

YOMA STRATEGIC HOLDINGS LTD.
(Company Registration Number: 196200185E)

INCORPORATION OF SUBSIDIARIES FOR THE PURPOSE OF THE PROPOSED SPIN-OFF OF THE GROUP'S TOURISM RELATED BUSINESSES ON THE CATALIST BOARD OF THE SGX-ST

Reference is made to the Company's announcement dated 24 October 2016 on the Proposed Sale of the Transferred Businesses (the "**Announcement**"). Unless otherwise stated, all terms used herein shall be as defined in the Announcement.

The Board of Directors of Yoma Strategic Holdings Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company's wholly-owned subsidiary, Yoma Strategic Investments Ltd. ("**YSIL**"), First Myanmar Investment Company Limited ("**FMI**") and Exemplary Ventures Limited have entered into a shareholders agreement to hold interests in the Target Company for the Proposed Sale of the Transferred Businesses (the "**Shareholders Agreement**"). The Shareholders Agreement will be terminated upon the completion of the Proposed Sale of the Transferred Businesses to SHC Capital Asia Limited.

Pursuant to the Shareholders Agreement, the following new investment holding companies have been incorporated.

TARGET COMPANY FOR THE PROPOSED SALE OF THE TRANSFERRED BUSINESSES

Name of company	:	MM Myanmar Pte. Ltd. (" MM Myanmar ")
Place of incorporation	:	Singapore
Issued and paid-up share capital	:	S\$2 comprising 2 ordinary shares of S\$1 each
Interest	:	50% interest held by YSIL and the remaining 50% interest held by FMI

INVESTMENT HOLDING COMPANIES

Name of company	:	MM (PHL) Pte. Ltd.
Place of incorporation	:	Singapore
Issued and paid-up share capital	:	S\$2 comprising 2 ordinary shares of S\$1 each
Interest	:	100% interest held by MM Myanmar

Name of company	:	MM (BOB) Pte. Ltd.
Place of incorporation	:	Singapore
Issued and paid-up share capital	:	S\$2 comprising 2 ordinary shares of S\$1 each
Interest	:	100% interest held by MM Myanmar

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Name of company	:	MM (BL) Pte. Ltd.
Place of incorporation	:	Singapore
Issued and paid-up share capital	:	S\$2 comprising 2 ordinary shares of S\$1 each
Interest	:	100% interest held by MM Myanmar
Name of company	:	MM (DMC) Pte. Ltd.
Place of incorporation	:	Singapore
Issued and paid-up share capital	:	S\$2 comprising 2 ordinary shares of S\$1 each
Interest	:	100% interest held by MM Myanmar
Name of company	:	MM (HAL) Pte. Ltd.
Place of incorporation	:	Singapore
Issued and paid-up share capital	:	S\$2 comprising 2 ordinary shares of S\$1 each
Interest	:	100% interest held by MM Myanmar

Each of YSIL and FMI will be effecting the transfer into each of the relevant investment holding companies all their current respective interests held in the following businesses:-

1. the hot-air balloon business operating under the name “Balloons over Bagan” in Bagan and Inle Lake area, Myanmar, such business is owned and operated under Shwe Lay Ta Gun Travels and Tours Company Limited (“**SLTG**”) (the “**BOB Business**”). The effective interest in SLTG is held as to 70% by YSIL and 30% by FMI. The BOB Business will be held by MM (BOB) Pte. Ltd.;
2. the business of a proposed hotel development to be operated under the name “Pun Hlaing Lodge”, currently being constructed and developed on a parcel of land located in Hlaing Tharyar Township, Yangon, Myanmar (“**PHL Land**”) (the “**PHL Business**”). YSIL through its wholly-owned subsidiaries have effective interests in the PHL Business. The PHL Business will be held by MM (PHL) Pte. Ltd.; and
3. the business of a proposed commercial and tourism-related hospitality development to be constructed and developed on a parcel of land in the Nyaung U, Myanmar (“**BL Land**”), which is currently owned by Chindwin Investments Limited (“**CIL**”) (the “**BL Business**”). The effective interest in CIL is held as to 70% by YSIL and 30% by FMI. The BL Business will be held by MM (BL) Pte. Ltd.,

and interests in the following additional businesses will also be transferred into the remaining investment holding companies:-

4. the hotel/lodge business operating under the name “Hpa-An Lodge” and located on a parcel of land in Hpa An Township, Karen State (“**HAL Land**”), Myanmar, which business is currently owned, operated, managed and/or held by Traditional Lodge Company Limited (the “**HAL Business**”). The HAL Business will be held by MM (HAL) Pte. Ltd.; and
5. the tourism and destination management business operating under the name “Asia Holidays” which business is currently owned, operated, managed and/or held under Asia Holiday Travels & Tours Co., Ltd (the “**DMC Business**”). The DMC Business will be held by MM (DMC) Pte. Ltd.

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Please refer to the Announcement for information on the restructuring steps.

INTERESTED PERSON TRANSACTION

Mr. Serge Pun is the Executive Chairman and a Controlling Shareholder of the Company, holding approximately 36.24% direct and deemed interests in the Company as at the date of this announcement. Mr. Serge Pun is also the Chairman of FMI and the controlling shareholder of FMI as at the date of this announcement. FMI is considered an associate of Mr. Serge Pun and accordingly, an interested person of the Company for the purposes of Chapter 9 of the Listing Manual. As such, the entry into a shareholders agreement in relation to MM Myanmar is therefore an interested person transaction under Chapter 9 of the Listing Manual.

Based on the latest audited consolidated financial statements of the Group as at 31 March 2016, the net tangible assets less non-controlling interest (the “NTA”) of the Group is S\$638.95 million. The Company’s proposed contribution into MM Myanmar exceeds five per cent. (5%) of the NTA of the Group and as such, pursuant to Rule 905 of the Listing Manual, the Company is required to make an immediate announcement on the Shareholders Agreement.

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

The execution of the Shareholders Agreement, incorporation of MM Myanmar and the subsequent allotment and issue of new shares in the agreed proportion between YSIL, FMI and Exemplary Ventures Limited as a joint investment vehicle and the restructuring of the Transferred Businesses under MM Myanmar as a preliminary step before the Proposed Sale of the Transferred Businesses are not subject to shareholders’ approval under Rule 906 of the Listing Rules as the Audit and Risk Management Committee of the Company is of the view that the risks and rewards of the proposed joint investment in MM Myanmar are shared proportionally to the respective interests of the Group and FMI in the relevant Transferred Businesses, and the terms of the joint investment in MM Myanmar are not prejudicial to the interests of the Company and its minority shareholders. Neither Mr. Serge Pun, his associates, FMI nor the Group has an existing equity interest in MM Myanmar or the other newly incorporated investment holding entities.

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

VALUE OF INTERESTED PERSON TRANSACTIONS

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

By Order of the Board
Melvyn Pun
Chief Executive Officer

23 December 2016

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