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

1. INTRODUCTION

- 1.1. The Board of Directors of Yoma Strategic Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that Yoma Strategic Investments Ltd. (“**YSIL**”), the wholly-owned subsidiary of the Company, had on 24 October 2016 entered into a conditional sale and purchase agreement (“**SPA**”) with SHC Capital Asia Limited (“**SHC**”), a public limited company whose shares are listed and quoted on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”); First Myanmar Investment Company Limited (“**FMI**”); and Exemplary Ventures Limited (“**Corporate Vendor**”).

In this Announcement, each of YSIL, FMI and Corporate Vendor are referred to as a “Vendor”, and collectively referred to as the “Vendors”. SHC and the Vendors shall be collectively referred to as the “Parties”.

- 1.2. Pursuant to the SPA, the Vendors shall sell, and SHC shall acquire the entire issued and paid-up share capital of a company (the “**Target**”) to be incorporated in the manner as described in Section 3.2 below. For purposes of the completion of SPA, the Target will, as part of the restructuring by the Vendors, have acquired the Target Businesses (as defined in Section 3.1 below) in the manner as described in Section 3 of this Announcement below. The aggregate consideration for the sale of the entire issued and paid up shares in the Target (“**Sale Shares**”) is S\$70,675,130 (“**Consideration**”), which shall be satisfied by the issue and allotment of new ordinary shares in the capital of SHC (“**Consideration Shares**”) at an issue price of S\$0.263 per Consideration Shares (post-proposed share consolidation of SHC) (“**Proposed Sale**”). The Consideration Shares shall be credited as fully-paid and shall rank *pari passu* in all respects with the then existing shares in SHC.
- 1.3. YSIL shall, pursuant to the SPA, transfer into the Target or procure the transfer into the Target, certain interests (including economic interests) in the following businesses (“**Transferred Businesses**”):
- (a) 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 Ltd (“**SLTG**”) (the “**BOB Business**”). The effective interest in SLTG is held as to 100% by Chindwin

Holdings Pte. Ltd. (“**CHPL**”). YSIL holds 70% interest in CHPL, while FMI holds the remaining 30% interest¹;

- (b) 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**”), and which pursuant to an internal restructuring, shall be owned, operated, managed and/or held by Pun Hlaing Lodge Hotel Management Limited (“**PHL MIC Co**”), a Myanmar incorporated MIC approved foreign joint investment company. YSIL through its wholly-owned subsidiaries have effective interests of 100% in PHL MIC Co. The PHL Business is currently being carried out by Pun Hlaing Lodge Limited (“**PHL**”), in which YSIL through its affiliates hold 100% effective interest, and which will be transferred to PHL MIC Co prior to the Proposed Sale as part of the internal restructuring of the Group; and
- (c) 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 100% by CHPL.
- 1.4. Upon completion of the Proposed Sale in accordance with the terms and subject to the conditions of the SPA (“**Completion**”), YSIL shall be issued 167,078,848 Consideration Shares, valued in aggregate at S\$43,941,737, based on the issue price of S\$0.263 per Consideration Share. Following the issue of the Consideration Shares, but excluding the shareholding effects arising from any proposed compliance placement of SHC, YSIL shall hold 53.48% of the total issued shares in SHC. The acquisition of the Sale Shares by SHC and the issue and allotment of the Consideration Shares by SHC to the Vendors will constitute for SHC, a “Very Substantial Acquisition” or a “Reverse Take-over Transaction” pursuant to Chapter 10 of the Section B: Rules of Catalist of the SGX-ST (“**Proposed Reverse Takeover**”). For more information on the Proposed Reverse Takeover, please refer to the announcement by SHC dated 24 October 2016 which is available at www.sqx.com.
- 1.5. YSIL had on 24 October 2016, and concurrent with the entry into the SPA, entered into a master settlement and investment deed (“**Master Settlement Deed**”) with the other Vendors, and the registered shareholders of the Asset Holding Companies (as defined in Section 3.1 below) to undertake the restructuring steps for the reorganization of the Target Businesses and to facilitate the acquisition of the shares of the Target by SHC. Upon incorporation of the Target, the Target shall accede to the Master Settlement Deed.

¹ FMI will also be transferring its 30% effective interest in SLTG to Target pursuant to the SPA and the Proposed Sale.

1.6. **Rationale for the Proposed Sale**

The Proposed Sale of the Transferred Businesses, and the Proposed Reverse Takeover involving the spin-off and listing is part of the Group's efforts to restructure and strengthen its tourism assets by partnering with other tourism players in Myanmar.

The proposed transactions as described in this Announcement represent the next steps taken in that tourism developmental strategy first initiated by the Group through the acquisition of the remaining 25% interest in "Balloons over Bagan" under its 70%-owned subsidiary CHPL which was announced on 2 September 2016.

A dedicated management team with extensive tourism experience has been put in place, and the Group expects the partnerships and restructuring to drive commercial and costs synergies while improving development capabilities.

The Group views tourism as a significant economic growth driver in Myanmar, and given that tourism is not one of the Group's current core businesses, a dedicated platform for the proposed plans in partnership with other tourism players in Myanmar would unlock better values for its shareholders in the long run. The Proposed Reverse Takeover of SHC is expected to facilitate the fund-raising and investment in the tourism industry by the new SHC Enlarged Group (as defined below), and investors will have the chance to invest specifically in such industry, if they desire.

1.7. **Non-Disclosable Transaction**

The proposed disposal of the Transferred Business to SHC is a non-disclosable transaction pursuant to Chapter 10 of the Listing Rules of the Main Board of the SGX-ST (the "**Listing Rules**"). SLTG, PHL MIC Co and CIL (through SHC) will remain as subsidiaries of the Company immediately after Completion but may become associated companies of the Company depending on the shareholding effects arising from any Proposed Compliance Placement (as defined below in Section 4.3) of SHC.

The issuance of the Consideration Shares to YSIL will result in the Company, indirectly through YSIL, holding 53.48% of the total issued shares in SHC, being a quoted company, immediately after Completion, as disclosable under Rule 704(17)(a) of the Listing Rules.

None of PHL MIC Co (including the PHL Business), SLTG and CIL, whether taken individually or as a whole on a pro-forma basis in the case of their disposal pursuant to the sale of the shares in the Target, are principal subsidiaries of the Company, and the proposed disposal of the Transferred Business does not require the approval of

the shareholders of the Company (“**Shareholders**”) under Rule 805 of the Listing Rules.

1.8. **Proposed Incorporation of the Target and Interested Person Transaction**

As further discussed in Section 5 below, FMI is an interested person of the Company for the purposes of Chapter 9 of the Listing Manual. The proposed incorporation of the Target in the agreed proportion between the Vendors as a joint investment vehicle as described below in Section 3.2 and the restructuring of the Transferred Businesses under the Target as a preliminary step before the Proposed Sale 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 the Target 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 the Target and subsequently in SHC are not prejudicial to the interests of the Company and its minority shareholders. Neither FMI nor the Group has an existing equity interest in the Target or in SHC.

In the Proposed Sale of the Target to SHC, FMI and YSH, together with the other Vendors, are acting as vendors in respect of their respective interests, and the transaction is not an interested person’s transaction between FMI and YSH. As liabilities of Vendor(s) in respect of the sale of each Target Business under the SPA are joint and several, FMI and YSH are entering into a deed of contribution pursuant to which their liabilities shall be apportioned pro-rata to their interests in the relevant Transferred Business.

2. **PARTIES TO THE TRANSACTION**

2.1. **SHC as the Purchaser of the Transferred Businesses**

SHC is a public listed company whose shares are listed and quoted on the Catalist Board of the SGX-ST. Following the disposal of its previous insurance business, it became a cash company under Rule 1017 of the SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) with effect from 1 August 2014. Under Rule 1017(2) of the Catalist Rules, the SGX-ST will proceed to remove an issuer from the Catalist if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company.

SHC had applied for and was granted by the SGX-ST further extensions of time to meet the requirements for a new listing on two separate occasions:

- (i) SHC was first granted an extension of time to meet the requirements for a new listing by 31 January 2016, in conjunction with its then proposed acquisition of Tongda Medical Device Limited, which was however aborted as announced by SHC on 2 November 2015; and

- (ii) SHC was subsequently granted a further extension of time to meet the requirements for a new listing by 31 December 2016, in conjunction with the current proposed transactions.

With the execution of the SPA, SHC intends to apply for a further extension of time to complete the Proposed Reverse Takeover and to meet the requirements for a new listing (the “Further Extension”). **Shareholders should note that there is no assurance or certainty that the SGX-ST will grant the Further Extension to SHC, or, if granted, that the Further Extension will be granted on terms reasonably acceptable to the Parties. The Proposed Reverse Takeover may not complete if the application by SHC for the Further Extension is not successful.**

SHC has agreed to retain cash balances of S\$5 million as part of its cash reserves as at Completion of the SPA, less certain cost and expenses which SHC shall have incurred pursuant to the proposed transactions in connection with the SPA, as detailed in Section 4.10 below. Save for SHC’s obligation to maintain such cash balance, SHC may return substantially all of its cash to its existing Shareholders, whether by way of declaration of dividend or return of capital or otherwise, at any time after the signing of the SPA and/or Completion, and the Vendors will not participate in the distribution.

2.2. Other Vendors

- (a) FMI, listed on the Yangon Stock Exchange, is an associate of Mr. Serge Pun, the Executive Chairman and Controlling Shareholder of the Company, and is therefore an interested person of the Company. Mr Serge Pun @ Them Wai is also the Chairman and controlling shareholder of FMI. FMI is principally involved in the business of financial services, real estate and healthcare.
- (b) Exemplary Ventures Limited, also referred to herein as the Corporate Vendor, is an investment holding company incorporated in the British Virgin Islands on 5 August 2016 for the purposes of consolidating and holding the Other Businesses. As at the date of this Announcement, Jean-Michel Alain Romon (“JMR”) is the sole shareholder of the Corporate Vendor holding the entire issued and paid capital of the company. Sure Magic Investments Limited, a company incorporated in the British Virgin Islands on 20 July 2016 (“Investor Co”), shall be subscribing for and the Corporate Vendor shall be issuing loan notes, convertible to shares in the Corporate Vendor, to the Investor Co. The Corporate Vendor will be nominating JMR and the Investor Co to receive Consideration Shares due to the Corporate Vendor.

3. OVERVIEW OF THE PROPOSED DISPOSAL OF THE TRANSFERRED BUSINESS

3.1. Target Businesses

Under the terms of the SPA, the Target shall be incorporated to hold, in addition to the YSIL's Transferred Businesses, interests in the following additional businesses (collectively referred to as the "**Other Businesses**"):

- (a) 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 ("**TLH**") (the "**HAL Business**"); and
- (b) 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 ("**AHTT**") (the "**DMC Business**").

SLTG, PHL, PHL MIC Co, CIL, TLH, and ALTT are referred to collectively as the "**Asset Holding Companies**" and the BOB Business, the PHL Business, BL Business, HAL Business, and the DMC Business are collectively referred to as the "**Target Business**", and each a "**Target Business**". The Target Group shall further acquire a new management company ("**Management Co**"), to be incorporated by YSIL and/or FMI, which shall be used to consolidate the management and financial services to be provided to the Target Businesses.

The acquisition of the Other Businesses shall be done through the issue and allotment of new ordinary paid up shares in the capital of the Target to the Corporate Vendor. The shares in the Target issued in consideration for the Other Businesses shall be credited as fully-paid and shall rank *pari passu* in all respects with the then existing shares in the Target.

3.2. Target Group and Restructuring Steps

The Vendors, together with the registered shareholders of the Asset Holding Companies, have agreed to undertake certain restructuring steps and actions under the Master Settlement Deed (the "**Restructuring**") to consolidate the Target Businesses under the Target, so as to facilitate the Proposed Reverse Takeover. It is a condition precedent of the SPA that the Restructuring be completed on or prior to Completion, such that the Target group will have such interest in the Target Businesses as at Completion as described below.

The Restructuring may be subject to further amendments or modifications with the agreement of the Parties as may be required, *inter alia*, for increased tax efficiency on the part of the Target group and/or the Asset Holding Companies, and/or to address issues or irregularities pursuant to any due diligence investigations, and/or in the situation where MIC Permits or approvals for the Target Group to have direct investment in the Asset Holding Companies are no longer required pursuant to any application or change of law.

As part of the Restructuring, the Target shall be first incorporated by YSIL and/or FMI as the shareholders with nominal paid up capital, and subject to the injection of their respective interests in the Transferred Business, their shareholding in the Target (prior to the acquisition of the Other Business) shall be in the following proportion:

S/No.	Name of Vendors	Relevant Proportion of shares held in Target (%)	Value of the Assets Contributed
1.	YSIL	79.93%	S\$ 43,941,737
2.	FMI	20.07%	S\$ 11,032,173

The number of shares issued in the Target to FMI and YSIL are determined based on the consideration attributable to each of YSIL and FMI in respect of their interests in the Transferred Business. Based on the latest audited financial results of the Group and the Group's interest in the Transferred Business as at 31 March 2016, the aggregate book value of the Group's interest in the Transferred Business is S\$28.44 million², and the aggregate net tangible assets value is S\$27.35 million. The sale of the Transferred Business to SHC, through YSIL's stake in the Target, is made at a premium over the aggregate book value of the Transferred Businesses based on the lasted audited financial results of the Group.

Each of the Vendors are desirous of contributing certain interests (including economic interests) which they have (or will be acquiring) in relation to the relevant Target Businesses into the Target group of companies, in exchange for shares to be issued in the capital of the Target, each in the following proportion ("**Relevant Proportion**"):

² These figures only reflect the Group's effective interest of 52.5% in the BOB Business as at 31 March 2016. The Group's effective interest in the BOB Business increased to 70% on 2 September 2016.

S/No.	Name of Vendors	Relevant Proportion of shares held in Target (%)
1.	YSIL	62.17
2.	FMI	15.61
3.	Corporate Vendor	22.22
Total		100%

The acquisition of the Other Businesses by the Target shall be made in stages, upon the satisfactory due diligence and restructuring being completed in respect of each of the Other Businesses, and the Group will make the announcements as and when the agreements in relation to the acquisitions are signed or completed. In the event that the Proposed Reverse Takeover does not complete for any reason, but assuming that all the Target Businesses have been restructured under the Target under the Master Settlement Deed and in accordance with the Restructuring proposal, the Group shall hold 62.17% in the Target, as a private platform and the Target shall be a subsidiary the Group. For more information on the Other Businesses, please refer to the announcement of SHC, also available at www.sgx.com.

For the purposes of the Proposed Reverse Takeover and subject to the terms and conditions of the SPA, the Target will incorporate five (5) new special purpose vehicles in Singapore (“**Singco SPVs**”).

- (a) PHL MIC Co is a foreign invested company with a permit issued by the Myanmar Investment Committee (“**MIC**”). Therefore, subject to the approval from the MIC and any other relevant regulatory bodies, the Target shall acquire through the special purpose vehicle for PHL (“**PHL SPV**”), the legal and beneficial ownership of 100% of PHL MIC Co, which will comprise the PHL Business, and a long term lease shall be entered into between Pun Hlaing Lodge Limited, which is the owner of the PHL Land, and the PHL MIC Co, in respect of the PHL Land (“**PHL Long Term Lease**”).

In relation to the Restructuring relating to the PHL Business, such Restructuring may, in lieu of what is currently provided under the Restructuring in the SPA and the Master Settlement Deed, entail, *inter alia*, the Target acquiring 100% of the issued capital of PHL SPV only after PHL SPV has duly acquired 100% (less one nominal share) of PHL MIC Co which in turn has duly acquired or will duly acquire the PHL Long Term Lease and the PHL Business.

- (b) The Target shall acquire through the other respective Singco SPVs, 100% of the economic interests in relation to the BOB Business, BL Business, HAL Business, and the DMC Business (collectively, the “**Non-PHL Businesses**”) by way of its acquisition of the entire economic interests of the shares of the

relevant Asset Holding Companies relating to the Non-PHL Businesses upon completion of the Proposed Reverse Takeover.

Asset purchase agreements or share purchase agreements (as the case may be) (collectively the “**APAs**”) shall be entered into by the relevant Asset Holding Companies or registered shareholders of the Asset Holding Companies (“**Registered shareholders**”) (as the case may be) prior to Completion for the purpose of enabling the Target group to undertake a further reorganisation of the Non-PHL Businesses upon the relevant investment permits being issued by the MIC. Pending such approval, the acquisition of the economic interests shall be achieved through the relevant Registered Shareholders of the Non-PHL Businesses entering into economic assignments (collectively the “**APA EAs**” and each an “**APA EA**”), to assign, convey and transfer to the relevant SingCo SPVs, absolutely and free from all encumbrances, the entire economic interests in the shares of the relevant Asset Holding Companies (namely, SLTG, CIL, TLH, and AHTT respectively), together with a power of attorney executed in favour of the relevant SingCo SPVs.

Applications to MIC shall need to be made as set out in Section 3.3 below to allow the direct foreign investment in the Non-PHL Business, and clarification sought, where applicable, from the MIC regarding the extent of permissible foreign investment. Due to the anticipated timeline for the regulatory processes, it is expected that the approvals by the MIC will only be obtained after Completion. For the avoidance of doubt, completion of the MIC Restructuring (as detailed in Section 3.4 below) is not a condition precedent of the SPA.

3.3. **MIC Applications**

Unlike the PHL Business, the applications for MIC Permit Applications allowing for foreign investment in the BOB Business, the BL Business and the HAL Business (collectively the “**Relevant MIC Permits**” and each a “**Relevant MIC Permit**”) and the clarification sought from the MIC regarding the extent of permissible foreign investment in the DMC Business (“**DMC MIC Clarification**”) have not been previously submitted to the MIC.

Accordingly, the Vendors have agreed to procure in respect to each of the respective Target Businesses, the submission of applications and/or clarifications to the MIC (and acceptance of such applications for processing by) the MIC, inter alia, to approve and issue a permit (“**MIC Permit**”), where required, for the Target Group’s investment in the BOB Business and the HAL Business, and the grant of the long term leases for certain plots of land in Bagan which are currently used by the BOB

Business for the storage and/or warehousing of the hot-air balloons and the HAL Land respectively.

It is noted that a new Myanmar Investment Law has recently been enacted which may affect, *inter alia*, the necessity, nature of, and manner in which applications should be made to the MIC, as well as the types of approval granted by the MIC, and this may affect the timing of the submissions of such applications and acceptance thereof for processing by the MIC, and the review and assessment of such applications thereafter.

3.4. **MIC Restructuring and Post-Completion Events**

Subject to the MIC Permits being issued for the Non-PHL Businesses, the Target group intends to undertake a further reorganisation of each of the Non-PHL Businesses ("**MIC Restructuring**").

As the joint Vendor in respect of the Transferred Businesses, the Group, in its capacity as the Vendor of the Transferred Business, shall continue to provide the necessary assistance in the MIC Restructuring Process for such Transferred Business for up to 12 months from the completion of the initial Restructuring, and post Completion of the Proposed Sale. The completion of the MIC Restructuring, subject, *inter alia*, to the approval of the relevant regulatory authorities and the relevant limitations on foreign ownership, if any, shall enable the SHC Enlarged Group to acquire the legal ownership of the Target Businesses.

4. **MATERIAL TERMS OF THE SALE AND PURCHASE AGREEMENT**

4.1. Sale and Purchase of the shares in the Target

SHC shall acquire from the Vendors, and the Vendors shall, as legal and beneficial owners, sell to SHC, the Sale Shares in the proportion of their holding ("**Relevant Proportion**"). The Sale Shares are sold free from all encumbrances, and with the benefit of all rights, benefits and entitlements attaching thereto with effect from the date of completion of the Proposed Sale.

4.2. Consideration

The aggregate Consideration for the sale and purchase of the Sale Shares is S\$70,675,130, which shall be satisfied by the issue and allotment of the Consideration Shares at an Issue Price of S\$0.263 per Consideration Share, credited as fully-paid and shall rank *pari passu* in all respects with the then existing shares in SHC in the following proportion:

S/No.	Name of Vendors	Relevant Proportion of Consideration Shares (%)	Number of Consideration Shares
1.	YSIL	62.17	167,078,848
2.	FMI	15.61	41,947,426
3.	Corporate Vendor and/or its Nominees	22.22	59,700,457
Total		100%	268,726,731

The Consideration Shares are issued following the proposed share consolidation of SHC shares, which SHC intends to undertake in conjunction with the acquisition of the Target under the SPA and the Proposed Reverse Takeover, whereby SHC's shares shall be consolidated based on a ratio of seven (7) existing shares to one (1) new consolidate share, or such ratio as may be mutually agreed between the Parties, in order to satisfy the requirements of Rule 429 of the Catalist Rules that the issue price of each share is required to be at least S\$0.20 each. The Issue Price ascribes a value of S\$11,500,000 to SHC (assuming that SHC effects the proposed cash distribution to return substantially all its existing cash balances to its shareholders on a pro-rata basis save for, *inter alia*, the cash balance of S\$5,000,000 (less the transaction expenses) which SHC is supposed to retain as part of its cash reserves as at Completion).

The Consideration was arrived at after arm's length negotiations between SHC and the Vendors, and on a willing-buyer and willing-seller basis, taking into account, *inter alia*,

- (i) the earnings, potential growth, relevant costs and cost of funding, value of property assets of the Target Businesses;
- (ii) the Asset Holding Companies and/or the Target Businesses have no indebtedness or liabilities (whether actual or contingent), save for (i) indebtedness or liabilities of a trading nature in the ordinary course of business in relation to the Target Businesses, (ii) the PHL Loan (if applicable) (as defined below in Section 4.6(c)) and (iii) in relation to the PHL Business, the BL Business and the HAL Business, such indebtedness owing by the relevant Asset Holding Companies to the registered shareholders of such companies, which will be offset against the amounts owing by the Registered Shareholders to the Asset Holding Companies by reason of the SingCo SPV Consideration Shares being issued and allotted to such registered shareholders, as directed by the Asset Holding Companies;
- (iii) the construction costs of the Pun Hlaing Lodge (which is currently under construction) which is being acquired on a partially completed basis ;

- (iv) the applicable agreed exchange rates between US Dollar to Singapore Dollar; and
- (v) the completion of the Restructuring by the Target Group such that the Target Group will acquire 100% of the shareholding interest in relation to the PHL Business and 100% of the economic interests in relation to all the Other Target Businesses.

4.3. Proposed Compliance Placement

Further to the issue of the Consideration Shares upon Completion, it is envisaged that the Vendors and their nominees, together with the directors, chief executive officer, substantial shareholders or controlling shareholder of SHC, or its subsidiary companies, and associates of such persons shall hold more than 85.0% of the issued and paid up share capital of SHC. Accordingly, SHC may undertake a compliance placement exercise after Completion, whereby it shall place out new shares in SHC and/or sale of certain Consideration Shares to satisfy the minimum distribution and shareholding spread requirement in accordance with the Catalist Rules (“**Proposed Compliance Placement**”). The percentage shareholding of the Vendors and/or their nominees in SHC after the Proposed Compliance Placement shall be diluted in such instance. The Proposed Compliance Placement will also raise working capital and funds to pay such of the PHL SHC Funded Costs (as defined below in Section 4.6(a)) below.

Save in connection with the Proposed Compliance Placement, the Vendor, including YSIL, and/or the nominees of the Vendors which have been issued Consideration Shares shall be subject to a moratorium not to dispose of or transfer or create any encumbrances over their interests in the Consideration Shares for a prescribed period of time pursuant to the Catalist Rules.

4.4. Completion

The Completion of the SPA is conditional upon, *inter alia*, certain conditions precedents which are summarised in Appendix A to this Announcement having been satisfied or waived in accordance with the terms of the SPA. The long stop date for the SPA is 30 June 2017 or such later date as the Parties may agree in writing.

4.5. Independent Valuation

SHC shall be obtaining an independent valuation of the Target group and/or the Target Businesses, and it is a conditions precedent to completion that SHC shall be reasonably satisfied with the results or the outcome of such valuation exercise.

4.6. Pun Hlaing Lodge

The PHL Business, involving the construction and operation of the hotel under the name of “Pun Hlaing Lodge”, is one of the Transferred Businesses. Pun Hlaing Lodge is currently under construction and it is expected that on the Completion, the construction of Pun Hlaing Lodge may not be fully completed. Accordingly, under the terms of the SPA, SHC and YSIL, as the vendor in respect of the PHL Business, have agreed to the contribution of the cost of construction of Pun Hlaing Lodge in the following manner:

- (a) SHC has agreed that SHC and/or PHL MIC Co shall pay up to US\$12,000,000 (the “**PHL SHC Funded Costs**”) towards the construction of the Pun Hlaing Lodge after Completion.
- (b) YSIL, has agreed to procure the completion of the construction of the Pun Hlaing Lodge in accordance with the agreed project specifications (“**PHL Construction**”), and except for the PHL SHC Funded Costs (including the PHL Loan (as defined below in Section 4.6(c), if any), YSIL shall be fully responsible and liable for all costs and expenses (“**PHL Vendor Costs**”) related to or connected with the PHL Construction (“**PHL Construction Costs**”) save for certain excluded costs and expenses including those arising from variation orders or any other changes to the agreed project specifications.
- (c) In the event that YSIL reasonably anticipates that the PHL Construction Costs to be incurred as at Completion exceeds the anticipated construction costs first communicated by YSIL to SHC prior to the signing of the SPA, PHL or PHL MIC Co may obtain a bank loan not exceeding US\$3 million (“**PHL Loan**”) on terms as agreed by SHC and solely for the purpose of financing the PHL Construction until Completion. SHC shall assume the obligation for payment of the PHL Loan, accrued interest thereunder and related fees and expenses, save that SHC’s obligation to pay the PHL SHC Funded Costs shall be reduced accordingly by the Company’s obligation to pay the PHL Loan, accrued interest thereunder and related fees and expenses.
- (d) In the event that the PHL Vendor Costs as at Completion exceeds the anticipated PHL Vendor Costs to be incurred as at Completion (“**PHL Vendor Excess Amounts**”), the Company and/or the PHL MIC Co shall upon demand by the PHL Vendor, reimburse the PHL Vendor (or such other person it may nominate or direct) such part of the PHL Vendor Excess Amount up to the PHL SHC Funded Costs after the completion of any compliance placement or any fund raising by the SHC Enlarged Group.

4.7. Waiver from Mandatory General Offer

Subject to and on Completion, the Vendors and their nominees to whom the Consideration Shares in SHC shall be issued (“**Relevant Vendor Parties**”) will have interests in SHC of more than 30.0% of the voting rights in SHC. Pursuant to Rule 14 of The Singapore Code on Take-overs and Mergers (the “**Code**”), the Relevant Vendor Parties and persons acting in concert with each of them (“**Concert Parties**”) would be required to make a general offer for the remaining Shares not owned or controlled by the Relevant Vendor Parties and their respective Concert Parties at the highest price paid or agreed to be paid by any of the Relevant Vendor Parties and their respective Concert Parties for the Shares in the preceding six (6) month period.

It is a condition precedent to the Completion of the proposed sale of the Sale Shares under the SPA that the Securities Industry Council (“**SIC**”) grants the Relevant Vendor Parties and their respective Concert Parties, and does not revoke or repeal such grant, a waiver of their obligation to make a general offer under Rule 14 of the Code for all the Shares not owned or controlled by them (the “**Whitewash Waiver**”) and that independent Shareholders approve at a general meeting of SHC a whitewash resolution for the waiver of their rights to receive such a mandatory general offer from the Relevant Vendor Parties and their respective Concert Parties (the “**Proposed Whitewash Resolution**”). Accordingly, the Relevant Vendor Parties will be applying to the SIC to seek for the Whitewash Waiver and SHC will be seeking approval of its independent shareholders for the Proposed Whitewash Resolution at an extraordinary general meeting of SHC to be convened.

4.8. Covenants and Restricted Business

YSIL, as the Vendor shall be providing several covenants, as summarized below, for the purposes of preserving the value and the good will of the business of the SHC Enlarged Group following the Proposed Sale:

(a) **Restricted Business Undertaking (“Restricted Business Undertaking”)**

For such period that it holds not less than 5% of the then prevailing total issued ordinary shares (excluding treasury shares) of SHC and for an additional period of twelve (12) months thereafter (“**Restricted Period**”), it shall procure that neither it nor any of its respective affiliates, shall:

- (i) carry on or be engaged, concerned or interested in any business which is substantially the same or in competition with any Restricted Business (as defined below) for the time being carried on by the SHC Enlarged Group;
- (ii) provide consultancy, management, technical or other advice or services directly related to the Restricted Business to any business

which is substantially the same as or in competition with any Restricted Business, provided that the restriction does not extend to YSIL and/or FMI and their affiliates from providing property-related services set out below;

- (iii) solicit or entice away or attempt to solicit or entice away from the Restricted Business as carried on by the SHC Enlarged Group, the custom of the business associates of the SHC Enlarged Group;
- (iv) induce, solicit or entice away or attempt to induce, solicit or entice away any person who is a director, an officer or management employee of such Restricted Business; and
- (v) in relation to any trade, business or company use any name in such a way as to be capable of or likely to be confused with the name of any Restricted Business for the time being carried by the SHC Enlarged Group.

The “**Restricted Business**” refers to:

- (A) the business of management and/or operation of resorts and hotels in Myanmar;
 - (B) the business of tourism destination management business in Myanmar; and
 - (C) the business of management, operation and ownership of hot air balloons tourism attraction assets in Myanmar.
- (b) Right of First Offer in relation to Restricted Business (“**ROFO Undertaking**”)

Under the SPA, each of the Vendors have agreed that in the event that it receives or it has come to the attention of the Vendor that any of its affiliates had received (whether directly or indirectly, including through any other person) at any time or from time to time during the Restriction Period, any bona fide offer, proposal or expression of interest or otherwise has an opportunity, for its own account or otherwise and whether or not solicited, to carry on or be engaged, concerned or interested in, carrying on, or otherwise to consider any proposed investment or participation in, any Restricted Business or which otherwise competes with the Restricted Business, such Vendor (“**Offeror**”) shall, to the extent that it is within its powers to grant such right, and it is legally or contractually not restricted from doing offer the SHC Enlarged Group the right of first offer to commercially exploit, invest and/or participate in the business opportunity in place of and to the exclusion of the Offeror.

In the event that the SHC Enlarged Group does not intend to undertake the offer, or there is a failure to come to an agreement on the terms and

conditions for the SHC Enlarged Group's participation in the opportunity, the Offeror shall, subject to the written consent of SHC (such consent no to be unreasonably withheld), be free to pursue the investment on no more favourable terms than what was offered to SHC.

(c) **Right of First Offer in relation to Management Rights ("Management Rights Offer Undertaking")**

In the event that any of the Vendors and/or any of its affiliates proposes or intends to develop, acquire, invest or participate in the ownership of any hotel or resort assets in Myanmar ("**Other Project Ownership**") that falls within certain prescribed parameters, it shall give SHC the right of first offer to secure the management and operation rights of the hotel or resorts assets which is the subject of such Other Project Ownership, whether directly or indirectly through any member of the SHC Enlarged Group.

The prescribed parameters include:

- (A) whether the resort or hotel in question is primarily a leisure or tourism-focused hotel or resort assets as opposed to a business-focused hotel or resort asset and whether it is part of an integrated development;
 - (B) whether the Offeror is able to determine, control and direct the awarding of the management and operation rights in respect of the hotel or resort; and
 - (C) the Offeror may also take into consideration whether the project is one which a person would objectively expect the SHC Enlarged Group to have the capacity or capability to manage and operate, taking into account the profile, branding or track record of the manager and operator required to fit the profile of such Other Project Ownership.
- (d) Subject to the ROFO Undertaking and the Management Rights Offer Undertaking, YSIL and/or FMI, and their affiliates shall not be restricted from undertaking the following businesses which as of the date of this Agreement have been undertaken by affiliates of YSIL and/or FMI:
- (A) investing in, developing and constructing properties, including hotels or resorts, whether on its own or in a joint venture, collaboration or partnership with other parties, as part of its property development business, provided that it shall not undertake the Restricted Business;
 - (B) providing any technical, management and other project consultancy or other services in respect of developments and construction of properties, including hotels and resorts, whether as stand-alone project or in mixed-use property developments; and

(C) operating and managing serviced apartments and residences.

4.9. Indemnities

The liabilities of the warrantors in respect of the warranties and certain tax indemnities are several, in so far as they are only warranting in respect of, *inter alia*, the Asset Holding Companies and the Target Businesses which they are connected to. YSIL is the warrantor in respect of the PHL Business, and YSIL and FMI are warrantors in respect of the BL Business and the BOB Business. The maximum liability under the SPA in respect of any breaches of representations, warranties, covenants and undertakings in relation to itself or the relevant Target Business (save in respect of certain fundamental representations and warranties for which are not subject to a limit in liability) is as follows:

Target Business	Maximum liability
PHL Business	S\$18,200,000
BOB Business	S\$25,066,860
BL Business	S\$11,707,050

No claim shall be brought against the warrantors in respect of the breach of the warrantor's warranties or in respect of a breach of any of the representations, warranties, covenants and undertakings by the Vendors under the SPA unless notice in writing of any such claim has been given to the relevant party on or prior to the date falling eighteen (18) months after the completion of the Proposed Sale. The indemnities on tax claims shall not cover any tax claim which is brought later than three (3) years after Completion. The maximum quantum of liability for any claims in relation to a breach of certain warranties, covenants and undertakings for each Target Business has been agreed on a willing buyer willing seller basis, taking into consideration, *inter alia*, the profile of the Vendors, the warrantors as well as the likelihood of, and possible quantum of any claims in relation to the relevant Target Businesses.

A deed of contribution has been entered into between YSIL and FMI setting out a pro-rata contribution towards any liability for the claims for the Transferred Businesses based on their respective interests in the Transferred Businesses.

4.10. Transaction Expenses

Under the terms of the SPA:

- (a) SHC shall be responsible for the fees and expenses associated with:
- (i) the appointment of KPMG Corporate Finance Pte Ltd (for services rendered in connection with the Proposed Sale), the independent financial adviser and the independent valuer; and
 - (ii) appointment of the internal auditor and the auditors and reporting accountants and appointment of any tax advisors for any tax advice in connection with the Restructuring and all other reasonably incidental fees, costs and expenses (excluding the fees of legal counsel to be appointed by SHC and the Vendors in connection with the negotiation of the SPA, which shall be borne by the respective Parties and, for the avoidance of doubt, excluding all legal and financial due diligence costs which shall be borne by the Vendors) incurred or to be incurred for purposes of the Proposed Sale (collectively the “**Other Transaction Expenses**”), provided that SHC may use the cash balance to make payment of all or any portion of the Other Transaction Expenses which is due or payable on or prior to Completion, such as the cash balance of SHC as at Completion is equal to S\$5 million less the aggregate of all such payments made,
- (b) the Vendors shall be responsible for the fees and expenses associated with the appointment of Prime Partners Corporate Finance Pte Ltd as the Sponsor, for purposes of the Proposed Sale and all due diligence costs and expenses to be incurred in connection with the Proposed Sale;
- (c) in the event the Proposed Sale is not completed as a result of
- (i) any breach of or non-compliance with any warranty, undertaking or covenant by or due to the fault of or otherwise due to factors directly or indirectly attributable to one of the Parties (excluding any fundamental breaches or warranties) (“**Defaulting Party**”), all costs and expenses incurred in connection with the Proposed Sale shall be payable by such Defaulting Party;
 - (ii) any breach of certain fundamental warranties or failure or inability of implement, effect or complete the Restructuring by reason of any breach of the stipulated warranties, or otherwise arising by reason of or due to the breach or default of any of the Vendors, the Target group, the Registered Shareholders and/or Asset Holding Companies,

all costs and expenses shall be payable by the relevant defaulting Vendor(s) and in the case where such breach in question is due to a breach or default by JMR, such costs and expenses shall be payable by JMR; and

- (iii) any breach of representations and warranties relating to the Asset Holding Companies, SHC shall bear 50% of the Other Transaction Expenses, and the Vendors agree and undertake to bear the remaining 50% of the Other Transaction Expenses.
- (d) in the event the Proposed Sale is not completed for whatever reason save in the case as provided in above, SHC shall bear 50% of the Other Transaction Expenses; and the Vendors shall bear the remaining 50% of the Other Transaction Expenses.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDER

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 at the date of this Announcement, the wife of Mr. Adrian Chan Pengee, the Company's Lead Independent Director, holds 162,000 shares in SHC.

Other than as disclosed above, none of the Directors (other than in his capacity as Director or Shareholder) nor (as far as the Directors are aware) controlling Shareholders of the Company, as well as the respective associates of the aforementioned persons, has any interest, direct or indirect, in the Proposed Transactions, save for their respective interests in the Shares of the Company.

6. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be made available for inspection by the shareholders during normal business hours at the registered office of the Company for a period of three (3) months from the date of this Announcement.

7. CAUTIONARY STATEMENT

The Board would like to advise Shareholders that, although the SPA has been entered into, completion of the Proposed Sale and the transactions relating to or in connection with the Proposed Sale are subject to conditions precedents being fulfilled, and including any regulatory approvals that may be required, and there is no certainty or assurance as at the date of this Announcement that the proposed transactions will be completed or that no changes will be made to the terms thereof. Accordingly, Shareholders are advised to exercise caution in dealings with the shares of the Company. Shareholders are advised to read this Announcement and any further update announcement(s) released by the Company in connection with the Proposed Sale and the Proposed Reverse Takeover carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Mr. Melvyn Pun
Chief Executive Officer
24 October 2016

APPENDIX A

CONDITIONS PRECEDENT TO THE PROPOSED SALE

A summary of some of the salient conditions precedent to Completion is set out below:

- (a) SHC being reasonably satisfied with the results of the due diligence (whether legal, financial, contractual, tax or otherwise) on the Target Group, the Asset Holding Companies, the Target Businesses, and the Target Business assets (the “**Due Diligence Investigations**”).
- (b) (if applicable) the rectification by the Vendors, or the procurement by the Vendors of such rectification, to the reasonable satisfaction of SHC, of all issues or irregularities uncovered by SHC during the Due Diligence Investigations on the Target Group, the Asset Holding Companies, Target Business assets and the Target Businesses which SHC requires to be duly rectified;
- (c) the Target being duly incorporated and to be held and owned by the Vendors immediately prior to Completion in the Relevant Proportion pursuant to the Restructuring in such manner reasonably satisfactory to SHC;
- (d) SHC and/or the Target receiving evidence or confirmation of, *inter alia*, the following matters:-
 - (i) the fulfilment of the conditions precedent set out in **Schedule 3** of the SPA in respect of, *inter alia*, certain matters of the relevant Target Businesses such as land issues, payment of stamp duties and obtaining of applicable licences and permits and approvals to be duly rectified, regularised or obtained;
 - (ii) the fulfilment of the conditions precedent set out in Section B of **Schedule 4** of the SPA and all other applicable agreement(s) or document(s) relating to the Restructuring, and the execution and delivery of the various agreements, letters and documents that are required for the purposes of implementation and/or completion of the Restructuring;
 - (iii) the completion of an internal restructuring between YSIL, FMI and their affiliates in relation to certain interests (including the entire economic interests) in the BOB Business, the PHL Business and the BL Business held by such affiliate, to be evidenced by, *inter alia*, the delivery of a certificate jointly issued by the PHL Vendor, the BOB Vendors and the BL Vendors confirming the same
 - (iv) the completion of the corporate vendor buyout of the minority interests in the DMC Business and the HAL Business (“**Corporate Vendor Buyout**”), to be evidenced by, *inter alia*, the delivery of a certificate by JMR and the Corporate Vendor confirming the same;
 - (v) certain release, discharge and waiver being given by: -

- (1) (in the case of the BOB Business, the PHL Business and the BL Business) the affiliate of YSIL and FMI and (in the case of the HAL Business and the DMC Business) the persons (including JMR) who had certain rights, interests, benefits and entitlements in the HAL Business and DMC Business immediately prior to the Corporate Vendor Buyout (collectively, the “**Previous Interest Holders**”);
- (2) the registered shareholders of the Asset Holding Companies; and
- (3) the respective Vendors,

in respect of (i) any and all liabilities and obligations (including contingent liabilities) which may be due or owing by the Asset Holding Companies and/or the relevant Target Businesses to them and any other claims of whatsoever nature which they may have against the Asset Holding Companies and/or the relevant Target Businesses at Completion and (ii) any and all other rights, interests, benefits or entitlements which they may have in respect of or otherwise relating to the Asset Holding Companies and/or the relevant Target Businesses at Completion;

- (vi) the execution and delivery of management agreements between Management Co and each of SLTG, AHTT, CIL, PHL MIC Co and TLH for the provision of management services by the former or its designated affiliate to the latter (subject to compliance with all applicable laws),
- (e) SHC having obtained at its own cost and expense an independent valuation report in respect of the valuation of the Target Group and/or the Target Businesses and being reasonably satisfied with the results or outcome of such valuation exercise;
- (f) the receipt by SHC of a legal opinion to be issued by Kelvin Chia Yangon Ltd addressed to SHC in form and substance satisfactory to SHC and the Vendors;
- (g) SHC Capital Holdings Pte. Ltd. (the “**Major Shareholder**”) providing SHC with an indemnity in the agreed form pursuant to which the Major Shareholder agrees to indemnify, defend and hold harmless SHC from and against any and all losses which may be incurred or suffered by SHC based upon, arising out of or otherwise in respect of:
 - (i) any claim against SHC by ERGO International AG (“**ERGO**”) in respect of SHC’s obligations in respect of certain representations and warranties and indemnities given under the sale and purchase agreement dated 20 June 2014 and entered into between SHC and ERGO in connection with the disposal of SHC’s then wholly-owned subsidiary (“**ERGO SPA**”) provided that SHC shall, if applicable, take all steps as required by the Major Shareholder

- (at the Major Shareholder's cost) to enforce SHC's rights under the ERGO SPA;
- (ii) subject to the limitations of liability under the SPA, any tax claim which has been made or may hereafter be made (i) in respect of or arising from any transaction effected or deemed to have been effected by or in relation to SHC, and any business of SHC before Completion or by reference to any income, profits or gains earned, accrued or received on or before Completion or any tax liability of SHC that would not have been payable had there been no breach of any tax warranties provided by SHC in the SPA or the entry of the SPA, subject to certain exceptions;
 - (iii) a breach of SHC's warranties under the SPA (including any indemnity claims paid out or to be paid by SHC, or for which SHC is or may be liable for under the SPA), subject to the limitations of liability under the SPA;
- (h) the SIC having granted the Vendors and its concert parties (and not having revoked or repealed such grant) a waiver of their obligation to make a mandatory offer under Rule 14 of the Code for the Shares not held by the Vendors and their concert parties and from having to comply with the requirements of Rule 14 of the Code including but not limited to pre-clearance from the SIC on any issues in connection with the Proposed Acquisition that the Vendors and/or SHC may consider necessary, subject to (i) any conditions or restrictions that the SIC may impose, provided that such conditions or restrictions are reasonably acceptable to SHC and the Vendors and their concert parties; and (ii) the Independent Shareholders approving at a general meeting of SHC the Proposed Whitewash Resolution;
- (i) the proposed acquisition of the Sale Shares by SHC ("**Proposed Acquisition**") upon the terms of the SPA being approved by the SGX-ST and/or any other relevant authorities and where such approval is obtained subject to any conditions or restrictions, such conditions or restrictions being reasonably acceptable to the Parties;
- (j) approval in-principle being obtained from the SGX-ST for the circular to be despatched to the shareholders of SHC in respect of the Proposed Acquisition (and where such approval in-principle is obtained subject to any conditions or restrictions, such conditions or restrictions being reasonably acceptable to the Parties) and the compliance by the parties to the SPA of all the conditions or restrictions which may be imposed by the SGX-ST in connection thereto;
- (k) receipt of a listing and quotation notice from the SGX-ST for the dealing in and quotation for the Consideration Shares on Catalist, such notice or approval not being revoked, rescinded or cancelled prior to Completion and, where such listing and quotation notice is obtained subject to any conditions or restrictions, such conditions or restrictions being reasonably acceptable to the Vendors and SHC;

- (l) the execution and delivery by the Major Shareholder of an undertaking in the agreed form to (i) vote in favour of the resolutions set out in paragraph (m) below at the EGM and (ii) not to sell, assign, give, transfer or otherwise dispose of their Shares until the conclusion of the EGM; and (iii) not to charge, mortgage pledge or otherwise encumber the shares or in any interest in their shares in a manner which may restrict their ability to comply with the undertaking given under this paragraph (l) where the undertakings pursuant to paragraphs (ii) and (iii) aforesaid shall be given within 2 weeks of the signing of the SPA and the undertakings pursuant to paragraph (i) shall be given no later than the date on which the Circular is submitted to the SGX-ST for clearance and approval of the transactions contemplated under the SPA;
- (m) SHC receiving the following approvals from its shareholders at an EGM to be convened, for:-
- (i) the acquisition of the Sale Shares for the Consideration;
 - (ii) the allotment and issue of the Consideration Shares as contemplated under the SPA;
 - (iii) the allotment and issue of the Placement Shares under the Proposed Compliance Placement;
 - (iv) the proposed share consolidation;
 - (v) the Proposed Whitewash Resolution;
 - (vi) the change of name of SHC to a name which does not include the words “SHC Capital” or any derivative thereof; and
 - (vii) all such other approvals required from SHC’s shareholders pursuant to applicable laws for the completion of the transactions contemplated under the SPA;
- (n) the execution and delivery of the deed of undertaking and warranty in the agreed form containing *inter alia*, certain indemnities and the applicable warranties under the SPA relating to the HAL Business and the DMC Business, the Restricted Business Undertaking, the ROFO Undertaking and the Management Rights Undertaking (“**Deed of Undertaking and Warranty**”) to SHC and its successors in title and its assigns by JMR and such Deed of Undertaking and Warranty remaining in full force and effect and not being revoked, rescinded or cancelled prior to Completion;
- (o) there being no delisting or suspension of the existing Shares of SHC from Catalyst prior to and on Completion (other than any temporary trading halt or suspension at the request of SHC or any trading halt or suspension which will be lifted prior to or upon Completion) and the Shares not being delisted or subject to any delisting procedures prior to and on Completion;

- (p) SHC being reasonably satisfied that there has been no material adverse change (i) in the business, assets, financial position or results of operations of the Asset Holding Companies and/or the Target Businesses, (ii) in the ability of the Vendors, the Corporate Vendor Nominees, the Previous Interest Holders, the Registered Shareholders, the Target Group Companies and/or the Asset Holding Companies to perform their respective obligations (where applicable) under this Agreement, and the Restructuring documents and/or to effect, consummate and/or agree to the relevant transactions as contemplated under, *inter alia*, the Restructuring ; or (iii) in the legality, validity or enforceability of, *inter alia*, the SPA or the Restructuring documents and/or the relevant transactions as contemplated under, *inter alia*, the Restructuring;
- (q) the delivery of disclosure letters by the Vendors or SHC (as the case may be), disclosing exceptions to the applicable warranties made under the SPA by the Vendors or SHC (as the case may be), being in an agreed form and duly accepted by SHC or the Vendors (as the case may be);
- (r) SHC being satisfied that the Target Group, Asset Holding Companies and/or the Target Businesses have no indebtedness or liabilities, save for (i) indebtedness or liabilities of a trading nature in the ordinary course of business in relation to the Target Businesses, (ii) the PHL Loan (if applicable) and (iii) in relation to the PHL Business, the BL Business and the HAL Business, such indebtedness owing by the relevant Asset Holding Companies to the Registered Shareholders, which will be offset against the amounts owing by the Registered Shareholders to the Asset Holding Companies by reason of the shares in the SingCo SPV to be issued and allotted to such Registered Shareholders in connection with the Restructuring, as directed by the Asset Holding Companies;
- (s) the Vendors being reasonably satisfied with the results of the due diligence (whether legal, financial, contractual, tax or otherwise) carried out or to be carried out by the Vendors and/or their advisers on SHC, including without limitation, records, financial position, accounts, results, tax, legal and corporate structure, and any other information disclosed to the Vendors;
- (t) the Vendors being reasonably satisfied that there has been no material adverse change, or events, acts or omissions likely to lead to such a material adverse change in the ability of SHC to perform its obligations (where applicable) under the SPA; and
- (u) each of YSH, FMI and (if applicable) any holding company of FMI and YSIL receiving any approvals required from its shareholders under applicable laws (including any applicable listing rules imposed by the SGX-ST or the Yangon Stock Exchange) in respect of the Proposed Acquisition and the transactions contemplated in connection therewith, for the entry of YSIL and/or FMI (as the case may be) into the SPA and any of the transactions contemplated under the SPA