twenty per cent. (20%) interest in the LDRs in respect of approximately 2.19 acres of the Pun Hlaing Lodge Land for a sale consideration of approximately US\$0.60 million (approximately S\$0.75 million based on the PHGE and CPCL Exchange Rate). The Company already holds the remaining eighty per cent. (80%) interest in the LDRs in respect of this approximately 2.19 acres of the Pun Hlaing Lodge Land. Please refer to the Company’s announcement dated 10 December 2013 in relation to this acquisition whereby it was disclosed that the consideration was based on the valuation by Jones Lang LaSalle group of companies (“JLLS”). The acquisition of the remaining twenty per cent. (20%) interest in the LDRs in respect of approximately 2.19 acres of the Pun Hlaing Lodge Land will be based on the same valuation by JLLS.

These transactions will be effected by way of YDG acquiring 100% interest in Pun Hlaing Lodge Ltd (“PHL”), a wholly-owned subsidiary within the SPA Group, subject to adjustments in accordance with completion accounts. PHL holds 100% interest in the LDRs in respect of the Pun Hlaing Lodge Land. Following the acquisition, it is expected that the sites will be developed into a boutique hotel.

(d) The acquisition of economic interest in the LDRs in respect of other plots of land in PHGE (the “Remaining Land in PHGE”)

The Remaining Land in PHGE comprises a few plots of land, namely, (i) the first plot with a land area of approximately 3.55 acres located near the School Land which is expected to be developed into a low-rise commercial complex; (ii) the second plot with a land area of approximately 4.61 acres located near the Land Adjacent to the Hospital which is expected to be developed into a commercial centre; (iii) the third plot with a land area of approximately 0.48 acres located across the Lakeview Apartments which is expected to be developed into commercial units/shophouse; and (iv) the fourth plot with a land area of approximately 14.81 acres located behind the School Land which is expected to be developed into residential and commercial units.

Yangon Nominees Company Limited (“**Yangon Nominees**”), a wholly-owned subsidiary within the SPA Group, holds seventy per cent. (70%) interest in the LDRs in respect of the Remaining Land in PHGE in respect of an aggregate of 23.45 acres of land. Therefore, the acquisition will be effected by way of YDG acquiring Yangon Nominee’s seventy per cent. (70%) interest of the LDRs in respect of the Remaining Land in PHGE for a consideration of US\$44.15 million (approximately S\$55.12 million based on the PHGE and CPCL Exchange Rate).

(e) The acquisition of the economic interest in the Operating Rights Over PHGE and PHGE Golf Course & Country Club

The entire estate of PHGE including the PHGE Golf Course & Country Club is currently being operated and managed by Yangon Nominees. In order to gain control of the operation and management of the entire estate of PHGE, Lion Century Properties Limited (“**LCP**”), a wholly-owned subsidiary of the Company will acquire the operating rights in the entire estate of PHGE including the golf course and the country club for a consideration of approximately US\$10.90 million (approximately S\$13.61 million based on the PHGE and CPCL Exchange Rate). In addition, the Company has also agreed to pay for the costs incurred in relation to the related businesses, infrastructure and facilities in PHGE since the operations were established which amounted to approximately US\$2.16 million (approximately S\$2.69 million based on the PHGE and CPCL Exchange Rate) subject to adjustments as at completion. Following the acquisition, the Company will be the exclusive operator of PHGE and will be paid a fee amounting to seventy per cent. (70%) of the net profit of the operations of the entire estate of PHGE including the golf course & country club. The Company will also be liable for seventy per cent. (70%) of the costs and expenses incurred in relation to the maintenance and operation of the entire estate of PHGE. As a condition to completion of the acquisition, the Company will obtain a legal opinion from Myanmar counsel confirming that the execution and the performance by LCP of the definitive agreement relating to the acquisition will not violate any provisions of any published and relevant laws in Myanmar. The Company will make an announcement immediately upon receipt of this legal opinion.

The Company will be acquiring interests in the LDRs through the acquisitions of legal interests in the entities holding the LDRs save for the LDRs in relation to the Remaining Land in PHGE and the operating rights over PHGE and PHGE Golf Course & Country Club. The Company will be acquiring the economic interests in the LDRs in relation to the Remaining Land in PHGE and the operating rights over PHGE and PHGE Golf Course & Country Club as these rights are held by Hlaing River Golf and Country Club Limited (“**HRGCC**”), a joint venture company between the Department of Human Settlement and Housing Development (“**DHSHD**”) and Yangon Nominees. The acquisition of economic interests gives the Company the right to develop the Remaining Land in PHGE and manage and operate the PHGE estate including the golf course and country club. The aggregate amount payable for the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club is approximately US\$76.82 million (approximately S\$95.90 million based on the PHGE and CPCL Exchange Rate) in cash at completion. The Company intends to use part of the net proceeds from the Proposed Rights Issue to fund these acquisitions upon the satisfaction of all the conditions precedent relating to these acquisitions, the main conditions of which are set out in the respective sub-paragraphs of Section 8. Please refer to Sections 6, 7, 8, 9, 10 and 11 for more information.

- 1.3 The proposed acquisition of 100% interest in Convenience Prosperity Co., Ltd (“**CPCL**”) from SPA and First Myanmar Investment Company Limited as an interested person (the “**Proposed CPCL Acquisition**”) for a consideration of US\$2.24 million (approximately S\$2.80 million based on the PHGE and CPCL Exchange Rate) and an assignment of shareholders’ loan amounting to US\$9.60 million (approximately S\$11.98 million based on the PHGE and CPCL Exchange Rate) at cost and in cash at completion. The Company intends to use the net proceeds from the Proposed Rights Issue to fund this acquisition upon the satisfaction of all the conditions precedent relating to the acquisition, the main conditions of which are set out in Section 13.2. Please refer to Sections 12, 13 and 14 for more information.

The Proposed Variations to the Proposed Landmark Acquisition, Proposed Acquisition of PHGE and PHGE Golf Course & Country Club and the Proposed CPCL Acquisition shall be collectively referred to as the Proposed IPT Transactions. Please refer to Appendix K for illustrations on the computations of the relative figures under Chapter 10 of the Listing Manual for each of the above mentioned transactions on a standalone and aggregated bases.

- 1.4 The proposed renounceable non-underwritten rights issue of up to 432,539,405 Rights Shares at the Issue Price for each Rights Share, on the basis of one (1) Rights Share for every three (3) existing Shares held by Shareholders of the company as at a books closure date to be determined (the “**Books Closure Date**”), fractional entitlements to be disregarded (the “**Proposed Rights Issue**”). The Rights Shares are priced at the Issue Price of S\$0.38 which represents a discount of approximately 46.48% and 39.63% respectively, to the closing price of S\$0.71 per Share on the SGX-ST and the theoretical ex-rights trading price⁽¹⁾ of S\$0.63 per Share as at 2 September 2014, being the last trading day preceding the announcement of the Proposed Rights Issue.

Notes:

- (1) The theoretical ex-rights price is the theoretical market price of each Share assuming the completion of the Proposed Rights Issue, and is calculated based on the closing price of S\$0.71 per Share on the SGX-ST on 2 September 2014, being the last trading day of the Shares on the SGX-ST prior to the 3 September Announcement and the total number of issued Shares following the completion of the Proposed Rights Issue (assuming that the maximum number of Rights Shares has been issued). The Rights Shares to be priced at S\$0.38 represents a discount of approximately 39.20% and 33.33% respectively, to the closing price of S\$0.625 per Share on the SGX-ST and the theoretical ex-rights trading price of S\$0.57 per Share as at the Latest Practicable Date (assuming that the maximum number of Rights Shares has been issued).
- 1.5 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 2 September 2014 (the “**Irrevocable Undertaking**”) in relation to the Proposed Rights Issue.

The Proposed Rights Issue is conditional upon, *inter alia*, the approval of the Proposed Variations to the Proposed Landmark Acquisition or the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club. The Proposed Whitewash Resolution is conditional upon the approval of the Proposed Rights Issue.

If the Proposed IPT Transactions and the Proposed Rights Issue are approved by Shareholders but the Proposed Whitewash Resolution is not approved by Independent Shareholders at the EGM, the Company is not obliged to complete the Proposed IPT Transactions under the definitive agreements and it will not proceed with the Proposed Rights Issue. It will still proceed with any of the Proposed IPT Transactions if it is able to raise funds from other funding options such as debt and/or equity fund raising to fund the acquisition prices. In such an event, the Company will make an immediate announcement to inform Shareholders.

Independent Shareholders should also note that pursuant to obtaining Shareholders’ approval for the Proposed Whitewash Resolution, the subscription of Shares by Mr. Serge Pun pursuant to his Irrevocable Undertaking could result in him and his Concert Parties holding Shares carrying over forty-nine per cent. (49.0%) 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 general offer for the Company. As defined in paragraph 1 of the Definitions section of the Code, concert parties are parties acting in concert with Mr. Serge Pun including, Pun Holdings Pte Ltd (a Singapore company which is 100% owned by Mr. Serge Pun), Pun Holdings Investments Limited (a wholly-owned BVI subsidiary of Pun Holdings Pte Ltd, Mr. Cyrus Pun (son of Mr. Serge Pun), Mr. Melvyn Pun (son of Mr. Serge Pun), Mr. Martin Pun Chi Cheong (brother of Mr. Serge Pun), Ms Patricia Pun (sister of Mr. Serge Pun) and Ms Suzanne Pun (sister of Mr. Serge Pun).

As at the Latest Practicable Date, based on the existing share capital of the Company of 1,292,118,215 Shares, Mr. Serge Pun holds 482,208,863 (representing approximately 37.32%) Shares and his Concert Parties collectively hold 987,834 Shares (representing approximately 0.08%). Assuming Mr. Serge Pun and his Concert Parties exercise their Vested Options and new Shares pursuant thereto are issued to them before the Books Closure Date, none of the other Shareholders subscribe for their pro rata entitlements under the Proposed Rights Issue, and assuming that the 5,500,000 Shares comprised in the Vested Options have been allotted and issued and the Shareholders approve the Proposed IPT Transactions, pursuant to the Irrevocable Undertaking, Mr. Serge Pun subscribes for **ALL** the Rights Shares under the Proposed Rights Issue, Mr. Serge Pun and his Concert Parties will hold 917,069,434 Shares in the capital of the Company, representing approximately 53.0% of the issued and paid-up share capital of the Company upon the completion of the Proposed Rights Issue.

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Proposed IPT Transactions, the Proposed Rights Issue and the Proposed Whitewash Resolution and to seek Shareholders' approval for the above proposals at the EGM.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.

Please see Section 17 for some of the risk factors faced by the Group. In addition, Shareholders should also note that investments in frontier markets carry additional uncertainty and risks compared to more developed markets.

2. THE PROPOSED VARIATIONS TO THE PROPOSED LANDMARK ACQUISITION

2.1 The Proposed Landmark Acquisition

A circular dated 8 February 2013 setting out information on the proposed acquisition of eighty per cent. (80%) shareholding interests in Meeyahta International Hotel Limited, a foreign investment company incorporated in Myanmar ("**MIHL**") together with the proposed assignment of a shareholders' loan in MIHL which is in proportion to the proposed acquisition of eighty per cent. (80%) interests in MIHL (the "**Assignment of Shareholders' Loan**") for a nominal consideration of S\$1 from Serge Pun & Associates (Myanmar) Limited ("**SPA**" or the "**vendor**") as a specific interested person transaction and as a major transaction (the "**Proposed Landmark Acquisition**") including the salient terms of the sale and purchase agreement dated 19 November 2012 (the "**Landmark Acquisition S&P Agreement**") was sent to Shareholders. The Company had on 28 February 2013 convened an extraordinary general meeting to seek Shareholders' approval for the Proposed Landmark Acquisition. The Shareholders approved the Proposed Landmark Acquisition at the extraordinary general meeting. However, the Company did not complete the Proposed Landmark Acquisition as the conditions precedent stipulated in the Landmark Acquisition S&P Agreement had not been satisfied. The Company has not made any payment towards the consideration for the Proposed Landmark Acquisition of US\$81.28 million.

As at the Latest Practicable Date, the SPA Group holds one hundred percent. (100%) interest in MIHL of which seventy-nine per cent. (79%) is held by SPA, eleven per cent. (11%) is held by Serge Pun & Associates (Hong Kong) Limited and ten per cent. (10%) is held by First Myanmar Investment Company Limited. All these entities are considered as "interested persons" under the Listing Manual.

2.2 The Sites

MIHL holds the land development rights of Site 1 and it will procure that the land development rights of Site 2 will be held by MIHL prior to completion of the Proposed Landmark Acquisition. The land development rights of Site 2 is held by Yangon Land Company Limited, a wholly-owned subsidiary of SPA (“**YLC**”). The SPA Group will undergo an internal restructuring exercise prior to completion the Proposed Variations to the Proposed Landmark Acquisition such that the land development rights of Site 2 will be held by MIHL and it will be transferred at the same valuation amount undertaken for the Proposed Landmark Acquisition. Site 1 is located at 372 Bogyoke Aung San Road, Pabedan Township, Yangon, Myanmar and is approximately 9.5 acres. Site 2 is located next to Site 1 at 380 Bogyoke Aung San Road, Pabedan Township, Yangon, Myanmar and is approximately 0.5 acres.

Site 1 and Site 2 (collectively, the “**Sites**”) currently comprise FMI Centre, the Grand Meeyahta Hotel (which had ceased operations in October 2013 to make way for the proposed redevelopment) and the former headquarters of the Burma Railway Company which is a heritage site built in 1877. Parties intend to develop Site 1 and Site 2 into a mixed-used development (the “**Landmark Development**”).

- 2.3 The Company had on 16 June 2014 announced that it had negotiated with SPA in good faith and both parties have mutually agreed to proceed with the Proposed Landmark Acquisition by waiving certain conditions precedent and instead have agreed on new terms and conditions with a view to completing the Proposed Landmark Acquisition as soon as reasonably practicable after the Company receives shareholders’ approval for the Proposed Variations to the Proposed Landmark Acquisition (the “**16 June Announcement**”).

Please refer to **Appendix A** for a summary of the details of the Proposed Landmark Acquisition.

3. RATIONALE FOR THE PROPOSED VARIATIONS TO THE PROPOSED LANDMARK ACQUISITION

- 3.1 The initial long-stop date for completion of the Proposed Landmark Acquisition was 30 June 2013 and the parties had agreed to two (2) extensions. The last agreed long-stop date was 30 June 2014. The Group had originally planned on acquiring a seventy (70) year lease on this land, which currently comprises two parcels of land leased to the SPA Group. This is still the intention, however, the Group has decided to take the interim step and acquire the existing leases with twenty-four (24) years and twenty-six (26) years left to run. There are a number of reasons for deciding to take this interim step.

- (a) SPA is confident that all the conditions precedent will eventually be satisfied. However, the timing of such is uncertain at this juncture. As such, it is willing to be subjected to a claw back⁽¹⁾ for the initial consideration of US\$43.20 million⁽²⁾ in the event that certain key conditions are not met in respect of the Proposed Variations to the Proposed Landmark Acquisition. Given this structure, the Group is of the opinion that its downside is protected if it moves ahead now with the Proposed Variations to the Proposed Landmark Acquisition.

Notes:

1. Please refer to Section 4.1(b) for information on the claw back.
 2. Please refer to Section 4.1(d) for information on how the initial consideration of US\$43.20 million was arrived at.
- (b) The Sites situated on ten (10) acres of prime real estate in the centre of downtown Yangon are expected to transform the Yangon skyline and become the de facto centre of Yangon’s commercial district. The proposal includes two (2) international Grade A office buildings in a city that does not have any true international standard Grade A buildings today, two (2) international standard hotels, one (1) of which will be built in the former Burma Railways Headquarters, a large, modern, retail mall and a luxurious branded residences. There are other developments being announced consisting of office buildings and retail malls and whilst the Company is of the opinion that not all of these proposed developments will come to fruition it is clear that there will be some competition for the Landmark Development. The

Group would therefore like to be amongst the first to sign up anchor tenants for both the office and the retail mall. There are a number of multinational companies looking to come into Yangon over the next few years and the Group wants the Landmark Development to be the destination of choice and for that to happen it needs to demonstrate that the Landmark Development will get off the ground. The Company having considered all the ramifications of the current status of SPA's ongoing negotiations with the relevant authorities, is desirous to complete the Proposed Landmark Acquisition so as to secure the Sites for development.

- (c) The Group is of the view that it should proceed with the Landmark Development as soon as is possible. Given the large-scale redevelopment, much of the preparatory work that deals with the designing, planning, construction, management of infrastructure and financing should commence as soon as possible in order for the Landmark Development to be delivered on time and within budget. As announced previously, various strategic partners such as Mitsubishi Corporation, Mitsubishi Estate, The Hongkong and Shanghai Hotels, Limited, International Finance Corporation, a member of the World Bank Group, and the Asian Development Bank have been identified and discussions involving the preparatory work are underway. It is important to keep momentum on this work and discussions. By moving ahead with the Proposed Landmark Acquisition, the Group can take ownership of the project, be actively involved in the preparatory work and at the same time maintain important relationships with the partners who will add value and prestige to the Landmark Development.
- (d) The Company continues to believe that the Sites offer one of the best development opportunities in Yangon today. Further, its independent valuer, Jones Lang LaSalle group of companies (“**JLLS**”), had on 1 July 2014, indicated that the value of the Sites has not fallen since its valuation report issued in October 2012 but the Company will still be acquiring the Sites based on the original valuation. The Sites are best known for their location, next to one of Yangon's most famous market places, Bogyoke Market, and the former Burma Railways Headquarters building. This building, which dates back to 1877, is one of the most iconic old colonial buildings in Yangon today. The decision to convert this building into the Peninsula Yangon in partnership with The Hongkong Shanghai Hotels, Limited, the owner and operator of the Peninsula Hotel brand worldwide, has captured the imagination of the people of Yangon and international visitors. Its opening is greatly anticipated.
- (e) The Company is keen to proceed with the redevelopment of the Sites and is of the view that securing the Sites with a shorter lease term initially is the best way to keep the momentum going for the project which is attracting a significant amount of attention in the local market. The Company is confident that the existing leases will be extended as it understands from SPA that the authorities have indicated that so long as progress is made towards the development of the Burma Railway Company heritage building as a new hotel then the authorities will consider the request to extend the existing leases positively.
- (f) Government support and approvals for the project are largely influenced by the efforts and commitment demonstrated by the SPA Group on the redevelopment of the project, therefore it is important to maintain momentum and progress on the project. Failure to do so will ensue a loss of confidence and risk of intervention from the government that may compel the SPA Group to seek alternative partners in order to progress the project's redevelopment. This will have serious implications on the reputation of the Group as one of the leading real estate developers in Myanmar.
- (g) The Landmark Development is a very significant project for the Group. It signals the move into a major commercial development in the centre of Yangon and as such is highly anticipated by all the stakeholders in the Company. The Group is keen not to lose this opportunity.

There has been no material change to the description of the development in PHGE since the circular to Shareholders on 8 February 2013. Please refer to **Appendix B** for a description of the Landmark Development.

4. DETAILS OF THE PROPOSED VARIATIONS TO THE PROPOSED LANDMARK ACQUISITION

4.1 The SPA Group and the Company have executed a third supplementary agreement dated 16 June 2014 (the “**Third Supplemental Agreement**”) to the Landmark Acquisition S&P Agreement whereby parties agreed that the original terms of the Proposed Landmark Acquisition shall remain unchanged save for the proposed variations set out in this Section 4.1. The proposed variations are only intermediate steps and will not supersede the original terms of the Proposed Landmark Acquisition. The key terms and conditions of the Proposed Landmark Acquisition which have been varied are as follows:

(a) Master Lease

The issuance of the Master Lease will no longer be a condition precedent to completion of the Proposed Landmark Acquisition. Instead, the Company will agree to acquire the remaining terms of the leases of Site 1 and Site 2 on an as-is basis.

Information on the remaining terms of the existing leases of Site 1 and Site 2

MIHL currently holds the leasehold rights to Site 1. The existing lease of Site 1 has a term of thirty (30) years with an extension of ten (10) years subject to the mutual agreement of MIHL and the Ministry of Railway Transportation (“**MR**”). The lease commenced in 1998 and has a remaining term of approximately twenty-four (24) years as at to-date assuming the ten (10) year extension is granted.

Yangon Land Co., Ltd (“**Yangon Land**”), a wholly-owned subsidiary of SPA, currently holds the leasehold rights to Site 2. The existing lease of Site 2 has a term of thirty (30) years with three (3) extensions of five (5) years each. The lease commenced in 1995 and has a remaining term of approximately twenty-six (26) years as at to-date assuming the three (3) extensions are granted. The lease provides that Yangon Land may transfer the right to use the building on Site 2 with the prior consent from MR. For the purpose of completion of the Proposed Landmark Acquisition (as amended by the proposed variations), MIHL will be appointed by Yangon Land to oversee the management and continuing development of Site 2 in exchange for step-in rights and the right to take over the lease at no further cost when MR approves the transfer to MIHL (the “**Management Appointment**”).

(b) To demonstrate its confidence that the leases will be extended, SPA has agreed as follows:

- (i) in respect of Site 1, if the ten-year extension is not granted, it will refund US\$43.20 million, being the First Payment within three (3) months from the date of expiry of the lease in Site 1 (being 31 December 2027); and
- (ii) in respect of Site 2, if the three (3) extensions of five (5) years each are not granted, it will refund US\$6.35 million, being the valuation of Site 2 provided by the Company’s independent valuer, JLLS, within three (3) months from the date of expiry of the lease in Site 2 (being 29 June 2025).

SPA and Mr. Serge Pun have undertaken to provide and to procure the provision of guarantees, in such forms as may be determined by the Company, for SPA’s payment obligations in relation to the refunds set out above. There will be no security provided for this undertaking. The Board (excluding Mr. Serge Pun, Mr. Cyrus Pun and Mr. Melvyn Pun) is of the opinion that it is satisfied that SPA and Mr. Serge Pun have the financial resources to fulfill their respective obligations under the guarantees including the financial statements of key subsidiaries within the SPA Group sighted by the Board.

(c) Please refer to **Appendix C** for the list of conditions precedent as amended by the Proposed Variations to the Proposed Landmark Acquisition.

- (d) Consideration
- (i) The original consideration for the Proposed Landmark Acquisition of US\$81.28 million¹ (the “**Landmark Consideration**”) will remain unchanged unless the Company elects to appoint an independent valuer to value the terms of the lease extensions for Site 1 and Site 2 where it is of the view that the terms and conditions of the extensions are materially different from the assumptions used by JLLS in its original valuation and may therefore be materially adverse to the Company (the “**Election**”). Depending on the timing of the lease extensions, the Election will enable the Company to request for a valuation if it is in the Company’s interest to do so.
 - (ii) The Landmark Consideration will be paid in two (2) tranches, the first amount of US\$43.20 million (approximately S\$54.00 million based on the exchange rate of US\$1 to S\$1.25) will be paid to SPA in cash at the completion of the Proposed Landmark Acquisition as amended by the Proposed Variations (the “**First Payment**”). The First Payment is based on the valuation done by JLLS on the existing leases assuming a remaining term of approximately twenty-four (24) years. The valuation certificate issued by JLLS is appended as **Appendix G** of this Circular. Upon the extension of the existing leases² of Site 1 and Site 2 and the transfer or assignment of the existing lease of Site 2 to MIHL with the approvals of MR and the Myanmar Investment Commission (“**MIC**”), the Company may exercise its right under the Election or pay the remaining US\$38.08 million to SPA as and when the terms of the lease extension are finalised by the authorities. In the event that the Company exercises its right under the Election, the remaining amount of the consideration payable to SPA shall be the average of the values of the extended terms of the existing leases determined by two (2) independent valuers separately appointed by the Company and SPA less the First Payment.
- (e) SPA will be responsible for any land premium associated with any extension or renewal of the existing leases of Site 1 and Site 2.
 - (f) It is the intention of the parties to maintain the terms of the Proposed Landmark Acquisition including the consideration. Parties have only agreed to vary the terms of the Proposed Landmark Acquisition for the reasons set out in Section 3. In the event that SPA exercises its right set out above where the existing leases of Site 1 and Site 2 are extended or renewed, the Company shall have six (6) months to make the balance payment to SPA.
 - (g) SPA agreed to waive its right to seek an opinion from an independent valuer on the value of the land development rights attributable to the Landmark Development for the purpose of the Proposed Variations to the Proposed Landmark Acquisition.
 - (h) Shareholders’ approval of the Company must be obtained at an extraordinary general meeting to approve the Proposed Variations to the Proposed Landmark Acquisition.

¹ Based on the market value of US\$100.00 million arrived at by the independent valuer appointed by the Group, JLLS, and the market value of US\$109.50 million arrived at by the independent valuer appointed by the SPA Group, Robert Khan Pte Ltd (“**RKPL**”), the average market value of the Master Lease was US\$104.75 million. Accordingly, the parties agreed that the acquisition price of the Proposed Landmark Acquisition would be US\$81.28 million being eighty per cent. (80%) of the average market value of the Master Lease (US\$101.6 million) discounted by a factor of 3.01%. The discount factor was arrived at commercially after taking into account the valuation reports, meetings with valuers and negotiations with the SPA Group. JLLS’ valuation was made on the basis of Market Value as defined by the Singapore Institute of Surveyors and Valuers. RKPL relied on the discounted cashflow method to arrive at the value of the completed development followed by the residual value method to arrive at the value of the land development rights. As the Landmark Development is a new development, there is no relevant historical financial results.

² The lease terms to be extended for fifty (50) years with two (2) extensions of ten (10) years each, amounting up to seventy (70) years, in accordance with the relevant legislations.

- (i) Completion for the Proposed Acquisition (as amended by the proposed variations) will take place upon the (a) satisfaction of the conditions precedent set out in the Landmark Acquisition S&P Agreement save as amended by the proposed variations or waived by the Company; and (b) execution of the such documents (which will comprise those documents listed in the Landmark Acquisition S&P Agreement, a deed of assignment and deed of management control in relation to the eighty per cent. (80%) shareholding interests in MIHL, the management agreement relating to Site 2 and such other documents as the Company in its sole discretion consider necessary to give effect to the Proposed Acquisition).
- (j) Condition Subsequent
- SPA will procure that approval of the transfer of eighty per cent. (80%) shareholding interests in MIHL to the Company or its nominee will be granted by the MIC and where conditions are imposed, such conditions to be acceptable to the Company (the “**MIC Approval for Transfer of Shares**”) by 31 December 2015 or such other date as the parties may agree in writing, failing which, SPA shall refund to the Company the First Payment and all such monies that the Company had spent on or disbursed for the purpose of or in connection with the redevelopment of Site 1 and Site 2 without any deductions within three three (3) months of receipt of the written notice from the Company. As at the Latest Practicable Date, SPA has represented to the Company that it expects the MIC Approval for Transfer of Shares to be issued before 31 December 2015.
- (k) Prior to the receipt of the MIC Approval for Transfer of Shares, the Company shall only disburse up to a maximum of US\$40 million, being its pro rata share of eighty per cent. (80%) of the development costs³, for the purpose of or in connection with the redevelopment of Site 1 and Site 2 (the “**Funding Amount**”). For the avoidance of doubt, this US\$40 million shall be in addition to the S\$7 million, being the Company’s pro rata share of eighty per cent (80%) of the preliminary development costs, that has already been disbursed (the “**Pro Rata Development Costs**”). The Company announced on 19 August 2013 that in order to ensure that there will be no delay to the completion of the Landmark Development, it will fund its pro rata share of eighty per cent. (80%) of the preliminary development costs of up to S\$7 million. The Company had also subsequently announced to Shareholders on 19 August 2013, 25 November 2013 and 11 March 2014 that it had funded this S\$7 million using proceeds from its placement exercise which was completed in November 2012.
- Please refer to the Company’s announcement made on 19 August 2013 on the Pro Rata Development Costs.
- (l) SPA and Mr. Serge Pun have undertaken to provide and to procure the provision of guarantees, in such forms as may be determined by the Company, for the vendor’s payment obligations under the Proposed Variations to the Proposed Landmark Acquisition including the Funding Amount and the Pro Rata Development Costs.
- (m) SPA, together with the Company and FMI, will apply for all licenses, authorization, orders, grants, confirmations, permissions, registrations and other approvals necessary for the redevelopment of Site 1 and Site 2 after completion of the Proposed Landmark Acquisition (as amended by the proposed variations).

³ Based on the latest design which may be subject to changes depending on the prevailing market conditions and a quantity surveyor report, the total development costs of the Landmark Development (excluding the development cost of the former headquarters of the Burma Railway Company) is estimated to range from US\$415 million to US\$440 million. Please refer to the Company’s announcement dated 20 February 2014. The development costs of the Landmark Development for the period commencing from the date of the supplementary agreement to the Landmark Acquisition S&P Agreement in relation to the Proposed Variations up to 31 December 2015 is expected to be approximately US\$50 million. The Company’s pro rata portion of the development costs amounts to US\$40 million and the SPA Group’s pro rata portion amounts to US\$10 million.

- (n) The date for completion of the Proposed Acquisition (as amended by the proposed variations) shall be within three (3) months from the date the Company receives shareholders' approval for the Proposed Variations to the Proposed Landmark Acquisition.
- (o) All other terms and conditions of the Proposed Acquisition set out in the Landmark S&P Agreement remain unchanged save that in the event that such terms and conditions conflict with the Proposed Variations to the Proposed Landmark Acquisition, parties agree that the Proposed Variations to the Proposed Landmark Acquisition shall prevail and the Company and SPA shall use their best endeavours to take such steps, enter into all such arrangements and agreements as may be necessary or expedient for the purpose of giving effect to the Proposed Variations to the Proposed Landmark Acquisition.

The Company will obtain legal opinions from counsels prior to completion that the guarantees received from the guarantors in accordance with the Proposed Variations to the Proposed Landmark Acquisitions are valid and enforceable under the respective laws. The Company will make an announcement to inform Shareholders immediately upon receipt of the said legal opinions. The Board (excluding Mr. Serge Pun, Mr. Cyrus Pun and Mr. Melvyn Pun) is of the opinion that it is satisfied that the guarantors have the financial resources to fulfill their respective obligations under the guarantees including the financial statements of key subsidiaries within the SPA Group sighted by the Board.

4.2 Indemnity

Each of SPA and Mr. Serge Pun had also in the Third Supplemental Agreement to the Landmark Acquisition S&P Agreement agreed to indemnify the Company against any and all losses, costs and damages, demands, proceedings and liabilities and expenses whatsoever that the Company may incur or suffer in connection with or arising from any antecedent breach of the existing leases of Site 1 and Site 2 except for development costs for the redevelopment of Site 1 and Site 2 which are incurred in accordance with the Company's development plans for the Sites notwithstanding completion of the Proposed Landmark Acquisition (as amended by the proposed variations).

4.3 Governing law

The Proposed Variations to the Proposed Landmark Acquisition are governed by, and construed in accordance with, the laws of Myanmar.

The Company has obtained a legal opinion from Myanmar counsel that the obligations expressed to be assumed by each of the respective parties under the deed of assignment and deed of management control are valid, legally binding and enforceable obligations, subject to certain assumptions and qualifications.

5. **FUNDING**

The First Payment of US\$43.20 million (approximately S\$54.00 million based on the exchange rate at US\$1 to S\$1.25) will be paid in cash at completion and the Company intends to fund payment using the net proceeds from the Proposed Rights Issue. Please refer to Section 19 for information on the Proposed Rights Issue.

6. PROPOSED ACQUISITION OF PHGE AND PHGE GOLF COURSE & COUNTRY CLUB

SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may also be found in the Definitions on pages 3 to 13 of this Circular.

The PHGE and CPCL Exchange Rate used for determining the valuation, consideration and acquisition amounts is USD1: SGD1.2484.

ABOUT PHGE, THE PROPOSED ACQUISITION OF PHGE AND PHGE GOLF COURSE & COUNTRY CLUB

The Company underwent a reverse takeover in August 2006 by way of a proposed acquisition of the entire issued and paid-up share capital of Yoma Strategic Investments Ltd (“YSIL”), a wholly-owned subsidiary of the Company, which was considered a “Very Substantial Acquisition” under Chapter 10 of the Listing Manual (the “**2006 Acquisition**”). The principal activity of YSIL was (and still is) investment holding while its subsidiaries are engaged in property development, construction and project management and design services in Myanmar. Lion Century Properties Limited (“LCP”), a wholly-owned subsidiary of YSIL, leads the property development business and in 2006, it held, amongst other things, seventy per cent. (70%) and 100% economic interests, as the case may be, in the land development rights (“LDRs”) in respect of parts of the residential property portions within the Pun Hlaing Golf Estate (“PHGE”). Pursuant to the 2006 Acquisition, the Company acquired the economic interests in seventy per cent. (70%) of the LDRs of approximately 176.55 acres in PHGE and 100% of the LDRs of approximately 9.24 acres in PHGE (collectively, the “**2006 LDRs in PHGE**”).

PHGE is an integrated development project with residential units, a Gary Player-designed 18-hole championship golf course, a clubhouse, a sports complex and other facilities. It is a joint venture development between Yangon Nominees Limited (“Yangon Nominees”), a wholly-owned subsidiary within the SPA Group and the Department of Human Settlement and Housing Development (“DHSHD”) each holding seventy per cent. (70%) and thirty per cent. (30%) respective interests in Hlaing River Golf and Country Club Limited (“HRGCC”). DHSHD is the department of the government of Myanmar responsible for housing and urban development. HRGCC has been granted sixty (60) years from the date of the lease deed (which was in December 1998) to develop PHGE and thirty (30) years with four (4) extensions of five (5) years each totaling fifty (50) years from the date of possession (which was in April 2002) to manage and operate the golf course and its related facilities. Under the joint venture, Yangon Nominees is responsible for the operation and management of the entire estate of PHGE.

Following the 2006 Acquisition, the Company sold some of the 2006 LDRs in PHGE to third party purchasers and developed some of the 2006 LDRs in PHGE for sale. The projects developed and launched by the Company in PHGE include Ivory Court Residence I, Lakeview Apartments, Ivory Court Villas, Rose Garden Villas and Bamboo Grove Garden Villas. As at 30 June 2014, in respect of the economic interests in seventy per cent. (70%) of the LDRs in PHGE, LCP still holds approximately 103.67 acres and in respect of the economic interests in 100% of the LDRs in PHGE, LCP still holds approximately 6.62 acres.

PHGE has been a signature project of the Group since 2006. The Company has decided to proceed with the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club given the Group’s plan to continue to offer an exclusive residential community consisting of villas, terrace houses and apartments providing homeowners with an array of residential choices and other commercial facilities to grow PHGE into an exclusive community.

There has been no change to the description of the development in PHGE since the circular to Shareholders on 8 February 2013. Please refer to **Appendix D** for a description of PHGE.

OVERVIEW OF THE PROPOSED ACQUISITION OF PHGE AND PHGE GOLF COURSE & COUNTRY CLUB

This acquisition comprises:

A) The acquisition of LDRs in respect of land which is adjacent to the Pun Hlaing International Hospital (the “Land Adjacent to Hospital”), this hospital is located within PHGE and the Land Adjacent to Hospital will form part of the development in PHGE to be undertaken by the Company

The direct acquisition of 100% interest in the LDRs in respect of the Land Adjacent to Hospital for a sale consideration of approximately US\$11.46 million (approximately S\$14.31 million based on the PHGE and CPCL Exchange Rate) by Yoma Development Group Ltd (“YDG”), a wholly-owned subsidiary of the Company. The Land Adjacent to Hospital is approximately 4.03 acres. Following the acquisition, it is expected that this site will be redeveloped to form part of a commercial centre development. The Pun Hlaing International Hospital will continue to be owned and operated by the SPA Group.

B) The acquisition of the LDRs in respect of the School Land

The acquisition of 100% interest in the LDRs in respect of the School Land by way of YDG acquiring 100% legal interest in Yangon Sands Industries Limited (“YSI”), a wholly-owned subsidiary within the SPA Group, for a sale consideration of US\$5.10 million (approximately S\$6.37 million based on the PHGE and CPCL Exchange Rate) subject to adjustments in accordance with completion accounts. The School Land is approximately twelve (12) acres and YSI holds 100% interests in the LDRs in respect of the School Land. Following the acquisition, YSI will become a wholly-owned subsidiary of the Group and it is expected that this site will be developed into an international school.

C) The acquisition of the LDRs in respect of the Pun Hlaing Lodge Land

The Pun Hlaing Lodge Land comprises two (2) plots of land, the first plot with a land area of approximately 1.60 acres and the second plot with a land area of approximately 2.19 acres. Hence, the acquisition of Pun Hlaing Lodge Land comprises two (2) parts as follows:

- (i) the acquisition of 100% interest in the LDRs in respect of approximately 1.60 acres of the Pun Hlaing Lodge Land for a sale consideration of US\$2.45 million (approximately S\$3.05 million based on the PHGE and CPCL Exchange Rate); and
- (ii) the acquisition of the remaining twenty per cent. (20%) interest in the LDRs in respect of approximately 2.19 acres of the Pun Hlaing Lodge Land for a sale consideration of approximately US\$0.60 million (approximately S\$0.75 million based on the PHGE and CPCL Exchange Rate). The Company already holds the remaining eighty per cent. (80%) interest in the LDRs in respect of this approximately 2.19 acres of the Pun Hlaing Lodge Land. Please refer to the Company’s announcement dated 10 December 2013 in relation to this acquisition whereby it was disclosed that the consideration was based on the valuation by Jones Lang LaSalle group of companies (“JLLS”). The acquisition of the remaining twenty per cent. (20%) interest in the LDRs in respect of approximately 2.19 acres of the Pun Hlaing Lodge Land will be based on the same valuation by JLLS.

These transactions will be effected by way of YDG acquiring 100% legal interest in Pun Hlaing Lodge Ltd (“PHL”), a wholly-owned subsidiary within the SPA Group, subject to adjustments in accordance with completion accounts. PHL holds 100% legal interest in the LDRs in respect of the Pun Hlaing Lodge Land. Following the acquisition, PHL will become a wholly-owned subsidiary of the Group and it is expected that the sites will be developed into a boutique hotel.

D) The acquisition of the economic interest in the LDRs in respect of other plots of land in PHGE (the “Remaining Land in PHGE”)

The Remaining Land in PHGE comprises a few plots of land in PHGE, namely, (i) the first plot with a land area of approximately 3.55 acres located near the School Land which is expected to be developed into a low-rise commercial complex; (ii) the second plot with a land area of approximately 4.61 acres located near the Land Adjacent to the Hospital which is expected to be developed into a commercial centre; (iii) the third plot with a land area of approximately 0.48 acres located across the Lakeview Apartments which is expected to be developed into commercial units/shophouse; and (iv) the fourth plot with a land area of approximately 14.81 acres located behind the School Land which is expected to be developed into residential and commercial units.

Yangon Nominees holds seventy per cent. (70%) interest in the LDRs in respect of the Remaining Land in PHGE. Therefore, the acquisition will be effected by way of YDG acquiring a seventy per cent. (70%) economic interest in Yangon Nominees’ seventy per cent. (70%) interest of the LDRs in respect of the Remaining Land in PHGE for a sale consideration of US\$44.15 million (approximately S\$55.12 million based on the PHGE and CPCL Exchange Rate). The remaining thirty per cent. (30%) economic interest in the LDRs in respect of the Remaining Land in PHGE is held by the Department of Human Settlement and Housing Development (“DHSHD”).

E) The acquisition of economic interests of the operating rights in PHGE and PHGE Golf Course & Country Club

The entire estate of PHGE with a land area of approximately 652 acres including the PHGE Golf Course & Country Club is currently being operated and managed by Yangon Nominees which holds seventy per cent. (70%) interest in the operation and management of the PHGE estate and the PHGE Golf Course & Country Club. In order to gain control of the operation and management of the entire estate of PHGE, LCP will acquire the economic interests in the operating rights of the entire estate of PHGE including the PHGE Golf Course & Country Club for a consideration of approximately US\$10.90 million (approximately S\$13.61 million based on the PHGE and CPCL Exchange Rate). In addition, the Company has also agreed to pay for the costs incurred in relation to the related businesses, infrastructure and facilities in PHGE which amount to approximately US\$2.16 million (approximately S\$2.69 million based on the PHGE and CPCL Exchange Rate) subject to adjustments as at completion. Following the acquisition, the Company will be the exclusive operator of PHGE for the term of the joint venture between Yangon Nominees and DHSHD and will be paid a fee amounting to seventy per cent. (70%) of the net profit of the operations of the entire estate of PHGE including the PHGE Golf Course & Country Club by Yangon Nominees. The Company will also be liable for seventy per cent. (70%) of the costs and expenses incurred in relation to the maintenance and operation of the entire estate of PHGE.

The Company will be acquiring interests in the LDRs through the acquisitions of legal interests in the entities holding the LDRs save for the LDRs in relation to the Remaining Land in PHGE and the operating rights in PHGE and PHGE Golf & Country Club. The Company will be acquiring the economic interests in the LDRs in relation to the Remaining Land in PHGE and the operating rights over PHGE and PHGE Golf Course & Country Club as these rights are held by HRGCC a joint venture company between DHSHD and Yangon Nominees. The acquisition of economic interests give the Company the right to develop the Remaining Land in PHGE and manage and operate the PHGE estate including the PHGE Golf Course & Country Club.

Acquisition Price of the transactions

The Proposed Acquisition of PHGE and PHGE Golf Course & Country Club shall comprise all the abovementioned transactions and be deemed as a single transaction. The aggregate amount payable for the Proposed Acquisition of PHGE and PHGE Golf & Country Club is approximately US\$76.82 million (approximately S\$95.90 million based on the PHGE and CPCL Exchange Rate) and is payable in cash at completion of the acquisition of the said transactions. The Company intends to undertake the Proposed Rights Issue to fund this acquisition.

DETAILED INFORMATION ON THE PROPOSED ACQUISITION OF PHGE AND PHGE GOLF COURSE & COUNTRY CLUB

6.1 Introduction

- (a) The Group had received a written notice (the “**Notice**”) from SPA offering the Group the right to acquire interest relating to land in Pun Hlaing Golf Estate (“**PHGE**”) amounting to an aggregate area of approximately 250 acres (approximately 10.8 million square feet) of which approximately 9.6 million square feet (approximately 219.22 acres) comprises the PHGE Golf Course & Country Club and approximately 1.2 million square feet (approximately 27.55 acres) comprises land development rights (“**LDRs**”) alongside some related businesses, infrastructure and facilities pursuant to the First Right of Refusal Deed. This information was announced by the Company on 24 June 2014 (the “**FRRD Announcement**”).

Please refer to **Appendix A** for information on the First Right Refusal Deed. As a term of the 2006 Acquisition, SPA agreed to enter into the First Right of Refusal Deed to give Yoma Strategic Investments Ltd., a wholly-owned subsidiary of the Company, a first right of refusal to purchase or acquire from SPA, in whole or in part, the LDRs owned or acquired or to be owned or acquired by SPA in respect of any land situated in Yangon, Myanmar.

- (b) Subsequent to discussions between the Company and the SPA Group and in view of the rationale set out in Section 7 below, the parties reviewed the existing LDRs in PHGE which are already held by each of them together with the LDRs under the First Right of Refusal Deed. It was finally agreed that the Company shall acquire LDRs in respect of land areas aggregating a total of approximately 43.27 acres (approximately 1.9 million square feet) in PHGE and operating rights over approximately 219.22 acres (approximately 9.6 million square feet) of land comprising the PHGE Golf Course & Country Club and facilities and infrastructure in PHGE.

The following table shows, among others, information on the LDRs in respect of the PHGE.

Proposed Acquisition of PHGE and PHGE Golf Course & Country Club				
Description of LDRs	Land Area	Proposed Development	Proposed Ownership	Remarks
Land Adjacent to Hospital ^(a)	4.03 acres	Part of a commercial centre	100%	Subject to the Notice as described in Section 6.1(a)
School Land ^(b)	12.0 acres	International school building and facilities	100%	Pursuant to further discussion as described in Section 6.1(b)
Pun Hlaing Lodge Land ^(b)	1.60 acres	Hotel	100%	Pursuant to further discussion as described in Section 6.1(b)
Pun Hlaing Lodge Land ^(b)	2.19 acres	Hotel	100%	Pursuant to further discussion as described in Section 6.1(b)
Remaining Land in PHGE ^(a)	23.45 acres	Developments which will include residential and commercial units	70%	Subject to the Notice as described in Section 6.1(a)
Golf course & country club facilities and infrastructure ^(a)	219.22 acres	Not Applicable	70%	Subject to the Notice as described in Section 6.1(a)

Notes:

- (a) The aggregate land area of the Land Adjacent to Hospital, the Remaining Land in PHGE and the PHGE Golf Course & Country Club and facilities and infrastructure will amount to approximately 250 acres as per the Notice described in Section 6.1(a).
- (b) These are the additional land area which parties agree to include the acquisition after further discussions as described in Section 6.1(b).

6.2 Background of the Group's Interest in PHGE

- (a) PHGE has been a signature project of the Group since the Company's reverse takeover exercise in 2006 whereby the Company acquired from SPA the economic interests in the land development rights ("LDRs") in a certain residential portion of PHGE.
- (b) PHGE is an integrated development project with residential units, a Gary Player-designed 18-hole championship golf course, a clubhouse, a sports complex and other facilities.

Please refer to **Appendix D** for more information on PHGE and <http://www.punhlainggolfestate.com> for more information on the respective project developments.

6.3 Summary of the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club

Please refer to **Appendix E** for a map of the LDRs which had been acquired by the Company in 2006 and the LDRs which are proposed to be acquired by the Company pursuant to the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club.

7. RATIONALE FOR THE PROPOSED ACQUISITION OF PHGE AND PHGE GOLF COURSE & COUNTRY CLUB

The Company has decided to proceed with the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club given the Group's interest in PHGE as detailed in Section 6.2 and its plan to continue to offer an exclusive residential community consisting of villas, terrace houses and apartments providing homeowners with an array of residential choices and other commercial facilities to grow the estate into an exclusive community. The Company is keen to proceed with the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club so that it can be in control of the overall design and planning of the estate. This is also consistent with its plan to build PHGE into a pre-eminent residential estate in Yangon and enhance its long-term value prospects. Furthermore, given that the golf course and country club are integral parts of the estate and provide essential recreational activities to the residents as well as visitors to PHGE, the Company feels that it should be involved in the operation and management of the PHGE Golf Course & Country Club. As such, the Company will also acquire an interest in the related businesses, infrastructure and facilities of the entire estate of PHGE including the PHGE Golf Course & Country Club.

8. STRUCTURE OF PROPOSED ACQUISITION OF PHGE AND PHGE GOLF COURSE & COUNTRY CLUB

- 8.1 The LDRs in PHGE to be acquired by the Company under the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club are held in different forms depending on the respective developments, some of which are currently jointly developed by the Group and the SPA Group. For purpose of this Circular, the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club shall comprise all the transactions set out in this Section 8 and be deemed as a single transaction to be approved by shareholders.
- 8.2 *Salient Term of the First Right of Refusal Deed*

In accordance with the terms of the First Right of Refusal Deed, the acquisition price for the LDRs in PHGE is to be derived from the average of the values attributed to the LDRs by two (2) internationally reputable and recognised valuers, separately appointed by the Group and the SPA Group, and discounted by an amount to be agreed between the Group and the SPA Group.

Please refer to **Appendix G** for copies of the Valuation Certificates in respect of the various LDRs under the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club issued by Jones Lang LaSalle group of companies (“**JLLS**”), the Company’s independent valuer, and Robert Khan & Co Pte Ltd (“**RKPL**”), SPA Group’s independent valuer.

8.3 (A) Interests in LDRs in respect of land adjacent to the Pun Hlaing International Hospital (the “Hospital”), the Hospital is located within PHGE and the Land Adjacent to Hospital will form part of the development in PHGE to be undertaken by the Company

The following table shows information on the LDRs in respect of the Land Adjacent to Hospital.

Land Area (approximately)	Current Development	Proposed Development	Manner of holding the Interest	Effective Interest to be Held
4.03 acres	Utilities building and open space car park used by the Hospital	Part of a commercial centre	Direct through YDG	100%

Information on the LDRs in respect of the Land Adjacent to Hospital

- (a) As part of the initial plan to develop the Hospital, 100% of the LDRs in respect of 9.58 acres of land in PHGE were transferred to Pun Hlaing International Hospital Ltd (“**PHIH**”) in 2004 and a sixty (60) year leasehold term was granted to PHIH in respect of the said land. A hospital and related facilities were built on the land. The Company intends to acquire 100% legal interest in the LDRs of approximately 4.03 acres (approximately 0.18 million square feet) of land (the “**Land Adjacent to Hospital**”) which comprises a utilities building and an open space car park.
- (b) PHIH is majority-controlled by the SPA Group. Its principal activity is operating the Hospital located in PHGE. The Hospital will continue to be owned and operated by the SPA Group.

Details of the PHIH S&P Agreement

- (c) The Company had, through its wholly-owned subsidiary, YDG, entered into a conditional sale and purchase agreement with PHIH, SPA and Mr. Serge Pun to acquire 100% legal interest in the LDRs in respect of the Land Adjacent to Hospital (the “**PHIH S&P Agreement**”).
- (d) The main conditions precedent include (i) approval from the Shareholders for the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club; (ii) completion of the Proposed Rights Issue; (iii) the receipt of a due diligence report on the LDRs relating to the Land Adjacent to Hospital being satisfactory to the Company; (iv) a special power of attorney from PHIH authorising YDG to deal with and exercise rights over the LDRS relating to the Land Adjacent to Hospital; and (v) a certified true copy of the board resolutions signed by the directors of PHIH confirming the execution of the PHIH S&P Agreement and the transactions contemplated therein.

Land Adjacent to Hospital Acquisition Price

The following table sets out the details of the valuations of the 4.03 acres and the agreed consideration for the LDRs in respect of Land Adjacent to Hospital.

Valuation by JLLS	Valuation by RKPL	Average Value	Discount	Agreed Price
US\$12.00 million	US\$11.40 million	US\$11.70 million	2.0%	US\$11.46 million or S\$14.31 million based on the PHGE and CPCL Exchange Rate

8.4 (B) Interests in LDRs in respect of land held by Yangon Sands Industries Ltd

The following table shows information on the LDRs in respect of the School Land held by Yangon Sands Industries Ltd (“YSI”).

Land Area (approximately)	Current Development	Proposed Development	Manner of holding the Interest	Effective Interest to be Held
12.0 acres	Bare land with no development	International school building and facilities	Acquisition of 100% legal interest in YSI by YDG	100%

Information on the LDRs in respect of the School Land

- (a) Reference is made to the Company’s announcement dated 11 March 2014 whereby it was disclosed that the Company has formalised plans to develop premium educational facilities within PHGE. It has entered into a memorandum of understanding with Harrow International Management Services (“HIMS”) to manage an Early Years Centre on a four-acre site in PHGE. The Early Years Centre managed by HIMS has commenced operations on 25 August 2014. In furtherance of the plan to develop educational facilities, the Group decided to acquire 100% interest in the LDRs in respect of a twelve-acre site which is adjacent to the Early Years Centre (the “School Land”).
- (b) This twelve (12) acre site is held by YSI, a wholly-owned subsidiary within the SPA Group. YSI has applied to DHSHD for the sixty (60) year leasehold grant to be issued in its name. The principal activity of YSI is investment holding.

Details of the YSI S&P Agreement

- (c) The Company had, through its wholly-owned subsidiary, YDG, entered into a conditional sale and purchase agreement with SPA and Mr. Serge Pun to acquire 100% legal interest in YSI (the “YSI S&P Agreement”).
- (d) The main conditions precedent include (i) approval from the Shareholders for the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club; (ii) completion of the Proposed Rights Issue; (iii) the receipt of a due diligence report on the LDRs relating to the School Land being satisfactory to the Company; (iv) a set of completion accounts on YSI prepared in the manner to the satisfaction of the Company; (v) a special power of attorney from YSI authorising YDG to deal with and exercise rights over the LDRs relating to the School Land; and (vi) a certified true copy of the board resolutions signed by the directors of YSI confirming the execution of the YSI S&P Agreement and the transactions contemplated therein.

School Land Acquisition Price

The following table sets out the details of the valuations of the 12 acres and the agreed consideration for the LDRs in respect of the School Land.

Valuation by JLLS	Valuation by RKPL	Average Value	Discount	Agreed Price
US\$5.10 million	Waived*	US\$5.10 million	None	US\$5.10 million or S\$6.37 million based on the PHGE and CPCL Exchange Rate

* SPA agreed to waive its right to obtain an independent valuation as part of the negotiations with the Company.

8.5 (C) Interests in LDRs in respect of land held by PHL and land which have been earmarked for hotel development in PHGE

The following table shows information on the LDRs in respect of the Pun Hlaing Lodge Land held by Pun Hlaing Lodge Ltd (“PHL”).

Land Area (approximately)	Current Development	Proposed Development	Manner of holding the Interest	Effective Interest to be Held
2.19 acres	Development of hotel in progress	Hotel	Acquisition of 100% legal interest in PHL by YDG*	100%*
1.60 acres	Bare land with no development	Hotel	Acquisition of 100% legal interest in PHL by YDG	100%

* The Company had already acquired eighty per cent. (80%) interest in the 2.19 acres of land in December 2013.

Information on the LDRs of the Pun Hlaing Lodge Land

- (a) In the Company’s announcement dated 10 December 2013, it was announced that the Company and Pun Hlaing Lodge Ltd. (“PHL”), a wholly-owned subsidiary of SPA, had entered into a joint venture to construct a hotel in PHGE to accommodate golfers for international tournaments, to support golf tourism and for other tourists. The Company will hold eighty per cent. (80%) interest and PHL will hold twenty per cent. (20%) interest in the joint venture company. The hotel is expected to offer 48 deluxe duplex and terrace suites alongside restaurants and ancillary facilities (which are still subject to change depending on the final master plan and prevailing conditions). It will become an integral part of PHGE which will add value to the whole estate and enhance the reputation of PHGE. The first phase of the hotel will be constructed over a land area of approximately 2.19 acres (approximately 95,000 square feet) and parties had subsequently agreed that an additional land area of approximately 1.60 acres (approximately 70,000 square feet) was to be earmarked for further hotel development. As a term of the joint venture, PHL also agreed that it will procure that the LDRs in another plot of land which is in the vicinity of the two (2) plots of land (which land size area is approximately 2,384 square feet which may be developed into a fitness and leisure centre for use by the hotel guests and residents of PHGE) be held by the joint venture company at no additional consideration to the Company. (All the above mentioned land areas for the hotel development shall be collectively, known as “**Pun Hlaing Lodge Land**”). These land plots are adjacent to one another. Please refer to the Company’s announcement dated 10 December 2013 for more information on the joint venture to develop the Pun Hlaing Lodge Land.
- (b) In line with the Group’s and the SPA Group’s intention to restructure some of its joint ventures to better enhance parties’ investments, it was agreed that the Company shall develop the Pun Hlaing Lodge Land itself and not in partnership with the SPA Group especially given its proposed extensive involvement and ownership in PHGE upon completion of the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club.
- (c) The LDRs in respect of the Pun Hlaing Lodge Land are currently held by PHL.

Details of the PH S&P Agreement

- (d) The Company, through its wholly-owned subsidiary, YDG, entered into a conditional sale and purchase agreement with SPA to acquire 100% legal interest in PHL (the “**PH S&P Agreement**”).

- (e) The main conditions precedent include (i) approval from the Shareholders for the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club; (ii) completion of the Proposed Rights Issue; (iii) the receipt of a due diligence report on the LDRs relating to the Pun Hlaing Lodge Land being satisfactory to the Company; (iv) a set of completion accounts on PHL prepared to the satisfaction of the Company; (v) a special power of attorney from PHL authorising YDG to deal with and exercise rights over the LDRs relating to the Pun Hlaing Lodge Land; and (f) a certified true copy of the board resolutions signed by the directors of PHL confirming the execution of the PHL S&P Agreement and the transactions contemplated therein.

Pun Hlaing Lodge Land Acquisition Price

The following table sets out the details of the valuations and the agreed consideration for the LDRs in respect of approximately 1.60 acres of the Pun Hlaing Lodge Land.

Valuation by JLLS	Valuation by RKPL	Average Value	Discount	Agreed Price
US\$2.20 million	US\$2.79 million	US\$2.50 million	2.0%	US\$2.45 million or S\$3.05 million based on the PHGE and CPCL Exchange Rate

The following table sets out the details of the valuations and the agreed consideration for the LDRs in respect of approximately 2.19 acres of the Pun Hlaing Lodge Land.

Valuation by JLLS	Valuation by RKPL	Average Value	Discount	Agreed Price
US\$3.00 million	Waived*	US\$3.00 million	None	US\$0.60 million** or S\$0.75 million based on the PHGE and CPCL Exchange Rate

* SPA had agreed to waive its right to obtain an independent valuation as it had also waived its right to do so for the initial acquisition of eighty per cent. (80%) interest in the 2.19-acre of the Pun Hlaing Lodge Land in December 2013.

** This is for the remaining twenty per cent. (20%) interest of the LDRs in respect of the 2.19-acre of the Pun Hlaing Lodge Land not already owned by the Company. The price is arrived at using the same valuation by JLLS for the initial acquisition of eighty per cent. (80%) interest of the said land in December 2013.

8.6 (D) Economic Interests in LDRs held by Yangon Nominees in respect of certain land held by Hlaing River Golf and Country Club Limited (“HRGCC”)

The following table shows information on the LDRs in respect of the Remaining Land in PHGE.

Land Area (approximately)	Current Development	Proposed Development	Manner of holding the Interest	Effective Interest to be Held
23.45 acres	Bare land with no development	Developments which will include residential and commercial units	Acquisition of 70% economic interest in the LDRs in respect of the Remaining Land in PHGE held by Yangon Nominees	70%

Information on the Remaining Land in PHGE

- (a) The Company intends to acquire seventy per cent. (70%) of the economic interests in the majority of the remaining of the LDRs in PHGE which amounts to 23.45 acres (approximately 1.02 million square feet) for residential and commercial developments (the “**Remaining Land**”). For the avoidance of doubt, these exclude the LDRs relating to the Land Adjacent to Hospital, the School Land, the Pun Hlaing Lodge Land, the golf course and related facilities and 2006 LDRs in PHGE (as described in the table with subheading “Summary” in Section 6) and LDRs which had been sold prior to the 2006 Acquisition. The LDRs in respect of the Remaining Land in PHGE are currently held by HRGCC.
- (b) The Remaining LDRs are held under the PHGE Lease. Please refer to Appendix D for information on the PHGE Lease.

Acquisition Price of the Remaining Land in PHGE

The following table sets out the details of the valuations of the 23.45 acres and the agreed consideration for the Remaining Land in PHGE.

Valuation by JLLS	Valuation by RKPL	Average Value	Discount	Agreed Price
US\$64.44 million	US\$64.27 million	US\$64.36 million	2.0%	US\$44.15 million* or S\$55.12 million based on the PHGE and CPCL Exchange Rate

* This is for the seventy per cent. (70%) interest to be held by the Company.

8.7 (E) Economic interests in the operating rights in respect of PHGE and the PHGE Golf Course & Country Club

Information on the Operating Rights relating to the entire estate of PHGE including the golf course and the country club

- (a) HRGCC, through Yangon Nominees, currently manages and operates the related businesses, infrastructure and facilities in the entire estate of PHGE including the Horizons Restaurant, OASIS Spa, Bistro Restaurant, clubhouse with sport facilities such as two (2) grass tennis courts, gymnasium, a swimming pool and other supporting facilities for community and club members. Inherent to the management and operation of the entire estate of PHGE, it also provides infrastructure such as the construction of streets, landscaping, back-up electricity and water systems to the estate. The total land area of the golf course, the country club and facilities is approximately 219.22 acres. The Company, through its wholly-owned subsidiary LCP, intends to acquire the economic interests of seventy per cent. (70%) interest in the management and operation of these related businesses, infrastructure and facilities by having LCP being appointed as an exclusive operator of the entire estate of PHGE including the PHGE Golf Course & Country Club.

Details of the JDD, being the definitive to govern the acquisition of the LDRs in respect of the Remaining Land in PHGE and the operating rights in PHGE and the PHGE Golf Course & Country Club

- (b) The Company had entered into a conditional joint development and operating deed and a deed of assignment with Yangon Nominees, LCP, SPA and Mr. Serge Pun (together, the “**JDD**”) whereby it was agreed that upon completion of the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club, Yangon Nominees will assign its interest in the net profit of the sales of the LDRs in respect of the Remaining Land in PHGE (which is equivalent to seventy per cent. (70%) interest in HRGCC) to the Company’s wholly-owned subsidiary LCP or its nominee and, LCP shall be appointed as the exclusive operator to manage and operate the entire estate of PHGE including the Land Adjacent to Hospital, the School Land, the Pun Hlaing Lodge Land, the PHGE Golf Course & Country Club and

to develop the PHGE Golf Course & Country Club for a fee amounting to seventy per cent. (70%) of the net profit of the operations of the entire estate of PHGE including the PHGE Golf Course & Country Club. LCP may delegate its responsibility as an exclusive operator to a nominee, which will be an entity within the Group.

- (c) The main conditions precedent include (a) approval from the Shareholders for the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club; (b) completion of the Proposed Rights Issue; (c) the receipt of a due diligence report on the Remaining LDRs being satisfactory to the Company; (d) the receipt of a legal opinion from Myanmar counsel confirming that the execution and the performance by LCP of the JDD will not violate any provisions of the relevant laws in Myanmar; (e) a special power of attorney from Yangon Nominees authorising LCP or its nominee to develop the LDRs in respect of the Remaining Land in PHGE and to manage and operate the entire estate of PHGE including the PHGE Golf Course & Country Club; and (f) a certified true copy of signed resolutions of HRGCC confirming the execution of the JDD.

The receipt of the special power of attorney and the legal opinion from Myanmar counsel together with the certified true copy of the signed resolutions of HRGCC mentioned above will provide LCP with the requisite authority to exercise its seventy per cent. (70%) interest in the LDRs in respect of the Remaining Land in PHGE.

- (d) In order not to delay developments in the PHGE estate, it was agreed between the Company and the SPA Group that pre-development and development works should commence as soon as possible. The Company feels that the commencement of work is in the interest of the PHGE estate and hence, for so long as the development plan has been approved by the Company, the Company agrees that upon completion of the acquisition of the LDRs in respect of the Remaining Land in PHGE, it will reimburse SPA for such costs incurred provided that it shall not exceed US\$1 million (the “**Reimbursement**”).

Consideration for the Operating Rights in respect of the PHGE Golf Course & Country Club

The following table sets out the details of the valuations of the 219.22 acres and the agreed consideration for the operating rights in respect of the PHGE Golf Course & Country Club (the “**Value of Golf Course Operating Rights**”).

Valuation by JLLS	Valuation by RKPL	Average Value	Discount	Agreed Price
US\$15.50 million	US\$16.27 million	US\$15.89 million	2.0%	US\$10.90 million* or S\$13.61 million based on the PHGE and CPCL Exchange Rate

* This is for the seventy per cent. (70%) interest to be held by the Company.

The following table sets out the details of the costs incurred in relation to the related businesses, infrastructure and facilities in PHGE (the “**PHGE Related Costs**”).

Description	Total Costs	70% of the Costs
Infrastructure and facilities including the street lights, generator, water filtration system	US\$3.09 million	US\$2.16 million or S\$2.69 million based on the PHGE and CPCL Exchange Rate

- 8.8 Upon completion of the Proposed Acquisition of PHGE & PHGE Golf Course & Country Club, LCP will be responsible for the operation and management of the whole of the estate of PHGE.

- 8.9 Assuming that the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club is completed, there remains some plots of land held in PHGE which are subject to the First Right of Refusal Deed and the largest plot of such land is approximately 5.61 acres. However, the Company has not appointed a surveyor to determine the land area of these plots of land. The Company has not included these plots of land as part of its current acquisitions as it feels that they are not yet suitable for development as at the date of finalising the definitive agreements on the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club.

Please refer to **Appendix F** for further details of the definitive documents relating to the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club.

9. THE PHGE ACQUISITION PRICES

- (a) The acquisition prices for the Proposed PHGE and PHGE Golf Course & Country Club comprise the Land Adjacent to Hospital Acquisition Price, the School Land Acquisition Price, PHL Land Acquisition Price, Acquisition Price of the LDRs of the Remaining Land in PHGE, the Value of Golf Course Operating Rights and the PHGE Related Costs and when aggregated amount to US\$76.82 million (approximately S\$95.90 million based on the PHGE and CPCL Exchange Rate). These amounts shall be fully paid by the Company in cash at the completion of the acquisition.

The Group and SPA had agreed to engage an independent land surveyor to determine the acreage of each of plot of land which is subject of the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club (excluding the golf course area) and hence, the consideration payable under the said acquisitions will be subject to final adjustments, if necessary. As at the Latest Practicable Date, the independent land surveyor has completed its survey. There are no material differences in the actual acreage of each plot of land and hence, the parties agree that there will be no adjustments to the respective acquisitions prices.

- (b) Pursuant to the respective definitive agreements, the aggregate acquisition prices for the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club shall be paid to Mr. Serge Pun, as the controlling shareholder of the SPA Group, and such payment to Mr. Serge Pun shall constitute full and final settlement of the aggregate acquisition prices.

10. FUNDING

The PHGE Acquisition Prices will be paid in cash at completion of the acquisition and the Company intends to fund the acquisition using the net proceeds from the Proposed Rights Issue. Please refer to Section 19 for information on the Proposed Rights Issue.

11. REQUIREMENTS UNDER THE CIRCULAR TO SHAREHOLDERS DATED 19 JULY 2006

- 11.1 In the circular to Shareholders dated 19 July 2006, it was provided that "To ensure Shareholders are not prejudiced, Serge Pun and his associates (if any) will not participate in any decision of the Board on whether to exercise the First Right of Refusal and such board decision must be concurred by all the independent directors with the recommendation of the ARM Committee".
- 11.2 Accordingly, Mr. Serge Pun and his sons, Mr. Cyrus Pun and Mr. Melvyn Pun, abstained from the discussions when the rest of the Board considered whether or not to exercise the First Right of Refusal Deed to proceed with the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club. Please refer to **Appendix A** for more information on the First Right of Refusal Deed.
- 11.3 Having considered the merits, benefits and rationale of the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club as set out in Section 7 above, management reports and the valuation reports by the independent valuers, the Recommending Directors concurred with the decision to proceed with the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club.

12. PROPOSED CPCL ACQUISITION

12.1 Background

The Company had on 15 February 2013 informed Shareholders that it intends to partner with First Myanmar Investment Company Limited (“FMI”) to carry on the automotive business in Myanmar. Hence, parties have incorporated the joint venture company, Myanmar Motors Pte. Ltd. (“**Myanmar Motors**”) in Singapore which will be used to hold the parties’ joint investments in the automotive business in Myanmar. On 18 November 2014, as part of the parties’ intention to rationalise their respective joint ventures, the Company acquired FMI’s thirty per cent. (30%) interest in Myanmar Motors. Please refer to the Company’s announcement on 18 November 2014 for more information. Myanmar Motors is now a wholly-owned subsidiary of the Company. It is an investment holding company with various investments such as German Car Industries Company Limited (which services Volkswagen Aktiengesellschaft (VW) vehicles amongst others), Yoma Fleet Limited and Vehicle Lease Management Ltd (both of which carry out vehicle leasing businesses) and the joint venture with Mitsubishi Corporation to provide sales support for Bridgestone tyres.

12.2 Rationale

- (a) Following the acquisition of interest resulting in Myanmar Motors being a wholly-owned subsidiary of the Group, parties agree that the SPA Group’s interest in Convenience Prosperity Co., Ltd (“**CPCL**”) should be restructured so that it is held 100% by Myanmar Motors or its nominee. As at the Latest Practicable Date, SPA holds sixty per cent. (60%) interest and FMI holds forty per cent. (40%) interest in CPCL. The main business of CPCL is the distributorship of New Holland tractors and farm equipment in Myanmar.
- (b) The acquisition of CPCL, a non-exclusive authorised dealer of New Holland tractors and farm equipment in Myanmar since 2011, would enhance the product offering and brand portfolio of the Group’s automotive division. The business focuses on supporting the development of Myanmar’s agricultural industry. CPCL has branches and/or dealerships in ten (10) cities throughout the country and offers the distribution and servicing of imported New Holland farm equipment to local farming communities. It is developing a broad customer base consisting of government ministries, agribusinesses, village collectives and individual farmers. For FY2014, CPCL posted a net income of S\$0.42 million and maintained a stock of 176 units of tractors and 304 implements of tractors. As at 31 March 2014, the book value and net tangible asset of CPCL is S\$0.30 million (excluding the shareholders’ loan mentioned in Section 14.3 below). Management believes that CPCL will also offer significant synergies to a number of the Group’s existing businesses, including the Agriculture Division and Yoma Fleet Limited.
- (c) CPCL is appointed as an authorised dealer by the CNH Industrial N.V, group. CNH Industrial N.V. is listed both on the New York Stock Exchange operated by NYSE Euronext and on the Mercato Telematico Azionario (MTA) organized and managed by Borsa Italiana. It is a global leader in the capital goods sector that, through its various businesses, designs, produces and sells agricultural and construction equipment, trucks, commercial vehicles, buses and specialty vehicles, in addition to a broad portfolio of powertrain applications. CNH Industrial N.V. offers a full range of agricultural equipment under the New Holland Agriculture and Case IH brands and, in Europe, under the Steyr brand.

Source: <http://www.cnhindustrial.com>

13. TERMS OF THE PROPOSED CPCL ACQUISITION

- 13.1 The Company, through Elite Matrix International Limited, a wholly-owned subsidiary within the Group (“**Elite Matrix**”), entered into a conditional sale and purchase agreement with SPA and FMI to acquire an effective interest of 100% interest in CPCL (the “**CPCL S&P Agreement**”). Under the CPCL S&P Agreement, SPA and FMI agreed that Elite Matrix may nominate an entity to hold 100% interest in CPCL and Elite Matrix has nominated Myanmar Motors to do so.

- 13.2 The main conditions precedent include (a) approval from the Shareholders for the Proposed Acquisition of CPCL; (b) completion of the Proposed Rights Issue; (c) the receipt of a due diligence report on CPCL being satisfactory to the Company; (d) the receipt of a set of completion accounts to the satisfaction of Elite Matrix; (e) there being no material breach in the terms of the distributorship agreement entered into between CPCL and CNH International SA or termination of the said agreement; (f) a special power of attorney from CPCL authorising Elite Matrix or its nominee to deal with and exercise rights over CPCL; and (g) a certified true copy of the board resolutions signed by the directors of CPCL confirming the execution of the CPCL S&P Agreement and the transactions contemplated therein.
- 13.3 Other Salient Terms
- (a) Each of SPA and FMI undertakes that prior to completion, it shall not enter into any material contracts for and on behalf of CPCL and that it shall seek the prior written consent of the Company for all matters relating to the business and affairs of CPCL.
- (b) Save for the shareholders' loan (see Section 14.4 below), there are no other outstanding liabilities payable by CPCL.

Please refer to **Appendix H** for the salient terms of the Proposed CPCL Acquisition.

14. THE CPCL ACQUISITION PRICE

- 14.1 It was agreed that the consideration payable for 100% interest in CPCL is US\$2.24 million (approximately S\$2.80 million based on the PHGE and CPCL Exchange Rate). The main assets in CPCL are tractors and implements of tractors (being tractor related accessories). The consideration is based on the valuation of the 100% equity interest of CPCL by the Company's independent valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("**JLLS CAA**") which was carried out on a fair value basis. JLLS CAA had relied solely on the income approach, through the use of the discounted cash flow method, in arriving at this value. Please refer to **Appendix I** for the independent summary letter issued by JLLS CAA.
- 14.2 The Company felt that this is a fair assessment of the value of the business of CPCL taking into account the assets and liabilities. Based on the management accounts of CPCL, as at 30 September 2014, the book value and net tangible asset value of CPCL was approximately S\$0.45 million.
- 14.3 JLLS CAA is a reputable valuer and its business valuation team has undertaken equity valuations for other Singapore listed companies. Its members hold memberships in various professional organisations such as the American Institute of Certified Public Accountants, the Hong Kong Institute of Certified Public Accountants, the Certified Public Accountants of Australia, CFA Institute and the International Association of Consultants, Valuators and Analysts.
- 14.4 In addition, the Company will also be assigned and pay for shareholders' loans amounting to an aggregate of US\$9.60 million (approximately S\$11.98 million based on the PHGE and CPCL Exchange Rate) which was advanced by the shareholders to CPCL to acquire tractors and implements for tractors. The shareholders' loans do not carry interest and do not have fixed repayment terms. The Company expects the shareholders' loans to be repaid when CPCL is profitable although they will likely be treated as equity since the loans were advanced by shareholders. The consideration set out in Section 14.1 above together with this assignment of shareholders' loan shall be collectively known as, the "**CPCL Acquisition Price**" subject to adjustments in accordance with accounts which will be prepared for completion.
- 14.5 The Company intends to fund the Proposed Acquisition of CPCL using the net proceeds from the Proposed Rights Issue. Please refer to Section 19 for information on the Proposed Rights Issue. In the event that Shareholders do not approve the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club and the Proposed Rights Issue, the Company intends to fund the Proposed Acquisition of CPCL using internal sources.

14.6 Pursuant to the CPCL S&P Agreement, the CPCL Acquisition Price shall be paid to Mr. Serge Pun, as the controlling shareholder of the SPA Group and such payment to Mr. Serge Pun shall constitute full and final settlement of the acquisition price.

15. THE PROPOSED VARIATIONS TO THE PROPOSED LANDMARK ACQUISITION, THE PROPOSED ACQUISITION OF PHGE AND PHGE GOLF COURSE & COUNTRY CLUB AND THE PROPOSED CPCL ACQUISITION AS INTERESTED PERSON TRANSACTIONS (COLLECTIVELY, THE “PROPOSED IPT TRANSACTIONS”)

15.1 Please refer to **Appendix J** for general information on Chapter 9 of the Listing Manual.

15.2 Shareholders’ approvals of the Proposed IPT Transactions pursuant to Chapter 9 of the Listing Manual

Based on the latest audited consolidated financial statements of the Group as at 31 March 2014, the net tangible assets less non-controlling interest (the “**NTA**”) of the Group is S\$358.87 million. As the aggregate transaction values of the Proposed Variations to the Proposed Landmark Acquisition, the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club and the Proposed Acquisition of CPCL is S\$164.68 million, being more than five per cent. (5%) of the Group’s NTA as at FY2014, the Company is required to seek Shareholders’ approval for each of the transaction pursuant to Rule 906 of the SGX-ST Listing Manual.

15.3 Details of Interested Persons

(a) Mr. Serge Pun is the Executive Chairman and a Controlling Shareholder of the Company, holding approximately 37.32% direct and deemed interests in the Company as at the Latest Practicable Date.

(b) Mr. Serge Pun is also the Chairman of FMI and the controlling shareholder of SPA and FMI as at the Latest Practicable Date. SPA and FMI are considered an associate of Mr. Serge Pun and accordingly, interested persons of the Company for the purposes of Chapter 9 of the Listing Manual. The Proposed Acquisition of PHGE and PHGE Golf Course & Country Club and the Proposed Acquisition of CPCL are therefore interested person transactions under Chapter 9 of the SGX-ST Listing Manual.

16. CHAPTER 10 OF THE LISTING MANUAL

None of the relative figures computed on the bases set out in Rule 1006 of the Listing Manual in relation to the Proposed Variations to the Proposed Landmark Acquisition, the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club and the Proposed CPCL Acquisition, whether each as a standalone transaction or aggregated as a single transaction exceeds twenty per cent. (20%).

17. RISK FACTORS

To the best of the Directors’ knowledge and belief, as at the Latest Practicable Date, risks that (i) are material to Shareholders in making an informed judgment; and (ii) upon developing into actual events would have a material adverse impact on the Group’s businesses, results, operations or financial condition, are set out below. The risks set forth below are not an exhaustive list of the challenges currently facing the Group or that may develop in the future.

Specific Risks relating to the Landmark Development

There is no certainty in relation to the costs required to complete the construction of Landmark Development or whether the Group will be able to secure additional funding

Although the amount of between US\$415 million to US\$440 million¹ has been budgeted by the Group towards the construction of the Landmark Development, there is no assurance that (a) the actual construction cost of the Landmark Development will not exceed the budgeted amount or (b) in the event the actual construction cost exceeds the budgeted amount the Group will have sufficient financial resources to meet the overrun in construction cost. In the event of any shortfall in funding, or inability to obtain adequate funding, construction will not be able to be completed and the Group may be required to reduce the scope of its development, forfeit its interests in some or all of the project, incur financial penalties and reduce or terminate its operations, which could adversely affect the Group's business, financial condition and results of operations.

Note 1: Based on the latest design which may be subject to changes depending on the prevailing market conditions and a quantity surveyor report, the total development costs of the Landmark Development (excluding the development cost of the former headquarters of the Burma Railway Company) is estimated to range from US\$415 million to US\$440 million. Please refer to the Company's announcements dated 19 November 2012, 18 December 2012, 8 February 2013, 15 March 2013, 18 April 2013, 16 June 2013, 1 October 2013, 31 December 2013 and 20 February 2014 whereby the Company had disclosed that it is in discussion with various investors to fund the Landmark Development.

The Landmark Development is still under development

The Landmark Development will be under development and is expected to commence operations only in 2018. The Group's decision to invest in the Landmark Development is based upon the Group's assessment of the potential market demand for residential space, hospitality space, retail space and office space. There is no guarantee that there will be a demand for the Landmark Development when completed, whether due to depressed market conditions or other factors. There is a risk that upon its completion, the Landmark Development will be unable to yield the anticipated income.

The Group may face increased competition from residential, retail and commercial developments in Myanmar

The Landmark Development is currently located in an area that has other competing retail and commercial developments and may also face competition from other projects in Myanmar in general that may be developed in the future. An increase in the number of competitive developments in Myanmar, particularly in the areas where the Landmark Development is located, could have a material adverse effect on the revenue and/or occupancy rates of the Landmark Development, as such increased competition may adversely impact the demand from potential tenants and consequently the amount of rental payments received.

The estimated gross floor area of the Landmark Development is based on architectural plans on which construction is based, and may differ from the actual gross floor area of the Landmark Development

The estimated gross floor area of the Landmark Development was adopted by the independent valuer based on architectural plans, and may differ from the actual gross floor area of the completed Landmark Development. The gross floor area will only be finalised when the relevant certificate is issued.

Performance of the Group's properties within the Landmark Development may be dependent on the performance of the other components in an integrated development

As each of the properties within the Landmark Development forms part of an integrated development, the performance of each property may be dependent on the performance of the other components within the integrated development, for example, whether the developers of the residential or office components within the integrated development can complete the developments on schedule and according to the overall expected planning specifications. Should there be a delay in the completion, or failure to complete, of the other components within the integrated development or if such components are not completed with the expected standards, there may be an adverse effect on the performance of the Group.

The market value of the Landmark Development when completed may differ from the values obtained by the independent valuer.

The valuation was conducted using the discounted cashflow method of valuation. Property valuations generally include a subjective determination of certain factors relating to the relevant properties, such as their relative market positions, competitive strengths and their physical conditions. In addition, the basis of the valuation of the Landmark Development under development were on an “as if complete and fully leased” basis, based on the current market conditions. There can be no assurance that the Landmark Development can be leased out or sold at the same or higher market rates once completed.

The Group may be affected by the non-registration of its ownership of the Sale Shares

Upon completion of the Landmark Acquisition S&P Agreement, the Group will have to apply to the MIC and Company Registration Office for the transfer of the Sale Shares to the Group to be approved and to have the Sale Shares registered in its name. Such approval and registration may take a minimum of five (5) weeks to process and the Group has no control over when it will obtain valid title to the Sale Shares. In order to minimise this risk, the SPA Group shall on completion, deliver a duly executed management agreement granting the right of absolute management control over MIHL to the Group in the interim. There is no guarantee that the Group will be able to enforce its rights under the Sale and Purchase Agreement.

For further information on the management agreement to be issued in the interim, please refer to Section 4.1(i) of the Circular.

The due diligence exercise on Landmark Development may not have identified all material defects, breaches of laws and regulations and other deficiencies

There is no assurance that the Landmark Development will not have defects or deficiencies requiring repair or maintenance (including design, construction or other latent property or equipment defects in Site 1 and Site 2 which may require additional capital expenditure, special repair or maintenance expenses). Such undisclosed defects or deficiencies may require significant capital expenditures or obligations to third parties and involve significant and unpredictable patterns and levels of expenditure which may have a material adverse effect on the Group’s earnings and cash flows.

The experts’ reports that the Group relies upon as part of its due diligence investigations of the Landmark Development may be subject to inaccuracies and deficiencies. This may be because certain building defects and deficiencies are difficult or impossible to ascertain due to limitations inherent in the scope of the inspections, the technologies or techniques used and other factors.

Risks inherent in potential joint ventures

The Group may rely on its potential joint venture partners in the successful development of the Landmark Development. The potential joint venture partners will be economic entities with their own assets and liabilities beyond the scope of the Group’s knowledge. In the event any of the Group’s potential joint venture partners are unable to fulfill their respective contractual obligations under the Proposed Acquisition, the completion of the Landmark Development may be adversely affected.

General Market and Business Risks relating to the Group’s property development operations

Enforceability of the LDRs in respect of the Sites and PHGE

The Company is proposing to acquire eighty per cent. (80%) of the LDRs in respect of the Sites and seventy per cent. (70%) of PHGE. In Myanmar, all lands are owned by the State and foreigners are not allowed to own land. Further, the title to all the Landmark Development is held under a limited term of LDRs granted by the government authorities subject to a number of specific conditions which may include the completion of the relevant development projects according to a specified schedule and attaining a certain threshold of construction.

There is no assurance that there will not be any different interpretation or enforcement or the exercise of the government's discretion that could cause the imposing of penalties or modification of the terms of the LDRs granted or, in extreme cases, revoking the LDRs without compensation. This may affect the business, financial condition and the results of operations of the Group.

Changes in business environment factors in relation to property development

The project period of a property development can last for many years, depending on the size of the development.

Changes in the business environment during the tenure of a project may affect the revenue and cost of the development which could directly impact the profit margin of the project. Factors which affect the profitability of a project may include but are not limited to (a) delays encountered in procuring the necessary approvals from the relevant regulatory authorities and government bodies; (b) fluctuations in demand of residential properties; and (c) delays encountered in construction schedules due to poor weather conditions, labour disputes and any other unforeseen circumstances. As such, the Group may incur unexpected expenses and liabilities, resulting in losses for which the Group may not be adequately compensated by insurance proceeds and/or contractual indemnities. This may adversely affect the business, financial condition and the results of operations of the Group.

Fluctuations in raw material prices

Prices of raw material used in the property development and construction businesses, such as ready-mixed concrete, steel reinforcement bars, precast components, tiles, concreting sand, cement, steel welded mesh, steel strands, mild steel, stainless steel, aluminum, glass, wood and paint, will fluctuate according to the varying levels of supply and demand of these materials. A typical residential development project generally spans a period of three (3) to five (5) years and a typical construction project generally spans a period of one (1) to three (3) years. As it is envisaged that the development of the Landmark Development will be completed over a number of years and it is difficult to predict the pricing patterns of such raw materials, the costs incurred may exceed the Group's initial projections and this may result in an adverse impact on the financial performance and financial condition of the Group.

Unsold units may be illiquid

In respect of the properties of the Landmark Development that the Group intends to sell, as well as other residential property development projects the Group undertakes which are intended for sale, the Group generally commences construction of a development project after a majority of the units in that project have been sold and paid for. There is no assurance that the Group will be able to sell the remaining units, even after completion of the project. Such unsold units may be relatively illiquid and cannot be converted into cash on short notice. Such illiquidity may also exert a downward pressure on the selling prices of unsold units in the event the Group requires a quick sale of these assets to raise funds.

Uninsured loss to property developments

Not all of the Group's property projects are insured. This is in conformity with market practice in Myanmar. Should there be any loss arising out of damage to its properties, its profitability could be adversely affected as a result of inadequate insurance cover.

Excessive warranty claims

The Group generally provides warranties for its property development projects in Myanmar for a period of up to one (1) year. These warranties cover defects and any premature wear and tear of the materials used in the projects. Rectification and repair works to be carried out by the Group that are covered under the warranties would not be chargeable to the customers. Excessive warranty claims for rectification and repair works could have an adverse effect on the Group's financial performance.

Variation orders, disputes and claims

During the course of a construction project, the owner, architect, consultant or main contractor of the project may request the Group to perform additional works which are not specified in the original contract or to carry out variations to the specifications stipulated in the original contract. On these occasions, the parties may agree that variation orders be performed before the costs for such additional works are finalised between the parties. The final value of such variation orders may be subject to a lower valuation by the project consultant. In the event that the Group is required to bear any part of the variation costs, its profitability could be adversely affected.

Cost overruns

In preparation for its construction projects, the Group carries out internal costing and budget estimates. Most of the contracts for construction projects are lump sum contracts with the contract sum fixed upfront, based on quotations from suppliers and sub-contractors, and its own estimation of costs. Inadequate or errors in estimation of the cost of labour and materials may lead to cost overruns. Under such circumstances, the cost overruns would have to be absorbed by the Group and its profitability could be adversely affected.

Specific risks relating to the entry into the new golf and country club business

No proven track record in the golf and country club business and uncertainties associated with entry into a new business area

The Group does not have a proven track record in the carrying out or implementation of the golf and country club business as contemplated by the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club. There is no assurance that the Group will be able to derive sufficient revenue to offset the capital as well as operating costs arising from the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club.

The operation of PHGE Golf Course & Country Club involves business risks including the financial costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the operation of PHGE Golf Course & Country Club effectively, the overall financial position and profitability of the Group may be adversely affected.

The financial performance of PHGE Golf Course & Country Club is dependent on the condition and outlook of the golf and country club industry, which is in turn susceptible to cyclical and other factors outside the control of the Group

The golf course and country club business is cyclical and sensitive to external and economic changes. There are a number of factors which are beyond the control of the Group. These factors could affect the financial performance of the PHGE Golf Course & Country Club, including but not limited to the following:

- (i) adverse weather conditions, such as long periods of heavy rain during the rainy season;
- (ii) the occurrence of natural disasters, such as an earthquake, tsunami, typhoon, hurricane, fire or flood;
- (iii) the condition of, and changes in, the domestic, regional and global economies, including, but not limited to, factors such as the political landscape, environmental conditions and epidemics arising from the spread of infectious diseases that may result in reduced visitors and demand for the golf courses and country clubs;
- (iv) unexpected increase in the number of new golf courses, which could adversely impact the revenue of PHGE Golf Course & Country Club;

- (v) increases in operating costs including labour costs, workers' compensation and healthcare-related costs, maintenance costs, utility costs, insurance, inflation, foreign exchange fluctuations and unanticipated costs, such as those resulting from acts of nature; the ability to upgrade the PHGE Golf Course & Country Club in order to preserve or increase demand;
- (vi) unfavourable publicity in relation to the PHGE Golf Course & Country Club; and
- (vii) loss of regular customers to newer or alternative golf courses as a result of convenience, better services, lower green fees or otherwise.

Capital Investments

The Proposed Acquisition of PHGE and PHGE Golf Course & Country Club may require substantial capital investments or cash outlay. There is no assurance that financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on commercially reasonable terms. In addition, any additional debt funding may restrict our freedom to operate our business as it may have conditions that:

- (i) limit the Group's ability to pay dividends or require us to seek consents for the payment of dividends;
- (ii) increase the Group's vulnerability to general adverse economic and industry conditions;
- (iii) require the Group to dedicate a portion of our cash flow from operations to repayments of the Group's debt, thereby reducing the availability of the Group's cash flow for capital expenditures, working capital and other general corporate purposes; and
- (iv) limit the Group's flexibility in planning for, or reacting to, changes in the Group's businesses and industry.

The performance, commercial viability and profitability of the PHGE Golf Course & Country Club is or will be dependent upon weather conditions and seasonality factors

The golf course business generates revenue mainly from the fees expended by golf course players at the golf courses. The golf course business is seasonal in nature and the profitability of the golf courses and driving ranges therefore depend on climatic conditions, which can vary across the seasons, from year to year and between locations of the golf courses and driving ranges. Specifically, revenue opportunities are lost in the event that advanced reservations are cancelled as a result of rain on the scheduled play date. Further, long periods of heavy rain during the rainy season, typically from June to October, will affect the number of days golf courses are in operation, as well as the number of rounds played by visitors. Such climatic changes and changing weather patterns are variable and difficult to predict. The results of operations of the PHGE Golf Course & Country Club may fluctuate significantly from period to period during the year and this could have a material adverse effect on the Group's revenue. In Myanmar, revenues of golf course operators are generally higher in the dry season, while revenues are generally lower during the rainy season.

The Group may be exposed to significant operating risks

The Group may be exposed to operating risks common to the golf and country club industry in its Proposed Acquisition of PHGE and PHGE Golf Course & Country Club. Such risks include oversupply of, and reduction in demand for, golf course and country club facilities due to competition from other industry players or changes in economic conditions, increase in operating costs including utility and labour costs.

Specific Risks relating to the Group

Majority control by Serge Pun

Mr. Serge Pun is the single largest shareholder of the Company with a direct interest and indirect interest of approximately 37.32% of the total the issued share capital of the Company. Except where Mr. Serge Pun is required by the rules of the Listing Manual to abstain from voting, Mr. Serge Pun is able to exercise significant influence over all matters requiring the approval of Shareholders, including the election of Directors and the approval of significant corporate transactions. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control which may otherwise benefit the minority Shareholders.

Further, the Group derives significant benefits from the SPA Group. In the event that Mr. Serge Pun ceases to be a key shareholder of the Company or of SPA, some or all of these benefits may no longer be available.

Certain subsidiaries of the Group are not incorporated in Singapore

Certain subsidiaries of the Group and their operations and assets are located in Myanmar. They are therefore subject to the relevant laws in Myanmar. Shareholders of the Group may or may not be accorded the same level of shareholder rights and protections that would be accorded under Singapore laws.

Dependence on its key personnel

The historical success of the Group can be attributed to its key personnel, in particular, Mr. Serge Pun (Executive Chairman). Through the years in Myanmar, Mr. Serge Pun has developed extensive experience and contacts with government officials and other important persons in Myanmar. If the Company was to lose the service of Mr. Serge Pun and it is unable to ensure that an effective succession takes place upon his departure or retirement, the Group's relationships with government officials and industry personnel and its business and prospects could be adversely affected.

General Country and Political Risks

Political, economic and social instability in Myanmar

The Group's business and operations are substantially based in Myanmar, which has the potential to be politically and economically unstable. The previous governing military regime was succeeded by a civilian government in 2010. This new government has already implemented a number of political and economic reforms. However, there is no certainty that this will continue or be successful and therefore there is no certainty that the business environment will continue to improve or be sustainable. Any unfavourable changes in the social and political conditions of Myanmar may also adversely affect the Group's business and operations. Various parts of the country are also experiencing a rise in ethnic and sectarian tensions, which, if escalated further, could hamper investor confidence, economic potential and growth and stability of the property industry. Any changes in the political, economic and social policies of the Myanmar government may lead to changes in the laws and regulations or the interpretation and application of the same, as well as changes in the foreign exchange regulations, taxation and land ownership and development restrictions, which may adversely affect the Group's financial performance.

The Myanmar legal system is still maturing and the interpretation and application of Myanmar laws and regulations involve uncertainty

The Group's operations in Myanmar are subject to the laws and regulations promulgated by the Myanmar government. The laws and regulations of Myanmar may be supplemented or otherwise modified by undocumented practices. Such practices may not have been ruled upon by the courts or enacted by legislative bodies and may not be generally known or available to the public or uniformly applied. There are also limited precedents on the interpretation, implementation or enforcement of Myanmar laws and regulations, and there is limited judicial review over administrative actions and decisions. Further, although Myanmar is still in the process of developing a comprehensive set of laws and regulations, changes in the laws and regulations may however not adequately address shortcomings in the legal and regulatory regimes and even

if they do, may not be successfully implemented or could be subjected to uncertainty and differences in application and interpretation. Laws and regulations or the interpretation of the same may be subject to change without notice or adequate notice. In addition, while Myanmar adopts a mixed legal system of common law, civil law and customary law, governmental policies play an overriding role in the implementation of the laws and the administration and application of Myanmar laws and regulations may be subject to a certain degree of discretion by the executive authorities. As such, a high degree of uncertainty exists in connection with the application of existing laws and regulations to certain transactions and circumstances.

The Group may be affected by sanctions imposed on Myanmar

The Group may be affected by sanctions imposed on Myanmar. Certain (but not all) of such sanctions against Myanmar have been either lifted or temporarily suspended. It is uncertain whether the suspension of these sanctions will be renewed. It is also uncertain whether these sanctions will ultimately be lifted, or if additional sanctions will be imposed. These continuing sanctions, the non-renewal of any suspension of these sanctions or the imposition of additional sanctions may hamper the economic growth of Myanmar and indirectly impact on the financial performance of the Group.

Increased costs due to reforms

Although the Group maintains reasonably high standards in its developments, due to the rising foreign and domestic interest in the real estate sector in Myanmar, it is likely that the government will be enacting or updating existing building industry, workplace health, safety and environmental rules and regulations that may result in higher operating and compliance costs for the Group in Myanmar, thereby reducing profitability. Further, building rules and regulations may be introduced which may impact the design of buildings already under construction or to be constructed. Reforms such as the changes to labour laws allowing the formation of labour unions and the amendment of the minimum wage law, may lead to higher operating costs for the Group, thereby reducing its profitability.

Foreign exchange control risks

On 2 April 2012, the Central Bank of Myanmar adopted a managed float for the Kyats after a 35-year fixed exchange rate regime. Although this policy shift was widely considered to be a positive development in the liberalisation of Myanmar's economy, the actual impact of such change is yet to be ascertained. Significant fluctuations of the Kyats against the US\$ could have a material adverse effect on the Group's operations and financial conditions and prospects. This is especially so in relation to raw materials for building properties, the most significant cost component of the Group.

Further, whilst the remittance of foreign currency into Myanmar is generally unlimited, for the remittance of foreign currency out of Myanmar the approval by the Central Bank of Myanmar will be required and will be subject to foreign exchange policies and conditions prevailing from time to time. Currently, the mechanics, procedures and conditions for obtaining the approval of the Central Bank of Myanmar for such remittances are uncertain and lack clarity.

The significant assets of the Group are its interests in Myanmar. The ability of the subsidiaries to pay dividends or make other distributions, payments of service fees and repayments of loans to the Group by way of repatriation or remittance from the Myanmar operations may be restricted by, amongst other things, the availability of funds, the remittance restrictions elucidated above, and statutory and other legal restrictions. To the extent that the ability of the subsidiaries to distribute to the Group is restricted, this may have an adverse effect on the Group's business, operations and financial condition.

Foreign exchange transaction risk

Currently, there are no financial instruments available which will allow the Group to effectively hedge against the currency fluctuation risks of the Kyat. Should volatility of the Kyat against the S\$ or US\$ increase, the Group will be unable to take action to protect itself against any adverse fluctuations. In the event that such adverse fluctuations materialise, this may potentially lead to significant exchange rate losses and a consequential adverse impact on the financial condition of the Group.

Limited accessibility of publicly available information and statistics in Myanmar

Under the current business environment in Myanmar, it may be difficult to obtain up-to-date information and statistics on other businesses in Myanmar that may be comparable to the Group in terms of, *inter alia*, business activities, geographical spread, track record, operating and financial leverage, liquidity, quality of earnings and accounting, economic outlook, growth statistics and other relevant data. As such it may be difficult to gauge the performance of the Group which may lead to inefficient pricing of the Company's shares due to incomplete market information. Further, inaccurate information may make it difficult for the Group to access the prospects and potential of any business opportunities available to the Group from time to time and may consequently adversely affect the Group's business decisions, which could in turn materially and adversely affect the business and financial condition of the Group.

There is limited insurance coverage available in Myanmar

The insurance industry in Myanmar is relatively undeveloped and is expected to remain closed to foreign insurers until 2015. With the opening of the insurance industry to Myanmar citizens in 2012, there are several licensed insurance providers in Myanmar although the government-owned Myanmar Insurance Enterprise continues to be the most dominant in Myanmar. The available scope of insurance providers and the portfolio of insurance policies available in Myanmar continue to be severely limited, with reinsurance schemes carrying high premium payments. Hence, it might be a challenge to sufficiently and comprehensively insure against risks relating to the Group's operations in Myanmar.

The Group may be dependent on local manpower in Myanmar

Due to the existing government laws and policies that require all unskilled workers to be sourced exclusively from the local labour market, the Group's operations in Myanmar will rely heavily on local manpower, whether engaged by the Group directly, or through contractors. There is no assurance that there will be an adequate supply of local manpower that will provide adequate services for the Group's services or property development projects. The operations and financial performance of the Group are therefore vulnerable to any shortage in the supply of unskilled workers in Myanmar.

General market and business risks relating to the operations of the Group

Competitive environment

The Group operates in an environment characterised by numerous companies competing on the basis of price, quality, capability, reliability, track record and location. The Group must continually differentiate itself to maintain its competitive advantage and to compete effectively in this environment in order to achieve financial success. In the event that the Group is unable to do so, the financial performance of the Group may be adversely affected.

In view of the recent reforms by the Myanmar government, there is no assurance that additional foreign property developers or other foreign companies will not begin to explore property development in Myanmar. Many of these property developers may have significant financial, managerial, marketing and other resources, as well as experience in property and land development. Competition with these developers may be intense and may result in, amongst other things, increased costs to acquire interests in LDRs, an increase in construction costs and increased competition for high quality contractors and qualified employees. Any such consequence may adversely affect the Group's business, financial condition and results of operations.

Cyclical nature of the property development and construction industries

The business of the Group is subject to the cyclical fluctuations of the property development and construction industries in Myanmar. A limited or negative growth of the property development and construction industries in Myanmar could have an adverse impact on the business and performance of the Group.

Fluctuations in property prices

Property prices are generally affected by the supply and demand for properties, which in turn is affected by local market sentiments and expectations as well as the economy. Any economic recession or negative market sentiment may therefore have an adverse effect on the demand for the Group's properties and the pricing thereof, leading to a direct impact on the Group's revenue and profitability.

Ability to identify new property development projects

In the property development business, it is important to identify suitable land sites and development rights in order to achieve good investment returns. Failure to secure suitable land sites and development rights for property development would directly affect the Group's financial performance.

The performance of the Group is dependent on its ability to identify potential and profitable property projects. The viability and profitability of property projects are affected by the general economic conditions, the price of acquiring land, the prevailing interest rates and the cost of construction amongst other factors. While the Group has been successful in identifying and developing property projects in the past, it is not possible to guarantee the continuing success of such projects in the future. The failure to identify potential and profitable new property projects would have an adverse effect on the Group's turnover and profitability.

Working relationships with and cooperation from Myanmar government entities

The Group, together with the SPA Group, works in cooperation with Myanmar government authorities and their related entities. Although the Group believes that it (through the SPA Group) currently has good constructive working relationships with all of the governmental authorities relevant to the Group's business, its business, financial condition and results of operations could be adversely affected if the SPA Group is unable to maintain the relationships with those government authorities. The Group's business, financial condition and results of operation could also be materially adversely affected if the government officials which the SPA Group has relationships with are replaced or removed from their posts.

Dependence on adequate financing

The Group's ability to undertake its projects would be subject to its ability to secure adequate funding at a reasonable cost. Furthermore, if the interest costs on borrowings increase, the Group's financial position and profitability could be adversely affected.

Specific Risks relating to the Proposed CPCL Acquisition

The success of the Group's agricultural automobile business is subject to measures taken by the Myanmar government in relation to the ownership of agricultural automobiles

Any measures taken by the Myanmar government to limit agricultural automobile ownership, especially those measures which are likely to lead to an increase in the costs of owning and maintaining an agricultural automobile, are likely to lead to less demand and/or cancellations of existing orders for CPCL's tractors, spare parts and accessories. For example, the authorities may impose registration fees upon registration of an agricultural automobile or impose financing restrictions on loans granted by financial institutions to purchase agricultural automobiles. This may affect the Group's sales figures and cause a decline in the Group's revenue, which may in turn have an adverse impact on the business, financial position and results of operations.

The distributorship agreement may be terminated in the usual circumstances

The distributorship agreement granted by CNH International SA to CPCL to distribute New Holland Agricultural tractors and spare parts and accessories in Myanmar is not an exclusive one and may be terminated in the usual circumstances. Should other distributors be identified, CPCL may lose some of its competitive edge to offer these products and this will have an impact on its revenue. If the distributorship agreement was terminated, and in the event the Group is unable to find an alternative brand of agricultural automobiles for distribution, the Group's business, financial position and results of operations may be adversely affected.

The Group may be affected by inventory holding costs

Inventory for the CPCL business will comprise New Holland Agricultural tractors, spare parts and accessories. The Group intends to have in place a strategy to keep a reasonable level of inventory of these products. As a result of holding and managing the inventory, the Group may incur holding costs such as financing costs, warehousing and logistic costs and insurance costs. A significant increase in these costs may have an adverse impact on the Group's business, financial position and result of operations.

The Group may face significant competition from other brands or types of agricultural automobiles

It is estimated that Myanmar's agricultural industry currently represents between thirty-five per cent. (35%) to forty per cent. (40%) of Myanmar's GDP. Increasingly, various agricultural automobile manufacturers are competing with each other for demand. If the New Holland Agricultural tractors to be distributed by the Group are not competitive in the market in terms of brand, quality, delivery time and/or price, the Group's business, financial position and results of operations may be adversely affected. Increasing competition from existing and potential competitors may result in reduced revenue and loss of market share which may have an adverse effect on the Group's business, financial position and results of operations.

The Group may incur additional expenses and resources in the event CPCL receives any product liability claims or claims for defects or delays in delivery

Any defects in CPCL's products, or failure to satisfy the requirements of CPCL's customers, could lead to claims made against CPCL. These claims may include payment for the recall of a product or to indemnify CPCL's customers for the costs of any such claims or recalls which they face as a result of using CPCL's products. In addition, CPCL's customers may claim against CPCL for delayed delivery which may have arisen from the late delivery by any of the suppliers. There can be no assurance that CPCL will be able to claim from its suppliers any indemnification or compensation for such claims made against CPCL. In the event that CPCL is involved in any legal dispute or court proceedings relating to its products, the Group may incur a significant amount of expenses and resources on such proceedings. As such, CPCL's business, results of operations and financial performance may be adversely affected.

Product defects and agricultural automobile recalls could have an adverse effect on the Group's business

Agricultural automobile manufacturers may recall their agricultural automobiles from time to time to remedy certain problems or product defects. Any agricultural automobile recalls may have an adverse effect on the reputation of such agricultural automobile manufacturer and the Group, and the Group's customers' confidence in the quality and safety of the agricultural automobiles may be affected. In addition, such agricultural automobile recalls may lead to cancellation of orders placed by the Group's customers, which may in turn adversely affect the Group's sale of new agricultural automobiles. There is no assurance that there will not be agricultural automobile recalls in future which affect agricultural automobile manufacturers or the agricultural automobile models CPCL offers, nor that any such recalls will not have an adverse effect on the Group's business, financial position and results of operations.

18. THE PROPOSED RIGHTS ISSUE

18.1 As announced by the Company on 24 June 2014 and 3 September 2014, the Company is proposing to undertake the renounceable non-underwritten rights issue of up to 432,539,405 Rights Shares at an Issue Price of S\$0.38 for each Rights Share, on the basis of one (1) Rights Share for every three (3) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

18.2 Maximum Number of Rights Shares

Based on the Existing Share Capital of the Company (excluding treasury shares) of 1,292,118,215 Shares and 5,500,000 Shares comprised in the Vested Options, up to 432,539,405 Rights Shares may be issued pursuant to the Proposed Rights Issue. As at the Latest Practicable Date, the Company does not have any treasury shares.

18.3 Issue Price

The Rights Shares are priced at the Issue Price of S\$0.38 which represents a discount of approximately 46.48% and 39.63% respectively, to the closing price of S\$0.71 per Share on the SGX-ST and the theoretical ex-rights trading price⁽¹⁾ of S\$0.63 per Share as at 2 September 2014, being the last trading day preceding the 3 September Announcement.

Notes:

(1) The theoretical ex-rights price is the theoretical market price of each Share assuming the completion of the Proposed Rights Issue, and is calculated based on the closing price of S\$0.71 per Share on the SGX-ST on 2 September 2014, being the last trading day of the Shares on the SGX-ST prior to the 3 September Announcement and the total number of issued Shares following the completion of the Proposed Rights Issue (assuming that the maximum number of Rights Shares has been issued). The Rights Shares to be priced at S\$0.38 represents a discount of approximately 39.20% and 33.33% respectively, to the closing price of S\$0.625 per Share on the SGX-ST and the theoretical ex-rights trading price of S\$0.57 per Share as at the Latest Practicable Date (assuming that the maximum number of Rights Shares has been issued).

18.4 The terms and conditions of the Proposed Rights Issue are subject to such changes as the Directors may in their absolute discretion deem fit. The final terms and conditions of the Proposed Rights Issue will be contained in the Offer Information Statement to be lodged with the Authority and despatched to Entitled Shareholders in due course.

18.5 In the event that any of the Proposed Variations to the Proposed Landmark Acquisition or the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club is not approved by Shareholders at the EGM, the Company may, at its discretion, choose to scale down the ratio of Rights Shares to be issued by exercising the Scale Down Option, but all other terms and conditions of the Proposed Rights Issue (including the price of the Rights Shares) will remain the same. **The Proposed Rights Issue is conditional upon, *inter alia*, the approval of the Proposed Variations to the Proposed Landmark Acquisition or the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club. The Company will not undertake the Proposed Rights Issue if only the Proposed CPCL Acquisition is approved by the Shareholders at the EGM.**

18.6 Please refer to **Appendix L** for the more information on the Proposed Rights Issue.

19. BASIS FOR AND PRINCIPAL TERMS OF THE PROPOSED RIGHTS ISSUE

19.1 Based on the Existing Share Capital of the Company as at the Latest Practicable Date, up to 432,539,405 Rights Shares are proposed to be offered on a renounceable non-underwritten 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 three (3) 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.

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 1,292,118,215 Shares as at the Latest Practicable Date and 5,500,000 Vested Options, up to 432,539,405 Rights Shares will be issued.

Eligibility to participate in the Proposed Rights Issue : Please see Appendix L of this Circular.

Listing and trading : On 18 December 2014, the SGX-ST granted its in-principal approval 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 19.2(b) of this Circular.

The in-principal approval granted by the SGX-ST is not to be taken as an as an indication of the merits of the Proposed Rights Issue, 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 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 19.3 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. Further, in the event that any of the Proposed Variations to the Proposed Landmark Acquisition or the Proposed Acquisition of PHGE and the PHGE Golf Course & Country Club is not approved by Shareholders at the EGM, the Company has the right to be given by the Shareholders at the EGM to scale down the ratio of Rights Shares to be issued in its discretion, but all other terms and conditions of the Proposed Rights Issue (including the price of the Rights Shares) will remain the same details of which are set out in Sections 19.1 and 19.4 of this Circular (the “**Scale Down Option**”). 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*, Shareholders’ approval of the Proposed Variations to the Proposed Landmark Acquisition or the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club.

19.2 Conditions for the Proposed Rights Issue

- (a) The Proposed Rights Issue is subject to, *inter alia*, the following:
- (i) the approval in-principle of the SGX-ST for the dealing in, listing and quotation of the Rights Shares on the Main Board of the SGX-ST;
 - (ii) the Proposed Rights Issue, including the issue and allotment of the Rights Shares, having been approved by Shareholders at the EGM;
 - (iii) the approval by Shareholders of any of (i) the Proposed Variations to the Proposed Landmark Acquisition; or (ii) the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club at the EGM; and
 - (iv) the lodgment of the Offer Information Statement with the Authority.
- (b) On 18 December 2014, the SGX-ST granted its approval in-principle 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:
- (i) compliance with the SGX-ST’s listing requirements;
 - (ii) Shareholders’ approval for the Proposed Rights Issue;
 - (iii) a written undertaking from the Company that it will comply with Rules 704(30), 815 and 1207(20) of the SGX-ST Listing Manual 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
 - (iv) a written undertaking from the Company that it will comply with the confirmation given in Rule 877(10) of the SGX-ST Listing Manual with regards to the allotment of any excess Rights Shares.

The Company had submitted the undertakings in itemised in (iii) and (iv) above to the SGX-ST.

The approval in-principle 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.

19.3 Irrevocable Undertaking

- (a) 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 37.32% of the existing share capital of the Company and holds 2,000,000 Share Options of which 666,666 of such Share Options have vested on 3 July 2014 and are exercisable by Mr. Serge Pun as at the Latest Practicable Date, has, as an indication of support and commitment to the Company, on 2 September 2014 given the Irrevocable Undertaking in favour of the Company that, *inter alia*:
- (i) he will subscribe and pay for and/or procure subscriptions and payments in full for his *pro-rata* entitlements to up to 160,958,510 Rights Shares (direct and indirect) under the Proposed Rights Issue, assuming that he exercises his Vested Options and new Shares are issued to him before the Books Closure Date (the “**Pro Rata Entitlements**”); and
 - (ii) he will make and/or procure to be made excess application(s) and payment(s) for up to 271,580,895 of the balance of the Rights Shares which are not subscribed or applied for by Shareholders other than himself (such number of Rights Shares calculated on the assumption that the remaining Vested Options have been exercised and new Shares are issued before the Books Closure Date), which, together with the Pro Rata Entitlements, will amount up to S\$164.36 million.
- (b) The Irrevocable Undertaking further provides that
- (i) in the event that (A) a waiver from 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 or Rights Shares by Mr. Serge Pun pursuant to his Irrevocable Undertaking is not granted by the SIC*; and/or (B) the Proposed Whitewash Resolution is not approved by Independent Shareholders at the EGM, notwithstanding Sections 19.3(a)(i) and (ii) above, Mr. Serge Pun will scale down his subscription for Pro Rata Entitlements and/or application for excess rights shares or not apply for any excess rights shares (as relevant) to avoid being placed in the position of incurring a mandatory bid obligation under the Code as a result of other Shareholders not taking up their entitlements to the Rights Shares; and
 - (ii) in the event of the Scale Down Option being exercised by the Company, the maximum subscription by Mr. Serge Pun of Rights Shares (comprising his pro rata entitlements and any excess applications for Rights Shares) shall not in any event exceed S\$110.68 million** (the “**Maximum Commitment**”).
- * Please refer to Section 21 for more information on the waiver.
- ** The Company will only proceed with a rights issue if Shareholders approve either the Proposed Variations to the Proposed Landmark Acquisition or the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club. It will not undertake a rights issue if Shareholders only approve the Proposed CPCL Acquisition. S\$110.68 million represents the total consideration payable for the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club and the Proposed CPCL Acquisition which is the minimum amount of funds that the Company has to raise should it decide to undertake a rights issue to pay for the said acquisitions. This aggregate amount is higher than the total consideration payable for the Proposed Variations to the Proposed Landmark Acquisition and the Proposed CPCL Acquisition. The Company will use this dollar figure to determine the ratio for the rights issue.
- (c) In light of the First Payment, the PHGE Acquisition Prices, the School Land Acquisition Price, the PHGE Related Costs and the CPCL Acquisition Price being payable directly to Mr. Serge Pun, the Company has granted to Mr. Serge Pun the right to set-off the monies payable pursuant to the Irrevocable Undertaking against the said acquisition prices payable by the Company to him (the “**Setting-off Arrangement**”). The Company will not undertake the Proposed Rights Issue in the event that Shareholders do not approve the Proposed Variations to the Proposed Landmark Acquisition or the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club. In the event that only one of these two acquisitions is

approved by Shareholders, it is the Company's intention to exercise the Scale Down Option to achieve a ratio/basis for the Proposed Rights Issue which will result in an amount of funds raised through the Proposed Rights Issue which is close to the amount of funds required for the transactions that have been approved at the EGM. The Company does not intend to raise more funds than necessary to complete the transactions approved by the Shareholders. Given this, the Setting-Off Arrangement will still be applicable if the Company exercises the Scale Down Option. The aggregate amount of the Proposed IPT Transactions is approximately S\$164.68 million and the estimated amount of net proceeds raised from the Proposed Rights Issue is S\$163.87 million. Therefore, the shortfall is only S\$0.81 million. On this basis, the Irrevocable Undertaking will not result in the Company not being able to raise sufficient funds for the said Proposed IPT Transactions. Please refer to Section 19.5 for more information on the "Use of Proceeds".

- (d) 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. 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.
- (e) As at the Latest Practicable Date, based on the existing share capital of the Company of 1,292,118,215 Shares, Mr. Serge Pun holds 482,208,863 Shares (representing approximately 37.32%) and his Concert Parties (representing approximately 0.08%) collectively hold 987,834 Shares. Assuming Mr. Serge Pun and his son, Mr. Cyrus Pun, exercise their Vested Options and new Shares pursuant thereto are issued to them before the Books Closure Date, none of the other Shareholders subscribe for their pro rata entitlements under the Proposed Rights Issue, and assuming that the 5,500,000 Shares comprised in the Vested Options have been allotted and issued and the Shareholders approve the Proposed IPT Transactions, pursuant to the Irrevocable Undertaking, Mr. Serge Pun subscribes for **ALL** the Rights Shares under the Proposed Rights Issue, Mr. Serge Pun will hold 917,069,434 Shares* in the capital of the Company, representing approximately 53.00% of the issued and paid-up share capital of the Company upon the completion of the Proposed Rights Issue.

* Out of the 917,069,434 Shares that will be held by Mr. Serge Pun, 432,539,405 Shares would be the Rights Shares subscribed by Mr. Serge Pun pursuant to the Irrevocable Undertaking, which represents twenty-five per cent. (25%) of the enlarged share capital of the Company of 1,730,157,620 Shares.

19.4 Scale Down Option

The tables below illustrate (a) the ratio of the Proposed Rights Issue of the scale down depending on whether Shareholders approve the Proposed Variations to the Proposed Landmark Acquisition and/or the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club; and (b) the shareholding interests of Mr. Serge Pun based on the assumption that all Vested Options have been exercised.

Minimum Scenario on the basis of one (1) Rights Shares for every eight (8) existing Shares - Only the Proposed Variations to the Proposed Landmark Acquisition is approved by Shareholders (being the lowest amount of funds required to be raised)

Total Number of Rights Shares	Total Number of Shares taking into account the Rights Shares	Number of Rights Shares and excess Rights Shares to be subscribed by Mr. Serge Pun pursuant to his Irrevocable Undertaking	Percentage of shareholding of Mr. Serge Pun based on the enlarged share capital
162,202,276	1,459,820,491	142,105,263	42.77%

Maximum Scenario on the basis of two (2) Rights Shares for every nine (9) existing Shares – Only the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club and the Proposed CPCL Acquisition are approved by Shareholders (being the largest amount of funds to be raised)

Total Number of Rights Shares	Total Number of Shares taking into account the Rights Shares	Number of Rights Shares and excess Rights Shares to be subscribed by Mr. Serge Pun pursuant to his Irrevocable Undertaking	Percentage of shareholding of Mr. Serge Pun based on the enlarged share capital
288,359,603	1,585,977,818	288,359,603	48.59%

If the Company intends to exercise the Scale Down Option, it will announce the ratio of the Scale Down Option immediately after the EGM. The issue price will remain unchanged at S\$0.38 for each Rights Share.

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

- (a) Assuming that the Proposed Rights Issue is fully subscribed and taking into account the Vested Options, the estimated gross proceeds of the Proposed Rights Issue is approximately S\$164.37 million and the net proceeds of the Proposed Rights Issue (“**Net Proceeds**”), after deducting estimated expenses of approximately S\$0.50 million, will amount to approximately S\$163.87 million. The Company intends to use the Net Proceeds from the Proposed Rights Issue for the purposes of funding the following:
- (i) US\$43.20 million (approximately S\$54.00 million based on the exchange rate of US\$1:S\$1.25) to satisfy the First Payment of the Proposed Variations to the Proposed Landmark Acquisition. The Company will fund the balance of the Landmark Consideration by exploring various funding options such as debt and/or equity fund raising.
 - (ii) US\$76.81 million (approximately S\$95.90 million based on the PHGE and CPCL Exchange Rate) to satisfy the PHGE Acquisition Prices, the School Land Acquisition Price and the PHGE Related Costs.
 - (iii) US\$11.84 million (approximately S\$14.78 million based on the PHGE and CPCL Exchange Rate) to satisfy the CPCL Acquisition Price.
- (b) Assuming that Shareholders approve the Proposed IPT Transactions, there will be a shortfall of S\$0.81 million even if the Proposed Rights Issue is fully subscribed taking into account the Vested Options. The Company will fund the shortfall (which is dependent on the number of Vested Options that are exercised) through its internal source of funds.
- (c) In the reasonable opinion of the Directors, and in view of the Irrevocable Undertaking and the Setting-Off Arrangement, there is no minimum amount which must be raised from the Proposed Rights Issue.
- (d) The Company will make periodic announcements on the utilisation of the Net Proceeds as and when funds are materially disbursed and will provide a status report on the use of such proceeds and any material deviations therefrom in its annual report.
- (e) 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.

19.6 Offer Information Statement

An Offer Information Statement will be despatched to Entitled Shareholders, subject to amongst others, approval from Shareholders at the EGM for the Proposed Rights Issue. 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.

19.7 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.

19.8 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.

19.9 Working Capital

The total current assets, total current liabilities and working capital of the Group as at 31 March 2012, 31 March 2013, 31 March 2014 and 30 September 2014 are as follows:

	Audited As at 31 March 2012	Audited As at 31 March 2013	Audited As at 31 March 2014	Unaudited As at 30 September 2014
S\$'000				
Current assets	44,321	178,909	176,188	238,064
Current liabilities	(12,630)	(52,053)	(42,388)	(54,375)
Working capital	31,691	126,856	133,800	183,689

30 September 2014 compared to 31 March 2014

The Group's total current assets as at 30 September 2014 increased to S\$238.06 million as compared to S\$176.19 million as at 31 March 2014. The increase was mainly due to the increase in cash and bank balances as a result of the Private Placement. As at 30 September 2014, the Group's current assets comprised mainly trade and other receivables of S\$122.41 million (of which S\$54.73 million were unbilled receivables), development properties of S\$28.51 million and cash and bank balances of S\$61.47 million.

The Group's total current liabilities as at 30 September 2014 of S\$54.38 million was higher as compared to S\$42.39 million as at 31 March 2014. The increase was due to a S\$10.00 million bank borrowings that was taken up by the Company during the period.

As a result of the foregoing, the net current assets position increased to S\$183.69 million as at 30 September 2014 from S\$133.80 million as at 31 March 2014.

31 March 2014 compared to 31 March 2013

The Group's total current assets as at 31 March 2014 decreased slightly to S\$176.19 million as compared to S\$178.91 million as at 31 March 2013. The total current assets as at 31 March 2014 comprised mainly trade and other receivables of S\$86.07 million (of which S\$43.67 million were unbilled receivables), development properties of S\$39.44 million and cash and bank balances of S\$16.74 million.

The Group's total current liabilities as at 31 March 2014 decreased to S\$42.39 million as compared to S\$52.05 million. The decrease was due to the repayment of bank borrowings of S\$14.35 million during the FY2014.

As a result of the foregoing, the Group's net current assets position of S\$126.86 million as at 31 March 2013 improved to S\$133.80 million as at 31 March 2014.

31 March 2013 compared to 31 March 2012

The Group's total current assets as at 31 March 2013 increased significantly to S\$178.91 million as compared to S\$44.32 million as at 31 March 2012. The main reasons for the increase were due to the increase in cash and cash equivalents from S\$20.08 million as at 31 March 2012 to S\$106.18 million as at 31 March 2013 resulting from the private placement exercise and the increase in trade receivables as a result of higher revenue recorded in FY 2013.

The Group's total current liabilities increased by S\$39.42 million to S\$52.05 million as at 31 March 2013 as compared to S\$12.63 million as at 31 March 2012. 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 as at 31 March 2012 improved to S\$126.86 million as at 31 March 2013.

20. FINANCIAL EFFECTS

20.1 Assumptions

The financial effects of the Proposed IPT Transactions and the Proposed Rights Issue (taking into account the Vested Options) (collectively, the "**Enlarged 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 Enlarged Transactions. The financial effects are prepared based on (a) the First Payment; (b) the PHGE Acquisition Prices; (c) the CPCL Acquisition Price; (d) the unaudited financial statements of the Company, PHGE Golf Course & Country Club and CPCL for the six-month period ended 30 September 2014; (e) the basis that the results of MIHL for the six-month period do not include results relating to the Landmark Development as it is a new development with no relevant historical financial results; (f) the basis that the LDRs in PHGE which are the subject of the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club have yet to be developed with no relevant historical financial results; and (g) the assumption that MIHL is not a subsidiary of the Company.

20.2 Share Capital

Proposed Variations to the Proposed Landmark Acquisition

Assuming that the Proposed Variations to the Proposed Landmark Acquisition had been completed on 30 September 2014, its effect on the share capital of the Company as at 30 September 2014 would have been as follows:

	Before the Proposed Variations to the Proposed Landmark Acquisition	After the Proposed Variations to the Proposed Landmark Acquisition⁽¹⁾
Issued and paid up Share capital (S\$'000)	420,286	481,923
Number of Shares ('000)	1,292,118	1,454,320 ⁽²⁾

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 Variations to the Proposed Landmark Acquisition.
- (2) On the assumption that 162,202,276 Rights Shares are issued pursuant to the exercise of the Scale Down Option.

Proposed Acquisition of PHGE and PHGE Golf Course & Country Club

Assuming that the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club had been completed on 30 September 2014, its effect on the share capital of the Company as at 30 September 2014 would have been as follows:

	Before the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club	After the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club⁽¹⁾
Issued and paid up Share capital (S\$'000)	420,286	529,863
Number of Shares ('000)	1,292,118	1,580,478 ⁽²⁾

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 of PHGE and PHGE Golf Course & Country Club.
- (2) On the assumption that 288,359,603 Rights Shares are issued pursuant to the exercise of the Scale Down Option.

Proposed CPCL Acquisition

Assuming that the Proposed CPCL Acquisition had been completed on 30 September 2014, its effect on the share capital of the Company as at 30 September 2014 would have been as follows:

	Before the Proposed CPCL Acquisition	After the Proposed CPCL Acquisition⁽¹⁾
Issued and paid up Share capital (S\$'000)	420,286	420,286
Number of Shares ('000)	1,292,118	1,292,118 ⁽²⁾

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 CPCL Acquisition.
- (2) On the assumption that no new Shares are issued if Shareholders only approve the Proposed CPCL Acquisition.

Enlarged Transactions

Assuming that the Enlarged Transactions had been completed on 30 September 2014, their effect on the share capital of the Company as at 30 September 2014 would have been as follows:

	Before the Enlarged Transactions	After the Enlarged Transactions ⁽¹⁾
Issued and paid up Share capital (S\$'000)	420,286	584,651
Number of Shares ('000)	1,292,118	1,724,658 ⁽²⁾

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 Enlarged Transactions.
- (2) On the assumption that 432,539,405 Rights Shares are issued pursuant to the Proposed Rights Issue.

20.3 Net Tangible Assets

Proposed Variations to the Proposed Landmark Acquisition

Assuming that the Proposed Variations to the Proposed Landmark Acquisition had been completed on 30 September 2014, its effect on the NTA of the Group as at 30 September 2014 would have been as follows:

	Before the Proposed Variations to the Proposed Landmark Acquisition	After the Proposed Variations to the Proposed Landmark Acquisition ⁽¹⁾
NTA (S\$'000)	465,020	526,657 ⁽²⁾
Number of Shares ('000)	1,292,118	1,454,320 ⁽³⁾
NTA per Share (cents)	35.99	36.21

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 Variations to the Proposed Landmark Acquisition.
- (2) This NTA is derived at by adding the increase in the issued and share capital of S\$61.64 million (see Note 3 below).
- (3) On the assumption that 162,202,276 Rights Shares are issued pursuant to the exercise of the Scale Down Option.

Proposed Acquisition of PHGE and PHGE Golf Course & Country Club

Assuming that the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club had been completed on 30 September 2014, its effect on the NTA of the Group as at 30 September 2014 would have been as follows:

	Before the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club	After the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club ⁽¹⁾
NTA (S\$'000)	465,020	558,300 ⁽²⁾
Number of Shares ('000)	1,292,118	1,580,478 ⁽³⁾
NTA per Share (cents)	35.99	35.32

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 of PHGE and PHGE Golf Course & Country Club.
- (2) This NTA is derived at by adding the increase in the issued and share capital of S\$109.58 million (see Note 3 below) and deducting the operating rights relating to the PHGE Golf Course & Country Club of S\$16.30 million which are considered as intangible assets.
- (3) On the assumption that 288,359,603 Rights Shares are issued pursuant to the exercise of the Scale Down Option.

Proposed CPCL Acquisition

Assuming that the Proposed CPCL Acquisition had been completed on 30 September 2014, its effect on the NTA of the Group as at 30 September 2014 would have been as follows:

	Before the Proposed CPCL Acquisition	After the Proposed CPCL Acquisition ⁽¹⁾
NTA (S\$'000)	465,020	462,671 ⁽²⁾
Number of Shares ('000)	1,292,118	1,292,118 ⁽³⁾
NTA per Share (cents)	35.99	35.81

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 CPCL Acquisition.
- (2) This NTA is derived at by deducting the goodwill arising from the acquisition of CPCL of S\$2.35 million which is considered as intangible assets. The goodwill is derived at using the purchase consideration of S\$2.80 million (US\$2.24 million) less the net assets of CPCL of S\$0.45 million.
- (3) On the assumption that no new Shares will be issued if Shareholders only approve the Proposed CPCL Acquisition.

Enlarged Transactions

Assuming that the Enlarged Transactions had been completed on 30 September 2014, its effect on the NTA of the Group as at 30 September 2014 would have been as follows:

	Before the Enlarged Transactions	After the Enlarged Transactions ⁽¹⁾
NTA (S\$'000)	465,020	610,739 ⁽²⁾
Number of Shares ('000)	1,292,118	1,724,658 ⁽³⁾
NTA per Share (cents)	35.99	35.41

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 Enlarged Transactions.
- (2) This NTA is derived at by adding the increase in the issued and share capital of S\$164.36 million (see Note 3 below) and deducting the operating rights relating to the PHGE Golf Course & Country Club of S\$16.30 million and goodwill arising from acquisition of CPCL of S\$2.35 million which are considered as intangible assets.
- (3) On the assumption that 432,539,405 Rights Shares are issued pursuant to the Proposed Rights Issue.

20.4 Earnings Per Share

Proposed Variations to the Proposed Landmark Acquisition

Assuming that the Proposed Variations to the Proposed Landmark Acquisition had been completed on 1 April 2014, its effect on the EPS of the Group for the six-month period ended 30 September 2014 would have been as follows:

	Before the Proposed Variations to the Proposed Landmark Acquisition	After the Proposed Variations to the Proposed Landmark Acquisition ⁽¹⁾
Net profit after tax attributable to the equity holders of the Company (S\$'000)	12,286	12,286 ⁽²⁾
Weighted average number of Shares ('000)	1,224,618	1,386,820 ⁽³⁾
EPS per Share (cents)	1.00	0.89

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 Variations to the Proposed Landmark Acquisition.
- (2) The Landmark Development is a new development with no relevant historical financial results.
- (3) On the assumption that 162,202,276 Rights Shares are issued pursuant to the exercise of the Scale Down Option.

Proposed Acquisition of PHGE and PHGE Golf Course & Country Club

Assuming that the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club had been completed on 1 April 2014, its effect on the EPS of the Group for the six-month period ended 30 September 2014 would have been as follows:

	Before the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club	After the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club ⁽¹⁾
Net profit after tax attributable to the equity holders of the Company (S\$'000)	12,286	12,680 ⁽²⁾
Weighted average number of Shares ('000)	1,224,618	1,512,978 ⁽³⁾
EPS per Share (cents)	1.00	0.84

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 of PHGE and PHGE Golf Course & Country Club.
- (2) The LDRs in PHGE which are the subject of the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club have yet to be developed with no relevant historical financial results. The seventy per cent. (70%) of net profit after tax of the PHGE Golf Course & Country Club for the six-month period ended 30 September 2014 is S\$0.39 million.
- (3) On the assumption that 288,359,603 Rights Shares are issued pursuant to the exercise of the Scale Down Option.

Proposed CPCL Acquisition

Assuming that the Proposed CPCL Acquisition had been completed on 1 April 2014, its effect on the EPS of the Group for the six-month period ended 30 September 2014 would have been as follows:

	Before the Proposed CPCL Acquisition	After the Proposed CPCL Acquisition ⁽¹⁾
Net profit after tax attributable to the equity holders of the Company (S\$'000)	12,286	12,432 ⁽²⁾
Weighted average number of Shares ('000)	1,224,618	1,224,618 ⁽³⁾
EPS per Share (cents)	1.00	1.02

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 CPCL Acquisition.
- (2) The net profit after tax of CPCL for the six-month period ended 30 September 2014 is S\$0.15 million.
- (3) On the assumption that no new Shares are issued if Shareholders only approve the Proposed CPCL Acquisition.

Enlarged Transactions

Assuming that the Enlarged Transactions had been completed on 1 April 2014, its effect on the EPS of the Group for the six-month period ended 30 September 2014 would have been as follows:

	Before the Enlarged Transactions	After the Enlarged Transactions ⁽¹⁾
Net profit after tax attributable to the equity holders of the Company (S\$'000)	12,286	12,825 ⁽²⁾
Weighted average number of Shares ('000)	1,224,618	1,657,158 ⁽³⁾
EPS per Share (cents)	1.00	0.77

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 Enlarged Transactions.
- (2) The Landmark Development is a new development with no relevant historical financial results and the LDRs in PHGE which are the subject of the Proposed Acquisition of PHGE have yet to be developed with no relevant historical financial results. The aggregated of seventy per cent. (70%) of net profit after tax of the PHGE Golf Course & Country Club and 100% of net profit after tax of CPCL for the six-month period ended 30 September 2014 is S\$0.54 million.
- (3) On the assumption that 432,539,405 Rights Shares are issued pursuant to the Proposed Rights Issue.

21. PROPOSED WHITEWASH RESOLUTION

21.1 Mandatory general offer requirement under the Code

Rule 14.1 of the Code provides that, *inter alia*, except with the consent of the SIC:

- (i) 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 the company; or
- (ii) 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. For this purpose, control of a company is defined as ownership of twenty per cent. (20%) or more of the voting rights of the company.

As at the Latest Practicable Date, Mr. Serge Pun holds directly and indirectly 482,208,863 Shares, representing approximately 37.32% of the issued and paid-up share capital of the Company. Mr. Serge Pun also holds 2,000,000 Share Options as at the Latest Practicable Date, of which 666,666 of such Share Options have vested on 3 July 2014 and are exercisable by Mr. Serge Pun. The remaining Share Options held by Mr. Serge Pun have not vested as at the Latest Practicable Date.

Mr. Cyrus Pun and Mr. Melvyn Pun are sons of Mr. Serge Pun. Mr. Martin Pun, Ms. Patricia Pun and Ms. Suzanne Pun are siblings of Mr. Serge Pun. Pun Holdings Pte. Ltd. (“PHPL”) is 100% owned by Mr. Serge Pun and Pun Holdings Investments Limited (“PHIL”) is a wholly-owned subsidiary of PHPL. Mr. Cyrus Pun, Mr. Melvyn Pun, Mr. Martin Pun, Ms Patricia Pun, Ms Suzanne Pun, PHPL and PHIL are hereinafter collectively known as, the “**Concert Parties**” and they are presumed to be parties acting in concert with Mr. Serge Pun in connection with the Proposed Rights Issue and the Irrevocable Undertaking.

As at the Latest Practicable Date:

- (a) Mr. Cyrus Pun does not hold any Shares but he holds 2,000,000 Share Options, of which 666,666 of such Share Options have vested on 3 July 2014 and are exercisable by Mr. Cyrus Pun. The remaining Share Options held by Mr. Cyrus Pun have not vested;
- (b) Mr. Melvyn Pun does not hold any Shares or Share Options;
- (c) Mr. Martin Pun holds 514,864 Shares;
- (d) Ms. Patricia Pun holds 175,258 Shares;
- (e) Ms. Suzanne Pun holds 297,712 Shares;
- (f) Mr. Serge Pun holds 672,593 Shares through PHPL;
- (g) Mr. Serge Pun holds 186,000,000 Shares through PHIL;
- (h) Mr. Serge Pun holds 295,536,270 Shares directly; and
- (i) Mr. Serge Pun holds 2,000,000 Share Options, of which 666,666 of such Share Options have vested on 3 July 2014 and are exercisable by Mr. Serge Pun. The remaining Share Options held by Mr. Serge Pun have not vested.

Assuming that:

- (1) Mr. Serge Pun and his Concert Parties exercise their Vested Options and new Shares are issued to them before the Books Closure Date;
- (2) Mr. Martin Pun, Ms. Patricia Pun and Ms. Suzanne Pun subscribes for their pro rata entitlements under the Proposed Rights Issue;
- (3) none of the other Shareholders subscribe for their entitlements under the Proposed Rights Issue;
- (4) Mr. Serge Pun subscribes for his Pro Rata Entitlements (comprising Shares held by himself and through PHPL and PHIL); and
- (5) Mr. Serge Pun applies and pays for and is allocated and issued 271,029,396 Rights Shares which are not subscribed or applied for by Shareholders other than himself (such number of Rights Shares are calculated on the assumption that all Vested Options have been exercised with new Shares issued and allotted before the Books Closure Date) pursuant to the Irrevocable Undertaking,

Mr. Serge Pun and his Concert Parties will hold 917,069,434 Shares in the capital of the Company, representing approximately 53.00% 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 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 (the "**Whitewash Waiver**"). On 24 October 2014, the SIC granted the Whitewash Waiver subject to the satisfaction of the conditions stated in Section 21.2 below.

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

The SIC had, on 24 October 2014, 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 his 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 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 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 dilution effect to existing holders of voting rights upon the acquisition of Rights Shares by Mr. Serge Pun and his Concert Parties 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 acquired by Mr. Serge Pun and his Concert Parties as a result of Mr. Serge Pun subscribing for Rights Shares pursuant to the Irrevocable Undertaking;
 - (v) the acquisition of the Rights Shares by Mr. Serge Pun and his Concert Parties could result in Mr. Serge Pun and his Concert Parties holding Shares carrying over 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 would thereafter be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer; and
 - (vi) specific and prominent reference to the fact 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 Proposed Rights Issue;
- (g) the 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 acquisition of Rights Shares by Mr. Serge Pun and his Concert Parties pursuant to the Irrevocable Undertaking must be completed within 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.

21.3 Dilution

As at the Latest Practicable Date, based on the existing share capital of the Company of 1,292,118,215 Shares, Mr. Serge Pun holds 482,208,863 Shares (representing 37.32%) and his Concert Parties collectively hold 987,834 Shares (representing 0.08%).

For illustration purposes only, the shareholding interests of Mr. Serge Pun and his Concert Parties in the Company before and after the Rights Issue under selected scenarios on the assumption that the 5,500,000 Shares comprised in the Vested Options have been allotted and issued are as follows:

	Shareholding as at the Latest Practicable Date		After the Proposed Rights Issue			
			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 subscribes for all the Rights Shares under the Proposed Rights Issue and (b) no other Shareholder takes up their entitlements under the Proposed Rights Issue)	
	No. of Shares	%	No. of Shares ⁽¹⁾	%	No. of Shares ⁽¹⁾	%
Mr. Serge Pun and his Concert Parties	484,530,029 ⁽²⁾	37.34	646,040,038	37.34	917,069,434 ⁽³⁾	53.00
Other Shareholders	813,088,186	62.66	1,084,117,582	62.66	813,088,186 ⁽⁴⁾	47.00
Total	1,297,618,215	100	1,730,157,620	100	1,730,157,620	100

Notes:

- (1) Based on the assumption that 432,539,405 Rights Shares have been allotted and issued.
- (2) This is derived by adding (a) 483,196,697 Shares held by Mr. Serge Pun and his Concert Parties as at the Latest Practicable Date; (b) 666,666 Shares assumed to be allotted and issued to Mr. Serge Pun under the Vested Options; and (c) 666,666 Shares assumed to be allotted and issued to Mr. Cyrus Pun under the Vested Options.
- (3) This is derived by adding (a) 484,530,029 Shares held by Mr. Serge Pun and his Concert Parties; and (b) 432,539,405 Rights Shares allotted and issued under the Proposed Rights Issue.
- (4) This is the difference between the total number of Shares after the allotment and issue of the Rights Shares under the Proposed Rights Issue of 1,730,157,620 Shares and the number of Shares and Rights Shares held by Mr. Serge Pun and his Concert Parties of 917,069,434 Shares computed under Note 3 above.

As the number of Vested Options are small, the dilutive effect in the scenarios where the Vested Options are not exercised are not material.

21.4 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.

By voting in favour of the Proposed Whitewash Resolution, Independent Shareholders should also note that they are waiving their rights to a general offer 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 acquisition of Rights Shares by Mr. Serge Pun and his Concert Parties pursuant to his Irrevocable Undertaking could result in him and his Concert Parties holding Shares carrying over 49.0% 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 would thereafter be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer.

If the Proposed IPT Transactions and the Proposed Rights Issue are approved by Shareholders but the Proposed Whitewash Resolution is not approved by Independent Shareholders at the EGM, the Company is not obliged to complete the Proposed IPT Transactions under the definitive agreements and it will not proceed with the Proposed Rights Issue. It will still proceed with any of the Proposed IPT Transactions if it is able to raise funds from other funding options such as debt and/or equity fund raising to fund the acquisition prices. In such an event, the Company will make an immediate announcement to inform Shareholders.

22. IFA OPINION

22.1 Proposed IPT Transactions

KPMG Corporate Finance Pte Ltd, in accordance with Chapter 9 of the Listing Manual, has been appointed as the independent financial adviser to advise the Recommending Directors on whether the terms of the Proposed IPT Transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

Based on their considerations and subject to the qualifications and assumptions set out in the IFA Opinion Letter, the IFA is of the opinion that each of the Proposed IPT Transactions is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

The IFA Opinion Letter is reproduced and appended as **Appendix M** of this Circular. Shareholders are advised to read the IFA Opinion Letter carefully.

22.2 Proposed Whitewash Resolution

Pursuant to the conditions imposed by the SIC, the Recommending Directors have appointed KPMG Corporate Finance Pte Ltd as the IFA to advise the Recommending Directors in connection with their recommendation to the Independent Shareholders on the Proposed Whitewash Resolution.

Based on their considerations and subject to the qualifications and assumptions set out in the IFA Opinion Letter, the IFA is of the opinion that the terms of the Proposed Whitewash Resolution are fair and reasonable.

Shareholders are advised to read the IFA Opinion Letter carefully.

23. 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 ⁽²⁾
	No. of Shares	% of total issued Shares (%)	No. of Shares	% of total issued Shares (%)	
Directors					
Mr. Serge Pun ⁽¹⁾	295,536,270	22.87	186,672,593	14.45	2,000,000
Mr. Cyrus Pun	–	–	–	–	2,000,000
Mr. Andrew Rickards	7,500,000	0.006	–	–	7,000,000
Mr. Adrian Chan	–	–	–	–	500,000
Mr. Basil Chan	–	–	–	–	500,000
Mr. Kyi Aye	–	–	–	–	500,000
Dr. Mohd Amin Liew Abdullah	–	–	–	–	500,000
Mr. Melvyn Pun	–	–	–	–	–
Substantial Shareholders					
Mr. Serge Pun ⁽¹⁾	295,536,270	22.87	186,672,593	14.45	–
The Capital Group Companies, Inc. ⁽²⁾	–	–	90,957,000	7.04	–
Aberdeen Asset Management PLC ⁽³⁾	–	–	91,218,000	7.06	–

Notes:

- (1) Mr. Serge Pun is deemed interested in (a) 672,593 Shares held by Pun Holdings Pte Ltd and (b) 186,000,000 Shares held by Pun Holdings Investments Limited. Pun Holdings Pte Ltd is 100% held by Mr. Serge Pun and Pun Holdings Investments Limited is a wholly-owned subsidiary of Pun Holdings Pte Ltd.
- (2) 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. CRMC manages equity assets for various investment companies through three divisions, Capital Research Global Investors, Capital International Investors and Capital World Investors. CRMC in turn is the parent company of Capital Group International Inc. (“CGII”), in which in turn is the parent company of five investment management companies (“CGII management companies”): Capital Guardian Trust Company, Capital International Inc., Capital International Limited, Capital International Sàrl and Capital International K.K. The CGII management companies primarily serve as investment managers to institutional clients.

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

Holdings of the CGII management companies are as follows: Capital Guardian Trust Company (13,726,000 voting shares), Capital International, Inc. (48,459,000 voting shares), Capital International Limited (1,698,000 voting shares) and Capital International Sàrl (27,074,000 voting shares). The said shares are managed by CGII management companies in exercise of the investment management discretion vested in them in their respective capacities as investment managers to institutional clients.

As CGII is the holding company of the CGII management companies, CGII has a deemed interest in an aggregate of 90,957,000 voting shares in Yoma Strategic Holdings Ltd. As CRMC is the parent company of CGII, in accordance with Sections 4(4) and 4(5) of the SFA, CRMC has a deemed interest in the said 90,957,000 voting shares in Yoma Strategic Holdings Ltd. managed by the CGII management companies.

For the reasons stated, CRMC has a total deemed interest in 90,957,000 voting shares of Yoma Strategic Holdings Ltd., which constitutes approximately 7.04% of the total number of voting shares (excluding treasury shares) in Yoma Strategic Holdings Ltd.

As CGC is the parent company of CRMC, pursuant to Sections 4(4) and 4(5) of the Securities and Futures Act, Chapter 289 of Singapore, CGC is deemed interested in the total interest of CRMC of 90,957,000 shares (7.04%).

- (3) Aberdeen Asset Management PLC is the parent company of its subsidiaries (together “**the Aberdeen Group**”) on behalf of the accounts managed by the Aberdeen Group. Parent company of Aberdeen Asset Management Asia Limited (“**AAMAL**”). AAMAL, 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 as disclosed above, 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.

24. ABSTENTION FROM VOTING

Rule 919 of the Listing Manual requires that the Interested Person and any associates of such Interested Person must not vote on the resolution relating to the Interested Person Transaction.

24.1 Proposed Variations to the Proposed Landmark Acquisition

Mr. Serge Pun and his Associates (namely, his sons, Mr. Cyrus Pun and Mr. Melyvn Pun, his siblings, Mr. Martin Pun, Ms Patricia Pun and Ms Suzanne Pun and his wholly-owned investment companies, Pun Holdings Pte. Ltd. and Pun Holdings Investments Limited) are deemed to be interested in the Proposed Variations to the Proposed Landmark Acquisition. Mr. Serge Pun and his Associates will abstain and have undertaken that their associates will abstain, from voting at the EGM in relation to the Proposed Variations to the Proposed Landmark Acquisition 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 on the manner in which they wish their votes to be cast for the ordinary resolution.

24.2 Proposed Acquisition of PHGE and PHGE Golf Course & Country Club

Mr. Serge Pun and his Associates are deemed to be interested in the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club. Mr. Serge Pun and his Associates will abstain and have undertaken that their associates will abstain, from voting at the EGM in relation to the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club 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 on the manner in which they wish their votes to be cast for the ordinary resolution.

24.3 Proposed CPCL Acquisition

Mr. Serge Pun and his Associates are deemed to be interested in the Proposed CPCL Acquisition. Mr. Serge Pun and his Associates will abstain and have undertaken that their associates will abstain, from voting at the EGM in relation to the Proposed CPCL Acquisition 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 on the manner in which they wish their votes to be cast for the ordinary resolution.

24.4 Proposed Rights Issue

Mr. Serge Pun and his Associates are deemed to be interested in the Proposed Rights Issue. Mr. Serge Pun and his Associates 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 on the manner in which they wish their votes to be cast for the ordinary resolution.

24.5 Proposed Whitewash Resolution

Mr. Serge Pun and his Concert Parties are deemed to be interested in the Proposed Whitewash Resolution. Mr. Serge Pun and his Concert Parties 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 on the manner in which they wish their votes to be cast for the Proposed Whitewash Resolution.

25. STATEMENT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The ARM Committee comprising Mr. Basil Chan (Chairman of the ARM Committee), Mr. Adrian Chan, Dr Amin and Mr. Kyi Aye are not interested in the Proposed IPT Transactions and they have considered, *inter alia*, the terms, rationale and benefits of each of the Proposed IPT Transactions and the IFA Opinion Letter in relation to each of the Proposed IPT Transactions and is of the view that each of the Proposed IPT Transactions is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

26. EXTRAORDINARY GENERAL MEETING

The EGM will be held at The Straits Room, Level Four, The Fullerton Hotel, 1 Fullerton Square, Singapore 049178 on 6 January 2015 at 10 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the resolutions set out in the Notice of EGM relating to the Proposed IPT Transactions, the Proposed Rights Issue and the Proposed Whitewash Resolution.

27 ACTION TO BE TAKEN BY SHAREHOLDERS

27.1 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 lodgment 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.

27.2 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.

28. 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 IFA Opinion Letter reproduced in **Appendix M** and all references thereto in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

29. CONSENTS OF JLLS, JLLS CAA AND RKPL

JLLS, JLLS CAA and RKPL have given and have not withdrawn their written consents to (i) the issue of this Circular with the inclusion of their names; (ii) (in the case of JLLS and RKPL) their respective Valuation Certificates reproduced in the appendices and all references thereto in the form and context in which they appear in this Circular; (iii) (in the case of JLLS CAA) the Independent Summary Letter reproduced in **Appendix I** and all references thereto in the form and context in which it appears in this Circular; and (iv) the availability of their respective valuation reports as documents for inspection.

30. DIRECTORS' RECOMMENDATION

30.1 Proposed Variations to the Proposed Landmark Acquisition

After having considered, *inter alia*, the terms, rationale for and benefits of the Proposed Variations to the Proposed Landmark Acquisition, the IFA Opinion Letter and the statement of the ARM Committee, 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 Variations to the Proposed Landmark Acquisition) are of the opinion that the Proposed Variations to the Proposed Landmark Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 1 relating to the Proposed Variations to the Proposed Landmark Acquisition as set out in the Notice of EGM.

30.2 Proposed Acquisition of PHGE and PHGE Golf Course & Country Club

After having considered, *inter alia*, the terms, rationale for and benefits of the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club, the IFA Opinion Letter and the statement of the ARM Committee, 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 Acquisition of PHGE and PHGE Golf Course & Country Club) are of the opinion that the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 2 relating to the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club as set out in the Notice of EGM.

30.3 Proposed CPCL Acquisition

After having considered, *inter alia*, the terms, rationale for and benefits of the Proposed CPCL Acquisition, the IFA Opinion Letter and the statement of the ARM Committee, 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 CPCL Acquisition) are of the opinion that the Proposed CPCL Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 3 relating to the Proposed CPCL Acquisition as set out in the Notice of EGM.

30.4 Proposed Rights Issue

After having considered, *inter alia*, the terms 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 4 relating to the Proposed Rights Issue as set out in the Notice of EGM.

30.5 Proposed Whitewash Resolution

After having considered, *inter alia*, the terms and benefits of the Proposed Rights Issue, the Proposed Whitewash Resolution and the IFA 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 fair and reasonable. Accordingly, they recommend that Independent Shareholders vote in favour of the Ordinary Resolution 5 relating to the Proposed Whitewash Resolution as set out in the Notice of EGM.

31. 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 IPT Transactions, 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 the 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 the Circular in its proper form and context.

32. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 78 Shenton Way, #32-00, Singapore 079120 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the Annual Report of the Company for FY2014;
- (c) the Landmark Acquisition S&P Agreement (including the supplementary agreements);
- (d) PHIH S&P Agreement;
- (e) YSI S&P Agreement;
- (f) PHL S&P Agreement;
- (g) JDD;
- (h) CPCL S&P Agreement;
- (i) Valuation reports by JLLS in respect of the LDRs relating to the Land Adjacent to Hospital, the LDRs relating to the School Land, the LDRs relating to the Pun Hlaing Lodge Land, the LDRs relating to the Remaining Land in PHGE;
- (j) Valuation report by RKPL in respect of the LDRs relating to the Land Adjacent to Hospital Land and the LDRs relating to the Remaining Land in PHGE;
- (k) Valuation report by JLLS CAA in respect of the Proposed CPCL Acquisition;
- (l) IFA Opinion Letter;
- (m) letter of consent from the IFA;
- (n) letter of consent from JLLS;
- (o) letter of consent from RKPL; and
- (p) letter of consent from JLLS CAA.

Yours faithfully

Andrew Rickards
Chief Executive Officer and Director
For and on behalf of the Board of Directors of
Yoma Strategic Holdings Ltd.

APPENDIX A – SUMMARY OF THE PROPOSED LANDMARK ACQUISITION

Background

On 17 August 2006, the Company had, through its wholly-owned subsidiary Yoma Strategic Investments Ltd. (“YSIL”), entered into a first right of refusal deed (the “**First Right of Refusal Deed**”) with SPA. Under the terms of the First Right of Refusal Deed, the Group has, *inter alia*, the first right of refusal to purchase or acquire from SPA and its subsidiaries (collectively, the “**SPA Group**”), in whole or in part, at any time and from time to time, the land development rights (“**LDRs**”) in respect of land in Yangon, Myanmar owned or acquired or to be owned or acquired by SPA for so long as Mr. Serge Pun and his associates (as defined in the Listing Manual) remain controlling shareholders of YSIL. Please refer to write-up below for the principal terms of the First Right of Refusal Deed.

SPA had, on 3 September 2012, by way of a written notice, offered the Group the right to acquire the LDRs of and to participate in the redevelopment of the site located at 372 Bogyoke Aung San Road, Pabedan Township, Yangon, Myanmar, which is approximately 9.5 acres (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 the site next to Site 1, which is approximately 0.5 acres and located at 380 Bogyoke Aung San Road, Pabedan Township, Yangon, Myanmar (the “**Site 2**”), currently held by Yangon Land Company Limited, a wholly-owned subsidiary of SPA (“**YLC**”), shall also be acquired by the Group.

The LDRs of Site 1 and Site 2 (collectively, the “**Sites**”) are and will be held by MIHL.

Acquisition Price

In accordance with the terms of the First Right of Refusal Deed, the acquisition price is to be derived from the average of the values attributed to the LDRs for the Landmark Development by two (2) internationally reputable and recognised valuers, separately appointed by the Company and the SPA Group, and discounted by an amount to be agreed between the Company and the SPA Group.

Based on the value of US\$100.00 million arrived at by the independent valuer appointed by the Group, JLLS, and the value of US\$109.50 million arrived at by the independent valuer appointed by the SPA Group, RKPL, the average value of the LDRs attributed to the Landmark Development was US\$104.75 million (approximately S\$127.79 million at the Landmark Exchange Rate).

The SPA Group had also agreed to a discount factor of 3.01% to be applied to the acquisition price. Accordingly, the parties agreed that the acquisition price of the Proposed Landmark Acquisition would be US\$81.28 million (approximately S\$99.16 million at the Landmark Exchange Rate), being eighty per cent. (80%) of the average value of the LDRs attributed to the Landmark Development discounted by a factor of 3.01%.

The discount factor was arrived at commercially after taking into account the valuation reports, meetings with the valuers and negotiations with the SPA Group. The valuation certificates issued by JLLS and RKPL were appended as Appendix G of the Circular dated 8 February 2013.

The “**Landmark Exchange Rate**” means US\$1 to S\$1.22, being the exchange rate agreed by the parties.

Consideration for the Proposed Landmark Acquisition

The acquisition of the LDRs for the Landmark Development will be done through the purchase of eighty per cent. (80%) interest in MIHL (the “**Sale Shares**”). As such, it was agreed that the consideration for the Sale Shares would be US\$81.28 million (the “**Landmark Consideration**”). SPA will also assign a shareholder’s loan in MIHL in proportion to eighty per cent. (80%) interest in MIHL to the Company for a nominal consideration of S\$1. The shareholder’s loan does not carry interest and has no repayment terms. 100% of the shareholder’s loan amounted to an aggregate of US\$34,143,122 as at the date of the conditional sale and purchase agreement entered into between the Company, SPA & Mr Serge Pun on

19 November 2012 in respect of the Proposed Landmark Acquisition (the “**Landmark Acquisition S&P Agreement**”) and comprised loans granted by shareholders of MIHL to fund the working capital of MIHL and a construction loan of US\$19.47 million which had been granted by a previous shareholder, Nawarat Patanakarn Public Co., Ltd., an unrelated third party incorporated in Thailand and which was fully settled by SPA. The Company expects the shareholders’ loan to be repaid when MIHL is profitable although it will likely be treated as equity since the loans were advanced by shareholders. In addition, parties have agreed that any outstanding outgoings amount (including, *inter alia*, 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 the date of the Landmark Acquisition S&P Agreement (which amounted to an aggregate amount of approximately US\$12,000,000 as at the date of the Landmark Acquisition S&P Agreement), as reflected in the balance sheet of MIHL to be prepared as at the completion date of the Landmark S&P Agreement (the “**Balance Sheet Outstanding Outgoings Amount**”) shall be fully retained by the Company from the consideration amount. The Company will then make payment directly to the relevant government authorities on behalf of MIHL. As at the Latest Practicable Date, SPA has represented to the Company that MIHL had paid the US\$12,000,000 to the relevant government authorities. Notwithstanding this, there will still be a balance sheet prepared as at the completion date of the Proposed Landmark Acquisition as amended by the Proposed Variations in the format to be determined by the Company depending on items reflected in the balance sheet.

Pursuant to the Landmark S&P Agreement, SPA agreed that the consideration for the Proposed Landmark Acquisition shall be paid to Mr. Serge Pun, as the controlling shareholder of the SPA Group, and that such payment to Mr. Serge Pun shall constitute full and final settlement of the Landmark Consideration.

Information about MIHL

MIHL is a foreign investment company incorporated in Myanmar on 16 February 1994. The principal activities of MIHL are that of (i) investment holding and (ii) property development. Its paid up capital as at the Latest Practicable Date is 1,750,000 Kyats divided into 175 shares of 10,000 Kyats each.

Principal Terms of the First Right of Refusal Deed

- (1) SPA shall, for so long as the First Right of Refusal Deed is in force, promptly give to YSIL a notice in writing if it acquires (whether for value or otherwise) any land development rights in respect of any land situated in Yangon, Myanmar. Such notice is deemed to be an offer by SPA to sell to YSIL, in whole or in part (at the sole discretion of YSIL), the land development rights in respect of the land described in the notice. SPA shall not sell, transfer, lease, assign, encumber, dispose of or part with control of, or of any interest in, all or part of the land development rights described in such notice, for a period of thirty (30) days after the date of such notice.
- (2) Upon the receipt of such notice, YSIL shall have thirty (30) days to indicate to SPA in writing an affirmative interest in the offer contained in the offer, following which YSIL shall have a further 30 days from the date of such indicative interest to confirm its acceptance of the offer.
- (3) If YSIL confirms acceptance of the offer within the deadline:
 - (a) Each of SPA and YSIL will appoint an internationally reputable and recognised valuer within 14 days of acceptance of the offer to value the relevant land development rights. Each party shall also use its reasonable endeavours to procure that its appointed valuer furnish the final completed valuation reports within thirty (30) days after their respective appointments; and
 - (b) SPA and YSIL shall use their best efforts to complete the transfer of the land development rights of the relevant land within sixty (60) days after the date of the acceptance of the offer by YSIL (or such other period(s) as may be agreed between SPA and YSIL or as may be required for YSIL to obtain all necessary consents and approvals for the transfer).

- (4) The acceptance of the offer by YSIL may be given subject to conditions, such as the obtaining of all necessary approvals and consents (including the approval of the shareholders of YSIL, if required) for the transfer of the land development rights for the transaction. SPA will procure all requisite consents and approvals from all relevant governmental authorities in Myanmar for the transaction.
- (5) If YSIL fails to indicate an affirmative interest in, or as the case may be, confirm its acceptance of, the offer within the given deadline:
 - (a) SPA shall be entitled, for a period of five (5) months after the date it receives a notice in writing of the rejection of the offer by YSIL or the expiry of the deadline for which YSIL's indicative interest or acceptance must be received (whichever is the earlier), to sell, transfer, assign or dispose of the whole or part of the land development rights specified in the offer notice to any third party, at the sole discretion of SPA;
 - (b) after the expiry of this 5-month period, in the event that SPA intends to sell, transfer, assign or dispose of the whole or part of any land development rights which were the subject of the earlier offer notice, SPA shall promptly notify YSIL in writing of such intention as well as of the terms and conditions of the proposed sale, transfer, assignment or disposal. Such notification shall be deemed to be a second offer by SPA to sell to YSIL, in whole or in part (at the sole discretion of YSIL), the land development rights in respect of the land described in the second offer notice. In such an event, the terms and conditions relating to the grant of first right of refusal as described above shall apply in like manner; and
 - (c) after the expiry of the 5-month period, YSIL shall be entitled at any time and from time to time to acquire from SPA the whole or part of (at the sole discretion of YSIL) the land development rights which were previously offered to it and which SPA continues to hold or own, by serving upon SPA written notice to that effect. The purchase price of such land development rights will also be ascertained in the same manner as described above.

APPENDIX B – DESCRIPTION OF THE LANDMARK DEVELOPMENT

The proposed Landmark Development will be an iconic mixed-use development of residential, retail, hospitality and commercial property of approximately 2 million square feet gross floor area (“GFA”), on approximately 10 acres of land located in the middle of the downtown Yangon business district in Myanmar. The site is situated between Sule-Shangrila Hotel, the Sakura Tower and the famous tourist destination of Bogyoke Aung San Market, and is within close walking distance from the Sule Pagoda. The site currently hosts the FMI Centre Tower, the Grand Meeyahta Hotel (which has ceased operations) and one of Yangon’s most famous heritage buildings, the former headquarters of the Burma Railway Company built in 1877. Under the latest master-plan, the Victorian-era headquarters of the Burma Railway Company will be restored to its original grandeur and converted into a landmark 5-star hotel and is planned to rival the greatest historic hotels of the region such as Raffles Hotel in Singapore. Adjacent to the 5-star hotel, it is proposed that a luxurious branded residences be built. There will also be a high end business hotel and an executive serviced apartment tower. For business use, two (2) Grade-A office towers will be constructed. A floor retail podium made up of shops, department store and supermarket will also be built.

Note:

The above write-up is based on the master plan submitted to the relevant authorities which may be subject to changes, depending on prevailing market conditions as may be determined by MIHL.

Based on the latest design which may be subject to changes depending on the prevailing market conditions and a quantity surveyor report, the total development costs of the Landmark Development (excluding the development cost of the former headquarters of the Burma Railway Company) is estimated to range from US\$415 million to US\$440 million. Please refer to the Company’s announcements dated 19 November 2012, 18 December 2012, 8 February 2013, 15 March 2013, 18 April 2013, 16 June 2013, 1 October 2013, 31 December 2013 and 20 February 2014 whereby the Company had disclosed that it is in discussion with various investors to fund the Landmark Development.

APPENDIX C – CONDITIONS PRECEDENT IN RELATION TO THE PROPOSED VARIATIONS TO THE PROPOSED LANDMARK ACQUISITION

- (a) The approval of the Shareholders of the Company being obtained at an extraordinary general meeting for, *inter alia*, the Proposed Variations to the Proposed Landmark Acquisition and the Proposed Rights Issue.
- (b) In relation to the Proposed Rights Issue, the grant of whitewash waiver(s) by the Securities Industry Council in respect of the obligation of Mr. Serge Pun and his Concert Parties to make a general offer arising from or in connection with his subscription of the excess rights shares in accordance with his undertaking and the independent shareholders of the Company passing a resolution in favour of such waiver(s), if required.
- (c) The Company having received a satisfactory legal opinion from a Myanmar counsel on, *inter alia*, the validity and enforceability of the deed of management control and deed of assignment relating to the eighty per cent (80%) interest in MIHL and the Management Appointment, in such form as is acceptable to the Company in its sole and discretion, prior to the extraordinary general meeting to be convened by the Company to seek approval from its Shareholders.
- (d) The Company being satisfied with the results of the legal and financial due diligence exercises (including but not limited to review of assets and liabilities (which shall include contingent liabilities) and existing tenancy agreements relating to the properties) conducted on MIHL.
- (e) Each party not having committed a material breach of any of the covenants and agreements required to be performed or caused to be performed by it under the Landmark Acquisition S&P Agreement on or before the completion date.
- (f) None of the parties having received notice of any injunction or other order or directive restraining or prohibiting the consummation of the transactions contemplated by or in connection with the Landmark Acquisition S&P Agreement, deed of management control, deed of assignment and the Management Appointment and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending.
- (g) There being no material change to the redevelopment plan including road line plans, drainage plans and boundary lines, and usage of the Sites or any part of the Sites, and no notice of such intended change has been given, by the government or such other competent authority.
- (h) There being no increase or alteration in the issued and paid up capital of MIHL.
- (i) There being no material adverse change to the business, prospects, operations or financial condition of MIHL and Yangon Land occurring on or before the completion date.

As at the Latest Practicable Date, condition (b) has been satisfied.

APPENDIX D – PUN HLAING GOLF ESTATE (“PHGE”)

Historical Background of PHGE

In 1998, SPA through its wholly-owned subsidiary, Yangon Nominees Company Limited (“**Yangon Nominees**”) entered into a joint venture with the Department of Human Settlement and Housing Development (“**DHSHD**”) to develop PHGE into an 18-hole golf course and community with housing developments. As part of the joint venture, DHSHD transferred 652 acres of 60-year leasehold land in PHGE to Hlaing River Golf and Country Club Limited (“**HRGCC**”), the joint venture company between DHSHD and Yangon Nominees, in exchange for thirty per cent. (30%) interest. Yangon Nominees hold the remaining seventy per cent. (70%) interest in HRGCC. HRGCC has been granted sixty (60) years from the date of the lease deed (which was in December 1998) to develop PHGE (the “**PHGE Lease**”) and thirty (30) years with four (4) extensions of five (5) years each totaling fifty (50) years from the date of possession (which was in April 2002) to manage and operate the golf course and its related facilities.

Location of PHGE

PHGE is a prime residential development located between the Hlaing and the Pan Hlaing Rivers in the township of Hlaing Tharyar, 13 kilometres west of downtown Yangon. It surrounds an 18-hole Gary Player signature golf course with panoramic views of the city and the world-famous Shwedagon Pagoda.

General Description of PHGE

PHGE offers a full range of independent utilities, infrastructure and estate management services which differentiates it from other competing developments in Myanmar. These facilities include 24-hour underground electricity supply to all properties on the estate and potable water supplies delivered to each property under controlled pressure. The surrounding environment of PHGE is protected with the installation of bio-filter effluent treatment units in each property. The country club comes with a swimming pool, two grass tennis courts, a spa and foot massage parlour, a gym and a beauty parlour. The Early Years Centre located on a four-acre site in PHGE is managed by Harrow International Management Services (“**HIMS**”). HIMS is a premier educational group in partnership with Harrow School UK, one of Britain’s leading independent schools.

The Group is currently developing a boutique hotel at PHGE. The hotel is expected to offer 48 deluxe duplex and terrace suites alongside restaurants and ancillary facilities¹. As at to-date, the development cost is estimated to be approximately US\$15 million and completion is expected to be in the 1st quarter of 2016.

Please refer to the Company’s announcement dated 10 December 2013 for more information on this boutique hotel development.

¹ Based on the latest development plan and subject to change.

APPENDIX E – MAP ON PHGE LDRs



Pun Hlaing Golf Estate

- LDRs currently held by Yoma Strategic
- (B) LDRs Relating to School Land
- (A) LDRs Relating to Land Adjacent to Hospital
- (C) & (D) LDRs Relating to PHL Land
- (E) Economic Interests in LDRs in respect of the Remaining LDRs
- (F) Economic Interests in the Operating Rights in respect of the PHGE Golf & Country Club

APPENDIX F – SALIENT TERMS OF THE PROPOSED ACQUISITION OF PHGE AND PHGE GOLF COURSE & COUNTRY CLUB

A PHIH S&P AGREEMENT

Other Salient Terms

- (a) YDG will upon completion apply to DHSHD for a separate leasehold grant in respect of the LDRs relating to the Land Adjacent to Hospital to be issued in the name of YDG. For so long as the separate leasehold grant is not issued by DHSHD, each of PHIH and SPA undertakes to take such action as may be reasonably required by YDG to enforce its right as owner of the LDRS relating to the Land Adjacent to Hospital.
- (b) In the event that YDG decides not to develop the land adjacent to Hospital, YDG has granted a first right of refusal to PHIH to acquire the LDRs relating to the Land Adjacent to Hospital.
- (c) Upon completion of the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club, the Company will grant PHIH the right to use the utilities building and the open space car park situated on the Land Adjacent to Hospital, rent-free* (for so long as there is no change to the current amount of rent payable to the relevant authorities in respect of the Land Adjacent to Hospital), provided that PHIH agrees that it will vacate the car park and the utilities building within three (3) months and six (6) months respectively upon the receipt of a written notice from the Company and that PHIH will be solely responsible for all costs and expenses relating to the demolition, de-commissioning, clearing and relocation of the utilities building and car park.

* This is an open space car park with limited facilities and the Company does not consider the rent-free amount to be material.

Certain Relevant Warranties and Undertakings

In addition to the usual warranties on title of the Land Adjacent to the Hospital, each of SPA and Mr. Serge Pun also represents, warrants and undertakes to YDG as follows:

- (a) there is no development of the Land Adjacent to Hospital which have been carried out in breach of any planning or other legislation, regulation, bye-laws, orders, consents or permissions made or given by the relevant authorities and any other structures on the Land Adjacent to Hospital Land have been constructed in compliance with all approvals and approved plans, guidelines and requirements of the relevant authorities;
- (b) to the best of its knowledge, PHIH and SPA are not aware of any restriction or prohibition on the usage of the Land Adjacent to Hospital for other purposes;
- (c) PHIH has paid promptly all sums payable by it under the relevant legislation and the rental payable by it under leasehold grant in respect of the Land Adjacent to Hospital and save for the said rental, no sums are presently payable in respect of the Land Adjacent to Hospital;
- (d) it shall procure that PHIH shall not use the Land Adjacent to Hospital other than as an open space car park and a utilities building; and
- (e) it shall promptly upon obtaining knowledge thereof, give notice to YDG of any event or matter that has resulted or will result in an adverse change in the title, ownership and usage of the Surrounding Land.

Indemnity

Each of SPA and Mr. Serge Pun hereby irrevocably undertakes to keep YDG fully and effectively indemnified against any and all losses, costs, damages, claims, demands, actions, proceedings, liabilities and expenses whatsoever (including but not limited to all legal costs or attorney's fees on a full indemnity basis) that YDG may incur or suffer, directly or indirectly, in connection with or arising from any breach (actual or alleged) or inaccuracies of any of the warranties and/or any default by each of SPA, PHIH or Mr. Serge Pun of its/his obligations under the agreement.

Any liability to YDG hereunder may in whole or in part be released, compounded or compromised, or time or indulgence may be given, by YDG, where applicable, in its absolute discretion without in any way prejudicing or affecting its rights against SPA and Mr. Serge Pun. Any release or waiver or compromise shall be in writing and shall not be deemed to be a release, waiver or compromise of similar conditions in the future.

Land Adjacent to Hospital Acquisition Price

Based on the value of US\$12.00 million arrived at by the independent valuer appointed by the Group, Jones Lang LaSalle group of companies ("JLLS") on 1 July 2014, and the value of US\$11.40 million arrived at by the independent valuer appointed by the SPA Group, Robert Khan & Co Pte Ltd ("RKPL") on 1 July 2014, the average value of 100% interest in the LDRs relating to the Land Adjacent to Hospital is US\$11.70 million (approximately S\$14.61 million based on the PHGE and CPCL Exchange Rate). The SPA Group has agreed to a discount factor of two per cent. (2.0%) to be applied and accordingly, the acquisition price for a 100% interest in the LDRs relating Land Adjacent to Hospital is approximately US\$11.46 million (approximately S\$14.31 million based on the PHGE and CPCL Exchange Rate) (the "**Land Adjacent to Hospital Acquisition Price**").

B YSI S&P AGREEMENT

Other Salient Terms

- (a) For so long as the leasehold grant is not issued by DHSHD, SPA undertakes to take such action as may be reasonably required by YSI to enforce its right as owner of the LDRS relating to the School Land.
- (b) Save for the LDRs relating to the School Land and the four-acre site, SPA undertakes that there are no other assets held or liabilities payable by YSI as at completion.

Certain Relevant Warranties and Undertakings

In addition to the usual warranties in relation to the title of the one hundred per cent. (100%) shareholding interest in YSI and the business, accounts and liabilities of YSI, each of SPA and Mr. Serge Pun also undertakes to YDG, *inter alia*, as follows:

- (a) YSI shall not dispose of, nor create or have outstanding any encumbrance over its assets and properties other than in the ordinary course of business;
- (b) to the best of SPA's knowledge, information and belief, there is no investigation or enquiry by, or order, decree or judgment of, any court or any governmental agency or regulatory body outstanding against YSI which may have a material adverse effect upon the School Land or any part thereof;
- (c) there are no outstanding notices, complaints or requirements issued to YSI by any governmental body, authority or department in respect of the School Land or any part thereof;
- (d) to the best of its knowledge, SPA is not aware of any restriction or prohibition on the usage of the School Land; and
- (e) it shall promptly upon obtaining knowledge thereof, give notice to YDG of any event or matter that has resulted or will result in an adverse change in the title, ownership and usage of the School Land.

Completion

On the completion date, SPA shall deliver certain documents to YDG including evidence that the balance sheet of YSI as at the balance sheet completion date is in the net asset position. SPA agrees that any shareholders loans or advances to YSI shall be assigned to YDG at completion for a nominal amount and SPA and its subsidiaries shall execute such documents as may be reasonably required by YDG to give effect to this agreement. As at 30 September 2014, the amount of shareholders loan is 785,150,000 Kyats (approximately S\$1.01 million based on the exchange rate as at 30 September 2014) and it will be assigned to YDG at completion for a nominal amount.

Indemnity

Each of SPA and Mr. Serge Pun hereby irrevocably undertakes to keep YDG fully and effectively indemnified against any and all losses, costs, damages, claims, demands, actions, proceedings, liabilities and expenses whatsoever (including but not limited to all legal costs or attorney's fees on a full indemnity basis) that YDG may incur or suffer in connection with or arising from any breach (actual or alleged) or inaccuracies of any of the warranties and/or any default by each of SPA or Mr. Serge Pun of its/his obligations under the agreement and for the conduct of the business of YSI prior to completion.

Any liability to YDG hereunder may in whole or in part be released, compounded or compromised, or time or indulgence may be given, by YDG, where applicable, in its absolute discretion without in any way prejudicing or affecting its rights against SPA and Mr. Serge Pun. Any release or waiver or compromise shall be in writing and shall not be deemed to be a release, waiver or compromise of similar conditions in the future.

School Land Acquisition Price

The SPA Group has agreed to waive its right to appoint its valuer for this land. Therefore, it was agreed that no discount will be applied to the valuation. Based on the value of US\$5.10 million arrived at by JLLS on 1 July 2014, the acquisition price for 100% interest in the LDRs relating to the School Land is US\$5.10 million (approximately S\$6.37 million based on the PHGE and CPCL Exchange Rate) (the "**School Land Acquisition Price**") subject to adjustments in accordance with completion accounts.

C PHL S&P AGREEMENT

Other Salient Terms

- (a) For so long as the leasehold grant in respect of the Pun Hlaing Lodge Land is not issued by DHSHD, SPA undertakes to take such action as may be reasonably required by PHL to enforce its right in the LDRs relating to the Pun Hlaing Lodge Land.
- (b) As at completion, the only assets held by PHL are the LDRs relating to the Pun Hlaing Lodge Land and save for development costs incurred in relation to the development of the hotel and its related facilities, there are no other liabilities payable by PHL.

Certain Relevant Warranties And Undertakings

In addition to the usual warranties in relation to the title of the one hundred per cent. (100%) shareholding interest in PHL and the business, accounts and liabilities of PHL, each of SPA and Mr. Serge Pun also undertakes to YDG, *inter alia*, as follows:

- (a) PHL shall not dispose of, nor create or have outstanding any encumbrance over its assets and properties other than in the ordinary course of business;
- (b) to the best of SPA's knowledge, information and belief, there is no investigation or enquiry by, or order, decree or judgment of, any court or any governmental agency or regulatory body outstanding against PHL which may have a material adverse effect upon the Pun Hlaing Lodge Land or any part thereof;

- (c) there are no outstanding notices, complaints or requirements issued to PHL by any governmental body, authority or department in respect of the Pun Hlaing Lodge Land or any part thereof;
- (d) to the best of its knowledge, SPA is not aware of any restriction or prohibition on the usage of the Pun Hlaing Lodge Land; and
- (e) it/he shall promptly upon obtaining knowledge thereof, give notice to YDG of any event or matter that has resulted or will result in an adverse change in the title, ownership and usage of the Pun Hlaing Lodge Land.

Completion

On the completion date, SPA shall deliver certain documents to YDG including evidence that the balance sheet of PHL as at the balance sheet completion date is in the net asset position. SPA agrees that any shareholders loans or advances to YSI shall be assigned to YDG at completion for a nominal amount and SPA and its subsidiaries shall execute such documents as may be reasonably required by YDG to give effect to this agreement.

Indemnity

Each of SPA and Mr. Serge Pun hereby irrevocably undertakes to keep YDG fully and effectively indemnified against any and all losses, costs, damages, claims, demands, actions, proceedings, liabilities and expenses whatsoever (including but not limited to all legal costs or attorney's fees on a full indemnity basis) that YDG may incur or suffer in connection with or arising from any breach (actual or alleged) or inaccuracies of any of the warranties and/or any default by each of SPA or Mr. Serge Pun of its/his obligations under the agreement and for the conduct of the business of PHL prior to completion.

Any liability to YDG hereunder may in whole or in part be released, compounded or compromised, or time or indulgence may be given, by YDG, where applicable, in its absolute discretion without in any way prejudicing or affecting its rights against SPA and Mr. Serge Pun. Any release or waiver or compromise shall be in writing and shall not be deemed to be a release, waiver or compromise of similar conditions in the future.

Other Specific Provisions

- (a) Each of SPA and YDG agrees that all other terms and conditions of the acquisition set out in the earlier joint venture agreement dated 10 December 2013 in relation to the development of 2.19 acres of land remain unchanged save that where such terms and conditions conflict with the PHL S&P Agreement, parties agree that the terms of the PHL S&P Agreement shall prevail and YDG and SPA shall use their best endeavours to take such steps, enter into all such arrangements and agreements as may be necessary or expedient for the purpose of giving effect to the PHL S&P Agreement.
- (b) Upon completion, each of SPA and Mr. Serge Pun has also agreed and will procure that SPA's subsidiaries execute such documents and take such steps as may be reasonably required by YDG to restructure its existing interest in 2.19 acres of land to effectively reflect its 100% interest the LDRs in relation to the Pun Hlaing Lodge Land.

PHL Acquisition Price

- (a) The LDRs in the Pun Hlaing Lodge Land comprises (i) 2.19 acres of land; (ii) 1.60 acres of land; and (iii) 2,384 square feet (at no consideration).
- (b) 2.19 acres of land - Pursuant to the Company's announcement dated 10 December 2013, the SPA Group waived its right to appoint its valuer for the 2.19 acres of land. JLLS, acting as the Company's independent valuer, valued the LDRs relating to the 2.19 acres of land at US\$3.00 million and the Company paid US\$2.40 million, being eighty per cent. (80%) of the

valuation amount. In view of this, SPA has agreed to sell the remaining twenty per cent. (20%) interest in the LDRs relating to the 2.19 acres of land for US\$0.60 million (approximately S\$0.75 million based on the PHGE and CPCL Exchange Rate), being twenty per cent. (20%) of the valuation amount.

- (c) 1.60 acres of land - Based on the value of US\$2.20 million arrived at by JLLS on 1 July 2014, and the value of US\$2.79 million arrived at by RKPL, the average value of 100% interest in the LDRs relating to the 1.60 acres of land is US\$2.50 million (approximately S\$3.11 million based on the PHGE and CPCL Exchange Rate). The SPA Group has agreed to a discount factor of two per cent. (2.0%) to be applied and accordingly, the acquisition price for a 100% interest in the LDRs relating to the 1.60 acres of land shall be approximately US\$2.45 million (approximately S\$3.05 million based on the PHGE and CPCL Exchange Rate).
- (d) Therefore, the aggregate acquisition price for the remaining twenty per cent. (20%) interest in the 2.19 acres of land and the 100% interest in the 1.60 acres of land shall amount to approximately S\$3.80 million subject to adjustments in accordance with the completion accounts.
- (e) As at the Latest Practicable Date, the total amount of development costs incurred for the construction of the Pun Hlaing Lodge was approximately US\$3.80 million.

D DEED OF ASSIGNMENT AND JOINT DEVELOPMENT DEED

Deed of Assignment (“DOA”)

Fees Payable to LCP

Yangon Nominees agrees to pay the following Fees to LCP for the Services undertaken or conducted by LCP pursuant to and under the JDD:

- (a) for the Development Services, an amount equal to seventy per cent. (70%) of the after-tax profits of HRGCC attributable to the Development Services; and
- (b) for the Operations Services, an amount equal to seventy per cent. (70%) of the after-tax profits of HRGCC attributable to the Operations Services,

(collectively, the “**Services**”).

Right to Nominate

LCP shall be entitled, at any time and from time to time during the term of the DOA, to nominate any entity or person to receive the Fees on its behalf, by giving prior written notice to YNL.

Relevant Representations, Warranties and Undertakings

YNL hereby undertakes, during the term of the DOA, that YNL shall not:

- (a) exercise any of its rights in HRGCC without the prior written consent of LCP; or
- (b) exercise any of its obligations relating to the Services or to the appointment of LCP under the JDD without the prior written consent of LCP.

Acquisition Price for the Remaining Land in PHGE

Based on the value of US\$64.44 million arrived at by JLLS on 1 July 2014, and the value of US\$64.27 million arrived at by RKPL, the average value of the Remaining LDRs is US\$64.36 million (approximately S\$80.34 million based on the PHGE and CPCL Exchange Rate). Therefore, the economic interest in a seventy per cent. (70%) interest in the value of the Remaining LDRs is US\$45.05 million (approximately S\$56.24 million based on the PHGE and CPCL Exchange Rate). The SPA Group has agreed to a discount factor of two per cent. (2.0%) to be applied and accordingly, the acquisition price for the economic interest in a seventy per cent. (70%) interest of the Remaining LDRs shall be approximately US\$44.15 million (approximately S\$55.12 million based on the PHGE and CPCL Exchange Rate).

Consideration for the PHGE Operating Rights

- (a) In relation to the operating rights in respect of the PHGE golf course, based on the value of US\$15.50 million arrived at by JLLS on 1 July 2014, and the value of US\$16.27 million arrived at by RKPL, the average value of the operating rights in respect of the PHGE golf course is US\$15.89 million (approximately S\$19.83 million based on the PHGE and CPCL Exchange Rate). Therefore, the economic interest for a seventy per cent. (70%) interest in the operating rights in respect of the PHGE golf course is US\$11.12 million (approximately S\$13.88 million based on the PHGE and CPCL Exchange Rate). The SPA Group has agreed to a discount factor of two per cent. (2.0%) to be applied and accordingly, the value for the economic interest for a seventy per cent. (70%) interest in the operating rights in respect of the PHGE golf course shall be approximately US\$10.90 million (approximately S\$13.61 million based on the PHGE and CPCL Exchange Rate) (the **“Value of Golf Course Operating Rights”**).
- (b) The Company has also agreed to pay for the costs incurred by Yangon Nominees in relation to the related businesses, infrastructure and facilities which is equivalent to its seventy per cent. (70%) pro rata contribution to HRGCC. This cost amounts to approximately US\$2.16 million (approximately S\$2.69 million based on the PHGE and CPCL Exchange Rate) subject to adjustments as at completion (the **“PHGE Related Costs”**).
- (c) The aggregate amount of the Value of Golf Course Operating Rights and PHGE Related Costs is the consideration to be paid for the PHGE Operating Rights.

Joint Development Deed (“JDD”)

Appointment of LCP

- (a) LCP is appointed by Yangon Nominees:
 - (i) as its exclusive project manager, to provide the Development Services; and
 - (ii) as its exclusive operations manager, to provide the Operations Services.
- (b) LCP shall have the power and responsibility to fund, manage, organise, lead, supervise and carry out its appointment.
- (c) Yangon Nominees shall cooperate with LCP, and provide and/or obtain all requisite consents required by LCP to enable LCP to discharge its duties under the JDD and shall have due regard to the advice of LCP and respond promptly to any requests properly made by LCP for approvals, instructions, information or assistance.
- (d) Yangon Nominees shall:
 - (i) procure that the Development Site is held and preserved throughout the term of the JDD so as to enable the Development Services to be undertaken by LCP, and procure that the Complex is held and preserved throughout the term of the JDD so as to enable the Operations Services to be conducted by LCP;
 - (ii) take such action as LCP may advise and recommend from time to time to enforce Yangon Nominees’ rights and exercise Yangon Nominees’ remedies, whether under contracts between HRGCC, Yangon Nominees, LCP, contractors, advisors and/or other persons engaged in the Services, so as to ensure the effective and efficient implementation of the Services; and
 - (iii) take such other actions as LCP may advise or as may be necessary to enable the Services to be undertaken and/or conducted, and to enable LCP properly to perform its duties and responsibilities and to exercise its rights and powers under the JDD.

Other Salient Terms

- (a) LCP will be liable for seventy per cent. (70%) of the costs and expenses relating to any development, maintenance and operations of the Remaining LDRs and the entire estate of PHGE including the PHGE Golf Course & Country Club which may be incurred by HRGCC after completion.
- (b) Reference is made to the Company's announcement dated 28 August 2014 wherein it was disclosed that the Company had paid its pro rata portion of compensation determined by the Government in relation to LDRs in PHGE to settle potential claims by individuals who claim to have previously occupied land in PHGE. In view of this, the SPA Group has agreed that it shall be liable for any such compensation determined by the Government in relation to LDRs in PHGE which are subject of the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club (comprising the LDRs relating to the Land Adjacent to Hospital, the School Land, the Pun Hlaing Lodge Land, the Remaining LDRs, the golf course and the PHGE Golf Course & Country Club).
- (c) Yangon Nominees undertakes that it shall not exercise any of its rights and obligations under the JDD in HRGCC without the prior written consent of LCP or its nominee.

Certain Relevant Representations and Warranties

Yangon Nominees has represented and warranted to LCP, inter alia:

- (a) HRGCC has acquired and holds at the date of the Deed the right to lease, sell or otherwise dispose of, the Development Site;
- (b) Yangon Nominees has at the date of the Deed the right to undertake and/or conduct the Services; and
- (c) Yangon Nominees is not aware of any matter which would prevent or hinder the implementation of the Services;

Indemnity

Yangon Nominees shall fully and effectually indemnify and keep indemnified LCP on demand from and against all costs, claims, demands, proceedings, loss and liability incurred or committed by LCP in the performance of its duties and responsibilities under this Deed except to the extent that such costs, claims, demands, proceedings, loss and liability arise out of or in consequence of the breach or non-observance of any terms of this Deed by LCP or its representatives. In particular, Yangon Nominees shall fully and effectually indemnify and keep indemnified LCP on demand from and against all costs, claims, demands, proceedings, loss and liability incurred or committed by LCP as a result of the revocation or alteration of any authority or instruction previously given by Yangon Nominees to LCP in connection with its appointment hereunder.

Other Relevant Terms

Yangon Nominees shall not, without the prior written consent of LCP:

- (a) transfer, pledge or otherwise encumber, assign, or delegate all or any part of its rights and/or obligations under the JDD; or
- (b) sell, transfer, charge, mortgage or otherwise encumber, assign, lease or otherwise dispose of all or any part of its interest in HRGCC, the Development Site or the Complex.

For the purpose of the terms of the DOA and the JDD, the following definitions shall apply:

- (i) "Complex" means the multi-functional, mixed-use complex located on the Land comprising (a) any and all buildings and/or other fixed or moveable structures and/or works constructed on, in, under or over the Land, whether now or in the future, including, but not limited to, any and all golf courses, country clubs, recreational facilities, sports centres, houses,

condominiums, apartments, hospitals, schools, universities, colleges, offices, hotels, commercial and/or retail properties, shopping centres, convention centres, business centres, entertainment, food and/or beverage establishments and/or parking structures; and (b) any and all infrastructure, systems, services, facilities and/or utilities constructed or provided on, in, under or over the Land, whether now or in the future, and a reference to the Complex is to the whole or any part of or plot or unit in the Complex as the context may require.

- (ii) "Development Expenditure" means the costs and expenses incurred by HRGCC and/or LCP in respect of or relating to the Development Services.
- (iii) "Development Services" means such services and activities to develop the Development Site as LCP sees fit to undertake, including but not limited to, undertaking such planning, design, clearance, demolition, preparation, construction, project management and other works on, in, over and under the Development Site, and the advertising, marketing and leasing of plots, and activities relating to the sale, leasing or other disposal of the plots by HRGCC, as LCP sees fit for the benefit of the investment.
- (iv) "Development Site" means the LDRs in respect of the LDRs in respect of the Remaining Land in PHGE.
- (v) "Land" means the 652 acres of land in PHGE.
- (vi) "Operations Services" means such services and activities to operate and manage the Complex as LCP sees fit to conduct, including but not limited to, conducting the operation, administration, management, repair, servicing and maintenance of the Complex, and any and all matters relating to the operational business, finances and affairs of the Complex, as LCP sees fit for the benefit of the investment.

E COMMON PROVISIONS IN THE DEFINITIVE AGREEMENTS IN RELATION TO THE PROPOSED ACQUISITION OF PHGE AND PHGE GOLF COURSE & COUNTRY CLUB

Long-Stop Date

If any of the conditions precedent are not fulfilled on or before 30 June 2015 or such other date parties shall mutually agree in writing, and the fulfillment of such conditions are not waived by the relevant party to the definitive agreements, the said agreements shall *ipso facto* cease and terminate.

Further Assurance

A party to the definitive agreements shall at any time at the request of the other party, promptly sign, execute and deliver all instruments, notices and documents, and do all acts and steps as in each case may be necessary or advisable for the purpose of performance of, maintaining, or perfecting all the transactions and/or obligations to be performed by or on the part of the non-requesting party contemplated by or pursuant to the definitive agreements or for facilitating the enforcement thereof. Without prejudice to the generality of the foregoing, such instruments, notices and documents shall be in such form as the requesting party shall reasonably require and may contain provisions such as are herein contained or provisions to the like effect and/or such other provisions of whatsoever kind as the requesting party shall consider reasonably necessary for the performance of, maintenance or perfection of all the transactions and/or obligations to be performed by or on the part of the non-requesting party contemplated by or pursuant to the definitive agreements.

Governing law

The definitive agreements shall be governed by, and construed in accordance with, the laws of Myanmar.

APPENDIX G – VALUATION CERTIFICATES IN RELATION TO THE PROPOSED VARIATIONS TO THE PROPOSED LANDMARK ACQUISITION AND THE PROPOSED ACQUISITION OF PHGE AND PHGE GOLF COURSE & COUNTRY CLUB



Jones Lang LaSalle

Your Ref : -
Our Ref : TKC:JY:aa:140316

Yoma Strategic Holdings Ltd
78 Shenton Way
#32-00
Singapore 079120

Attention: Mr Andrew Rickards

16 December 2014

Dear Sirs,

VALUATION OF A DEVELOPMENT SITE LOCATED AT 372 BOGYOKE AUNG SAN ROAD, PABEDAN TOWNSHIP, YANGON, UNION OF MYANMAR (THE “PROPERTY”)

In accordance with Yoma Strategic Holdings Ltd’s (the ‘Client’) instructions to determine the development right value of the Property as at 1 June 2014 (the “Valuation Date”) for the purpose of a potential acquisition. We, Jones Lang LaSalle, have prepared a summary report and a full formal report in accordance with our ‘General Principles Adopted in the Preparation of Valuations and Reports’, a copy of which is attached.

Our valuation is prepared in accordance with International Valuation Standards (IVS) definition of Market Value and adopted by the Royal Institution of Chartered Surveyors, which is:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Our valuation is made on the assumption that the owner sells the Property in the market without the benefit of a deferred terms contract, lease back, joint venture, management agreement or any similar agreement which could serve to affect the value of the Property.

No allowances are made for any expenses or taxation which might arise in the event of a disposal. The Property is considered as if free and clear of all mortgages, encumbrances and other outstanding premiums, charges and liabilities except for those described within this report.

This valuation is based on information available to us and our assessment of market conditions for properties of this nature at the date of valuation. Market conditions can change rapidly and we are therefore unable to provide assurance that this assessment will remain valid into the future. We recommend that market value assessments be reviewed periodically if required.

Jones Lang LaSalle Property Consultants Pte Ltd
Jones Lang LaSalle Property Management Pte Ltd
9 Raffles Place, #39-00 Republic Plaza Singapore 048619
tel +65 6220 3888 fax +65 6438 3360

Company Reg No. 198004794D CEA Licence No. L3007326E
Company Reg No. 197600508N



Valuation (Land & Building)

Yoma Strategic Holdings Ltd

**- Valuation of a Development Site Located At 372 Bogyoke Aung San Road
Pabedan Township, Yangon
Union of Myanmar**

16 December 2014

In arriving at our opinion of value, we have relied to a considerable extent on information provided by Yoma Strategic Holdings Ltd in relation to such matters as gross, net and saleable areas, title, site area, tenure, development parameters and other relevant information. We reserve the right to review our valuation should subsequent formal planning approval prove otherwise.

A summary of our valuation and details relating to the Property is set out in the following pages and should be read in conjunction with the valuation report.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property, nor for any expenses or taxation which may incurred in effecting a sale. It is assumed that the Property is free and clear of all encumbrances, restrictions, land premium fully paid and impediments of an onerous nature which could affect its value.

Where applicable, information as to title particulars, land area, ownership and tenure has been obtained from the Client. All information provided as at 1 June 2014 is treated as correct and Jones Lang LaSalle accepts no responsibility for subsequent changes in information and reserve the right to change our opinion of value if any other information provided were to materially change.

In the event our consent is given and this valuation summary appears in the Circular to be issued by the Client, we specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the circular, other than in respect of the information provided within the valuation reports and summary. We do not make any warranty or representation as to the accuracy of the information in any part of the Circular other than as expressly made or given in this valuation summary.

Notwithstanding the above, in the event that Jones Lang LaSalle consents to the disclosure of this letter and our valuations in connection with the Client, such disclosure is approved solely for the purpose of providing information to potential investors or any other interested person. Neither this letter, nor the attached valuation summaries nor our Full Valuation Reports purport to contain all the information that a potential purchaser or any other interested party may require. They do not take into account the individual circumstances, financial situation, investment objectives or requirements of a potential purchaser or any other person. They are intended to be used as a guide only and do not constitute advice, including without limitation, investment, tax, legal or any other type of advice.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the Property and are not a related corporation of nor do we have a relationship with the owners, the Client, advisers or other party/parties. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the Client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

...../Page 3



Jones Lang LaSalle

Page 3

Yoma Strategic Holdings Ltd

**- Valuation of a Development Site Located At 372 Bogyoke Aung San Road
Pabedan Township, Yangon
Union of Myanmar**

16 December 2014

We have not carried out investigations on site in order to determine the suitability of ground conditions and services for the existing and proposed developments, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory.

Neither the whole nor any part of this report nor any reference thereto may be included in any document, circular or statement without our written approval of the form and context in which it will appear.

Finally and in accordance with our standard practice, we must state that this valuation is for the use only of Yoma Strategic Holdings Ltd. No responsibility is accepted to any other third party for the whole or any part of its contents.

Faithfully,

Tan Keng Chiam
B.Sc. (Est. Mgt.) MSISV
AD041-2004796D
Regional Director
JONES LANG LASALLE

Yee Yeh Shiunn
B.Sc. (Hons) Land Management, MSISV
AD041-2006553D
Regional Director
JONES LANG LASALLE

Ed Fitch
Executive Vice President
Hotels & Hospitality
JONES LANG LASALLE

Jonathan Ottevaere
Senior Vice President
Hotels & Hospitality
JONES LANG LASALLE

Enc

VALUATION SUMMARY

Property	:	372 Bogyoke Aung San Road Pabedan Township Yangon Union of Myanmar.
Site Area	:	Approximately 39,254.18 sq.m. (422,528 sq.ft.) - subject to survey.
Legal Description and Tenure	:	The Property currently comprises 2 parcels of land known as the Grand Meeyahta Site ('GMS') and the FMI Centre Site ('FCS').

According to the information provided by our Client, the GMS is currently held by way of a lease for a term of 30 years with an extension of 10 years from the date on which Meeyahta International Hotel commenced its operation or four years after the Lease Agreement was signed on 14 August 1993, whichever is earlier.

The FCS is currently held by way of a lease for a term of 30 years from the date of completion of the building and with extension of 5 years for 3 times upon expiry according to the Land Lease Agreement dated 18 May 1995.

We have been informed that the 2 abovementioned land parcels will be amalgamated into a single site for the proposed development.

According to our Client, the existing leases will be replaced by a fresh lease with new terms and conditions which are currently under negotiation with the relevant authorities.

For the purpose of this valuation, we have been informed to adopt the Special Assumptions that the Land Development Right has been granted in conjunction with :-

- i. The term of the Land Development Rights for the Grand MeeYahta site and the FMI Centre site is 30 years from 14 August 1993 and 18 May 1995 respectively. Both leases are subject to extension upon mutual agreement between the lessee and the lessor. The lease extension term for the Grand MeeYahta site is 10 years and three times five years for the FMI Centre site. As instructed by the Client, we have made the Special Assumption that the land lease on the Grand MeeYahta site will be extended for an additional 10 years upon expiry of the initial 30-year term and the land lease on the FMI Centre will be extended concurrently and expires on 31 December 2037 (i.e assumed unexpired term of some 23.6 years for both sites as at the Date of Valuation).
- i. All necessary planning permissions and approvals from relevant competent authorities for the proposed Development Parameters, as provided by the Client and as described in this report, have been received

VALUATION SUMMARY (CONT'D)

Legal Description and Tenure (Cont'd) : In both scenarios, assumptions have been made that the lease commences from the date of valuation, taking into consideration the proposed development parameters and assuming that all necessary approval from the relevant competent authorities have been received.

Further assumptions have been made that existing fixed annual land rent of US\$24 per sq.m. on the land area plus US\$35,000 per annum for GMS site and US\$6 per sqm of 75% of total gross area of FCS site. In addition to 2% of the annual gross receipt or turnover of the proposed development is payable to the relevant authorities for the remaining land lease tenure. All land rental payments will commence from valuation date.

Brief Description of Property : The Property is an almost rectangular shaped plot of land slightly above the road access level and has a depth of approximately 270m with a frontage of approximately 240m to the south along Bogyoke Aung San Road. It is bounded on the east by Alan Pya Pagoda Street and on the west by Bogyoke Aung San Market. Open-air car parking lots are also provided within the Property.

There are four principal buildings on the Property, namely:-

- The Grand Mee Ya Hta Executive Residences (ceased operation)
- FMI Centre
- A dilapidated 3-storey Victorian Building (Former Railway Headquarters Building)
- A vacant single storey building with a mezzanine level.

Proposed Development : The proposed development, upon completion, will comprise 2 office towers, a retail podium, a high-end 5-star hotel to be developed within the existing Victorian Building, a 4-star rated hotel, a 4-star rated serviced apartment complex, a 5-star serviced residences available for strata sale and a 2-level basement car park.

It will be constructed of reinforced concrete framed construction with infill brick walls, reinforced concrete floors, reinforced concrete staircases and reinforced concrete flat roofs. The proposed façade will be of aluminum and glass curtain walls for the office, retail, hotel and serviced apartments.

Internal finishes are assumed to be of good quality finishes, typically comprises marble/granite/ceramic tiled floors, painted walls and suspended ceiling boards incorporation light fittings, air conditioning diffusers and fire sprinklers for the retail and office components.

Modern building services will be available within the mixed-use complex. These would typically include centralized air-conditioning system, fire protection system, elevators and escalators for the office/retail/hotel/serviced apartment components. Additionally, full emergency power backup and comprehensive security services will be standard features in the complex.

VALUATION SUMMARY (CONT'D)

Master Plan Zoning : We understand that the planning consent for the proposed development has yet to be granted. For the purpose of the valuation, special assumptions on the planning consent for the proposed development scheme as described in this report is assumed to be granted and that the proposed uses are lawful uses under the local planning legislation.

The following table summarizes the current proposed development parameters:

Proposed Development Parameters	Proposed Gross Floor Area (sqm)	Net Floor Area (sqm)
5-Star Hotel (restoration of Victoria Building)	11,280	-
5-Star Serviced Apartments (for strata sale)	27,255	-
4-Star Hotel	18,295	-
4-Star Serviced Apartments	20,315	-
A 5-storey with 1 Basement level Retail Mall	40,002	26,001
A 19 floor Office Tower (Tower 2)	32,650	27,426
A 20 floor Office Tower (Tower 4)	34,650	29,453
Total Gross Floor Area (sqm)	184,447	-
Mechanical & Electrical Plant	15,574	-
2 level Basement Car Parking (including Common FOH and BOH)	67,130	-
Total Non Gross Floor Area (sqm)	82,704	-

Source: Client

Currency Exchange Rate : The market exchange rate as at the material date of valuation is the equivalent of 970 Myanmar Kyat to USD \$1/-.

Land Development Right Value as at 1 June 2014 : Assuming the land lease for both sites will be extended concurrently and expires on 31 December 2037 is estimated at US\$54,000,000/- (United States Dollars Fifty-Four Million)

For and on behalf of



Tan Keng Chiam
B.Sc. (Est. Mgt.) MSISV
AD041-2004796D
Regional Director
JONES LANG LASALLE



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JONES LANG LASALLE



Ed Fitch
Executive Vice President
Hotels & Hospitality
JONES LANG LASALLE



Jonathan Ottevaere
Senior Vice President
Hotels & Hospitality
JONES LANG LASALLE



Standard Terms and Conditions of Business

1. General

- 1.1 These General Terms and Conditions of Business (the "Terms and Conditions") shall apply to all dealings between Jones Lang LaSalle ("we", "us" and/or "the Firm") and its client (the "Client") and, for the avoidance of doubt, shall be treated as applying separately to each Instruction given by the Client to Jones Lang LaSalle.
- 1.2 The appointment shall, unless otherwise specifically agreed, be exclusive and commence on the date the Client confirms our instruction by returning a signed copy of the letter of instruction.
- 1.3 These Terms and Conditions are deemed incorporated into the letter of instruction signed by the Client and Jones Lang LaSalle and shall govern the provision of services to the Client thereunder.

2. Performance of the Services

- 2.1 Jones Lang LaSalle is to provide all Services to the specification and performance level stated in writing or, if none is stated, to the specification and performance level that it ordinarily provides. Jones Lang LaSalle has no responsibility for anything that is beyond the scope of the Services so defined.
- 2.2 Jones Lang LaSalle shall exercise all reasonable skill and care in providing the Services under the Instruction and shall inform the Client if it becomes apparent that the Services need to be varied. The Client and Jones Lang LaSalle shall confirm in writing any variation of the Services to be provided under the Instruction.

3. Assignment and Sub-Contracting

- 3.1 The Client shall, with the prior written consent of Jones Lang LaSalle, have the right to assign the whole or any part of the benefit or to transfer in any way the obligation contained in the Instruction, such consent shall not to be unreasonably withheld (and it is hereby acknowledged that if the proposed assignee or novatee is, in the reasonable opinion of Jones Lang LaSalle, less creditworthy than the Client, it shall be reasonable to withhold such consent).
- 3.2 Jones Lang LaSalle shall have the right to sub-contract the performance of all or part of the Services from time to time. Should this occur, Jones Lang LaSalle will nevertheless and unless otherwise specifically agreed, remain responsible to the Client for the due and proper performance of the Services.

4. Information provided by Client

- 4.1 The Client shall promptly provide to Jones Lang LaSalle all information as is necessary or reasonably requested by Jones Lang LaSalle in order to enable Jones Lang LaSalle to properly perform the Services.
- 4.2 The Client accepts that Jones Lang LaSalle is entitled to rely on the accuracy, sufficiency and consistency of any and all information supplied by the Client. Jones Lang LaSalle accepts no liability for any inaccuracies contained in information disclosed by the Client, whether prepared by the Client or by a third party and whether or not supplied directly to Jones Lang LaSalle by that third party.
- 4.3 Except where required by law or by any proper authority or where the Client has waived such rights in writing, all confidential information provided by the Client shall be kept confidential by Jones Lang LaSalle.
- 4.4 Jones Lang LaSalle shall ensure that all persons whether employed by it or working under its direction in the course of performing the Services abide strictly by the obligation to keep all confidential information provided by the Client confidential.
- 4.5 All confidential information provided by the Client will be returned, destroyed or erased upon the Client's request. Save that Jones Lang LaSalle reserves the right to retain one copy of the confidential information for the purpose of compliance with professional, legal or regulatory requirements or obligations (subject always to its continuing duty to treat such information as confidential).

5. Information provided by Jones Lang LaSalle

- 5.1 Copyright in all material of whatever nature prepared by Jones Lang LaSalle and provided to the Client or otherwise generated in the course of carrying out the Services shall remain the property of Jones Lang LaSalle. No part of any report, document or publication may be reproduced or transmitted or disclosed in any form or by any means, or stored in any database or retrieval system of any nature, without the prior written permission of Jones Lang LaSalle.
- 5.2 All information and advice made available by Jones Lang LaSalle to the Client is for the sole use of the Client and for the sole purpose for which it was prepared in connection with the Services.

6. Duty of care to third parties

- 6.1 Jones Lang LaSalle owes a duty of care to only its Client. No third party has any rights unless there is specific written agreement to the contrary.

7. Third Party Liability

- 7.1 Jones Lang LaSalle has no liability for products or services that it reasonably needs to obtain from others in order to provide services. Jones Lang LaSalle may delegate to a third party the provision of any other part of services, but if it does so:
 - (a) without the Client's approval, Jones Lang LaSalle shall be responsible for the actions or omissions of that third party;
 - (b) with the Client's approval or at the Client's request, Jones Lang LaSalle shall not be responsible for the actions or omission of that third party. In this event, Jones Lang LaSalle does not warrant the performance, work or the products of others and the Client shall not hold Jones Lang LaSalle responsible for the inspection or supervision of the execution of such performance, work or products.



Jones Lang LaSalle

7.2 Unless otherwise specifically agreed in writing neither these Terms and Conditions of Business or the Services provided pursuant to the Instruction are intended, either expressly or by implication, to confer any benefit on any third party (excepting that is as provided specifically herein to the employees and subcontractors of Jones Lang LaSalle). The liability of Jones Lang LaSalle to any third party is expressly disclaimed.

8. Delay

8.1 We shall not be responsible for any delay to the performance of the Services, where matters beyond our control cause such delay.

9. Payment of Fees, Expenses and Disbursements

9.1 Payment of the fees for the Services shall be calculated, charged and made as set out in the letter of instruction or any variation thereto agreed by the Client and Jones Lang LaSalle.

9.2 The Client shall pay the expenses of and reimburse the disbursements incurred on its behalf by the Firm as specified, or on the basis set out in the Instruction or any variation thereto agreed by the Client and the Firm.

9.3 All references to fees, expenses and disbursements are exclusive of any applicable government taxes. Any such taxes chargeable on the Firm's fees expenses and disbursements shall be paid by the Client.

9.4 Where for any reason the Firm provides only part of the services as specified in the attached proposal, the Firm shall be entitled to fees proportionate to those services set out in the attached proposal that apportioned, based on our estimate of the percentage of completion.

9.5 In the event that invoices are not settled in full within 28 days of submission, the Firm reserves the right to withdraw responsibility for work performed.

9.6 If an invoice is not paid in full within 30 (thirty) days from the date of issuance, Jones Lang LaSalle shall be entitled to charge interest on the balance due at a daily rate of 0.05%.

10. Termination

10.1 In the event that either party is in material or persistent breach of any of the terms of the Instruction, the other party may terminate the instruction if, upon the expiry of 14 days after serving notice on the party in default, steps have not been taken to remedy the breach.

10.2 On termination of the Instruction, the Firm shall be entitled to, and shall be paid, fees for all Services provided to that time, in accordance with the above clause.

10.3 On termination, Jones Lang LaSalle shall return to the Client or, if the Client so instructs in writing, destroy all Client information that is to be kept confidential, but Jones Lang LaSalle may keep (and must continue to keep confidential) one copy of that information to comply with legal, regulatory or professional requirements.

11. Liability

11.1 Our liability to the Client for loss or damage shall be limited to such sum as Jones Lang LaSalle or Jones Lang LaSalle Property Consultants Pte Ltd ("us", "we" and/or "the Firm") ought reasonably to pay having regard to its direct responsibility for the same and on the basis that all other third parties shall, where retained by the Client, be deemed to have provided to the Client contractual undertakings in terms no less onerous than this clause in respect of the performance of their services in connection with the instruction, and shall be deemed to have paid to the Client such proportion as may be just and equitable having regard to the extent of their responsibility for such loss or damage.

11.2 Unless otherwise agreed, our liability to the Client for loss or damage claimed in respect of any Instruction shall, notwithstanding the provisions of the paragraph above, in any event be limited to an aggregate sum not exceeding US\$1,000. In no event shall the Firm be liable to the Client or to any third party with respect to the Instruction for any (a) incidental, special, punitive, consequential or indirect damages or (b) damages resulting from loss of sale, business, profits, opportunity or goodwill.

11.3 Unless, and to the extent finally and judicially determined to have been caused by fraud, wilful default or negligence of the Firm, the Client agrees to indemnify on demand and hold harmless the Firm against all actions, claims, proceedings, losses, damages, costs and expenses whatsoever and howsoever arising from or in any way connected with the Instruction or the provision of Services thereunder. 11.4 Unless and until any such agreement is reached and recorded in writing, Jones Lang LaSalle will accept no responsibility or owe no duties to the Client which relate to matters beyond the scope of the Services.

11.5 The Client acknowledges that any action, claim or proceedings arising out of the Services provided under the Instruction shall be brought against the Firm with whom the Client has contracted and not against any employee, director or subcontractor of Jones Lang LaSalle involved directly or indirectly in the delivery of the Services.

11.6 The Client agrees that (except for fraud or a criminal offence) no employee, consultant or agent of any member of the Jones Lang LaSalle group of companies has any personal liability to the Client, and that neither the Client nor anyone representing the Client will make a claim or bring proceedings against an employee, consultant or agent personally.

12. Indemnity from the Client

12.1 The Client agrees that it shall indemnify and keep indemnified the Firm from and against all claims, actions, proceedings, demands, liabilities, losses, damages, costs (including reasonable legal costs) and expenses ("Losses") which the Firm may suffer or incur in any jurisdiction arising out of or in connection with:

(i) a breach by the Client of the Agreement or the Terms and Conditions; or

(ii) any negligence, act, default or omission by the Client, or the Client's consultants, employees or agents; or

(iii) any inaccuracies or omissions in information supplied by Clients and/or its agents to the Firm and/or its agents; or



Jones Lang LaSalle

- (iv) any claim by a third party that any information or material infringes the intellectual property rights of a third party where such information or material was provided by the Client and/or its agents to the Firm and/or its agents; or
- (v) the Instruction or the provision of Services thereunder provided that the Client shall be relieved from its indemnity obligations to the extent that any Losses are directly caused by or attributable to Jones Lang LaSalle's fraud, negligence or wilful default under the letter of instruction or these Terms and Conditions. Without prejudice to any claim that Jones Lang LaSalle may have against the Client, no proceeding may be taken against any director, officer, employee or agent of the Client in respect of any claim except for fraud or a criminal offence.

13. Duty of care to the Client

13.1 Jones Lang LaSalle owes to the Client a duty to act with reasonable skill and care in providing services, complying with the Client's instructions where those instructions do not conflict with:

- (i) these Terms and Conditions,
- (ii) the Agreement, or
- (iii) applicable law and professional rules and internal policies of Jones Lang LaSalle including but not limited to the Code of Business Ethics.

13.2 Jones Lang LaSalle has no liability for the consequences of any failure by the Client or any agent of the Client to promptly provide information or other material that Jones Lang LaSalle reasonably requires, or where that information or material is inaccurate or incomplete.

14. Dispute Resolution Procedure

14.1 In the event of any complaint, dispute or difference arising out of or in connection with these Terms and Conditions or the related letter of instruction, senior representatives of the Client and the Firm shall, within fourteen (14) days of a notice from either party to the other, meet in good faith in an effort to resolve the issue amicably.

14.2 If the parties are unable to resolve the issue within twenty eight (28) days of a meeting involving the parties' senior representatives, then, either party may submit such dispute to arbitration. Any such arbitration shall take place at the Singapore International Arbitration Centre ("SIAC") in accordance with the then prevailing rules of SIAC. The arbitration tribunal shall consist of one arbitrator selected by SIAC. The arbitration shall be conducted in English. The arbitral award will be final and binding upon both parties. Each party will bear its own attorney's fees and costs related to the arbitration. Judgment upon the award may be entered in any court of competent jurisdiction for execution.

15. On line Services

Jones Lang LaSalle may in order to facilitate delivery of the Services and/or general communication with the Client, offer and/or provide from time to time electronic systems and/or software to the Client which shall be provided on the then prevailing terms and conditions by which Jones Lang LaSalle provides such electronic systems and/or software.

16. Severance

Any provision of the Instruction, including any provision contained in the General Conditions, which is declared void or unenforceable by any competent authority or court shall, to the extent of such invalidity or unenforceability, be deemed severable and shall not affect the other provisions of the Instruction and General Conditions, which will continue unaffected.

Definitions

"Affiliate": means each subsidiary, associate and holding company and each subsidiary and associate of any such holding company and their respective directors, officers, employees and agents.

"Client": means the person, firm or company named in the Instruction as requiring the Services.

"General Conditions": means these General Terms and Conditions of Business subject only to such amendments as may be agreed with Jones Lang LaSalle.

"Instruction": shall mean the letter of instruction between Jones Lang LaSalle and the Client as signed by both parties or as otherwise evidenced in writing and which sets out the requirements of the Client and which shall incorporate details of the Services and the Fees, Expenses and Disbursements, together with these General Conditions and conditions and/or documents expressly referred to in the Instruction, all of which shall be read as one as if set out in full in it.

"Schedule": shall mean, where appropriate, any description of Services, Fees, Expenses and Disbursements, whether letter, list or other document.

"Special Conditions": shall mean any conditions specifically applicable to the instruction and which, in case of conflict with the General Conditions, shall prevail.

"Services": shall mean the services to be provided by Jones Lang LaSalle as specified in the instruction or variations or amendments thereto agreed by Jones Lang LaSalle in writing.

"Agreed by Jones Lang LaSalle" and "consent of Jones Lang LaSalle" shall mean the agreement in writing by an authorised person in

General Principles Adopted In The Preparation Of Valuations And Reports

It is our objective to discuss and agree the terms of our instructions and the purpose and basis of the valuation, at the outset, to ensure that we fully understand and meet our client's requirements.

This document sets out the general principles upon which our Valuations and Reports are normally prepared in our capacity as overseas consultants, and the conditions that apply to and form part of our Valuations and Reports. They apply unless we have specifically mentioned otherwise in the body of the report. Where appropriate, we will be pleased to discuss variations to suit any particular circumstances, where appropriate, or to arrange for the execution of structural or site surveys, or any other more detailed enquiries. Any such variations to these general principles and/or conditions must be confirmed in writing.

These General Principles should be read in conjunction with Jones Lang LaSalle's General Terms and Conditions of Business.

17. Valuation Standards:

Valuations and Reports are prepared in accordance with the "International Valuation Standards" published by the International Valuation Standards Council ("IVSC") subject to variations to meet local established law, custom, practice and market conditions. Where the Valuation Standards are silent on subjects requiring guidance, we would refer to the "RICS Valuation - Professional Standards" published by the Royal Institution of Chartered Surveyors ("RICS"), subject to variation to meet local established law, custom, practice and market conditions with the RICS Valuation - Professional Standards prevailing over IVSC's International Valuation Standards to the extent of any inconsistency.

18. Valuation Basis:

Properties are generally valued to "Market Value" or alternatively another basis of valuation as defined in the Valuation Standards. Market Value is defined as "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".

This assumes:

- a willing seller and a willing buyer;
- that, prior to the Valuation Date, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the sale;
- that the value of the property is an estimated amount, rather than a predetermined or actual sale price on the Valuation Date;
- that the estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of special value;
- that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the Valuation Date; that both parties to the transaction had acted knowledgeably, prudently and without compulsion; that the transaction is presumed to be between unrelated parties each acting independently.

The full definition of any other basis, which we may have adopted, is either set out in our report or in the Valuation Standards.

There are interpretative commentaries on the definitions which are set out in the Valuation Standards and which we will be pleased to supply on request.

In our valuations no allowances are made for any expenses of realisation, or for taxation, which might arise in the event of a disposal. All property is considered as if free and clear of all mortgages, outstanding premiums, charges and liabilities, or similar financial encumbrances, which may be secured thereon.

Our valuations are made on the assumption that the owner sells the property on the open market without benefit of a deferred terms contract, leaseback, joint venture or similar arrangement which would serve to affect the value of the property.

Unless otherwise stated, our valuations are of each separate property. Portfolio valuations are aggregates of individual valuations rather than the portfolio having been valued as a whole. No allowance is made for the effect of the simultaneous marketing of all/or a proportion of the properties.

Each valuation is current as at the Valuation Date only. The value assessed may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of preceding half of this paragraph, we do not assume any responsibility or accept liability where this valuation is relied upon after the expiration of two months from the Valuation Date.

19. Source of Information:

We accept as being reliable, complete and correct the information provided to us, by the sources listed, as to details of tenure, tenancies, tenant's improvements, planning consents and other relevant matters, including trading information, as summarised in our report. Unless stated otherwise, the information on which our valuations are based is supplied to us by the Client and/or their advisors. We make no representations or warranties as to the reasonableness, reliability or accuracy of the information provided to us.

20. Title and Other Documentation:

We do not normally read leases or documents of title. We assume, unless informed to the contrary, that each property has a good and marketable title, that all documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other outgoings of an onerous nature, which would have a material effect on the value of the interest under consideration, nor material litigation pending. We also assume that all property taxes and any other statutory dues have been paid.

Where we have been provided with documentation we recommend that reliance should not be placed on our interpretation without verification by your lawyers.

21. Tenants:

Although we reflect our general understanding of a tenant's status in our valuations, enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested and agreed to in writing. Where properties are valued with the benefit of lettings, it is therefore assumed, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

22. Measurements:

We do not normally measure premises unless specifically requested and agreed in writing, and we base our valuation on the information made available to us. Where measurement is undertaken this is carried out in accordance with either the relevant local codes or the Code of Measuring Practices issued by the Royal Institution of Chartered Surveyors except in the case of agricultural properties or where we specifically state that we have relied on another source.

We have not conducted a land survey to verify the land boundaries and site areas and whether all developments and improvements are within such boundaries. We have assumed, unless otherwise stated, that all developments and improvements are within the boundaries of such land parcel as described in this report and the land parcel is fully owned by the property owner.

23. Planning and Other Statutory Regulations:

Where possible, information on Planning or Zoning, wherever possible, is obtained verbally from the relevant competent Local Planning Authority. In certain jurisdictions, however, it is often not possible to make such verbal enquiries.

We do not make formal legal enquiries and, if reassurance is required, we recommend that verification be obtained from your lawyers that:-

- 23.1. the position is correctly stated in our report;
- 23.2. the property is not adversely affected by any public schemes such as road and drainage improvements or any other decisions made, or conditions prescribed, by public authorities;
- 23.3. there are no outstanding statutory notices.

Our valuations are prepared on the basis that the premises (and any works thereto) comply with all relevant local statutory regulations, including enactments relating to fire regulations, access and use by disabled persons and control and remedial measures for asbestos. Where required by local legislation, it is assumed that they have been, or will be issued with a Certificate of Statutory Completion by the competent authority. We will not undertake independent verification of the compliance with statutory norms that regulate the development of the respective properties and the information on land use, development mix and size which have been provided by the Client. For development projects we will assume that all the relevant approvals have been obtained and all fees and charges payable, if any, have been fully settled.

24. Structural Surveys:

We have not carried out a building survey nor any testing of services and we therefore do not give any assurance that any property is free from defect. We seek to reflect in our valuations any readily apparent defects or items of disrepair, which we note during our inspection, or costs of repair which are brought to our attention, however, we are not able to give any assurance in respect of rot, termite or past infestation or any other defects.

We have not inspected those parts of the property which are inaccessible. We cannot express an opinion about or advise upon the condition of parts that have not been inspected and this Report should not be taken as making any implied representation or statement about such parts.

25. Deleterious Materials:

We do not normally carry out investigations on site to ascertain whether any building was constructed or altered using deleterious materials or techniques (including, by way of example, high-alumina cement concrete, woodwool as permanent shuttering, calcium chloride or asbestos). Unless we are otherwise informed, our valuations are on the basis that no such materials or techniques have been used.

26. Site Conditions:

We do not normally carry out investigations on site in order to determine the suitability of ground conditions and services for the purposes for which they are, or are intended to be, put; nor do we undertake archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is contemplated, no extraordinary expenses or delays will be incurred during the construction period due to these matters.

27. Environmental Contamination:

We do not carry out site surveys or environmental assessments, or investigate historical records, to establish whether any land or premises are, or have been, contaminated. Therefore, unless advised to the contrary, our valuations are carried out on the basis that properties are not affected by environmental contamination. However, should our site inspection and further reasonable enquiries during the preparation of the valuation lead us to believe that the land is likely to be contaminated we will discuss our concerns with you.

28. Insurance:

Unless expressly advised to the contrary we assume that appropriate cover is and will continue to be available on commercially acceptable terms. Accordingly, our opinions of value make no allowance for the risk that insurance cover for any property may not be available, or may only be available on onerous terms, including against risk of loss or damage from terrorism, fire, flood, rising water and deleterious materials such as composite panels.

29. Outstanding Debts:

In the case of property where construction works are in hand, or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, subcontractors or any members of the professional or design team.

30. Disposal Costs and Liabilities

No allowance for expenses of sale, which may be considerable, or liabilities to taxation (including GST or VAT), which might arise on a disposal. No allowance is made for transfer costs in disposing of the Property (whether payable by the vendor or purchaser) as such matters often depend on the manner in which the sale is conducted, nor for any interest, which might accrue prior to a disposal. All property is considered free and clear of all mortgages or other charges, which may be secured thereon unless otherwise advised.

31. Currency:

Valuations are prepared in the appropriate local currency. In some countries, particularly where inflation rates are unduly high, property values are often expressed in an international currency (eg. US Dollars).

32. Tax:

Valuations are prepared and expressed exclusive of any applicable local tax (including GST or VAT) unless otherwise stated. Income upon which our valuation is based, including any cash flow forecasts (as set out in the report) are exclusive of any such taxes.

33. Confidentiality and Third Party Liability:

Our Valuations and Reports are confidential to the party to whom they are addressed for the specific purpose to which they refer, and no responsibility whatsoever is accepted to any third parties. Neither the whole, nor any part, nor reference thereto, may be published in any document, statement or circular, nor in any communication with third parties, without our prior written approval of the form and context in which it will appear.

34. Valuations Prepared On Limited Information:

In the event that we are instructed to provide a valuation without the opportunity to carry out an adequate inspection and/or without the extent of information normally available for a formal valuation, we are obliged to state that the valuation is totally dependent on the adequacy and accuracy of the information supplied and/or the assumptions made. Should these prove to be incorrect or inadequate, the accuracy of the valuation may be affected.

35. Reinstatement Cost Estimates

Where we provide an opinion of Reinstatement Cost Estimates, our opinion is of the current reinstatement cost of the building as it exists at the Valuation Date.

The figure includes estimates of demolition cost, professional fees, furniture, fittings and equipment costs but excludes taxes. The figure is based on the estimated cost of work as at the date of assessment and no allowance is made for depreciation of the existing buildings. We make no allowance for the potential loss of income or rent during the reinstatement period in the reinstatement cost figure reported, nor do we allow for the cost of alternative accommodation. The reinstatement cost assessment does not include any consequential loss and liabilities to third parties.

Such estimates are based on information provided by the client and such construction cost data as may be available in the public domain (notably the Davis, Langdon and Seah cost index and similar publications) and our own experience of development in the relevant market. It should be noted that, in many markets, publicly available data is limited and reliable information as to actual building costs is scarce. Our estimates should, therefore, be regarded as a guide to check the current level of cover only and not as a basis for placing insurance. We would be pleased to arrange such an exercise, on your behalf, should you require it. We recommend that the client satisfy themselves as to the likely reinstatement cost for insurance purposes by obtaining a formal estimate prepared by a Quantity or Building Surveyor or other person with sufficient current experience of reinstatement costs in the relevant market.

36. Hotels:

Hotels and certain similar properties are usually sold as fully operational entities, including trade fixtures, fittings, furniture, furnishings and equipment. The new owner will normally engage the existing staff and sometimes the management and would expect to take over the benefit of future bookings, which are an important feature of the continuing operation.

Accordingly, our valuations assume that the hotel is open for business and trading up to the date of sale. Unless stated to the contrary, it is assumed that it has the benefit of all necessary licences, consents, registration certificates and permits, as appropriate (including fire certificates), and that they can be renewed. Consumable stocks are excluded from the valuation of the property.

Fixtures, fittings, furniture and stock are taken into account as apparent on inspection (or otherwise indicated to us) on the basis that the hotel is suitably equipped for the satisfactory continuation of the business and that all such furniture, fittings and equipment will be included in any sale.

Unless informed to the contrary, we assume that no particular value attaches to any item of furniture or work of art and also that all furniture, fittings and equipment is owned and not subject to any lease arrangement.

In arriving at our valuation we consider trading accounts for previous years, where they are available and, where appropriate, we have regard to management accounts, forecasts and projections of future trading activity as indicators of future potential. Details of the hotel and its operation are often obtained from the hotel management. Such information is checked where appropriate but is normally accepted as accurate unless contrary indications are received. In the event of a future change in the trading potential or actual level of trade from that indicated by such information and assumptions, the value of the hotel could vary, and could fall as well as rise.

No allowance is made for any contingent tax liabilities or liability to staff (whether relating to redundancy payments, pensions or otherwise) unless expressly stated.

Unless otherwise instructed, we adopt the date of the inspection as the Valuation Date.



Jones Lang LaSalle

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Company Reg No. 197600508N



Valuation (Land & Building)

Your Ref : -
Our Ref : JY:aa:140302, 140363 to 140365, 140365-1,
140372, 140380 & 140380-1

Board of Directors
Yoma Strategic Holdings Ltd
78 Shenton Way
#32-00
Singapore 079120

8 December 2014

Dear Sirs,

VALUATION CERTIFICATE OF VARIOUS LAND PARCELS LAND DEVELOPMENT RIGHTS IN PUN HLAING GOLF ESTATE AND OPERATING RIGHTS OF THE PUN HLAING GOLF COURSE AND COUNTRY CLUB, YANGON, MYANMAR

We have been instructed by Yoma Strategic Holdings Ltd (the "Client") to provide our opinion of the estimated Land Development Rights values and estimated market value of the above Properties as at 1st July 2014.

We have prepared a comprehensive formal valuation reports (the "Full Valuation Reports") in accordance with the instructions of the Client for the specific purpose of its inclusion in the circular to be issued in connection with proposed acquisition of economic interests in land development rights in respect of Pun Hlaing Golf Estate and operating rights in respect of the Pun Hlaing Golf Course and Country Club. This letter and its attachments should be read in conjunction with the Full Valuation Reports.

In accordance with your instructions we provide herein our opinion of the Land Development Rights values of the Properties as at 1st July 2014 (the "date of valuation").

Our Valuations are prepared in accordance with our 'General Principles Adopted in the Preparation of Valuations and Reports', a copy of which is attached.

Our Valuations are prepared in accordance with the International Valuation Standards Council (IVSC) definition of Market Value and adopted by the Singapore Institute of Surveyors and Valuers (SISV) and the Royal Institution of Chartered Surveyors (RICS), which is:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".

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Board of Directors

Yoma Strategic Holdings Ltd

**- Valuation Certificate of Various Land Parcels and Development Rights
in Pun Hlaing Golf Estate and Operating Rights of Pun Hlaing Golf
Course and Country Club, Yangon, Myanmar**

8 December 2014

No allowances are made for any expenses or taxation which might arise in the event of a disposal. Each property is considered as if it is free and clear of all mortgages, encumbrances and other outstanding premiums, charges and liabilities except for those described within the report.

Our Valuations are made on the assumption that the owner sells the Properties in the market without the benefit of a deferred terms contract, joint venture, management agreement or any similar agreement which could serve to affect the value of the Properties.

Where applicable, information as to title particulars, land area, ownership and tenure has been obtained from the Client. All information provided as at 1st July 2014 is treated as correct and Jones Lang LaSalle accepts no responsibility for subsequent changes in information and reserve the right to change our opinion of value if any other information provided were to materially change.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the Properties and are not a related corporation of nor do we have a relationship with the owners, the Client, advisers or other party/parties. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the Client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Properties, nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their value.

We have not carried out investigations on site in order to determine the suitability of ground conditions and services for the existing and proposed developments, nor have we undertaken archaeological, ecological or environmental surveys. Our Valuations are on the basis that these aspects are satisfactory.

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Jones Lang LaSalle

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Board of Directors

Yoma Strategic Holdings Ltd

**- Valuation Certificate of Various Land Parcels and Development Rights
in Pun Hlaing Golf Estate and Operating Rights of Pun Hlaing Golf
Course and Country Club, Yangon, Myanmar**

8 December 2014

In arriving at our opinion of values, we have considered the prevailing market conditions at the date of valuation. The valuation methods adopted to arrive at our opinion of values are the Development Cash Flow Approach, Residual Land Approach, Depreciated Replacement Cost method and Direct Comparison Method are used to derive values, where appropriate.

Neither the whole nor any part of this report nor any reference thereto may be included in any document, circular or statement without our written approval of the form and context in which it will appear.

Finally and in accordance with our standard practice, we must state that these Valuations are for the use only of the Client. No responsibility is accepted to any other third party for the whole or any part of its contents.

In the event our consent is given and this valuation summary appears in the Circular to be issued by the Client in connection with Yoma Strategic Holdings Ltd, we specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the circular, other than in respect of the information provided within the valuation reports and summary. We do not make any warranty or representation as to the accuracy of the information in any part of the Prospectus other than as expressly made or given in this valuation summary.

Notwithstanding the above, in the event that Jones Lang LaSalle consents to the disclosure of this letter and our valuations in connection with Yoma Strategic Holdings Ltd, such disclosure is approved solely for the purpose of providing information to potential investors or any other interested person. Neither this letter, nor the attached valuation summaries nor our Full Valuation Reports purport to contain all the information that a potential purchaser or any other interested party may require. They do not take into account the individual circumstances, financial situation, investment objectives or requirements of a potential purchaser or any other person. They are intended to be used as a guide only and do not constitute advice, including without limitation, investment, tax, legal or any other type of advice.

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Jones Lang LaSalle

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Board of Directors

Yoma Strategic Holdings Ltd

**- Valuation Certificate of Various Land Parcels and Development Rights
in Pun Hlaing Golf Estate and Operating Rights of Pun Hlaing Golf
Course and Country Club, Yangon, Myanmar**

8 December 2014

The valuations stated herein are, in the opinion of Jones Lang LaSalle, the best estimates and should not to be construed as a guarantee or prediction and the valuations are fully dependent upon the accuracy of the assumptions made. Potential Investors should not rely on any material contained in this report as a statement or representation of fact but should satisfy themselves as to its correctness by such independent investigation as they or their legal or financial advisors see fit after reviewing the valuation reports to understand the particular assumptions and methodologies made in the preparation of the valuations and to appreciate the context in which the values are arrived at.

This report contains information provided by third parties. Figures, calculations and other information contained in the reports that has been provided to Jones Lang LaSalle by third parties have not been independently verified by Jones Lang LaSalle and Jones Lang LaSalle takes no responsibility for it and subsequent conclusions related to such data.

Jones Lang LaSalle /Jones Lang LaSalle Property Consultants Pte. Ltd., its directors, employees, affiliates and representatives shall not be liable (except to the extent that liability under statute or by operation of law cannot be excluded) to any person for any loss, liability, damage or expense arising from or connected in any way with any use of or reliance on this report.

Faithfully,

Joseph Yee Yeh Shiunn
B.Sc. (Land Mgt.) (Hons.) MSISV
AD041-2006553D
Regional Director
JONES LANG LASALLE

Enc



Jones Lang LaSalle

GENERAL PRINCIPLES ADOPTED IN THE PREPARATION OF VALUATIONS AND REPORTS

These are the general principles upon which our Valuations and Reports are normally prepared; they apply unless we have specifically mentioned otherwise in the body of the report.

1) VALUATION STANDARDS

All work are carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Guidelines and International Valuation Standards (IVS), subject to variations to meet local laws, customs, practices and market conditions.

2) VALUATION BASIS

Our valuations are made on the basis of Market Value, defined by the SISV as follows:

"Market Value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion."

3) CONFIDENTIALITY

Our Valuations and Reports are confidential to the party to whom they are addressed or their other professional advisors for the specific purpose(s) to which they refer. No responsibility is accepted to any other parties and neither the whole, nor any part, nor reference thereto may be included in any published document, statement or circular, or published in any way, nor in any communication with third parties, without our prior written approval of the form and context in which they will appear.

4) SOURCE OF INFORMATION

Where it is stated in the report that information has been supplied by the sources listed, this information is believed to be reliable and we shall not be responsible for its accuracy nor make any warranty or representation of the accuracy of the information. All other information stated without being attributed directly to another party is obtained from our searches of records, examination of documents or enquiries with the relevant authorities.

5) DOCUMENTATION

We do not normally read leases or documents of title and, where appropriate, we recommend that lawyer's advice on these aspects should be obtained. We assume, unless informed to the contrary, that all documentation is satisfactorily drawn and that good title can be shown and there are no encumbrances, restrictions, easements or other outgoings of an onerous nature which would have an effect on the value of the interest under consideration.

6) TOWN PLANNING AND OTHER STATUTORY REGULATIONS

Information on Town Planning is obtained from the set of Master Plan, Development Guide Plans (DGP) and Written Statement published by the competent authority. Unless otherwise instructed, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road and drainage improvements. If reassurance is required, we recommend that verification be obtained from your lawyers.

Our valuations are prepared on the basis that the premises and any improvements thereon comply with all relevant statutory regulations. It is assumed that they have been, or will be issued with a Certificate of Statutory Completion by the competent authority.

7) TENANTS

Enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed that the tenants are capable of meeting their obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

8) STRUCTURAL SURVEYS

We have not carried out a building survey nor any testing of services, nor have we inspected those parts of the property which are inaccessible. We cannot express an opinion about or advise upon the condition of uninspected parts and this Report should not be taken as making any implied representation or statement about such parts. Whilst any defects or items of disrepair are noted during the course of inspection, we are not able to give any assurance in respect of rot, termite or past infestation or other hidden defects.

9) SITE CONDITIONS

We do not normally carry out investigations on site in order to determine the suitability of the ground conditions and services for the existing or any new development, nor have we undertaken any archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

10) OUTSTANDING DEBTS

In the case of buildings where works are in hand or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, sub-contractors or any members of the professional or design team.

11) INSURANCE VALUE

Our opinion of the insurance value is our assessment of the reinstatement cost for insurance purpose and it comprises the total cost of completely rebuilding the property to be insured, together with allowances for inflation, demolition and debris removal, professional fees, the prevailing G.S.T. (goods and services tax) and, if applicable, compliance with current regulations and by-laws.


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VALUATION SUMMARY

- Date of Valuation : 1st July 2014
- Property : A parcel of land for Proposed Future Medium Density Residential development located behind Yangon International School within Pun Hlaing Golf Estate, Hlaing Thar Yar township, Yangon, Myanmar.
- Land Use Right : According to Joint Venture Agreement and Lease Deed dated 24 December 1998 between Department of Human Settlement and Housing Development Ministry of Construction, The Government of The Union of Myanmar (DHSHD) and Yangon Nominees Limited. DHSHD shall issue 60 years leasehold grants to the buyers when the single dwelling houses are sold by the Joint Venture Company upon the completion of construction. For golf apartment and condominiums, buyers will receive a possessory title issued by DHSHD.
- Brief Description of Property : A irregular-shaped plot of land located behind Yangon Internal School within Pun Hlaing Golf Estate, covered thick vegetation and above existing access road level.
- Site Area : 59,915.83 sqm.
- as provided by client and subject to survey.
- Master Plan Zoning : Residential – as provided by client.
- Valuation Methodologies : Development Cash Flow and Direct Comparison Methods.
- Land Development Right Value : US\$42,000,000/- (United States Dollars Twelve Million)



Joseph Yee Yeh Shiunn
B.Sc. (Land Mgt.) (Hons.) MSISV
AD04T-2006553D
Regional Director
JONES LANG LASALLE


*JY:aa:140302
8 December 2014*



Jones Lang LaSalle

VALUATION SUMMARY

Date of Valuation	:	1st July 2014
Property	:	A parcel of land located between the Lakeview Apartments and The Pun Hlaing Country Club within Pun Hlaing Golf Estate, Hlaing Thar Yar township, Yangon, Myanmar.
Land Use Right	:	According to Joint Venture Agreement and Lease Deed dated 24 December 1998 between Department of Human Settlement and Housing Development Ministry of Construction, The Government of The Union of Myanmar (DHSHD) and Yangon Nominees Limited. DHSHD shall issue 60 years leasehold grants to the buyers when the single dwelling houses are sold by the Joint Venture Company upon the completion of construction. For golf apartment and condominiums, buyers will receive a possessory title issued by DHSHD.
Brief Description of Property	:	A irregular-shaped plot of land located next to the Pun Hlaing Country Club and at existing access road level.
Site Area	:	6,475.2 sqm. - as provided by client and subject to survey.
Master Plan Zoning	:	Residential – as provided by client.
Valuation Methodologies	:	Residual Land and Direct Comparison Methods.
Land Development Right Value	:	US\$2,200,000/- (United States Dollars Two Million and Two Hundred Thousand)



Joseph Yee Yeh Shiunn
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AD041-2006553D
Regional Director
JONES LANG LASALLE


*JY:aa:140363
8 December 2014*



Jones Lang LaSalle

VALUATION SUMMARY

Date of Valuation	:	1st July 2014
Property	:	A parcel of land located opposite of Lakeview Apartment within Pun Hlaing Golf Estate, Hlaing Thar Yar township, Yangon, Myanmar.
Land Use Right	:	According to Joint Venture Agreement and Lease Deed dated 24 December 1998 between Department of Human Settlement and Housing Development Ministry of Construction, The Government of The Union of Myanmar (DHSHD) and Yangon Nominees Limited. DHSHD shall issue 60 years leasehold grants to the buyers when the single dwelling houses are sold by the Joint Venture Company upon the completion of construction. For golf apartment and condominiums, buyers will receive a possessory title issued by DHSHD.
Brief Description of Property	:	An elongated-shaped plot of land located opposite Lakeview Apartments at existing access road level.
Site Area	:	1,942.56 sqm. - as provided by client and subject to survey.
Master Plan Zoning	:	Commercial – as provided by client.
Valuation Methodologies	:	Residual Land and Direct Comparison Methods.
Land Development Right Value	:	US\$740,000/- (United States Dollars Seven Hundred and Forty Thousand)



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Regional Director
JONES LANG LASALLE

*JY:aa:140364
8 December 2014*



Jones Lang LaSalle

VALUATION SUMMARY

Date of Valuation	:	1st July 2014
Property	:	A parcel of land for Commercial Centre development located along Pun Hlaing Avenue next to the main entrance of Pun Hlaing Golf Estate, Hlaing Thar Yar township, Yangon, Myanmar.
Land Use Right	:	According to Joint Venture Agreement and Lease Deed dated 24 December 1998 between Department of Human Settlement and Housing Development Ministry of Construction, The Government of The Union of Myanmar (DHSHD) and Yangon Nominees Limited. DHSHD shall issue 60 years leasehold grants to the buyers when the single dwelling houses are sold by the Joint Venture Company upon the completion of construction. For golf apartment and condominiums, buyers will receive a possessory title issued by DHSHD.
Brief Description of Property	:	An irregular-shaped plot of land covered with trees and thick vegetation and slightly below existing road level.
Site Area	:	18,645.47 sqm. - as provided by client and subject to survey.
Master Plan Zoning	:	Commercial – as provided by client.
Valuation Methodologies	:	Residual land and Direct Comparison Methods.
Land Development Right Value	:	US\$14,000,000/- (United States Dollars Fourteen Million)



Joseph Yee Yeh Shiunn
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AD041-2006553D
Regional Director
JONES LANG LASALLE


*JY:aa:140365
8 December 2014*



Jones Lang LaSalle

VALUATION SUMMARY

Date of Valuation	:	1st July 2014
Property	:	A parcel of excess land of the Pun Hlaing International Hospital (PHIH) ("Land Adjacent to Hospital") located along Pun Hlaing Avenue next to the main entrance of Pun Hlaing Golf Estate, Hlaing Thar Yar township, Yangon, Myanmar
Land Use Right	:	According to Joint Venture Agreement and Lease Deed dated 24 December 1998 between Department of Human Settlement and Housing Development Ministry of Construction, The Government of The Union of Myanmar (DHSHD) and Yangon Nominees Limited. DHSHD shall issue 60 years leasehold grants to the buyers when the single dwelling houses are sold by the Joint Venture Company upon the completion of construction. For golf apartment and condominiums, buyers will receive a possessory title issued by DHSHD.
Brief Description of Property	:	The land is located adjacent to PHIH, an irregular-shaped plot of land comprises a utilities building and an open space car park fronting Pun Hlaing Avenue at existing access road level.
Site Area	:	Approximately 16,293 sqm - as provided by client and subject to survey.
Master Plan Zoning	:	Commercial – as provided by client.
Valuation Methodologies	:	Residual Land and Direct Comparison Methods.
Land Development Right Value	:	US\$12,000,000/- (United States Dollars Twelve Million)



Joseph Yee Yeh Shiunn
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AD041-2006553D
Regional Director
JONES LANG LASALLE


*JY:aa:140365-1
8 December 2014*



Jones Lang LaSalle

VALUATION SUMMARY

Date of Valuation	:	1st July 2014
Property	:	Pun Hlaing Golf and Country Club located with Pun Hlaing Golf Estate, Hlaing Thar Yar township, Yangon, Myanmar
Land Use Right	:	We have been informed that the golf course was completed and started operation on 1 st April 2002. Therefore, we have assumed that the lease of 30 years commencing from 1 st April 2002 with extension of the grant by 5 years each for 4 times.
Brief Description of Property	:	The golf club comprises an 18-hole , 7,012yards of Par 72 signature championship style golf course designed by Gary Player with clubhouse and ancillary facilities. In addition, the country club provides recreational facilities such as swimming pool, tennis courts, café, children playground and spa & health centre with gymnasium.
Site Area (as provided by the client and subject to survey)	:	Golf Club - 877,915.70 sqm Country Club - 9,267.63 sqm
Master Plan Zoning	:	Golf course and recreational use.
Valuation Methodologies	:	Discounted Cash Flow and Depreciated Replacement Costs methods.
Aggregate Market Value	:	US\$15,500,000/- (United States Dollars Fifteen Million and Five Hundred Thousand)


Joseph Yee Yeh Shiunn
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AD041-2006553D
Regional Director
JONES LANG LASALLE


JY:aa:140372
8 December 2014



Jones Lang LaSalle

VALUATION SUMMARY

- Date of Valuation : 1st July 2014
- Property : A parcel of land for Educational Use next to Yangon International School located along Pun Hlaing Golf Estate Road next to the main entrance of Pun Hlaing Golf Estate, Hlaing Thar Yar township, Yangon, Myanmar
- Land Use Right : According to Joint Venture Agreement and Lease Deed dated 24 December 1998 between Department of Human Settlement and Housing Development Ministry of Construction, The Government of The Union of Myanmar (DHSHD) and Yangon Nominees Limited. DHSHD shall issue 60 years leasehold grants to the buyers when the single dwelling houses are sold by the Joint Venture Company upon the completion of construction. For golf apartment and condominiums, buyers will receive a possessory title issued by DHSHD.
- Brief Description of Property : An almost L-shaped plot of land covered with thick vegetation at existing road level.
- Site Area : Approximately 48,942.51 sqm
- as provided by client and subject to survey.
- Master Plan Zoning : Educational use – as provided by client.
- Valuation Methodology : Direct Comparison Method.
- Land Development Right Value : US\$5,100,000/- (United States Dollars Five Million and One Hundred Thousand)



Joseph Yee-Yeh Shifunn
B.Sc. (Land Mgt.) (Hons.) MSISV
AD041-2006553D
Regional Director
JONES LANG LASALLE

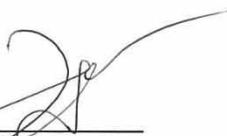
JY:aa:140380
8 December 2014



Jones Lang LaSalle

VALUATION SUMMARY

Date of Valuation	:	1st July 2014
Property	:	A parcel of land for proposed low-rise commercial complex development located along Pun Hlaing Golf Estate Avenue next to the main entrance of Pun Hlaing Golf Estate, Hlaing Thar Yar township, Yangon, Myanmar.
Land Use Right	:	According to Joint Venture Agreement and Lease Deed dated 24 December 1998 between Department of Human Settlement and Housing Development Ministry of Construction, The Government of The Union of Myanmar (DHSHD) and Yangon Nominees Limited. DHSHD shall issue 60 years leasehold grants to the buyers when the single dwelling houses are sold by the Joint Venture Company upon the completion of construction. For golf apartment and condominiums, buyers will receive a possessory title issued by DHSHD.
Brief Description of Property	:	An almost elongated triangular-shaped plot of land part covered with water and thick overgrown vegetation and slightly below access access road level.
Site Area	:	14,381.34 sqm. - as provided by client and subject to survey.
Master Plan Zoning	:	Commercial – as provided by client.
Valuation Methodologies	:	Residual Land and Direct Comparison Methods.
Land Development Right Value	:	US\$7,700,000/- (United States Dollars Seven Million and Seven Hundred Thousand)



Joseph Yee Yeh Shiunn
B.Sc. (Land Mgt.) (Hons.) MSISV
AD041-2006553D
Regional Director
JONES LANG LASALLE

*JY:aa:140380-1
8 December 2014*



- Chartered Surveyors
- Valuers of
 - Plant & Machinery
 - Real Estate
 - Businesses
 - Fine Arts
- Auctioneers & Agents
- Facilities & Project Managers
- Capital Allowance Claims Consultants

VALUATION CERTIFICATE

PV/6540/SPA/1406/RK/EM/YKS/LKH/OSJ

Date: 17 December 2014



Mr Serge Pun
c/o Serge Pun & Associates (Myanmar) Ltd
FMI Centre, Level 9, Rm-910,
380, Bogyoke Aung San Road,
Pabedan Township,
Yangon, Myanmar

Dear Sir

RE: VALUATION CERTIFICATE ON THE VALUATION OF

- 1) TWO PLOTS OF LAND DESIGNATED FOR A COMMERCIAL COMPLEX DEVELOPMENT;
- 2) A PLOT OF LAND DESIGNATED FOR COMMERCIAL DEVELOPMENT ADJACENT TO THE EXISTING PUN HLAING HOSPITAL;
- 3) A PLOT OF LAND DESIGNATED FOR A SHOPFRONT COMPLEX;
- 4) A PLOT OF LAND DESIGNATED FOR A MEDIUM DENSITY RESIDENTIAL DEVELOPMENT;
- 5) A PLOT OF LAND DESIGNATED FOR A LOW DENSITY RESIDENTIAL DEVELOPMENT (ON LAND NOW KNOWN AS PUN HLAING LODGE PHASE 2); AND
- 6) THE COMPLETED AND OPERATIONAL 18-HOLE PUN HLAING GOLF AND COUNTRY CLUBS.

ALL ARE LOCATED WITHIN AN ON-GOING MIXED DEVELOPMENT KNOWN AS PUN HLAING GOLF ESTATE, OFF YANGON-PATHEIN ROAD, HLAING THARYAR TOWNSHIP, YANGON, UNION OF MYANMAR ("SUBJECT PROPERTY")

This Valuation Certificate has been prepared for the purpose of inclusion into Yoma Strategic Holdings Ltd shareholders' circular.

2/...

Robert Khan & Co Pte Ltd 同行为国际商业资产及机械咨询公司 Registration No. 1993058900

261 Waterloo Street, #04-24, Waterloo Centre, Singapore 180261

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Australia • China • Hong Kong • India • Indonesia • Malaysia • Myanmar • Philippines • South Africa • South Korea • Taiwan • United Kingdom • USA

INTERNATIONAL BUSINESS ASSETS CONSULTANTS

PV/6540/SPA/1406/RK/EM/YKS/LKH/OSJ
17 December 2014
Page 2

In accordance with your instructions, we have inspected the abovementioned property on 5 June 2014 and assessed the Market Value of the Subject Property for the purpose of Possible Sale.

We have valued the Development Land Rights of the following vacant land plots:

- 1) Two land plots designated for a commercial complex development;
- 2) Land designated for commercial development adjacent to the existing Pun Hlaing Hospital;
- 3) Land designated for a shopfront complex;
- 4) Land designated for a medium density residential development;
- 5) Land designated for a low density residential development (on land now known as Pun Hlaing Lodge phase 2);

and the Market Value of the completed and operational 18-hole Pun Hlaing Golf and Country Clubs including all the ancillary buildings therein.

In arriving at our opinion of the market value of subject property, we have adopted the Direct Comparison Method for Development Land Rights value for vacant land plots and Cost Approach for Pun Hlaing Golf and Country Clubs, as at 5 June 2014.

3/...

PV/6540/SPA/1406/RK/EM/YKS/LKH/OSJ
17 December 2014
Page 3

Our valuation certificate is as attached. This valuation certificate is to be read in conjunction with our full valuation report (Ref: PV/6540/SPA/1406/RK/EM/YKS/LKH/OSJ), which is available for examination at our office.

Yours faithfully
on behalf of **ROBERT KHAN & CO PTE LTD**

Robert Khan & Co Pte Ltd.

PV/6540/SPA/1406/RK/EM/YKS/LKH/OSJ
[Signature]

International Business Assets Consultants since 1997

VALUATION CERTIFICATE

Property		Description and tenure			Market Value as at 5 June 2014
		The subject property comprises 4 vacant land plots designated for commercial developments, 2 vacant land plots designated for residential developments and the completed and operational 18-hole Pun Hlaing Golf & Country Clubs all located within an on-going mixed development known as Pun Hlaing Golf Estate, Hlaing Tharyar Township, Yangon Division, Union of Myanmar.			
S/N	Property	Description	Land Area (Acre)	Approximate Land Area (Square feet)	
1	TWO PLOTS OF LAND DESIGNATED FOR A COMMERCIAL COMPLEX DEVELOPMENT;	Land plots designated for a commercial complex development: Southern Plot	4.61	200,698	US\$ 13,050,000 (United States Dollars Thirteen Million and Fifty Thousand Only)
		Northern Plot	3.55	154,799	US\$ 8,500,000 (United States Dollars Eight Million and Five Hundred Thousand Only)
2	A PLOT OF LAND DESIGNATED FOR COMMERCIAL DEVELOPMENT ADJACENT TO THE EXISTING PUN HLAING HOSPITAL;	Land designated for commercial development adjacent to the existing Pun Hlaing Hospital	4.02	175,376	US\$ 11,400,000 (United States Dollars Eleven Million and Four Hundred Thousand Only)
3	A PLOT OF LAND DESIGNATED FOR A SHOPFRONT COMPLEX;	Land designated for a shopfront complex	0.48	20,909	US\$ 1,050,000 (United States Dollars One Million and Fifty Thousand Only)
4	A PLOT OF LAND DESIGNATED FOR A MEDIUM DENSITY RESIDENTIAL DEVELOPMENT;	Land designated for a medium density residential development	14.80 (12.89+1.91)	644,929	US\$ 41,670,000 (United States Dollars Forty One Million and Six Hundred Seventy Thousand Only)
5	A PLOT OF LAND DESIGNATED FOR A LOW DENSITY RESIDENTIAL DEVELOPMENT (ON LAND NOW KNOWN AS PUN HLAING LODGE PHASE 2); AND	Land designated for a low density residential development (on land now known as Pun Hlaing Lodge phase 2)	1.60	69,696	US\$ 2,790,000 (United States Dollars Two Million Seven Hundred and Ninety Thousand Only)
6	THE COMPLETED AND OPERATIONAL 18-HOLE PUN HLAING GOLF AND COUNTRY CLUBS.	18-hole Pun Hlaing Golf Club and Country (Sports) Club	219.22 (216.93+2.29)	9,549,223	US\$ 16,270,000 (United States Dollars Sixteen Million and Two Hundred and Seventy Thousand Only)

VALUATION CERTIFICATE

Property	Description and tenure	Market Value as at 5 June 2014
	<p>As per a translated (from Myanmar language version) Lease Deed made on 24 December 1998 executed by the Department of Human Settlement and Housing Development, Ministry of Construction, Government of the Union of Myanmar (Lessor) and Hlaing River Golf and Country Club Co. Ltd (Lessee) which is certified by a notary public named U Mya Thein and is registered on 21 May 2004 via a Regd. No. 023/04, the purchasers of "the single dwelling houses and apartments" built on the land leased will be given a 60-year lease with effect from the date of occupation and the lessee will be allowed to keep in possession of the golf course and other construction works for 30 years' period from the date of taking possession with 5 years extension for 4 times totalling 50 years.</p> <p>Our valuation of the properties is based on tenure of a 60-year lease with effect from the date of completion of the proposed development on the existing vacant lands and a tenure of 50-year lease from year 2002, the year of the opening of the 18-hole golf course as stipulated in the above-mentioned Land Lease.</p> <p>PHGE is being developed on a 652-acre peninsula formed by Hlaing River on the east, Pun Hlaing River on the west and U Tun Nyo Road / Daing Su Village on the north in Hlaing Tharyar Township at approximately 12 kilometres by road north-west of downtown Yangon, the commercial capital of the Union of Myanmar. Situated in PHGE's immediate vicinity are the Hlaing Tharyar Industrial Zone, FMI City, Nyaung Village and Daing Su Village. Hlaing Tharyar Industrial Zone is one of the largest industrial areas in the country covering an area of approximately 1,100 acres.</p>	

LIMITING CONDITIONS

Liability Of The Valuer

The Valuer shall only be responsible to the Client to whom this Report is addressed. He is not liable to any other party except the Client in connection with this Valuation, as the advice contained herein is limited to the scope of the instruction received.

Reproduction Of The Report

Reproduction of this Valuation Report in any manner whatsoever in whole or in part without prior written consent from the Valuer is prohibited.

Approval should be obtained formally from the Valuer before any reference to this Report can be made in any statement, published document or circular.

Valuation

The opinion expressed in this report applies strictly on the terms of and for the purpose expressed in this Valuation. Hence, the value shall never be quoted out of context in connection with any other assessment.

The Valuer accepts no liability if his opinion is quoted without regard to the full background of the reason why this Report is written.

No allowance has been made in our Valuation for any mortgages, charges or amounts owing on the property or for any taxation or other expenses, which would be incurred in effecting a sale.

As we have not had an opportunity of inspecting the Title Deeds of the property, our Valuation assumes that there are no adverse restrictive covenants, easements, rights of way or other factors of which we have not been informed. It is recommended that the title details are verified by your solicitors.

Values are reported in Singapore currency unless otherwise specified.

Goods and Services Tax have not been taken into account.

It is assumed that the property is not used in contravention of any planning or other regulations.

For obvious reasons, we do not and cannot provide information relating to government acquisitions unless the land has already been gazetted for acquisition.

No requisition on road, MRT, LRT, drainage and other government proposals has been made. Such information will not be tendered unless specifically requested for and we be properly reimbursed.

Valuation Data

Where it is stated in the Report that information or data has been made known to the Valuer by another party, this information is believed to be reliable and he disclaims all responsibility if this should later prove not to be so.

Where information is given without reference to another party in this Report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge.

Processed data inferences therefrom shall be taken as the Valuer's opinion and shall not be freely quoted without acknowledgement.

Structural Defects

While due care is taken to note defects in the course of inspection, no structural survey or engineering tests were made. No responsibility is assumed for the soundness of the structure or of the services.

Attendance In Court

The valuer is not required to give testimony or to appear in court by reason of this report unless specific arrangement has been made therefore.

APPENDIX H – SALIENT TERMS OF THE CPCL S&P AGREEMENT

Certain Relevant Warranties and Undertakings

In addition to the usual warranties in relation to the title of the 100% shareholding interests in CPCL and the business, accounts and liabilities of CPCL, each of SPA, FMI and Mr. Serge Pun also undertakes to Elite Matrix, *inter alia*, as follows:

- (a) CPCL shall not dispose of, nor create or have outstanding any encumbrance over its assets and properties other than in the ordinary course of business;
- (b) CPCL shall carry on business only in the ordinary course consistent with past practices, there will be no change in its business, operations, properties or financial condition, CPCL will not commence or carry on any type of business which is not ancillary or incidental to or an extension of the scope of its businesses and that the business and affairs of CPCL shall be managed properly in good faith and operated in accordance with sound commercial principles and in accordance with all applicable laws and all regulations and rules of all governmental, administrative, regulatory or supervisory entities;
- (c) CPCL shall preserve and maintain all of its properties and assets, owned or used in the conduct of its business, in good working order and condition (ordinary wear and tear excepted);
- (d) it shall promptly upon obtaining knowledge thereof, give notice to CPCL of any event or matter that has resulted or will result in an adverse change in the distributorship agreement with CNH International SA;
- (e) CPCL shall not enter into any contracts other than in its ordinary course of business; and
- (f) CPCL shall not enter into any capital commitment or undertake or incur any contingent liability.

Completion

On the completion date, each of FMI and SPA shall deliver the following, *inter alia*, to Elite Matrix:

- (a) deeds of assignment in relation to the shareholders' loans duly executed by FMI and SPA;
- (b) deeds of assignment of rights in the form acceptable to Elite Matrix in its sole and absolute discretion, duly executed by FMI and SPA;
- (c) a management agreement, in the form acceptable to Elite Matrix in its sole and absolute discretion, duly executed by FMI and SPA whereby Elite Matrix or its nominee shall be granted the right of absolute management control over CPCL; and
- (d) evidence that the balance sheet of CPCL as at the completion date is in the net asset position.

The Company will obtain a legal opinion from Myanmar counsel that the deeds of assignment of rights and management agreement are valid and enforceable under Myanmar laws. The Company will make an announcement immediately upon receipt of the legal opinion.

Indemnity

Each of SPA and Mr. Serge Pun hereby irrevocably undertakes to keep Elite Matrix fully and effectively indemnified against any and all losses, costs, damages, claims, demands, actions, proceedings, liabilities and expenses whatsoever (including but not limited to all legal costs or attorney's fees on a full indemnity basis) that Elite Matrix may incur or suffer in connection with or arising from any breach (actual or alleged) or inaccuracies of any of the warranties and/or any default by each of SPA or Mr. Serge Pun of his/his obligations under the agreement and for the conduct of the business of CPCL prior to completion.

Any liability to Elite Matrix hereunder may in whole or in part be released, compounded or compromised, or time or indulgence may be given, by Elite Matrix, where applicable, in its absolute discretion without in any way prejudicing or affecting its rights against SPA and Mr. Serge Pun. Any release or waiver or compromise shall be in writing and shall not be deemed to be a release, waiver or compromise of similar conditions in the future.

Long-Stop Date

If any of the conditions precedent are not fulfilled on or before 30 June 2015 or such other date parties shall mutually agree in writing, and the fulfillment of such conditions are not waived by the relevant party to the CPCL S&P Agreement, the said agreement shall *ipso facto* cease and terminate.

Further Assurance

A party to the CPCL S&P Agreement shall at any time at the request of the other party, promptly sign, execute and deliver all instruments, notices and documents, and do all acts and steps as in each case may be necessary or advisable for the purpose of performance of, maintaining, or perfecting all the transactions and/or obligations to be performed by or on the part of the non-requesting party contemplated by or pursuant to the definitive agreements or for facilitating the enforcement thereof. Without prejudice to the generality of the foregoing, such instruments, notices and documents shall be in such form as the requesting party shall reasonably require and may contain provisions such as are herein contained or provisions to the like effect and/or such other provisions of whatsoever kind as the requesting party shall consider reasonably necessary for the performance of, maintenance or perfection of all the transactions and/or obligations to be performed by or on the part of the non-requesting party contemplated by or pursuant to the definitive agreements.

Governing law

The CPCL S&P Agreement shall be governed by, and construed in accordance with, the laws of Myanmar.

APPENDIX I – INDEPENDENT SUMMARY LETTER IN RELATION TO THE PROPOSED CPCL ACQUISITION



仲量聯行

Date: 5 December 2014

The Board of Directors

Yoma Strategic Holdings Limited

78 Shenton Way #32-00

Singapore 079120

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
6/F Three Pacific Place
1 Queen's Road East Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Company Licence No : C-030171

仲量聯行企業評估及諮詢有限公司
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電話 +852 2846 5000 傳真 +852 2169 6001
公司牌照號碼 : C-030171

INDEPENDENT VALUATION SUMMARY LETTER

Dear Sirs,

1. Introduction

Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“JLLCAA”) has been appointed by the Board of Directors (“Directors”) of Yoma Strategic Holdings Limited (“Yoma”) to undertake an independent opinion of the market value of 100 percent equity interest in Convenience Prosperity Company Limited (“CPCL” or the “Company”), in connection with the proposed acquisition of 100 percent of the entire issued and paid-up capital of CPCL.

This letter has been prepared for the purpose of summarising the information contained in our Independent Valuation Report dated 29 August 2014 (the “Report”). Accordingly, this letter should be read in conjunction with the full text of the Report.

2. Terms of reference

The objective of this letter is to provide an independent view of the market value of the 100 percent equity interest of the Company assessed on a stand-alone and going concern basis, as at 31 March 2014 (“Valuation Date”).

We are not expressing an opinion on the commercial merits and structure of the Company, and accordingly this letter and the Report do not purport to contain all the information that may be necessary or desirable to fully evaluate the commercial or investment merits of the Company by the prospective investors. The assessment of the commercial and investment merits of the Company is solely the responsibility of the Directors of Yoma. Additionally, our work should not be construed as investment advice to the prospective investors of the Company.



仲量聯行

We have not conducted a comprehensive review of the business, operational or financial conditions of the Company, and accordingly this letter and our Report do not make any representation or warranty, express or implied in this regard.

The scope of our engagement does not require us to express, and we do not express, a view on the future prospects of the Company.

Our terms of reference do not require us to provide advice on legal, regulatory, accounting, property or taxation matters.

Our work is in the nature of a review of the information provided to us, and discussions with members of management.

Use of our letter and the Report

This letter and the Report are addressed solely to, and for the use and benefit of the Directors of Yoma for the purpose as set out above and for inclusion into Yoma's circular to its shareholders on the proposed acquisition of the Company. Accordingly neither the Report nor this letter may be used or relied upon by, nor confer any benefit to, any other person (including without limitation, the sellers of the Company).

Reliance on information and representation

In the course of our work, we have held discussions with the management of the Company. We have also examined and relied on information provided by them and reviewed other relevant publicly available information. We have not independently verified all such information provided or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance. Nevertheless, the management of the Company have confirmed to us, upon making all reasonable enquiries and to their best knowledge and belief, that the information provided to us constitute a full and true disclosure, in all material respects of all material facts relating to the Company as required for the purpose of our valuation (and there is no omission of material information, of which if any, would make any of the information considered herein inaccurate, incomplete, or misleading in any material respect).



仲量聯行

In no circumstances shall we be liable, other than in the event of our bad faith or wilful default, for any loss or damage, of whatsoever nature arising from information material to our work being withheld or concealed from us or misrepresented to us by the Company's management, employees, or agents or any person of whom we may have made inquiries of during the course of our work.

3. Valuation methodology

Our valuation was carried out on a market value basis. Market value is defined as *“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”*.

In arriving at our assessed value for the equity interest, we have considered three generally accepted approaches, namely, market approach, cost approach and income approach. In our opinion, the market approach and cost approach are inappropriate for valuing the subject asset. Firstly, the market approach requires market transactions of comparable assets as an indication of value. However, we have not identified any current market transactions which are comparable. Secondly, the cost approach does not directly incorporate information about the economic benefits contributed by the subject asset. We have therefore chosen to apply the income approach because it most effectively captures the future benefits of the business operations owned by the Company through the use of the discounted cash flow method. Under this methodology, we have discounted the projected free cash flows of the Company with an appropriate discount rate having considered the relevant risk factors.

Our valuation is based on various assumptions with respect to the business operations of the Company, including their present and future financial condition, business strategies and the environment in which they will operate in the future. These assumptions are based on the information that we have been provided with and our discussions with the management of CPCL, and reflect current expectations and views regarding future events.

The estimates of earnings and cash flow data, to the extent they relate to the future, reflects the expectations of the management of CPCL as to the business prospects of the Company and are solely for use in our valuation analysis and are not intended for use as forecasts or projections of future operations.



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Furthermore, there will usually be differences between estimated and actual results because events and circumstance may, or often do not occur as expected and those differences may be material.

We have set out in the Report the key assumptions used in our valuation as well as risk factors that, in our opinion, may have a material impact on the valuation of the Company. It should be noted that it is not an exhaustive list of all risk factors relevant to the Company.

4. Conclusion

In summary and as detailed in the Report, which should be read in conjunction with this letter to the Directors, as instructed, JLLCAA is of the opinion that the market value of 100 percent equity interest of Convenience Prosperity Company Limited as at the Valuation Date is stated as follows:

Valuation Date	Fair Value of 100 Percent Equity Interest
31 March 2014	USD 2,240,000

Our views are based on the current economic, market, industry, regulatory, monetary and other conditions and on the information made available to us as of the date of this letter and the Report. Such conditions may change significantly over a relatively short period of time and we assume no responsibility and are not required to update, revise or reaffirm our conclusion set out in this letter to reflect events or development subsequent to the date of this.

Yours faithfully,

For and on behalf of

Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Simon M.K. Chan

Regional Director

APPENDIX J – GENERAL INFORMATION ON CHAPTER 9 OF THE LISTING MANUAL

1. Under Chapter 9 of the Listing Manual, where a listed company or any of its subsidiary companies or associated companies (as defined below) which is an “entity at risk” (as defined below) proposes to enter into a transaction, an “interested person transaction” (as defined below) with the listed company’s “interested persons” (as defined below), an immediate announcement, or an immediate announcement and shareholders’ approval, will be required in respect of the transaction if the value of the transaction is equal to or exceeds the thresholds set out in Chapter 9 of the Listing Manual.

In particular, an immediate announcement is required where:

- (a) the transaction is of a value equal to, or more than, three per cent. (3%) of the latest audited consolidated net tangible assets (“NTA”) of the listed company and its subsidiary companies; or
 - (b) the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to three per cent. (3%) or more of the latest audited consolidated NTA of the listed company and its subsidiary companies. An announcement will also have to be made immediately of the latest transaction and all future transactions entered into with the same interested person during the financial year; or
 - (c) Shareholders’ approval (in addition to an immediate announcement) is required where:
 - (i) the transaction is of a value equal to, or more than, five per cent. (5%) of the latest audited consolidated NTA of the listed company and its subsidiary companies; or
 - (ii) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, five per cent. (5%) of the latest audited consolidated NTA of the listed company and its subsidiary companies. The aggregation will exclude any transaction that has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders.
2. For the purposes of aggregation, any interested person transaction which is below S\$100,000 is to be excluded.

For illustration purposes, based on the audited consolidated accounts of the Group for FY2014, the NTA less non-controlling interest of the Group as at 31 March 2014 is S\$358.87 million. Accordingly, in relation to the Group, for the purposes of Chapter 9 of the Listing Manual in the current financial year, Shareholders’ approval will be required where:

- (a) the transaction is of a value equal to, or more than, S\$17.94 million, being five per cent. (5%) of the latest audited consolidated NTA less non-controlling interest of the Group; or
 - (b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, S\$17.94 million, being five per cent. (5%) of the latest audited consolidated NTA less non-controlling interest of the Group.
3. For the purposes of Chapter 9 of the Listing Manual:
 - (a) an “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual;

- (b) an **“associate”** means:
- (i) in relation to any director, chief executive officer or Controlling Shareholder (being an individual):
 - (aa) his immediate family member (that is, the person’s spouse, child, adopted child, step-child, sibling and parent);
 - (bb) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (cc) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more;
 - (c) in relation to a Controlling Shareholder (being a company), its subsidiary or holding company or a subsidiary company of such holding company or a company in which it and/or they taken together (directly or indirectly) have an interest of thirty per cent. (30%) or more;
 - (d) **“Control”** means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company;
 - (e) a **“Controlling Shareholder”** in relation to a listed company means a person who:
 - (i) holds directly or indirectly fifteen per cent. (15%) or more of the total number of issued shares excluding treasury shares in the company (unless the SGX-ST has determined such a person not to be a Controlling Shareholder of the company); or
 - (ii) in fact exercises Control over the company,
 or such other definition as the SGX-ST may from time to time determine;
 - (f) an **“entity at risk”** means:
 - (i) the listed company;
 - (ii) a subsidiary company of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has Control over the associated company;
 - (g) an **“interested person”** means:
 - (i) a director, chief executive officer or Controlling Shareholder of the listed Company; or
 - (ii) an associate of such director, chief executive officer or Controlling Shareholder;
 - (h) an **“interested person transaction”** means a transaction between an entity at risk and an interested person; and
 - (i) a **“transaction”** includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly.

APPENDIX K – CHAPTER 10 RELATIVE FIGURES

None of the relative figures computed on the bases set out in Rule 1006 of the Listing Manual in relation to the Proposed IPT Transactions, whether each as a standalone transaction or aggregated as a single transaction exceeds twenty per cent. (20%) and are transactions in the ordinary course of the business of the Group. However, for illustrative purposes, the relative figures for the said transactions, each as a standalone and aggregate are as follows:

Transactions as Aggregated

(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 profits attributable to the seventy per cent. (70%) economic interest in the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club and the Proposed CPCL Acquisition compared with the Group's net profits ⁽¹⁾ .	4.38%
(c) The aggregate consideration given (a) under the First Payment; (b) for the seventy per cent. (70%) economic interest in the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club; and (c) for the Proposed CPCL Acquisition compared with the Company's market capitalisation ⁽²⁾ based on the total number of issued shares excluding treasury shares.	17.95%
(d) The number of equity securities issued by the Company as consideration for the Proposed Variations to the Proposed Landmark Acquisition, the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club and the Proposed CPCL Acquisition, compared with the number of equity securities previously in issue.	Not Applicable

Notes:

- (1) The Landmark Development is a new development with no relevant historical financial results and the LDRs in PHGE which are the subject of the Proposed Acquisition of PHGE have yet to be developed with no relevant historical financial results. The aggregated of 70% of net profit after tax of the PHGE Golf Course & Country Club and 100% of net profit after tax of CPCL for the six-month period ended 30 September 2014 is S\$0.54 million. The net profit after tax attributable to the equity holders of the Company for the six-month period ended 30 September 2014 is S\$12.29 million.
- (2) The Company's market capitalisation of approximately S\$917.40 million is based on its total number of issued shares of 1,292,118,215 and the closing share price of S\$0.71 per share on 2 September 2014. The total consideration for the Proposed Variations to the Proposed Landmark Acquisition, the Proposed Acquisition of Landmark PHGE and PHGE Golf Course & Country Club and the Proposed CPCL Acquisition is S\$164.68 million.

Proposed Variations to the Proposed Landmark Development

(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 profits attributable to the Proposed Variations to the Proposed Landmark Development compared with the Group's net profits ⁽¹⁾ .	Not Applicable ⁽¹⁾
(c) The aggregate consideration given under the First Payment compared with the Company's market capitalisation ⁽²⁾ based on the total number of issued shares excluding treasury shares.	5.89%
(d) The number of equity securities issued by the Company as consideration for the Proposed Variations to the Proposed Landmark Acquisition compared with the number of equity securities previously in issue.	Not Applicable

Notes:

- (1) The Landmark Development is a new development with no relevant historical financial results. The net profit after tax attributable to the equity holders of the Company for the six-month period ended 30 September 2014 is S\$12.29 million.
- (2) The amount of the First Payment is US\$43.20 million (equivalent to S\$54.0 million based on the exchange rate of US\$1:S\$1.25). The Company's market capitalisation of approximately S\$917.40 million is based on its total number of issued Shares of 1,292,118,215 and the closing Share price of S\$0.71 per share on 2 September 2014.

Proposed Acquisition of PHGE and PHGE Golf & Country Club

(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 profits attributable to the Proposed Acquisition of PHGE and PHGE Golf & Country Club compared with the Group's net profits ⁽¹⁾ .	3.20%
(c) The aggregate consideration given under the Proposed Acquisition of PHGE and PHGe Golf & Country Club compared with the Company's market capitalisation ⁽²⁾ based on the total number of issued shares excluding treasury shares.	10.45%
(d) The number of equity securities issued by the Company as consideration for the Proposed Acquisition of PHGE and PHGE Golf & Country Club compared with the number of equity securities previously in issue.	Not Applicable

Notes:

- (1) The LDRs in PHGE which are the subject of the Proposed Acquisition of PHGE have yet to be developed with no relevant historical financial results. The seventy per cent. (70%) of net profit after tax of the PHGE Golf Course & Country Club for the six-month period ended 30 September 2014 is S\$0.39 million. The net profit after tax attributable to the equity holders of the Company for the six-month period ended 30 September 2014 is S\$12.29 million.
- (2) The aggregate consideration for the Proposed Acquisition of PHGE and PHGE Golf & Country Club is US\$76.82 million (approximately S\$95.90 million based on the PHGE and CPCL Exchange Rate).The Company's market capitalisation of approximately S\$917.40 million is based on its total number of issued shares of 1,292,118,215 and the closing share price of S\$0.71 per Share on 2 September 2014.

Proposed CPCL Acquisition

(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 profits attributable to the Proposed CPCL Acquisition compared with the Group's net profits ⁽¹⁾ .	1.18%
(c)	The aggregate consideration given under the Proposed CPCL Acquisition compared with the Company's market capitalisation ⁽²⁾ based on the total number of issued shares excluding treasury shares.	1.61%
(d)	The number of equity securities issued by the Company as consideration for the Proposed CPCL Acquisition compared with the number of equity securities previously in issue.	Not Applicable

Notes:

- (1) The net profit after tax of CPCL for the six-month period ended 30 September 2014 is S\$0.15 million. The net profit after tax attributable to the equity holders of the Company for the six-month period ended 30 September 2014 is S\$12.29 million.
- (2) The consideration for the Proposed CPCL Acquisition is US\$11.84 million (approximately S\$14.78 million based on the PHGE and CPCL Exchange Rate). The Company's market capitalisation of approximately S\$917.40 million is based on its total number of issued Shares of 1,292,118,215 and the closing share price of S\$0.71 per Share on 2 September 2014.

APPENDIX L – DETAILS OF THE PROPOSED RIGHTS ISSUE

1 TERMS OF THE PROPOSED RIGHTS ISSUE

- 1.1 The Company is offering up to 432,539,405 Rights Shares at an Issue Price of S\$0.38 for each Rights Share, on the basis of one (1) Rights Share for every three (3) existing Shares held by Entitled Shareholders (as hereinafter defined) as at the Books Closure Date, fractional entitlements to be disregarded.
- 1.2 Entitled Shareholders will be entitled to participate in the Proposed Rights Issue and receive the Offer Information Statement to be issued by the Company in connection with the Proposed Rights Issue together with the appropriate application forms and accompanying documents at their respective Singapore addresses.
- 1.3 Entitled Shareholders will be provisionally allotted the Rights Shares on the basis of their shareholdings as at the Books Closure Date. Entitled Shareholders will be at liberty to accept (in full or in part), decline, renounce or, in the case of Entitled Depositors (as defined below) only, trade (during the “nil-paid” rights trading period prescribed by the SGX-ST) their provisional allotments of the Rights Shares, and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Proposed Rights Issue.
- 1.4 Fractional entitlements to the Rights Shares, if any, will be disregarded in arriving at the Entitled Shareholder’s provisional allotments of Rights Shares and will, together with the provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Shares (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company.
- 1.5 In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and the 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 rounding of odd lots and allotment of excess Rights Shares. The Company will also not make any allotment and issuance of any excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.
- 1.6 The Rights Shares are payable in full upon acceptance and application by Entitled Shareholders. The Rights Shares will, upon allotment and issuance, 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.

2 ELIGIBILITY TO PARTICIPATE IN THE PROPOSED RIGHTS ISSUE

2.1 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.

2.2 Entitled Depositors

Shareholders whose securities accounts with CDP are credited with Shares as at 5.00 p.m. (Singapore time) on the Books Closure Date will be provisionally allotted Rights Shares on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. (Singapore time) on the Books Closure Date.

To be “**Entitled Depositors**”, Depositors must have registered addresses in Singapore with CDP as at the Books Closure Date or if they have registered addresses outside Singapore must provide CDP, at 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807, with addresses in Singapore no later than 5.00 p.m. (Singapore time) on the date being five (5) Market Days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares.

2.3 Entitled Scripholders

Shareholders whose share certificates are not deposited with CDP and whose Shares are not registered in the name of CDP (“**Scripholders**”) will have to submit duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Books Closure Date by the Company’s share registrar, B.A.C.S Pte. Ltd. (the “**Share Registrar**”), in order to be registered to determine the transferee’s provisional allotments of Rights Shares entitlements under the Proposed Rights Issue.

To be “**Entitled Scripholders**”, Scripholders must have registered addresses in Singapore with the Company as at the Books Closure Date or if they have registered addresses outside Singapore, must provide the Share Registrar at 63 Cantonment Road Singapore 089758 with addresses in Singapore no later than 5.00 p.m. (Singapore time) on the date being five (5) Market Days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares entitlements under the Proposed Rights Issue.

Entitled Depositors and Entitled Scripholders shall be collectively referred to as the “**Entitled Shareholders**” in this Circular.

Notwithstanding the foregoing, investors should note that the offer and sale of, or exercise or acceptance of, or subscription for, provisional allotments of the Rights Shares to or by persons located or resident in jurisdictions other than Singapore may be restricted or prohibited by the laws of the relevant jurisdiction. Crediting of provisional allotments of the Rights Shares to any securities account with CDP, the receipt of any provisional allotments of the Rights Shares, or receipt of the Offer Information Statement and/or any of its accompanying documents, will not constitute an offer or sale in those jurisdictions in which it will be illegal to make such offer or sale, or where such offer or sale will otherwise violate the securities laws of such jurisdictions or be prohibited. The Company reserves absolute discretion in determining whether any Shareholder located or resident outside Singapore may participate in the Proposed Rights Issue.

2.4 Foreign Shareholders

The Company, in its absolute discretion, may offer the Rights Shares to some or all of its foreign Shareholders subject to such terms and conditions as the Company may decide at its absolute discretion, provided that there is no violation of the laws or securities legislation of the relevant jurisdiction. Save as aforesaid, for practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Rights Shares will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least five (5) Market Days prior to the Books Closure Date, provided to the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents.

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. The net proceeds arising from such sales after deducting all expenses will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings as at the Books Closure Date, save that no payment will be made for amounts of less than S\$10.00 to a single Foreign Shareholder, and such amount shall be retained for the sole benefit of the Company or otherwise dealt with as the Directors in their absolute discretion deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP or the Share Registrar in connection therewith.

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 dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP or the Share Registrar in connection therewith.

APPENDIX M – IFA OPINION LETTER

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The Recommending Directors
Yoma Strategic Holdings Ltd
78 Shenton Way
#32-00
Singapore 079120

22 December 2014

Dear Sirs

INDEPENDENT FINANCIAL ADVICE IN RELATION TO:

- **THE PROPOSED VARIATIONS TO THE TERMS OF THE PROPOSED ACQUISITION OF EIGHTY PER CENT. (80%) INTEREST IN RESPECT OF THE LANDMARK DEVELOPMENT (THE “PROPOSED VARIATIONS TO THE PROPOSED LANDMARK ACQUISITION”).**
- **THE PROPOSED ACQUISITION OF ECONOMIC INTERESTS IN THE LAND DEVELOPMENT RIGHTS IN PUN HLAING GOLF ESTATE (“PHGE”) AND THE OPERATING RIGHTS IN RESPECT OF THE PHGE GOLF COURSE AND COUNTRY CLUB AND THE PHGE ESTATE (THE “PROPOSED ACQUISITION OF PHGE AND PHGE GOLF COURSE & COUNTRY CLUB”).**
- **THE PROPOSED ACQUISITION OF ONE HUNDRED PER CENT. (100%) INTEREST IN CONVENIENCE PROSPERITY CO., LTD (THE “PROPOSED CPCL ACQUISITION”).**
- **THE PROPOSED WHITEWASH RESOLUTION ARISING FROM THE WAIVER OF THE RIGHTS OF THE INDEPENDENT SHAREHOLDERS TO RECEIVE A MANDATORY GENERAL OFFER FROM MR. SERGE PUN AND HIS CONCERT PARTIES UNDER THE PROPOSED RIGHTS ISSUE (THE “PROPOSED WHITEWASH RESOLUTION”).**

*For the purpose of this opinion letter (“**Opinion Letter**”), capitalised terms not otherwise defined herein shall have the same meaning as given to them in the circular dated 22 December 2014 to the shareholders of Yoma Strategic Holdings Ltd (the “**Circular**”).*

1. INTRODUCTION

The Directors are convening an extraordinary general meeting (“EGM”) to seek Shareholders’ approvals for the following proposals:

- The proposed variations to the terms of the proposed acquisition of eighty per cent. (80%) shareholding interests in Meeyahta International Hotel Limited, a foreign investment company incorporated in Myanmar (“MIHL”) (together with the proposed assignment of a shareholder’s loan in MIHL which is in proportion to the proposed acquisition of eighty per cent. (80%) interests in MIHL (the “**Assignment of Shareholder’s Loan**”)) from Serge Pun & Associates (Myanmar) Limited (“SPA” or the “**vendor**”) for a nominal consideration of S\$1 as an interested person transaction.
- The proposed acquisitions of land development rights (“LDRs”) in respect of land in the Pun Hlaing Golf Estate (“PHGE”) and operating rights in respect of the PHGE Golf Course & Country Club and PHGE estate from different wholly-owned subsidiaries within the SPA Group as an interested person transaction.
- The proposed acquisition of one hundred per cent. (100%) interest in Convenience Prosperity Co., Ltd (“CPCL”) from SPA and First Myanmar Investment Company Limited as an interested person transaction.
- The proposed renounceable non-underwritten rights issue of up to 432,539,405 Rights Shares at the Issue Price for each Rights Share, on the basis of one (1) Rights Share for every three (3) existing Shares held by Shareholders of the company as at a books closure date to be determined (the “**Books Closure Date**”), fractional entitlements to be disregarded (the “**Proposed Rights Issue**”).
- 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 2 September 2014 (the “**Irrevocable Undertaking**”) in relation to the Proposed Rights Issue.

(The Proposed Variations to the Proposed Landmark Acquisition, Proposed Acquisition of PHGE and PHGE Golf Course & Country Club and the Proposed CPCL Acquisition shall be collectively referred to as the “**Proposed Acquisitions**” and/or the “**Proposed IPT Transactions**”).

Each of the Proposed IPT Transactions constitutes an ‘interested person transaction’ under Chapter 9 of the Listing Manual of the SGX-ST (the “**Listing Manual**”).

KPMG Corporate Finance Pte Ltd (“**KPMG Corporate Finance**”) has been appointed as the independent financial adviser (“**Independent Financial Adviser**” or “**IFA**”) to advise the Recommending Directors of Yoma Strategic (the “**Recommending Directors**”) as to whether each

of the Proposed IPT Transactions is: (a) on normal commercial terms; and (b) not prejudicial to the interests of Yoma Strategic and its minority shareholders (the “**Shareholders**”).

In connection with the Proposed Rights Issue, the SIC 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. The waiver is subject to, *inter alia*, a majority of holders of voting rights of the Company approving the Proposed Whitewash Resolution to waive their rights to receive a general offer from Mr. Serge Pun and his Concert Parties.

KPMG Corporate Finance has been appointed as the IFA to advise the Recommending Directors as to whether the Proposed Whitewash Resolution is fair and reasonable in connection with their recommendation to the Independent Shareholders on the Proposed Whitewash Resolution.

This Opinion Letter to be included in the Circular to Shareholders sets out, *inter alia*, our evaluation of each of the Proposed Acquisitions and the Proposed Whitewash Resolution and our advice to the Recommending Directors.

2. TERMS OF REFERENCE

KPMG Corporate Finance was appointed by the Recommending Directors to advise them on each of the Proposed Acquisitions and the Proposed Rights Issue/Proposed Whitewash Resolution (the “**Transactions**”). We were neither a party to the negotiations in relation to the Transactions, nor were we involved in the deliberations leading up to the decision by the Board of Yoma Strategic (the “**Board**”) to enter into the Transactions and its subsequent actions relating thereof. We do not, by this Opinion Letter, warrant the merits of the Transactions other than to form opinions for the Recommending Directors.

It is not within our terms of reference to evaluate or comment on the legal, strategic, and/or commercial merits and risks of the Transactions, or on the future growth prospects or earnings potential of Yoma Strategic should the Transactions be completed or not completed. We are not addressing the relative merits of the Transactions vis-a-vis any alternative transactions previously considered by Yoma Strategic or transactions that Yoma Strategic 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 and the management of Yoma Strategic 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 opinions.

We have not conducted a comprehensive independent review of the business, operations or financial condition of Yoma Strategic. Further, the scope of our appointment does not require us to express an opinion on the future growth prospects of Yoma Strategic following the Transactions, should they ultimately occur. 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 Transactions should they occur, or the future performance of Yoma Strategic.

In formulating our opinions, 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 Yoma Strategic, and its other professional advisers. We have also relied on the information contained in the various announcements made by Yoma Strategic, as well as other public announcements, in relation to the Transactions. Whilst care has been exercised in reviewing the information we have relied upon, we have not independently verified the information. 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 undertaken a site visit and 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.

We have not made any independent evaluation or appraisal of the assets and liabilities of Yoma Strategic, nor for that matter have we made an independent evaluation or appraisal of the underlying assets proposed to be acquired.

We have been provided with the following valuation reports (the “**Valuation Reports**” and each a “**Valuation Report**”):

Proposed Variations to the Proposed Landmark Acquisition

- Valuation report from Jones Lang LaSalle (“**JLLS**”) dated 1 June 2014.

Proposed Acquisition of PHGE and PHGE Golf Course & Country Club

- Valuation report from JLLS in relation to the Land Adjacent to the Hospital dated 1 July 2014.
- Valuation report from JLLS in relation to the School Land dated 1 July 2014.
- Valuation reports from JLLS in relation to the Pun Hlaing Lodge Land dated 1 July 2014 and 1 October 2013.
- Valuation reports from JLLS in relation to the Remaining LDRs dated 1 July 2014.
- Valuation report from JLLS in relation to the operating rights in respect of the Golf Course and Country Club dated 1 July 2014.
- Valuation report from Robert Khan Pte Ltd (“**RKPL**”) dated 13 June 2014.

Proposed CPCL Acquisition

- Valuation report from Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“**JLLS CAA**”) dated 29 August 2014.

With respect to the Valuation Reports, we are not experts in the evaluation or appraisal of assets and liabilities, especially in the property sector, and have accordingly relied solely upon the aforesaid Valuation Reports.

This Opinion Letter is addressed to the Recommending Directors for their benefit in connection with and for the purposes of their consideration of the Transactions, and the recommendations made by them shall remain the responsibility of the Recommending Directors.

In rendering our advice and giving our opinions, 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 their investment portfolio(s) consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

This 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.

Our opinions are based upon market, economic, industry, monetary, and other conditions in effect on, and the information made available to us as at 15 December 2014, 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 Opinion Letter even if it might affect our opinions contained herein.

Our opinions in relation to the Transactions should be considered in the context of the entirety of our Opinion Letter and the Circular.

3. PROPOSED VARIATIONS TO THE PROPOSED LANDMARK ACQUISITION

Details concerning the Proposed Variations to the Proposed Landmark Acquisition

Details concerning the Proposed Variations to the Proposed Landmark Acquisition are contained within section 4 of the Circular.

Evaluation of the Proposed Variations to the Proposed Landmark Acquisition

In our analysis and evaluation of the Proposed Variations to the Proposed Landmark Acquisition, we have taken into consideration, *inter alia*, the following:

Rationale

The Company has provided its rationale for the Proposed Variations to the Proposed Landmark Acquisition, the following rationale extracted from section 3 of the Circular:

- a) *SPA is confident that all the conditions precedent will eventually be satisfied. However, the timing of such is uncertain at this juncture. As such, it is willing to be subjected to a claw back for the initial consideration of US\$43.20 million in the event that certain key conditions are not met in respect of the Proposed Variations to the Proposed Landmark Acquisition. Given this structure the Group is of the opinion that its downside is protected if it moves ahead now with the Proposed Variations to the Proposed Landmark Acquisition.*
- b) *The Sites situated on ten (10) acres of prime real estate in the centre of downtown Yangon are expected to transform the Yangon skyline and become the de facto centre of Yangon's commercial district. The proposal includes two (2) international Grade A office buildings in a city that does not have any true international standard Grade A buildings today, two international standard hotels, one (1) of which will be built in the former Burma Railways Headquarters, a large, modern, retail mall and a luxurious branded residences. There are other developments being announced consisting of office buildings and retail malls and whilst the Company is of the opinion that not all of these proposed developments will come to fruition it is clear that there will be some competition for the Landmark Development. The Group would therefore like to be amongst the first to sign up anchor tenants for both the office and the retail mall. There are a number of multinational companies looking to come into Yangon over the next few years and the Group wants the Landmark Development to be the destination of choice and for that to happen it needs to demonstrate that the Landmark Development will get off the ground. The Company having considered all the ramifications of the current status of SPA's ongoing negotiations with the relevant authorities, is desirous to complete the Proposed Landmark Acquisition so as to secure the Sites for development.*
- c) *The Group is of the view that it should proceed with the Landmark Development as soon as is possible. Given the large-scale redevelopment, much of the preparatory work that deals with the designing, planning, construction, management of infrastructure and financing should commence as soon as possible in order for the Landmark Development to*

be delivered on time and within budget. As announced previously, various strategic partners such as Mitsubishi Corporation, Mitsubishi Estate, The Hongkong and Shanghai Hotels, Limited, International Finance Corporation, a member of the World Bank Group, and the Asian Development Bank have been identified and discussions involving the preparatory work are underway. It is important to keep momentum on this work and discussions. By moving ahead with the Proposed Landmark Acquisition, the Group can take ownership of the project, be actively involved in the preparatory work and at the same time maintain important relationships with the partners who will add value and prestige to the Landmark Development.

- d) The Company continues to believe that the Sites offer one of the best development opportunities in Yangon today. Further, its independent valuer, Jones Lang LaSalle group of companies (“JLLS”), had on 1 July 2014, indicated that the value of the Sites has not fallen since its valuation report issued in October 2012 but the Company will still be acquiring the Sites based on the original valuation. The Sites are best known for their location, next to one of Yangon’s most famous market places, Bogyoke Market, and the former Burma Railways Headquarters building. This building, which dates back to 1877, is one of the most iconic old colonial buildings in Yangon today. The decision to convert this building into the Peninsula Yangon in partnership with The Hongkong Shanghai Hotels, Limited, the owner and operator of the Peninsula Hotel brand worldwide, has captured the imagination of the people of Yangon and international visitors. Its opening is greatly anticipated.*
- e) The Company is keen to proceed with the redevelopment of the Sites and is of the view that securing the Sites with a shorter lease term initially is the best way to keep the momentum going for the project which is attracting a significant amount of attention in the local market. The Company is confident that the existing leases will be extended as it understands from SPA that the authorities have indicated that so long as progress is made towards the development of the Burma Railway Company heritage building as a new hotel then the authorities will consider the request to extend the existing leases positively.*
- f) Government support and approvals for the project are largely influenced by the efforts and commitment demonstrated by the SPA Group on the redevelopment of the project, therefore it is important to maintain momentum and progress on the project. Failure to do so will ensue a loss of confidence and risk of intervention from the government that may compel the SPA Group to seek alternative partners in order to progress the project’s redevelopment. This will have serious implications on the reputation of the Group as one of the leading real estate developers in Myanmar.*
- g) The Landmark Development is a very significant project for the Group. It signals the move into a major commercial development in the centre of Yangon and as such is highly anticipated by all the stakeholders in the Company. The Group is keen not to lose this opportunity.*

Basis for arriving at the First Payment

The First Payment is based on the valuation done by JLLS on the existing leases assuming a remaining term of approximately twenty-four (24) years.

JLLS was appointed for the purpose of determining the market value of the Landmark Development (assuming a remaining term of approximately 24 years) as at 1 June 2014, with the following determinations made:

Key points of the valuation	
Site area	39,254.18 sqm
Intended development	Office, retail mall, car park, serviced residences, hotels and serviced apartments
Basis of valuation	Discounted cashflow approach
Valuation date	1 June 2014
Valuation amount	US\$54 mil (on 100% basis)

A summarised version of the JLLS Valuation Report is contained in Appendix G of the Circular.

Our observations in relation to the JLLS Valuation Report are as follows:

- JLLS have stated that their Valuation Report was undertaken in accordance with the ‘International Valuation Standards’ published by International Valuation Standards Council (“**IVSC**”), and the ‘RICS Valuation – Professional Standards’ published by the Royal Institution of Chartered Surveyors (“**RICS**”).
- The JLLS Valuation Report assesses the market value of the LDRs for the Landmark Development (assuming a remaining term of approximately 24 years). The JLLS market value determination is made as at 1 June 2014, which is sufficiently close to the intended date of settlement.
- The ‘market value’, as defined in the JLLS Valuation Report is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.
- In arriving at its opinion on market value, and having regard to the nature of the Landmark Development, JLLS utilised the discounted cash flow method.

Under the discounted cash flow method, JLLS performed a cash flow of the estimated revenue potential and estimated development costs of the proposed development, taking into consideration the time value of money and development risks. The cash inflows include the sum of the gross operating revenues for each of the different components within the proposed development. The cash outflows include each component's operating expenses, land rent, site preparation and infrastructure costs, construction costs, and other associated costs such as professional fees and contingencies.

- We note that the First Payment under the Proposed Variations to the Proposed Landmark Acquisition is US\$43.20 million (being 80 percent of the market value of the LDRs for the Landmark Development (assuming a remaining term of approximately 24 years) as determined by JLLS.

Other considerations

MIHL balance sheet adjustments

SPA will also assign a shareholder's loan in MIHL in proportion to eighty per cent. (80%) interests in MIHL to the Company for a nominal consideration of S\$1. The shareholder's loan does not carry interest and has no repayment terms.

In addition, the parties have agreed that any outstanding outgoings amount (including, *inter alia*, 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 the date of the Landmark Acquisition S&P Agreement (which amounted to an aggregate amount of approximately US\$12,000,000 as at the date of the Landmark Acquisition S&P Agreement), as reflected in the balance sheet of MIHL to be prepared as at the completion date of the Landmark S&P Agreement (the "**Balance Sheet Outstanding Outgoings Amount**") shall be fully retained by the Company from the consideration amount. The Company will then make payment directly to the relevant government authorities on behalf of MIHL. As at the Latest Practicable Date, SPA has represented to the Company that MIHL had paid the US\$12,000,000 to the relevant government authorities.

Management Appointment in respect of the existing lease of Site 2

Yangon Land Co., Ltd. ("**Yangon Land**"), a wholly-owned subsidiary of SPA, currently holds the leasehold rights to Site 2. The lease provides that Yangon Land may transfer the right to use the building on Site 2 with the prior consent from Ministry of Railway Transportation ("**MR**"). For the purpose of completion of the Proposed Landmark Acquisition as amended by the Proposed Variations, MIHL will be appointed by Yangon Land to oversee the management and continuing development of Site 2 in exchange for step-in rights and the right to take over the lease at no further cost when MR approves the transfer to MIHL (the "**Management Appointment**").

The Company has obtained a legal opinion from Myanmar counsel that the obligations expressed to be assumed by each of the respective parties under the deed of assignment and deed of management control are valid, legally binding and enforceable obligations, subject to certain

assumptions and qualifications. *Guarantee on extensions of existing leases to a term of approximately 24 years*

The existing lease of Site 1 has a term of thirty (30) years with an extension of ten (10) years subject to the mutual agreement of MIHL and MR. The lease commenced in 1998 and has a remaining term of approximately twenty-four (24) years as at to-date assuming the ten (10) year extension is granted.

The existing lease of Site 2 has a term of thirty (30) years with three (3) extensions of five (5) years each. The lease commenced in 1995 and has a remaining term of approximately twenty-six (26) years as at to-date assuming the three (3) extensions are granted.

We note that to demonstrate its confidence that the leases will be extended, SPA has agreed as follows:

- in respect of Site 1, if the ten-year extension is not granted, it will refund US\$43.20 million, being the First Payment within three (3) months from the date of expiry of the lease in Site 1 (being 31 December 2027); and
- in respect of Site 2, if the three (3) extensions of five (5) years each are not granted, it will refund US\$6.35 million, being the valuation of Site 2 provided by the Company's independent valuer, JLLS, within three (3) months from the date of expiry of the lease in Site 2 (being 29 June 2025).

SPA and Mr. Serge Pun have undertaken to provide and to procure the provision of guarantees, in such forms as may be determined by the Company, for SPA's payment obligations in relation to the refunds set out above. There will be no security provided for this undertaking. The Board (excluding Mr. Serge Pun, Mr. Cyrus Pun and Mr. Melvyn Pun) is of the opinion that it is satisfied that SPA and Mr. Serge Pun have the financial resources to fulfill their respective obligations under the guarantees including the financial statements of key subsidiaries within the SPA Group sighted by the Board.

The Group is of the opinion that, given this structure, its downside is protected if it moves ahead now with the Proposed Variations to the Proposed Landmark Acquisition. Whilst this is the case, we note that there is uncertainty surrounding the form of the guarantee and accordingly, there are risks in the guarantors performing their obligations to refund the monies paid by the Company.

Subsequent payment in respect of extensions of existing leases up to 70 years

The Company will acquire an eighty per cent. (80%) shareholding interest in MIHL (together with the Assignment of Shareholder's Loan) for US\$43.20 million.

Subsequently, as a majority shareholder of MIHL, the Company will pay SPA an additional amount (as prescribed in the Circular) upon the extension of the existing leases of Site 1 and Site 2 (and the transfer or assignment of the existing lease of Site 2 to MIHL with the approvals of MR and the Myanmar Investment Commission ("MIC")).

The total payment made by the Company will not exceed US\$81.28 million which was the sum agreed to be paid.

We note that:

- it is the intention of the Company to maintain the terms of the Proposed Landmark Acquisition, including the consideration. The Company is pursuing the Proposed Variations to the Proposed Landmark Acquisition as an interim measure, for the reasons set out in section 3 of the Circular.
- SPA will be responsible for any land premium associated with any extension or renewal of the existing leases of Site 1 and Site 2.

Condition subsequent

SPA will procure that approval of the transfer of eighty per cent. (80%) shareholding interests in MIHL to the Company or its nominee will be granted by the MIC and where conditions are imposed, such conditions to be acceptable to the Company (the “**MIC Approval for Transfer of Shares**”) by 31 December 2015 or such other date as the parties may agree in writing, failing which, SPA shall refund to the Company the First Payment and all such monies that the Company had spent on or disbursed for the purpose of or in connection with the redevelopment of Site 1 and Site 2 without any deductions within three (3) months of receipt of the written notice from the Company.

Prior to the receipt of the MIC Approval for Transfer of Shares, the Company shall only disburse up to a maximum of US\$40 million, being its pro rata share of eighty per cent. (80%) of the development costs, for the purpose of or in connection with the redevelopment of Site 1 and Site 2 (the “**Funding Amount**”). This US\$40 million shall be in addition to the S\$7 million, being the Company’s pro rata share of eighty per cent (80%) of the preliminary development costs that has already been disbursed (the “**Pro Rata Development Costs**”).

SPA and Mr. Serge Pun have undertaken to provide and to procure the provision of guarantees, in such forms as may be determined by the Company, for the vendor’s payment obligations under the Proposed Variations to the Proposed Landmark Acquisition including the Funding Amount and the Pro Rata Development Costs. The Board (excluding Mr. Serge Pun, Mr. Cyrus Pun and Mr. Melvyn Pun) is of the opinion that it is satisfied that the guarantors have the financial resources to fulfill their respective obligations under the guarantees including the financial statements of key subsidiaries within the SPA Group sighted by the Board.

The Board is of the opinion that the provision of this guarantee protects its downside risk in proceeding with the transaction in the form that is being set out currently.

The Company will obtain legal opinions from counsels prior to completion that the guarantees received from the guarantors in accordance with the Proposed Variations to the Proposed Landmark Acquisitions are valid and enforceable under the respective laws.

Whilst this is the case, we note that there is uncertainty surrounding the form of the guarantee and accordingly there are risks in the guarantors performing their obligations to refund the monies paid by the Company.

Indemnity

Each of SPA and Mr. Serge Pun has agreed to indemnify the Company against any and all losses, costs and damages, demands, proceedings and liabilities and expenses whatsoever that the Company may incur or suffer in connection with or arising from any antecedent breach of the existing leases of Site 1 and Site 2 (except for development costs for the redevelopment of Site 1 and Site 2 which are incurred in accordance with the Company's development plans for the Sites).

Specific Risks relating to the Landmark Development

Within section 17 of the Circular, the Company has highlighted specific Risks relating to the Landmark Development. We recommend that Shareholders have regard to the risks identified.

Dispute resolution

The Proposed Variations to the Proposed Landmark Acquisition are governed by, and construed in accordance with, the laws of Myanmar.

In a recent rule of law index analysing 197 countries, risk analysis and mapping firm, Maplecroft, rated Myanmar's legal system as the worst in the world for foreign companies and investors, noting that the country's government continues to dictate policy direction and judicial decisions.

We note that the Company has obtained a legal opinion from Myanmar counsel that the obligations expressed to be assumed by each of the respective parties under the deed of assignment and deed of management control are valid, legally binding and enforceable obligations, subject to certain assumptions and qualifications.

4. PROPOSED ACQUISITION OF PHGE AND PHGE GOLF COURSE AND COUNTRY CLUB

Details concerning the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club

Details concerning the Proposed Acquisition of PHGE and PHGE Golf Course and Country Club are contained within section 6 of the Circular.

Evaluation of the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club

In our analysis and evaluation of the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club, we have taken into consideration, *inter alia*, the following:

Rationale

The Company has provided its rationale for the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club, the following rationale extracted from section 7 of the Circular.

The Company has decided to proceed with the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club given the Group's interest in PHGE as detailed in Section 6.2 and its plan to continue to offer an exclusive residential community consisting of villas, terrace houses and apartments providing homeowners with an array of residential choices and other commercial facilities to grow the estate into an exclusive community. The Company is keen to proceed with the Proposed Acquisition of PHGE and PHGE Golf Course and Country Club so that it can be in control of the overall design and planning of the estate. This is also consistent with its plan to build PHGE into a pre-eminent residential estate in Yangon and enhance its long-term value prospects. Furthermore, given that the golf course and country club are integral parts of the estate and provide essential recreational activities to the residents as well as visitors to PHGE, the Company feels that it should be involved in the operation and management of the PHGE Golf Course & Country club. As such, the Company will also acquire an interest in the related businesses, infrastructure and facilities of the entire estate of PHGE including the PHGE Golf Course & Country Club.

We note that, assuming that the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club is completed, there remains some plots of land held under the LDRs in PHGE which are subject to the FRRD. The Company has not included these LDRs as part of its current acquisitions as it feels that they are not yet suitable for development as at the date of finalising the definitive agreements on the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club.

Basis for arriving at the various acquisition prices

The acquisition prices were derived from the average of the values attributed to the LDRs by two internationally reputable and recognised valuers, JLLS and RKPL, respectively appointed by the Group and the SPA Group.

JLLS and RKPL made the following determinations:

- LDRs Relating to Land Adjacent to Hospital -

Based on the value of US\$12.00 million arrived at by the independent valuer appointed by the Group, JLLS on 1 July 2014, and the value of US\$11.40 million arrived at by the independent valuer appointed by the SPA Group, RKPL on 1 July 2014, the average value of one hundred per cent. (100%) interest in the LDRs relating to the Land Adjacent to Hospital was US\$11.70 million (approximately S\$14.61 million). The SPA Group has agreed to a discount factor of two per cent. (2.0%) to be applied and accordingly, the acquisition price for a one hundred per cent. (100%) interest in the LDRs relating to the Land Adjacent to Hospital is approximately US\$11.46 million (approximately S\$14.31 million) (the “**Land Adjacent to Hospital Acquisition Price**”).

- LDRs Relating to School Land -

The SPA Group agreed to waive its right to appoint its valuer for this land. Therefore, it was agreed that no discount will be applied to the valuation. Based on the value of US\$5.10 million arrived at by JLLS on 1 July 2014, the acquisition price for one hundred per cent. (100%) interest in the LDRs relating to the School Land was US\$5.10 million (approximately S\$6.37 million) (the “**School Land Acquisition Price**”) subject to adjustments in accordance with completion accounts.

- LDRs Relating to Pun Hlaing Lodge Land -

The LDRs in the Pun Hlaing Lodge Land comprises (i) 2.19 acres of land; (ii) 1.60 acres of land; and (iii) 2,384 square feet (at no consideration).

2.19 acres of land - Pursuant to the Company’s announcement dated 10 December 2013, the SPA Group waived its right to appoint its valuer for the 2.19 acres of land. JLLS, acting as the Company’s independent valuer, valued the LDRs relating to the 2.19 acres of land at US\$3.00 million and the Company paid US\$2.40 million, being eighty per cent. (80%) of the valuation amount. In view of this, SPA has agreed to sell the remaining twenty per cent. (20%) interest in the LDRs relating to the 2.19 acres of land for US\$0.60 million (approximately S\$0.75 million), being twenty per cent. (20%) of the valuation amount.

1.60 acres of land - Based on the value of US\$2.20 million arrived at by JLLS on 1 July 2014, and the value of US\$2.79 million arrived at by RKPL, the average value of one hundred per cent. (100%) interest in the LDRs relating to the 1.60 acres of land is US\$2.50 million (approximately S\$3.11 million). The SPA Group has agreed to a discount factor of two per cent. (2.0%) to be applied and accordingly, the acquisition price for a one hundred per cent. (100%) interest in the LDRs relating to the 1.60 acres of land shall be approximately US\$2.45 million (approximately S\$3.05 million).

Therefore, the aggregate acquisition price for the remaining twenty per cent. (20%) interest in the 2.19 acres of land and the one hundred per cent. (100%) interest in the 1.60 acres of land shall amount to approximately S\$3.80 million subject to adjustments in accordance with the completion accounts (the “**Pun Hlaing Lodge Land Acquisition Price**”).

- Economic Interests in LDRs in respect of the Remaining LDRs -

Based on the value of US\$64.44 million arrived at by JLLS on 1 July 2014, and the value of US\$64.27 million arrived at by RKPL, the average value of the Remaining LDRs is US\$64.36 million (approximately S\$80.34 million). Therefore, a seventy per cent. (70%) economic interest in the value of the Remaining LDRs is US\$45.05 million (approximately S\$56.24 million). The SPA Group has agreed to a discount factor of two per cent. (2.0%) to be applied and accordingly, the acquisition price for the economic interest in a seventy per cent. (70%) interest of the Remaining LDRs shall be approximately US\$44.15 million (approximately S\$55.12 million) (the **“Acquisition Price of the LDRs in respect of the Remaining Land in PHGE”**).

- Economic Interests in the Operating Rights in respect of the PHGE Golf Course & Country Club

In relation to the operating rights in respect of the PHGE golf course, based on the value of US\$15.50 million arrived at by JLLS on 1 July 2014, and the value of US\$16.27 million arrived at by RKPL, the average value of the operating rights in respect of the PHGE golf course is US\$15.89 million (approximately S\$19.83 million). Therefore, a seventy per cent. (70%) economic interest in the operating rights in respect of the PHGE golf course is US\$11.12 million (approximately S\$13.88 million). The SPA Group has agreed to a discount factor of two per cent. (2.0%) to be applied and accordingly, the value for the economic interest for a seventy per cent. (70%) interest in the operating rights in respect of the PHGE golf course shall be approximately US\$10.90 million (approximately S\$13.61 million) (the **“Value of Golf Course Operating Rights”**).

The Company has also agreed to pay for the costs incurred by Yangon Nominees in relation to the related businesses, infrastructure and facilities which is equivalent to its seventy per cent. (70%) pro rata contribution to HRGCC.

This cost amounts to approximately US\$2.16 million (approximately S\$2.69 million) subject to adjustments as at completion (the **“PHGE Related Costs”**).

The aggregate amount of the Value of Golf Course Operating Rights and PHGE Related Costs is the consideration to be paid for the PHGE Operating Rights.

The acquisition prices for the Proposed PHGE and PHGE Golf Course & Country Club comprise the Land Adjacent to Hospital Acquisition Price, the School Land Acquisition Price, PHL Land Acquisition Price, Acquisition Price of the LDRs in respect of the Remaining Land in PHGE, the Value of Golf Course Operating Rights and the PHGE Related Costs and when aggregated amount to US\$76.82 million (approximately S\$95.90 million).

Summarised information from the PHGE and PHGE Golf Course & Country Club Valuation Reports is contained in Appendix G of the Circular.

Our observations in relation to the PHGE and PHGE Golf Course & Country Club Valuation Reports are as follows:

- JLLS and RKPL have stated that their Valuation Reports were undertaken in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Guidelines and the ‘International Valuation Standards’ (**“IVS”**).

- The Valuation Reports assess the market value of the various assets comprising the PHGE and PHGE Golf Course & Country Club. The JLLS market value determinations are made as at 1 July 2014, while the RKPL market value determinations are made as at 5 June 2014, both of which are sufficiently close to the intended dates of settlement.

The ‘market value’, as defined in the respective Valuation Reports is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.

- In arriving at opinions on market value, and having regard to the nature of the various assets comprising the PHGE and PHGE Golf Course & Country Club, JLLS and RKPL utilised the following valuation methods:

Subject property	JLLS		RKPL	
	Primary valuation method	Cross-check	Primary valuation method	Cross-check
Land Adjacent to Hospital	Residual land approach	Direct comparison approach	Direct comparison method	N.A
School Land	Direct comparison approach	N.A	N.A	N.A
PHL Land	Development cash flow approach and Residual land approach	Direct comparison approach	Residual land method	N.A
Remaining LDRs	Residual land approach and Development cash flow approach	Direct comparison approach	Direct comparison method	Residual land method
PHGE Golf and Country Clubs	Discounted cash flow approach	Depreciated replacement cost approach	Depreciated replacement cost method	N.A

A basic summary of the main valuation methods is as follows:

- Pursuant to the development cash flow method, JLLS performed a cash flow of the estimated revenue potential and estimated development costs of the proposed development, taking into consideration the time value of money and development risks.

The cash inflows include the gross development values, estimated based on the forecasted selling prices. The cash outflows include site preparation and infrastructure costs, construction costs, developer’s profit and other associated costs such as professional fees and contingencies.

- In relation to the valuation of the operating rights in respect of the PHGE Golf Course and Country Club, JLLS has adopted the discounted cash flow approach which utilises the expected cash flows from the business and subsequently discounting them to present value.
- Under the direct comparison approach, market value is arrived at based on an analysis of transacted and asking prices of comparable properties in the vicinity. Adjustments are made to these prices to reflect the differences in, *inter alia*, location, size, existing condition degree of site improvements and other relevant factors. Market information was obtained from various sources such as interviews with marketing agents, client information and

research from media sources, with both JLLS and RKPL noting that they were unable to verify all of the information due to the opaque nature of the local market place.

Other considerations

Land surveyor checks

The Group and SPA had agreed to engage an independent land surveyor to determine the acreage of each of plot of land which was the subject of the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club (excluding the golf course area) and hence, the consideration payable under the said acquisitions was to be subject to final adjustments, as necessary. As at the Latest Practicable Date, the independent land surveyor has completed its survey. There are no material differences in the actual acreage of each plot of land and hence, the parties agree that there will be no adjustments to the respective acquisitions prices.

Claims from previous occupiers

The SPA Group shall be liable for any compensation determined by the Government in relation to LDRs in PHGE which are subject of the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club (comprising the LDRs relating to the Land Adjacent to Hospital, the School Land, the PHL Land, the Remaining LDRs and the PHGE Golf Course & Country Club).

LDRs Relating to Land Adjacent to Hospital

- The transaction is subject to the receipt of a due diligence report on the LDRs relating to the Land Adjacent to Hospital being satisfactory to the Company.
- In the event that YDG decides not to develop the land adjacent to Hospital, YDG has granted a first right of refusal to PHIH to acquire the LDRs relating to the Land Adjacent to Hospital.

We have enquired with the Company as to the terms of this first right of refusal. Management have confirmed that the Company will not be under any obligations to sell the LDR at any amount less than the market value.

- Upon completion of the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club, the Company will grant PHIH the right to use the utilities building and the open space car park situated on the Land Adjacent to Hospital, rent-free (for so long as there is no change to the current amount of rent payable to the relevant authorities in respect of the Land Adjacent to Hospital), provided that PHIH agrees that it will vacate the car park and the utilities building within three (3) months and six (6) months respectively upon the receipt of a written notice from the Company and that PHIH will be solely responsible for all costs and expenses relating to the demolition, de-commissioning, clearing and relocation of the utilities building and car park.

We have enquired with the Company as to the reasons for this grant. The Management have confirmed that for so long as there is no change to the current amount of rent payable to the relevant authorities in respect of the Land Adjacent to Hospital, the rent-free right does not prejudice the Company's position. Moreover this was part of the vendor's negotiation and the

Company has yet to finalise its development plans in relation to this site. This is an open space car park with limited facilities and the Company does not consider the rent-free amount to be material.

- LDRs Relating to School Land -

- The transaction is subject to the receipt of a due diligence report on the LDRs relating to the School Land being satisfactory to the Company.
- The transaction is subject to completion accounts on YSI prepared in the manner to the satisfaction of the Company.

We note that save for the LDRs relating to the School Land and the four-acre site, SPA undertakes that there are no other assets held or liabilities payable by YSI as at completion.

- LDRs Relating to Pun Hlaing Lodge Land –

- The transaction is subject to the receipt of a due diligence report on the LDRs relating to the Pun Hlaing Lodge Land being satisfactory to the Company.
- The transaction is subject to completion accounts on Pun Hlaing Lodge prepared in the manner to the satisfaction of the Company.

- Economic Interests in LDRs in respect of the Remaining LDRs -

- Economic Interests in the Operating Rights in respect of the PHGE Golf Course & Country Club

- The transactions are subject to a due diligence report on the Remaining LDRs being satisfactory to the Company.
- The transactions are subject to the receipt of a legal opinion from Myanmar lawyers confirming that the execution and the performance by LCP of the JDD will not violate any provisions of the relevant laws in Myanmar.

5. PROPOSED CPCL ACQUISITION

Details concerning the Proposed CPCL Acquisition

Details concerning the Proposed CPCL Acquisition are contained within section 12 of the Circular.

Evaluation of the Proposed CPCL Acquisition

Rationale

The Company has provided its background and rationale for the Proposed CPCL Acquisition, the following rationale extracted from section 12 of the Circular:

- a) *Following the acquisition of interest resulting in Myanmar Motors being a wholly-owned subsidiary of the Group, parties agree that the SPA Group's interest in Convenience Prosperity Co., Ltd ("CPCL") should be restructured so that it is held 100% by Myanmar Motors or its nominee. As at the Latest Practicable Date, SPA holds sixty per cent. (60%) interests and FMI holds forty per cent. (40%) interest in CPCL. The main business of CPCL is the distributorship of New Holland tractors and farm equipment in Myanmar.*
- b) *The acquisition of CPCL, a non-exclusive authorised dealer of New Holland tractors and farm equipment in Myanmar since 2011, would enhance the product offering and brand portfolio of the Group's automotive division. The business focuses on supporting the development of Myanmar's agricultural industry. CPCL has branches and/or dealerships in ten (10) cities throughout the country and offers the distribution and servicing of imported New Holland farm equipment to local farming communities. It is developing a broad customer base consisting of government ministries, agribusinesses, village collectives and individual farmers. For FY2014, CPCL posted a net income of S\$0.42 million and maintained a stock of 176 units of tractors and 304 implements of tractors. As at 31 March 2014, the book value and net tangible asset of CPCL is S\$0.30 million (excluding the shareholders' loan mentioned in Section 14.3 below). Management believes that CPCL will also offer significant synergies to a number of the Group's existing businesses, including the Agriculture Division and Yoma Fleet Limited.*
- c) *CPCL is appointed as an authorised dealer by the CNH Industrial N.V, group. CNH Industrial N.V. is listed both on the New York Stock Exchange operated by NYSE Euronext and on the Mercato Telematico Azionario (MTA) organized and managed by Borsa Italiana. It is a global leader in the capital goods sector that, through its various businesses, designs, produces and sells agricultural and construction equipment, trucks, commercial vehicles, buses and specialty vehicles, in addition to a broad portfolio of powertrain applications. CNH Industrial N.V. offers a full range of agricultural equipment under the New Holland Agriculture and Case IH brands and, in Europe, under the Steyr brand.*

Basis for arriving at the CPCL Acquisition Price

The consideration payable for one hundred per cent. (100%) equity interest in CPCL is US\$2.24 million (approximately S\$2.80 million). The Company will also be assigned and pay for

shareholders' loans amounting to an aggregate of US\$9.60 million (approximately S\$11.98 million) which was advanced by the shareholders to CPCL to acquire tractors and implements for tractors (collectively comprising the "**CPCL Acquisition Price**"). The shareholders loans do not carry interest and do not have fixed repayment terms. The Company expects the shareholders' loans to be repaid when CPCL is profitable although they will likely be treated as equity since the loans were advanced by shareholders.

The CPCL Acquisition Price was based on the valuation of the 100% interest of CPCL at the enterprise value of CPCL by the Company's independent valuer, JLLS CAA.

A summarised version of the JLLS CAA Valuation Report is contained in Appendix I of the Circular.

Our observations in relation to the JLLS Valuation Report are as follows:

- JLLS CAA have stated that their Valuation Report was undertaken in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and taken into account the IVS issued by the IVSC.
- The JLLS CAA Valuation Report assesses the market value of CPCL. The JLLS CAA market value determination is made as at 31 March 2014, which is sufficiently close to the intended date of settlement.

The 'market value', as defined in the JLLS CAA Valuation Report is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

- In arriving at its opinion on market value, JLLS CAA utilised the income approach, utilising the discounted cash flow method. Under this method, value depends on the present worth of future economic benefit to be derived from the projected income. Indications of value have been developed by discounting projected future net cash flows available for payments of shareholders' interest discounted to their present worth.
- We observe that the assessed equity value for CPCL as at 31 March 2014 was US\$2.24 million (approximately S\$2.80 million). The agreed CPCL Acquisition Price, based on the enterprise value and assuming no adjustment, is US\$11.84 million (approximately S\$14.78 million). We note that the CPCL Acquisition Price is in accordance with the value determined by JLLS CAA.

Comparable companies analysis

For the purpose of assessing the CPCL Acquisition Price, we have also compared the valuation ratios of CPCL implied by the Proposed CPCL Acquisition with those of selected companies, which in our view, are broadly comparable to CPCL (the "**Comparable Companies**"). We are of the view that the Comparable Companies possess certain similar characteristics as that of CPCL.

We wish to highlight that the list of Comparable Companies is by no means exhaustive and there may not be any company that is directly comparable to CPCL in terms of, *inter alia*, market

capitalisation, size of operations, clientele base, composition of business activities, asset base, geographical spread, track record, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria. As such, any comparison made with respect to the Comparable Companies is intended to serve as an illustrative guide only. The conclusions drawn from such comparisons, therefore, may not necessarily reflect the perceived or implied market valuation of CPCL as at the Latest Practicable Date.

Comparable Company	Country	Market capitalisation (US\$m)	EV/EBITDA (x)	P/NAV (x)	P/E (x)
Engaged in vehicles distributorship					
Wuhu Yaxia Automobile Corporation	China	393	27.43 x	2.65 x	n.m
Tunas Ridean PT	Indonesia	262	10.63 x	1.60 x	12.47 x
China MeiDong Auto Holdings Limited	China	230	7.72 x	2.82 x	9.38 x
Lentuo International Inc.	China	29	5.26 x	0.17 x	5.28 x
Cycle & Carriage Bintang Bhd	Malaysia	55	13.51 x	0.93 x	28.34 x
Competent Automobiles Company Limited	India	9	3.51 x	0.68 x	5.92 x
China Auto Logistic Inc.	China	5	n.m	0.10 x	n.m
		Min	3.51 x	0.10 x	5.28 x
		Mean	11.34 x	1.28 x	12.28 x
		Median	9.18 x	0.93 x	9.38 x
		Max	27.43 x	2.82 x	28.34 x
CPCL	Myanmar		12.37 x	1.23 x	35.94 x

Business description of the Comparable Companies		
Company name	Country	Business description
Wuhu Yaxia Automobile Corporation	China	Wuhu Yaxia Automobile Corporation distributes passenger vehicles and provides integrated services in Anhui province, China.
Tunas Ridean PT	Indonesia	PT Tunas Ridean Tbk is engaged in the automotive dealership business in Indonesia.
China MeiDong Auto Holdings Limited	China	China MeiDong Auto Holdings Limited operates as an automobile dealer in the People's Republic of China.
Lentuo International Inc.	China	Lentuo International Inc. operates automobile franchise dealerships in the People's Republic of China.
Cycle & Carriage Bintang Bhd	Malaysia	Cycle & Carriage Bintang Berhad, together with its subsidiaries, is engaged in the retail sale of motor vehicles in Malaysia.
Competent Automobiles Company Limited	India	Competent Automobiles Company Limited is engaged in trading and servicing Maruti Suzuki vehicles in India.
China Auto Logistic Inc.	China	China Auto Logistics Inc. sells and trades in imported automobiles in the People's Republic of China.

Source: Capital IQ

Note: Market data as at the Latest Practicable Date.

EV/EBITDA ratio

We note that as at the Latest Practicable Date, the range of EV/EBITDA ratios among the Comparable Companies is between 3.51 times and 27.43 times. We also note that the mean EV/EBITDA ratio of the Comparable Companies is 11.34 times as at the Latest Practicable Date, and the median EV/EBITDA ratio is 9.18 times.

The implied EV/EBITDA ratio for the CPCL Acquisition Price is within the range of the EV/EBITDA ratios of the Comparable Companies, however, is above the median and the mean.

Price/NAV ratio

We note that, as at the Latest Practicable Date, the range of Price/NAV ratios among the Comparable Companies is between 0.10 times and 2.82 times, with the mean Price/NAV ratio of the Comparable Companies as at the Latest Practicable Date being 1.28 times and the median Price/NAV ratio being 0.93 times.

The implied Price/NAV ratio of the CPCL Acquisition Price is within the range of the Price/NAV ratios of Comparable Companies, however is below the mean and above the median.

Price/Earnings ratio

We note that, as at the Latest Practicable Date, the range of Price/Earnings ratios among the Comparable Companies is between 5.28 times and 28.34 times, with the mean Price/Earnings ratio of the Comparable Companies as at the Latest Practicable Date being 12.28 times and the median Price/Earnings ratio being 9.38 times.

We note that the implied Price/Earnings ratio of the CPCL Acquisition Price is outside the range of the Price/Earnings ratios of the Comparable Companies.

Other considerations

Save for the shareholders' loan which forms part of the CPCL Acquisition Price, there are no other outstanding liabilities payable by CPCL.

6. PROPOSED WHITEWASH RESOLUTION

Details concerning the Proposed Whitewash Resolution

Details concerning the Proposed Whitewash Resolution are contained within section 21 of the Circular.

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:

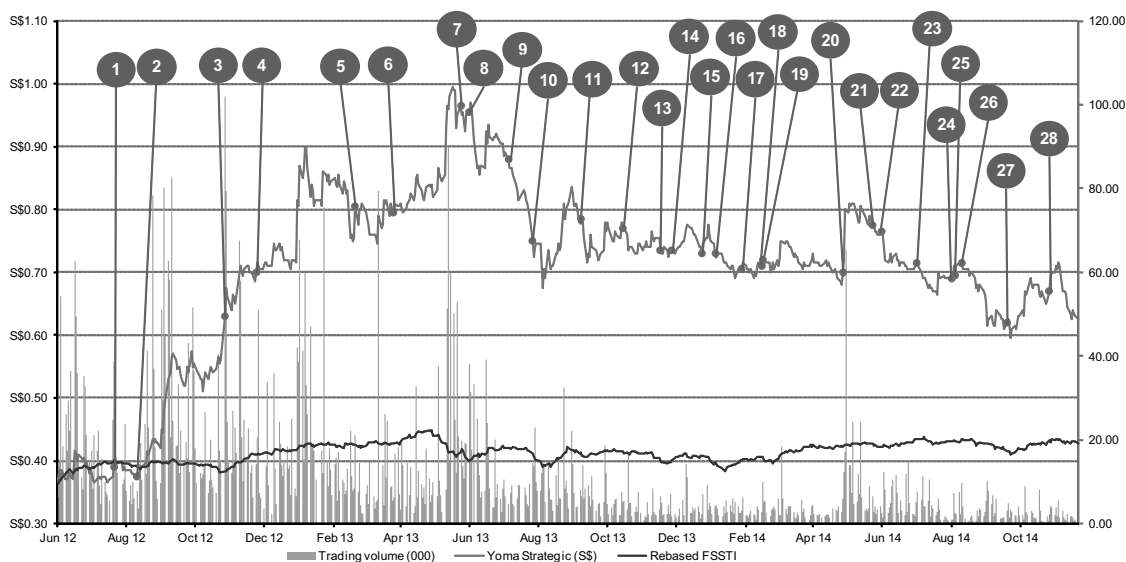
Pricing assessment of the Proposed Rights Issue

The Rights Shares are priced at the Issue Price of S\$0.38 which represents a discount of approximately 46.48% and 39.63% respectively, to the closing price of S\$0.71 per Share on the SGX-ST and the theoretical ex-rights trading price of S\$0.63 per Share as at 2 September 2014, being the last trading day preceding the 3 September Announcement.

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 Announcement Date.



No.	Date	Announcement
1	14-Aug-12	SPA informed the Company of its proposed acquisition of ten acres of land in central Yangon
2	03-Sep-12	Formal notice from SPA Group offering the acquisition of "Site 1" under the first right of refusal deed
3	19-Nov-12	Entered into the Sale and Purchase Agreement in relation to the Proposed Acquisition of Landmark Development
4	18-Dec-12	Proposed Rights Issue at issue price of S\$0.38 to fund the proposed acquisition of Landmark Development
5	15-Mar-13	Extension of long-stop date for Landmark Development
6	18-Apr-13	Entered heads of agreement for the proposed hotel development in respect of Landmark Development
7	16-Jun-13	Extension of long-stop date for Landmark Development
8	24-Jul-13	Extension of deadline for offer to acquire land development rights of 12-acres site along Hlaing River
9	29-Jul-13	1Q2014 results
10	19-Aug-13	Funding of 80% Pro Rata development costs for Landmark Development
11	1-Oct-13	Signed MOU with Mitsubishi for the Landmark project
12	07-Nov-13	2Q2014 results
13	10-Dec-13	Entered into conditional agreement with Pun Hlaing Lodge to acquire 80% interest in Pun Hlaing Golf Estate
14	20-Dec-13	Extension of long-stop date for Landmark Development
15	16-Jan-14	3Q2014 results
16	28-Jan-14	Proposed JV with HSH, PIHL and FMI to redevelop the former HQ of Burma Railway Company to The Peninsula Yangon
17	20-Feb-14	Total development costs for Landmark Development to range from US\$415m to US\$440m
18	10-Mar-14	Signing of agreement with HSH to develop The Peninsula Yangon
19	11-Mar-14	JV with FMI to jointly develop 2 plots of land at FMI City, incorporation of subsidiary Yoma Agri & Log Holding, Myanmar Coffee Company, establishment of premium education facilities in Star City & Pun Hlaing Golf Estate, and strategic developments in agri & log business
20	21-May-14	FY2014 results
21	16-Jun-14	Variations to terms of proposed acquisition of 80% in MIHL
22	24-Jun-14	Formal notice from SPA Group offering the acquisition of 70% of land in Pun Hlaing Golf Estate under the first right of refusal deed
23	25-Jul-14	1Q2015 results
24	24-Aug-14	Company has indicated to SPA an affirmative interest wrt first right of refusal deed concerning Pun Hlaing Golf Estate
25	28-Aug-14	Acquisition of land adjacent to Star City development for international school and acquisition of 20% interest in YSH Finance for 100% control
26	03-Sep-14	Acquisition of 70% of land development rights to Pun Hlaing Golf Estate, acquisition of 100% interest in CPCL, and issue price of \$0.38 of Proposed Rights Issue
27	13-Oct-14	The Company and Yum! Brands to bring first KFC to Myanmar
28	19-Nov-14	Acquisition of FMI's 30% interest in Myanmar Motors Pte Ltd and 20% interest in Summit SPA Motors Limited

Source: Capital IQ and Company's announcements on the SGX-ST

The volume weighted average prices ("VWAP") for various periods beginning up to 12 months prior to the 24 June 2014 Announcement and prior to the 3 September 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 being 24 June 2014</u>		
One market day prior	0.760	50.00%
1 month prior	0.794	52.14%
3 month prior	0.765	50.33%
6 month prior	0.752	49.47%
One year prior	0.793	52.08%
<u>Prior to the Announcement Date being 3 Sept 2014</u>		
One market day prior	0.710	46.48%
1 month prior	0.691	45.01%
3 month prior	0.730	47.95%
6 month prior	0.741	48.72%
One year prior	0.748	49.20%
Latest Practicable Date	0.625	39.20%
Rights Issue Price	0.380	

During the 12-month period prior to the 24 June 2014, the Shares had traded within a range of S\$0.675 and S\$0.970. The VWAP of the Shares over the reference period was approximately S\$0.793.

During the 12-month period prior to the 3 September Announcement, the Shares traded within a range of S\$0.665 and S\$0.835. The VWAP of the Shares over the reference period was approximately S\$0.748.

We note that the Rights Issue Price represents a discount of approximately 52.14 percent, 50.33 percent, 49.47 percent and 52.08 percent to the VWAP per Share for the 1, 3, 6 and 12 month periods prior to the 24 June 2014.

We note that the Rights Issue Price represents a discount of approximately 45.01 percent, 47.95 percent, 48.72 percent and 49.20 percent to the VWAP per Share for the 1, 3, 6 and 12 month periods prior to the 3 September Announcement.

We further note that the Rights Issue Price represents a discount of approximately 39.20 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 2 years to the Latest Practicable Date.

Selected precedent rights issues						
Company Name	Date of announcement	Terms of rights issue	Rights issue price	Discount of rights issue price to LTP	Discount of rights issue price to IERP	
Singapura Finance Ltd	8-Sep-14	1 for 1	S\$1.000	35.48%	21.57%	
JB Foods Limited	2-Sep-14	1 for 2	S\$0.120	40.00%	30.77%	
Oversea-Chinese Banking Corporation Limited	18-Aug-14	1 for 8	S\$7.650	25.00%	22.86%	
Hoe Leong Corporation Ltd	28-Aug-14	3 for 4	S\$0.046	64.62%	51.06%	
Broadway Industrial Group Limited	1-Aug-14	2 for 15	S\$0.180	32.08%	29.41%	
Q & M Dental Group (Singapore) Limited	30-Jun-14	1 for 5	S\$0.100	78.02%	73.01%	
Plastoform Holdings Limited	30-Jun-14	1 for 2	S\$0.008	50.00%	40.00%	
Mencast Holdings Ltd	14-May-14	1 for 5	S\$0.200	66.67%	62.50%	
OLS Enterprise Ltd	26-Feb-14	5 for 1	S\$0.008	94.24%	73.18%	
Swing Media Technology Group Limited	14-Feb-14	1 for 2	S\$0.062	38.20%	29.18%	
Unionmet (Singapore) Limited	11-Jan-14	1 for 2	S\$0.065	16.67%	12.16%	
GP Batteries International Limited	23-Dec-13	1 for 2	S\$0.486	36.88%	28.04%	
Tiong Seng Holdings Limited	11-Nov-13	1 for 5	S\$0.180	20.00%	17.24%	
GRP Limited	6-Sep-13	3 for 1	S\$0.080	73.33%	40.74%	
Grand Banks Yachts Limited	29-Aug-13	1 for 2	S\$0.220	26.67%	19.51%	
Blumont Group Ltd	29-Jul-13	1 for 2	S\$0.050	96.25%	94.45%	
Compact Metal Industries Ltd	29-Jul-13	2 for 1	S\$0.040	75.00%	50.00%	
United Engineers Limited	11-Jun-13	1 for 1	S\$1.500	47.55%	31.19%	
Sin Heng Heavy Machinery Limited	26-Jun-13	1 for 4	S\$0.160	27.27%	23.08%	
Otto Marine Limited	29-Jun-13	45 for 100	S\$0.050	12.28%	8.81%	
Oceanus Group Limited	7-Jun-13	38 for 100	S\$0.029	19.44%	14.89%	
Global Investments Limited	6-May-13	2 for 5	S\$0.143	15.88%	11.73%	
Pacific Healthcare Holdings Ltd	2-Apr-13	1 for 4	S\$0.048	37.66%	32.58%	
Mermaid Maritime Public Company Limited	20-Mar-13	4 for 5	S\$0.280	25.33%	15.86%	
			Min	12.28%	8.81%	
			Mean	43.94%	34.74%	
			Median	37.27%	29.30%	
			Max	96.25%	94.45%	
Yoma Strategic Holdings Ltd.	24 June 2014	1 for 3	S\$0.380	46.48%	39.68%	

Based on the Rights Issue Price of S\$0.38 and the information above, we note that:

- The discount of approximately 46.48 percent of the Rights Issue Price to the closing price of S\$0.71 prior to the Announcement Date is above the mean and median discount of 43.94 percent and 37.27 percent, respectively of the selected precedent rights issues;
- The discount of approximately 39.68 percent of the Rights Issue Price to the TERP of S\$0.63 prior to the Announcement Date is above the mean and median discount of 34.74 percent and 29.30 percent, respectively 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.

Scaling down of Proposed Rights Issue

The terms and conditions of the Proposed Rights Issue are subject to such changes as the Directors may in their absolute discretion deem fit. The final terms and conditions of the Proposed Rights Issue will be contained in the Offer Information Statement to be lodged with the Authority and despatched to Entitled Shareholders in due course.

In the event that any of the Proposed Variations to the Proposed Landmark Acquisition or the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club is not approved by Shareholders at the EGM, the Company may, at its discretion, choose to scale down the ratio of Rights Shares to be issued, but all other terms and conditions of the Proposed Rights Issue (including the price of the Rights Shares) will remain the same.

Financial effects

Share Capital

Assuming that the Enlarged Transactions had been completed on 30 September 2014, its effect on the share capital of the Company as at 30 September 2014 would have been as follows:

	Before the Enlarged Transactions	After the Enlarged Transactions ⁽¹⁾
Issued and paid up Share capital (S\$'000)	420,286	584,651
Number of Shares ('000)	1,292,118	1,724,658 ⁽²⁾

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 Enlarged Transactions.
- (2) On the assumption that 432,539,405 Rights Shares are issued pursuant to the Proposed Rights Issue.

Net Tangible Assets

Assuming that the Enlarged Transactions had been completed on 30 September 2014, its effect on the NTA of the Group as at 30 September 2014 would have been as follows:

	Before the Enlarged Transactions	After the Enlarged Transactions ⁽¹⁾
NTA (S\$'000)	465,020	610,739 ⁽²⁾
Number of Shares ('000)	1,292,118	1,724,658 ⁽³⁾
NTA per Share (cents)	35.99	35.41

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 Enlarged Transactions.
- (2) This NTA is derived at by adding the increase in the issued and share capital of S\$164.36 million (see Note 3 below) and deducting the operating rights relating to the PHGE Golf Course & Country Club of S\$16.30 million and goodwill arising from acquisition of CPCL of S\$2.35 million which are considered as intangible assets.
- (3) On the assumption that 432,539,405 Rights Shares are issued pursuant to the Proposed Rights Issue.

Earnings Per Share

Assuming that the Enlarged Transactions had been completed on 1 April 2014, its effect on the EPS of the Group for the six-month period ended 30 September 2014 would have been as follows:

	Before the Enlarged Transactions	After the Enlarged Transactions ⁽¹⁾
Net profit after tax attributable to the equity holders of the Company (S\$'000)	12,286	12,825 ⁽²⁾
Weighted average number of Shares ('000)	1,224,618	1,657,158 ⁽³⁾
EPS per Share (cents)	1.00	0.77

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 Enlarged Transactions.
- (2) The Landmark Development is a new development with no relevant historical financial results and the LDRs in PHGE which are the subject of the Proposed Acquisition of PHGE have yet to be developed with no relevant historical financial results. The aggregated of seventy per cent. (70%) of net profit after tax of the PHGE Golf Course & Country Club and 100% of net profit after tax of CPCL for the six-month period ended 30 September 2014 is S\$0.54 million.
- (3) On the assumption that 432,539,405 Rights Shares are issued pursuant to the Proposed Rights Issue.

Dilution effects

As at the Latest Practicable Date, based on the existing share capital of the Company of 1,292,118,215 Shares, Mr. Serge Pun holds 482,208,863 Shares (representing 37.32%) and his Concert Parties collectively hold 987,834 Shares (representing 0.08%).

For illustration purposes only, the shareholding interests of Mr. Serge Pun and his Concert Parties in the Company before and after the Rights Issue under selected scenarios on the assumption that the 5,500,000 Shares comprised in the Vested Options have been allotted and issued are 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 subscribes for all the Rights Shares under the Proposed Rights Issue and (b) no other Shareholder takes up their entitlements under the Proposed Rights Issue)	
	No. of Shares	%	No. of Shares ⁽¹⁾	%	No. of Shares ⁽¹⁾	%
Mr. Serge Pun and his Concert Parties	484,530,029 ⁽²⁾	37.34	646,040,038	37.34	917,069,434 ⁽³⁾	53.00
Other Shareholders	813,088,186	62.66	1,084,117,582	62.66	813,088,186 ⁽⁴⁾	47.00
Total	1,297,618,215	100.00	1,730,157,620	100	1,730,157,620	100.00

Notes:

- (1) Based on the assumption that 432,539,405 Rights Shares have been allotted and issued.
- (2) This is derived by adding (a) 483,196,697 Shares held by Mr. Serge Pun and his Concert Parties as at the Latest Practicable Date; (b) 666,666 Shares assumed to be allotted and issued to Mr. Serge Pun under the Vested Options; and (c) 666,666 Shares assumed to be allotted and issued to Mr. Cyrus Pun under the Vested Options.
- (3) This is derived by adding (a) 484,530,029 Shares held by Mr. Serge Pun and his Concert Parties; and (b) 432,539,405 Rights Shares allotted and issued under the Proposed Rights Issue.
- (4) This is the difference between the total number of Shares after the allotment and issue of the Rights Shares under the Proposed Rights Issue of 1,730,157,620 Shares and the number of Shares and Rights Shares held by Mr. Serge Pun and his Concert Parties of 917,069,434 Shares computed under Note 3 above.

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.

7. OUR OPINIONS

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:

- **Each of the Proposed IPT Transactions is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.**
- **The Proposed Whitewash Resolution is fair and reasonable.**

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 6 January 2015 at 10 a.m. for the purpose of considering and, if thought fit, passing with or without modifications the following Ordinary Resolutions.

All capitalised terms in this Notice which are not defined herein shall have the same meanings ascribed to them in the Circular to Shareholders of the Company dated 22 December 2014 (the “**Circular**”).

ORDINARY RESOLUTION 1 – THE PROPOSED VARIATIONS TO THE PROPOSED ACQUISITION OF EIGHTY PER CENT. (80%) INTEREST IN RESPECT OF THE LANDMARK DEVELOPMENT (THE “PROPOSED VARIATIONS TO THE PROPOSED LANDMARK ACQUISITION”)

THAT approval be and is hereby given:

- (a) for the Proposed Variations to the Proposed Landmark Acquisition on the terms and subject to the conditions set out in the Third Supplemental Agreement to the Landmark Acquisition S&P Agreement; and
- (b) for the Directors and each of them to be authorised to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be necessary or expedient for the purpose of giving effect to the Proposed Variations to the Proposed Landmark Acquisition or the transactions contemplated by this Resolution.

ORDINARY RESOLUTION 2 - THE PROPOSED ACQUISITION OF ECONOMIC INTERESTS IN LDRS IN PHGE AND THE OPERATING RIGHTS IN RESPECT OF THE PHGE GOLF COURSE & COUNTRY CLUB AND THE PHGE ESTATE (THE “PROPOSED ACQUISITION OF PHGE AND PHGE GOLF COURSE & COUNTRY CLUB”)

THAT approval be and is hereby given:

- (a) for the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club on the terms and subject to conditions set out in the respective agreements disclosed in the Circular and the Reimbursement to SPA in the manner disclosed in the Circular; and
- (b) for the Directors and each of them to be authorised to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be necessary or expedient for the purpose of giving effect to the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club or the transactions contemplated by this Resolution.

ORDINARY RESOLUTION 3 - THE PROPOSED ACQUISITION OF ONE HUNDRED PER CENT. (100%) INTEREST IN RESPECT OF CPCL (THE “PROPOSED CPCL ACQUISITION”)

THAT approval be and is hereby given:

- (a) for the Proposed CPCL Acquisition on the terms and subject to the conditions set out in the CPCL S&P Agreement; and
- (b) for the Directors and each of them to be authorised to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be necessary or expedient for the purpose of giving effect to the Proposed CPCL Acquisition or the transactions contemplated by this Resolution.

ORDINARY RESOLUTION 4 - THE PROPOSED RIGHTS ISSUE

THAT CONTINGENT ON THE PASSING OF ANY OF ORDINARY RESOLUTION 1 OR 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 432,539,405 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 three (3) 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, and that;
 - (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 five (5) 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; and
 - (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 be and are hereby authorised to make such amendments to the above terms of the Proposed Rights Issue (including the basis in the event that only either Ordinary Resolution 1 or 2 is approved by Shareholders so long as the total number of Rights Shares shall not exceed 432,539,405) as the Directors may, in consultation with the SGX-ST, deem fit and be and are hereby authorized to take such steps, and exercise such discretion, as the Directors may, from time to time in their absolute discretion, deem fit, and without prejudice to the foregoing, in the event that any of the Proposed Variations for the Proposed Landmark Acquisition or the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club is not approved by Shareholders at the EGM, the Company may, at its discretion, choose to scale down the ratio of Rights Shares to be issued, but all other terms and conditions of the Proposed Rights Issue (including the price of the Rights Shares) will remain the same; and
- (c) the Directors and each of them be and are hereby authorized to take such steps, and exercise such discretion, and do all such acts and things (including executing all such documents as may be required) as the Directors may, from time to time deem fit, advisable, necessary or expedient in connection with any of the foregoing matters.

The Company will not undertake the Proposed Rights Issue if Shareholders only approve Ordinary Resolution 3.

ORDINARY RESOLUTION 5 – THE PROPOSED WHITEWASH RESOLUTION

THAT CONTINGENT ON THE PASSING OF ORDINARY RESOLUTION 4, 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 letter from the SIC dated 24 October 2014.

By Order of the Board

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

22 December 2014

Notes:

- (1) A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint no more than two (2) proxies to attend and vote on his behalf and such 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 must be deposited at the registered office of the Company at 78 Shenton Way, #32-00, Singapore 079120, not less than forty-eight (48) hours before the time appointed for the Extraordinary General Meeting or any postponement or adjournment thereof.

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 Extraordinary General 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 (%)

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 6 January 2015 at 10 a.m. 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. To approve the Proposed Variations to the Proposed Landmark Acquisition		
2. To approve the Proposed Acquisition of PHGE and PHGE Golf Course & Country Club		
3. To approve the Proposed CPCL Acquisition		
4. Contingent on the passing of Ordinary Resolution 1 or 2, to approve the Proposed Rights Issue		
5. Contingent on the passing of Ordinary Resolution 4, to approve the Proposed Whitewash Resolution		

Dated this _____ day of _____ 2014/ 2015

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 more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
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 78 Shenton Way, #32-00, Singapore 079120, 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, failing 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.