
**INTERESTED PERSON TRANSACTION PURSUANT TO CHAPTER 9 OF THE LISTING MANUAL
OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of Yoma Strategic Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s subsidiaries, Thanlyin Estate Development Limited (“**TED**”) and Star City International School Company Limited (“**SCIS**”) have on 23 December 2022 entered into a sale and purchase agreement (the “**SPA**”) with Yoma Bank Limited (“**YB**”) whereby TED and SCIS (collectively, the “**Vendors**”) will sell to YB and YB will purchase the Sale Land (as defined below).

2. INFORMATION ON THE SALE LAND

- 2.1 TED is the developer of the StarCity project in Thanlyin, Yangon. TED has been granted leasehold rights over the land located at Plot 1B, No. 14, Kyaik Khauk Pagoda Road, Star City, Thanlyin Township, Yangon, Myanmar measuring approximately 897,867 square feet and the buildings, structures and any constructions erected and/or to be erected thereon (the “**Land**”) under the land grant issued by the Department of Human Settlement and Housing Development (now known as Department of Urban and Housing Development), Ministry of Construction of Myanmar (“**DUHD**”) on 20 March 2018 (the “**Land Grant**”). The leasehold rights in the Land described in this Announcement are hereinafter referred to as the “**Leasehold Interest**”.
- 2.2 SCIS is a wholly-owned subsidiary of TED. Pursuant to a lease agreement dated 10 June 2019 as amended by an addendum dated 20 December 2021 between TED and SCIS, TED agreed to sublease the Leasehold Interest in the Land to SCIS for a term equivalent to the entire term of the Land Grant.
- 2.3 YB is a licensed bank in Myanmar and has leased for its headquarters two 3.5-storey buildings with a total floor area of approximately 178,019 square feet (the “**Buildings**”) located on the Land from TED (on behalf of SCIS) for a period of 10 years under a lease agreement dated 22 November 2021 (the “**YB Lease**”). YB is desirous in purchasing the entire Leasehold Interest in respect of the portion of the Land on which the Buildings have been erected and which measures approximately 226,705 square feet and includes the Buildings, structures and any constructions erected and/or to be erected thereon (the “**Sale Land**”).

3. PROPOSED DISPOSAL

- 3.1 **Proposed Disposal.** Pursuant to the SPA, the Vendors will sell and YB will purchase free from all encumbrances the Sale Land (by way of a transfer of the Leasehold Interest in respect thereof) at the Purchase Price (as defined below) (the “**Proposed Disposal**”).
- 3.2 **Conditions Precedent.** The Vendors shall:
- (a) Obtain a no-objection letter from DUHD for the Proposed Disposal within three (3) months from the date of the SPA;
 - (b) Take all the necessary steps, including utilising any instalments of the Purchase Price paid by YB, to discharge or procure the discharge (as applicable) of any existing encumbrances on the Sale Land within three (3) months from the date of the SPA; and
 - (c) Procure that the Company, being the ultimate parent company of the Vendors and listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), obtains its shareholders’ approval, by way of convening an extraordinary general meeting (“**EGM**”), for the Proposed Disposal.
- 3.3 **Purchase Price.** The total consideration for the Proposed Disposal is US\$40 million (the “**Purchase Price**”) and is to be satisfied in cash as follows:
- (a) Seventy-five percent (75%) of the Purchase Price shall be paid by YB to the Vendors within seven (7) Working Days upon the satisfactions of the conditions precedents as provided in paragraphs 3.2(a) and 3.2(c) of this Announcement; and
 - (b) Twenty-five percent (25%) of the Purchase Price shall be paid by YB to the Vendors on the Completion Date.

For the purposes of this Announcement, a “**Working Day**” shall mean any day other than a Saturday, Sunday or public holiday in Myanmar, and “**Completion Date**” shall mean the date on which completion of the sale and purchase of the Sale Land takes place in accordance with the terms of the SPA.

- 3.4 **Completion.** Completion is expected to take place by 22 March 2023 (or such other date as may be agreed between TED, SCIS and YB).
- 3.5 **Termination.** The Vendors shall have the right to treat the SPA as having been repudiated by YB in relation to a Purchase Price or interest payment failure if any or any part of any instalment or amount of the Purchase Price and interest payment remains unpaid for more than fourteen (14) Working Days after expiry of the due date for such payment. Upon such termination, the Vendors have the right to:
- (a) Subject to any requirements or restrictions applicable to sale or other disposal under the YB Lease, resell or otherwise dispose of the Sale Land as if the SPA had not been entered into;

- (b) Recover from amounts previously paid by YB all interest owing and unpaid under the SPA as at the date of annulment; and
- (c) Forfeit and keep thirty percent (30%) of the Purchase Price from amounts (excluding interest) previously paid by YB.

4. RATIONALE AND BENEFIT FOR THE PROPOSED DISPOSAL

As previously disclosed in the Company's financial results announcement for the 12-month period ended 30 September 2022, the Group will continue to focus on cost discipline and generating positive cashflow to improve the Group's balance sheet. The Proposed Disposal is in line with the Group's strategy to de-leverage through asset sales to generate such positive cashflow. In addition, the Purchase Price of US\$40 million (before netting off transaction costs and taxes) represents approximately 1.75 times and 1.22 times over the historical cost and the carrying value of the Sale Land respectively.

5. INDEPENDENT VALUATION OF THE SALE LAND

Colliers International Consultancy & Valuation (Singapore) Pte Ltd (the "Independent Valuer") was jointly appointed by YB and the Company to provide an independent valuation of the Sale Land. Based on the valuation of the Sale Land by the Independent Valuer as at 31 July 2022, the value of the Sale Land is US\$40 million. The said valuation was derived by using the depreciated replacement cost method and income method.

6. INTERESTED PERSON TRANSACTION

- 6.1 **Interested Persons.** As at the date of this Announcement, Mr. Serge Pun is the executive chairman and controlling shareholder of the Company, holding approximately 28.13% direct and deemed interests in the Company. Mr. Serge Pun is also the executive chairman and controlling shareholder of First Myanmar Investment Public Co., Ltd which has a 61.99% interest in YB. Accordingly, YB is an interested person of the Company, as defined under Chapter 9 of the SGX-ST Listing Manual (the "**Listing Manual**"), by virtue of it being an associate of a Director and a controlling shareholder of the Company, and Mr. Serge Pun is an interested person of the Company by virtue of him being a Director and a controlling shareholder of the Company.
- 6.2 **Shareholders' Approval.** The Purchase Price of US\$40 million represents approximately 8.57% of the latest audited net tangible assets (approximately US\$466.59 million) of the Company as at 30 September 2021. Therefore, the Proposed Disposal is subject to the approval of Shareholders under Rule 906(1) of the Listing Manual. As required under the Listing Manual, Mr. Serge Pun and his associates (as defined under the Listing Manual) will abstain from voting on the resolution to be tabled at the EGM to approve the Proposed Disposal.

- (a) **Current and On-going Interested Person Transactions.** The table below sets out the aggregate value of all transactions between: (i) YB and Mr. Serge Pun and his associates; and (ii) the Group for the current financial year commencing 1 October 2021 up to the date of this Announcement. There are no other interested person transactions other than those disclosed below.

Transactions conducted under the shareholders' mandate	Amount (US\$' million)	Percentage of the Group's latest audited net tangible assets ("NTA") (%)
Interested person transactions with YB and Mr. Serge Pun and his associates	18.58	3.98%

Transactions that are not conducted under the shareholders' mandate	Amount (US\$' million)	Percentage of the Group's latest audited net tangible assets ("NTA") (%)
Interested person transactions with YB and Mr. Serge Pun and his associates	56.43	12.10%

The figures above include the Purchase Price and exclude transactions which are less than S\$100,000.

6.3 Statement by the Audit and Risk Management Committee.

- (a) The Audit and Risk Management Committee comprises Ms. Wong Su Yen, Dato Timothy Ong Teck Mong, and Mr. George Thia Peng Heok. The Chairman of the Audit and Risk Management Committee is Mr. George Thia Peng Heok.
- (b) Having considered: (i) the terms of and rationale for the Proposed Disposal; (ii) that the Independent Valuer has estimated that the market value of the Sale Land is US\$40 million; and (iii) that the approach used by the Independent Valuer in arriving at its opinion is consistent with market standards, the Audit and Risk Management Committee is of the view that the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

7. FINANCIAL EFFECTS

7.1 **Bases and Assumptions.** The *pro forma* financial effects of the Proposed Disposal set out below are purely for illustrative purposes only and do not reflect the actual financial results or positions of the Group after the completion of the Proposal Disposal. No representation is made as to the actual financial position and/or results of the Company after completion of the Proposed Disposal. The financial effects of the Proposed Disposal have been prepared based on the unaudited financial statements of the Group for the 12-month period ended 30 September 2022 (“**12M-Sept2022**”) and before taking into account fees and expenses to be incurred.

7.2 Share Capital

As at 30 September 2022	Before the Proposed Disposal	After the Proposed Disposal
Issued and paid up share capital (US\$'000)	624,890	624,890
Number of Shares ('000)	2,237,469	2,237,469

Note:-

(1) The share capital after the Proposed Disposal was computed based on the assumption that the Proposed Disposal was completed on 30 September 2022.

7.3 Net Tangible Assets (NTA)

As at 30 September 2022	Before the Proposed Disposal	After the Proposed Disposal
NTA ⁽¹⁾ (US\$'000)	451,247	454,698
Number of Shares ('000)	2,237,469	2,237,469
NTA per Share (cents)	20.17	20.32

Note:-

(1) NTA refers to net tangible assets attributable to equity holders of the Company.

(2) The NTA after the Proposed Disposal was computed based on the assumption that the Proposed Disposal was completed on 30 September 2022 and includes a disposal gain of approximately US\$3.45 million attributable to the Group.

7.4 Basic Earnings Per Share (Basic EPS)

12M-Sept2022	Before the Proposed Disposal	After the Proposed Disposal
Net Profit attributable to equity holders of the Company (US\$'000)	(23,929)	(22,057)
Weighted Average Number of Shares ('000)	2,237,469	2,237,469
Basic EPS (cents)	(1.07)	(0.99)

Note:-

- (1) The basic EPS after the Proposed Disposal was computed based on the assumption that the Proposed Disposal was completed on 1 October 2021.
- (2) The net loss attributable to the equity holders of the Company after the Proposed Disposal excludes the leasing income on the Sale Land and includes a disposal gain of approximately US\$3.45 million attributable to the Group.
- (3) After adjusting for the perpetual securities distribution paid during 12M-Sept2022.

8 FURTHER INFORMATION

- 8.1 Interests of Directors and Substantial Shareholders.** Save as disclosed in this Announcement and other than their respective shareholdings in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct and indirect, in the Proposed Disposal.
- 8.2 Directors' Service Contracts.** No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.
- 8.3 Circular.** The circular to Shareholders containing further details on the Proposed Disposal will be despatched to Shareholders in due course.
- 8.4 Documents for Inspection.** The following documents are available for inspection during normal business hours at the registered office of the Company at 63 Mohamed Sultan Road #02-14 Singapore 239002, for a period of three (3) months commencing from the date of this Announcement:
- (a) The SPA; and
 - (b) The valuation report in relation to the independent valuation of the Sale Land.



BY ORDER OF THE BOARD

Melvyn Pun
Chief Executive Officer
27 December 2022

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