
PROVISION OF SECURITY FOR RMB44 MILLION LOAN TO INTERESTED PERSON, MR. SERGE PUN

1 INTRODUCTION

The Board of Directors ("**Directors**") of Yoma Strategic Holdings Ltd. ("**Company**") refers to the announcement made by the Company on 12 August 2009 ("**Announcement**") relating to the loan of RMB22 million ("**Loan to Wyndale**") from Gifted Champion Limited ("**Lender**") to Wyndale International Limited ("**Wyndale**") and the call option in relation to the said loan.

It was mentioned in the Announcement that in connection with the financing deal for the Loan to Wyndale, the Lender has also agreed to grant a RMB44 million (approximately US\$6.4 million) loan to Allied Win Group Limited ("**AWG**"). The Directors wish to clarify that the RMB44 million (approximately US\$6.4 million) loan from the Lender is granted to Mr. Serge Pun ("**Loan to Serge Pun**"), instead of AWG. Further, AWG is 100% owned by Mr. Serge Pun and is not the holding company of Pridetop Limited and Delight Results Limited. The Loan to Serge Pun will be used by Mr. Serge Pun for his commitment in relation to loans to Winner Sight Investments Limited ("**WSI**"), a joint venture company incorporated in Hong Kong.

Further to the Announcement, the Directors wish to announce that its wholly-owned subsidiary, Wayville Investments Ltd ("**Wayville**") had on 29 August 2009 entered into an agreement ("**Agreement with Serge Pun**") with Mr. Serge Pun, relating to the provision of security by Wayville for the Loan to Serge Pun. The terms of the Agreement with Serge Pun are further set out below.

Wayville is a company incorporated in the British Virgin Islands and it is wholly-owned by Yoma Strategic Investments Ltd., a wholly-owned subsidiary of the Company. Wayville owns 100% shareholding in Wyndale, which holds the Company's 27% interest in WSI. WSI holds an investment in the Grand Central building ("**Grand Central**") in the People's Republic of China ("**PRC**"), through its wholly foreign-owned subsidiary in the PRC, SPA Grand Central (Dalian) Enterprise Co., Ltd (formerly known as SPA (Dalian) Property Development Co., Ltd).

2 AGREEMENT WITH SERGE PUN

Pursuant to the terms of the Agreement with Serge Pun, Wayville will provide 16.7% of its shares in Wyndale ("**Secured Shares**") as security for the Loan to Serge Pun ("**Provision of Security**"), for the period that the Loan to Serge Pun remains outstanding, up to a maximum of two (2) years from the date of drawdown of the Loan to Serge Pun. In consideration for the Provision of Security by Wayville, Wayville will receive half-yearly payments from Mr. Serge Pun of an annual fee equivalent to 2% of the value of the Secured Shares ("**Annual Fee**"). Wayville will also receive security from Mr. Serge Pun by way of a charge over 2.1 million ordinary shares in First Myanmar Investment Co., Ltd. ("**FMI**") held by Mr. Serge Pun and Yangon Land Co. Ltd, a company controlled by Mr Serge Pun ("**FMI Shares**"). FMI is a public company in Myanmar and its net asset value per share based on its latest audited accounts for the financial year ended 31 March 2008 is approximately S\$2.94. Accordingly, the net asset value of the FMI Shares as at 31 March 2008 is S\$6.74 million.

The value of the Secured Shares shall be calculated based on the Company's cost of investment in WSI as at the end of its financial year ended 31 March 2009 and adjusted for, *inter alia*, its additional equity in WSI arising from Wyndale's shareholder's contribution of US\$ 3.29 million to WSI and the interest on the Loan to Wyndale which was obtained for the purpose of the said shareholder's contribution.



The Annual Fee of 2% was arrived at after taking into consideration the prevailing market rate of banker's guarantee fee charged by commercial banks for loan transactions of similar terms and nature, and the usual rate charged by the Company in its provision of corporate guarantee for loans granted to its subsidiaries.

3 RATIONALE

The Directors have reviewed, *inter alia*, the terms of the Agreement with Serge Pun and are of the view that the Agreement with Serge Pun is in the best interests of the Company, as it will assist Mr. Serge Pun to satisfy his required contributions to WSI for the continued construction and development of the Grand Central. Further, the Annual Fee payable under the Agreement with Serge Pun provides a fee income to Wayville.

4 INTERESTED PERSON TRANSACTION

Mr. Serge Pun is a Director, the Chief Executive Officer and controlling shareholder of the Company holding approximately 50% interests in the Company as at the date of this announcement. He is therefore, considered an 'interested person' and the Agreement with Serge Pun is considered an 'interested person transaction', for the purpose of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**").

Based on the latest audited consolidated accounts of the Company and its subsidiaries ("**Group**") as at 31 March 2009, the net tangible assets ("**NTA**") of the Group is approximately S\$115 million. The transaction value of the Agreement with Serge Pun, being the value of the Secured Shares calculated in accordance with the basis described in paragraph 2 above plus an expected Annual Fee of 2% for two (2) years, is approximately S\$5.4million. This is equivalent to approximately 4.75% of the Group's latest NTA, hence the Agreement with Serge Pun is a discloseable transaction under Chapter 9 of the Listing Manual.

5 AGGREGATE VALUE OF INTERESTED PERSON TRANSACTIONS

Save for the Agreement with Serge Pun, the aggregate value of all interested person transactions entered into by the Group for the current financial year to-date was approximately S\$0.3 million, of which all were entered into with Mr. Serge Pun and his associates pursuant to the shareholders' mandate for interested person transactions, which was last renewed at the Company's annual general meeting held on 24 July 2009.

6 AUDIT COMMITTEE STATEMENT

The Audit Committee of the Company has reviewed, *inter alia*, the terms of the Agreement with Serge Pun and is of the view that the Agreement with Serge Pun is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.



7 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As described in paragraph 4 above, Mr. Serge Pun is interested in the Agreement with Serge Pun and he has abstained from voting in respect of the resolutions of the Board of Directors for the approval of the Agreement with Serge Pun.

Save as disclosed in this announcement, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Agreement with Serge Pun.

ON BEHALF OF THE BOARD

SERGE PUN
Chairman and CEO
30 August 2009

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