
INTERESTED PERSON TRANSACTION – PROPOSED HOTEL DEVELOPMENT IN RESPECT OF THE LANDMARK DEVELOPMENT

*Reference is made to the announcements made by Yoma Strategic Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) on 19 November 2012, 18 December 2012, 8 February 2013, 15 March 2013, 18 April 2013, 16 June 2013, 1 October 2013 and 20 December 2013 (collectively, the “**Announcements**”) and the Company’s circulars dated 8 February 2013 and 15 July 2013 (collectively, the “**Circulars**”) in relation to the Company’s proposed acquisition of eighty per cent. (80%) interests in respect of the Landmark Development and the Proposed Rights Issue.*

Unless otherwise defined, all terms used herein shall be as defined in the Announcements and the Circulars.

PROPOSED JOINT VENTURE

1. Further to the announcement on 18 April 2013, the Board of Directors (the “**Board**”) is pleased to announce that the Company has entered into a definitive shareholders’ agreement (the “**Shareholders’ Agreement**”) on 28 January 2014 with, amongst others, The Hongkong and Shanghai Hotels, Limited (“**HSH**”), Peninsula International Investment Holdings Limited (“**PIIHL**”), a wholly-owned subsidiary of HSH, and First Myanmar Investment Co., Ltd. (“**FMI**”) in relation to the redevelopment of the former headquarters of the Burma Railway Company into “The Peninsula Yangon” (the “**Proposed Hotel Development**”).
2. The Shareholders’ Agreement is subject to a number of conditions precedent (the “**Conditions**”) including but not limited to, the issue of a master lease on the Landmark Development, the completion of the Company’s acquisition of 80% interest in Meeyahtha International Hotel Limited, the execution of an unencumbered sublease agreement for the Proposed Hotel Development site and the execution of other transaction documents and certain prescribed agreements such as a cost agreement and the suite of residences agreements in relation to the proposed Peninsula-branded residences in the Landmark Development.
3. Upon the satisfaction of certain specified Conditions, parties will subscribe for shares in Peninsula Yangon Pte. Limited (“**PYL**”) such that HSH through PIIHL will hold 70%, YSH through YSIL will hold 24% and FMI will hold 6% in PYL. All the Conditions must be fulfilled by 31 March 2015 or such other date the parties may agree otherwise before funding for the Proposed Hotel Development would proceed.

4. Subject to the terms of the Shareholders' Agreement and other transaction documents, costs for the Proposed Hotel Development will be funded by the shareholders of PYL in the proportion of their respective shareholdings. YSH's overall investment is about US\$30 million (equivalent to about S\$38 million), taking into account the value of the leasehold interest pertaining to the Proposed Hotel Development and current development cost estimates which are made on a number of assumptions.

SALIENT TERMS OF THE SHAREHOLDERS' AGREEMENT

5. It was agreed that for as long as FMI is a shareholder of PYL, it shall defer all shareholder and management decisions of FMI in the running of PYL and any of its subsidiaries to YSIL. The rights conferred upon YSIL and FMI shall be exercised on a joint basis and all obligations shall be assumed by both YSIL and FMI on a several basis.
6. Both YSIL and FMI have undertaken to manage the cost of executing and completing certain itemized works in relation to the Proposed Hotel Development. They have also guaranteed that the cost of executing and completing such works shall not exceed an agreed sum. The details of such an arrangement will be set out in a cost agreement to be agreed between the parties.
7. Both YSH and FMI have also undertaken that, prior to completion of the development of the Landmark Development, they shall not sell or transfer their interest in the Landmark Development excluding the Proposed Hotel Development and the Peninsula-branded residences (the "**Balance of the Landmark Development**") which would result in them not owning a majority interest in and/or losing voting and management control over the Balance of the Landmark Development.
8. It was agreed that no shareholder of PYL may sell, transfer, create options or encumbrance over or otherwise dispose of the legal or beneficial ownership of, or any interest in, any shares in PYL for a period of 5 years from the soft opening date of the Hotel, unless otherwise agreed in writing by all the other shareholders prior to any such disposition.
9. Both YSIL and FMI shall be deemed to have served a notice to sell their shares at the market value determined by an independent valuer where there is a change in control including but not limited to circumstances whereby the Pun family (comprising Serge Pun and/or any of his immediate family) ceases to hold at least 25% of YSH or FMI or the Pun family ceases to have the largest holding of beneficial interest in the issued share capital of YSH or FMI or the Pun family not having voting control on the board of YSH or FMI which would result in the Landmark Development, the Peninsula Yangon hotel project being adversely impacted.

INFORMATION ON HSH

10. HSH is listed on The Stock Exchange of Hong Kong. It is the holding company of a group which is engaged in the ownership, development and management of prestigious hotel, commercial and residential properties in key locations in Asia, the United States and Europe. The Board believes that the Proposed Hotel Development will further enhance the value of the Landmark Development.

INTERESTED PERSON TRANSACTION

11. Mr. Serge Pun is the Executive Chairman and a Controlling Shareholder of the Company, holding approximately 41.67% direct and deemed interests in the Company as at the date of this Announcement.
12. 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. The Shareholders' Agreement is therefore an interested person transaction under Chapter 9 of the Listing Manual.
13. Based on the latest audited consolidated financial statements of the Group as at 31 March 2013, the net tangible assets less non-controlling interest (the "NTA") of the Group is S\$357.5 million. The Company's proposed overall investment in the Proposed Hotel Development (based on current development estimates which are made on certain assumptions) represents 10.5% 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.

STATEMENT BY THE AUDIT AND RISK MANAGEMENT COMMITTEE

14. The Audit and Risk Management Committee of the Company is of the view that the Shareholders' Agreement is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

VALUE OF INTERESTED PERSON TRANSACTIONS

15. The aggregate value of all interested person transactions for the 6-month period ended 31 December 2013 with Mr. Serge Pun and his associates is S\$22.99 million and the aggregate value of all the interested person transactions for the financial year ended 31 March 2013 is S\$113.8 million.



The Board wishes to inform shareholders that the Company is in the process of determining the development cost for the Balance of the Landmark Development and it will make an announcement as and when it is appropriate.

ON BEHALF OF THE BOARD

Andrew Rickards
Chief Executive Officer
28 January 2014

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