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Yoma Strategic finalises major asset purchases Landmark development progresses

- **Proposed increase in land bank at the Group’s flagship Pun Hlaing Golf Estate¹ (“PHGE”) and purchase of operating rights in the Golf and Country Club at PHGE**
- **Automotive division to be expanded with the proposed acquisition of the established New Holland tractors and farm equipment business**
- **Commencement of the redevelopment of former Burma Railway Headquarters into Yangon’s leading luxury hotel**
- **Acquisitions to be funded via a proposed 1 for 3 Rights Issue at S\$0.38 per share**

Singapore, 3 September 2014 – Yoma Strategic Holdings Ltd. (“**祐玛战略控股有限公司**”, “Yoma Strategic” or collectively with its subsidiaries, the “Group”) will be boosting its diversified business portfolio in Myanmar with the additional acquisition of economic interests of LDRs in its signature property development, PHGE, and adding New Holland tractors and farm equipment to its automotive product offerings.

Pun Hlaing Golf Estate (PHGE)

Yoma Strategic’s flagship high-end residential property development at PHGE will be expanded with the acquisition of economic interests of additional LDRs for future residential and commercial developments. Yoma Strategic had previously launched a number of successful project developments within PHGE such as Ivory Court Residence, Lakeview Apartments, Ivory Court Villas, Rose Garden Villas and Bamboo Grove Garden Villas all of which have been received favourably in the market. The new LDRs will be used to add more residences along with commercial developments to cater to the increased demand from the existing and projected future occupants at PHGE. The total land area represented by the LDRs being acquired for these new developments totals approximately 31.3 acres. In addition the

¹ PHGE is an integrated development project with residential units, a Gary Player-designed 18-hole championship golf course, a clubhouse, a sports complex and other facilities. PHGE is built on a 652-acre peninsula between the Hlaing River and the Pan Hlaing River in Hlaing Tharyar Township, approximately 13 kilometres from downtown Yangon. PHGE offers a full range of independent utilities, infrastructure and estate management services which differentiates it from other competing developments in Myanmar.

Group is acquiring economic interests in an additional 12.0 acres of LDRs adjacent to the Early Years Centre managed by Harrow International Management Services to be used for the development of an international school.

The Group is also acquiring the rights to operate the PHGE Golf and Country Club which includes approximately 219.2 acres of the golf course.

Commenting on the acquisitions, Andrew Rickards, CEO of Yoma Strategic said, “PHGE has established itself as one of the most desirable locations to live in Myanmar today and we are delighted with the opportunity to expand the number of developments on the estate. The acquisitions include areas designated for commercial developments, including the extension of the Pun Hlaing hotel and the international school, previously announced projects, which we believe are important to ensure the continued success of the estate. The acquisition of the rights to manage and further develop the PHGE Golf and Country Club is also an important step in continuing to enhance the quality of life on the estate”.

The total consideration payable to Serge Pun & Associates (Myanmar) Limited and its associates (the “SPA Group”) for the economic interests in LDRs and businesses at PHGE is S\$95.9m. This consideration is principally based on the midpoint between two independent valuations, Jones Lang LaSalle (“JLLS”) commissioned by the Company and Robert Khan & Co Pte Ltd commissioned by the SPA Group, less a 2 per cent discount in the LDRs. The 2% discount was not applied to the LDRs designated for the development of the international school and the 20% interest in the 2.19 acres LDRs designated for the development of Pun Hlaing hotel as SPA Group had decided not to commission an independent valuation and, consequently, the consideration for these LDRs was solely based on valuations commissioned by the Company’s independent valuer, JLLS.

Automotive

The Group had previously announced that it was reviewing the portfolio of automotive businesses within the SPA Group. Subsequent to that the Company decided to acquire 100% interest in Convenience Prosperity Co., Ltd (“CPCL”) from SPA Group. CPCL is an authorised dealer of New Holland tractors and farm equipment in Myanmar.

CPCL has branches and/or dealerships in 10 cities across the country and offers the distribution and servicing of imported New Holland farm equipment to local farming communities. It is developing a broad customer base consisting of government ministries, agribusinesses, village collectives and individual farmers.

For the financial year ended 31 March 2014, CPCL posted a net income of S\$0.4 million and maintained a stock of 176 tractors and 306 units of implements for tractors. The Group believes that CPCL will offer significant synergies to a number of its existing businesses, including the Agriculture Division and the leasing business, Yoma Fleet.

Based on the valuation by the Company's independent valuer, JLLS, the consideration payable for 100% interest in CPCL is S\$2.8 million. In addition, the Company will also be assigned and pay for a shareholders' loan amounting to S\$12.0 million which was advanced by the shareholders to CPCL to acquire tractors and implements for tractors. Collectively, the acquisition price for CPCL will amount to approximately S\$14.8 million

Landmark

On 16 June 2014 the Group announced that it would be moving forward with the Landmark development by acquiring the remaining terms of the leases of the Landmark development sites on an as-is basis whilst at the same time continuing to work with the SPA Group on getting the leases extended. The Group is pleased to announce that the redevelopment of the former Ministry of Rail Headquarters has commenced as both the Ministry of Railways Transportation and the Myanmar Investment Commission have ruled that such works may proceed. Given this, both SPA and Yoma Strategic are confident that the leases of the Landmark development sites will be extended in due course.

Rights Issue

As announced by the Company on 24 June 2014, the Company is proposing to undertake a 1 for 3 renounceable non-underwritten rights issue of up to 430.7 million Rights Shares at an issue price of S\$0.38 for each Rights Share.

The Issue Price of S\$0.38 represents a discount of approximately 46.48% and 39.63% to the closing price of S\$0.71 per Share on the SGX-ST and the theoretical ex-rights trading price of S\$0.63 per Share as at 2nd September 2014, being the last trading day preceding the date of the announcement.

Assuming that the Proposed Rights Issue is fully subscribed and the vested options under the Company's ESOS scheme will be exercised with new shares allotted and issued, the net proceeds of the Proposed Rights Issue will amount to approximately S\$163.9 million, which will be used to fund the following:

- US\$43.2 million (approximately S\$54.0 million) to satisfy the First Payment of the Proposed Variations to the Proposed Landmark Acquisition
- US\$76.8 million (approximately S\$95.9 million) to satisfy the Proposed PHGE and PHGE Golf and Country Club Acquisition
- US\$11.8 million (approximately S\$14.8 million) to satisfy the Proposed CPCL Acquisition

The shortfall of approximately S\$0.8 million will be funded out of the Company's internal resources.

The Company intends to convene an Extraordinary General Meeting ("EGM") to seek shareholders' approval for the Proposed Variations to the Proposed Landmark Acquisition, the Proposed Acquisition of PHGE and PHGE Golf and Country Club, the Proposed CPCL Acquisition and the Proposed Rights Issue (together, the "Transactions"). The Circular containing further information on, among other things, the Transactions will be issued by the Company and despatched to its shareholders in due course.

The timing of the EGM and the proposed Rights Issue is dependent, inter alia, on the SGX review and approval of the Circular. The Company will update shareholders as to the likely timing in due course.

Telecommunications and Education

In addition to today's announcements, the Group announced on 28 August 2014 that it had acquired the 20% interest in YSH Finance Limited ("YSH Finance") from First Myanmar Investment Co., Ltd.. YSH Finance's holds a 25% shareholding in Digicel Asian Holdings Pte Limited which operates the Group's telecommunications tower business alongside Digicel Group Limited. Upon the acquisition, the Group's interest in the telecoms tower business has increased from 20% to an effective 25% such that YSH Finance is now a wholly-owned subsidiary of the Group.

In addition, the Group announced that it had acquired a 70% effective interest in 20.3 acres of LDRs in the Thanlyin Township, Yangon from SPA Group. The land, which is adjacent to Yoma Strategic's major development at Star City, will be developed into an international school to be opened with Education Index Management, overseen by Dulwich College International with Dulwich College in London as educational adviser.

These two acquisitions cost S\$11.6 million in total and were funded by the proceeds from the placement completed in July 2014.

Serge Pun, Yoma Strategic's Executive Chairman remarked, "The developments announced by Yoma Strategic over the past few days are more steps in the creation of Myanmar's leading conglomerate. I believe that as Yoma Strategic gains more control of its assets, it will be able to create depth to its existing businesses in Myanmar and contribute better to Myanmar's future landscape."

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Note: This Press Release is to be read in conjunction with the announcements issued on SGXnet on 3 September 2014.

About Yoma Strategic Holdings Ltd. (www.yomastrategic.com)

Listed on the Main Board of the Singapore Securities Exchange Trading Limited (SGX-ST), Yoma Strategic Holdings Ltd. is a leading business corporation with real estate, agriculture, automotive and luxury tourism businesses in Myanmar. Together with its partner, the SPA Group, the Group is taking a conglomerate approach to build a diversified portfolio of businesses in Myanmar.

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