
UPDATE ON THE PROPOSED SPIN-OFF OF THE GROUP'S TOURISM RELATED BUSINESSES ON THE CATALYST BOARD OF THE SGX-ST – UPDATE ON THE RESTRUCTURING

Reference is made to the announcements of Yoma Strategic Holdings Ltd. (the “Company”, together with its subsidiaries, referred to as the “Group”) dated 24 October 2016, 23 December 2016, 30 June 2017 and 17 August 2017 in relation to the proposed sale of the Transferred Business pursuant to the Proposed Reverse Takeover (collectively, the “Announcements”). Unless otherwise defined, capitalised terms used herein shall bear the meanings ascribed to the in the Company’s Announcements.

The Board of Directors of the Company (“Board”) refers to the Announcements.

THE RESTRUCTURING

The Board wishes to inform the shareholders of the Company (“Shareholders”) that as part of the Restructuring of the Target Businesses under the Target pursuant to the terms of the Amended and Restated SPA and the Amended and Restated MSID, YSIL has increased its stake in MM Myanmar Pte. Ltd. (also referred to as the “Target”) from 50% (FMI held the remaining 50%) to 63.05%. The initial issued and paid up capital of the Target was S\$2. The latest structure of the Target and its wholly-owned subsidiaries comprising MM (PHL) Pte. Ltd., MM (BOB) Pte. Ltd., MM (BL) Pte. Ltd. and MM (HAL) Pte. Ltd. and MM (DMC) Pte. Ltd. (“SPVs”) is as set out in Annex 1 to this Announcement.

As of the date of this Announcement, the revised shareholding in the Target is as follows:

Shareholder	Number of new Target Shares issued	Total Number of Target Shares held	Shareholding Percentages
FMI	11,032,172	11,032,173	15.83%
YSIL	43,941,736	43,941,737	63.05%
EVL	14,720,318	14,720,318	21.12%
<u>Total</u>	<u>69,694,226</u>	<u>69,694,228</u>	<u>100%</u>

The issued and paid up capital of the Target of S\$69,694,228 issued in consideration to FMI, YSIL and EVL (collectively, referred to as the “Vendors”) for the injection of the relevant Target Businesses was determined on the basis of the aggregate consideration for the Proposed Sale under the Amended and Restated SPA. Pursuant to the new shares issued and allotted to the Vendors, the Target is now a 63.05% indirect subsidiary of the Company and reflected as “Disposal Group Classified as Held-for-sale” in the financial statements of the Group.

DESCRIPTION OF THE BUSINESSES

The BOB Business and BL Business were originally held in a 70-30 joint investment between YSIL and FMI, through the joint investment company Chindwin Holdings Pte. Ltd, and the Restructuring serves to consolidate the Group's tourism-related assets under the same entity, and FMI was issued 11,032,173 ordinary paid up shares in the share capital of the Target ("Target Shares"), inclusive of the initial issued and paid up of 1 Target Share held by FMI, at an aggregate consideration of S\$11,032,173, in proportion to its interests in the BOB Business and the BL Business.

The PHL Business reflects YSIL's new contribution to the joint venture, being the on-going hotel development currently being constructed and developed on a parcel of land of 2.196 acres, located in Pun Hlaing Estate, Hlaing Tharyar Township, Yangon, Myanmar. YSIL was issued an aggregate of 43,941,737 new Target Shares, inclusive of the initial issued and paid up of 1 Target Share held by YSIL, at an aggregate consideration of S\$43,941,737 for its proportionate interests in the BOB Business and the BL Business, and its interests in the PHL Business.

Pursuant to the Restructuring, the Group shall have acquired two new businesses from EVL, being the DMC Business and the HAL Business through:

- (a) the ownership of certain interests (including economic interest) in respect of 100% of the issued shares of TLH, which currently owns, manages and holds the HAL Business; and
- (b) the ownership of 60% of the issued shares of AHTT, which currently owns, operates, manages and holds the DMC Business, and certain interests (including economic interest) in respect of the remaining issued shares of AHTT.

The HAL Business refers to the hotel/lodge business operating under the name of "Hpa-An Lodge" and located on three plots of land of an aggregate 2.48 acres in Hpa An Township, Karen State, Myanmar. The DMC Business refers to the tourism and destination management businesses operating under the name "Asia Holidays", which organises tours in Myanmar. EVL was issued an aggregate of 14,720,318 new Target Shares at an aggregate consideration of S\$14,720,318 for its interests in the DMC Business and the HAL Business.

The number of new Target Shares issued to each of YSIL, FMI and EVL are determined in proportion to their respective consideration due under the Amended and Restated SPA.

NON-DISCLOSEABLE TRANSACTION

Please refer to the Company's announcement dated 24 October 2016. The Proposed Sale is a non-disclosable transaction pursuant to Chapter 10 of the Listing Rules of the Main Board of the SGX-ST (the "Listing Rules").



None of PHLML, 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 Restructuring does not require the approval of the shareholders of the Company ("Shareholders") under Rule 805 of the Listing Rules.

INTERESTED PERSON TRANSACTION

Please refer to the Company's announcement dated 24 October 2016.

FMI is an interested person of the Company for the purposes of Chapter 9 of the Listing Manual. The proposed incorporation of the Target and the Restructuring 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 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 are not prejudicial to the interests of the Company and its minority shareholders.

Other than as disclosed in this Announcement, 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 Target or the SPVs or HAL MM Co and BL MM Co, save for their respective interests in the Shares of the Company.

FINANCIAL EFFECTS OF THE RESTRUCTURING

The Restructuring is not expected to have a material impact on the consolidated net tangible assets per share and the consolidated earnings per share of the Company for the financial year ending 31 March 2018.

CAUTIONARY STATEMENT

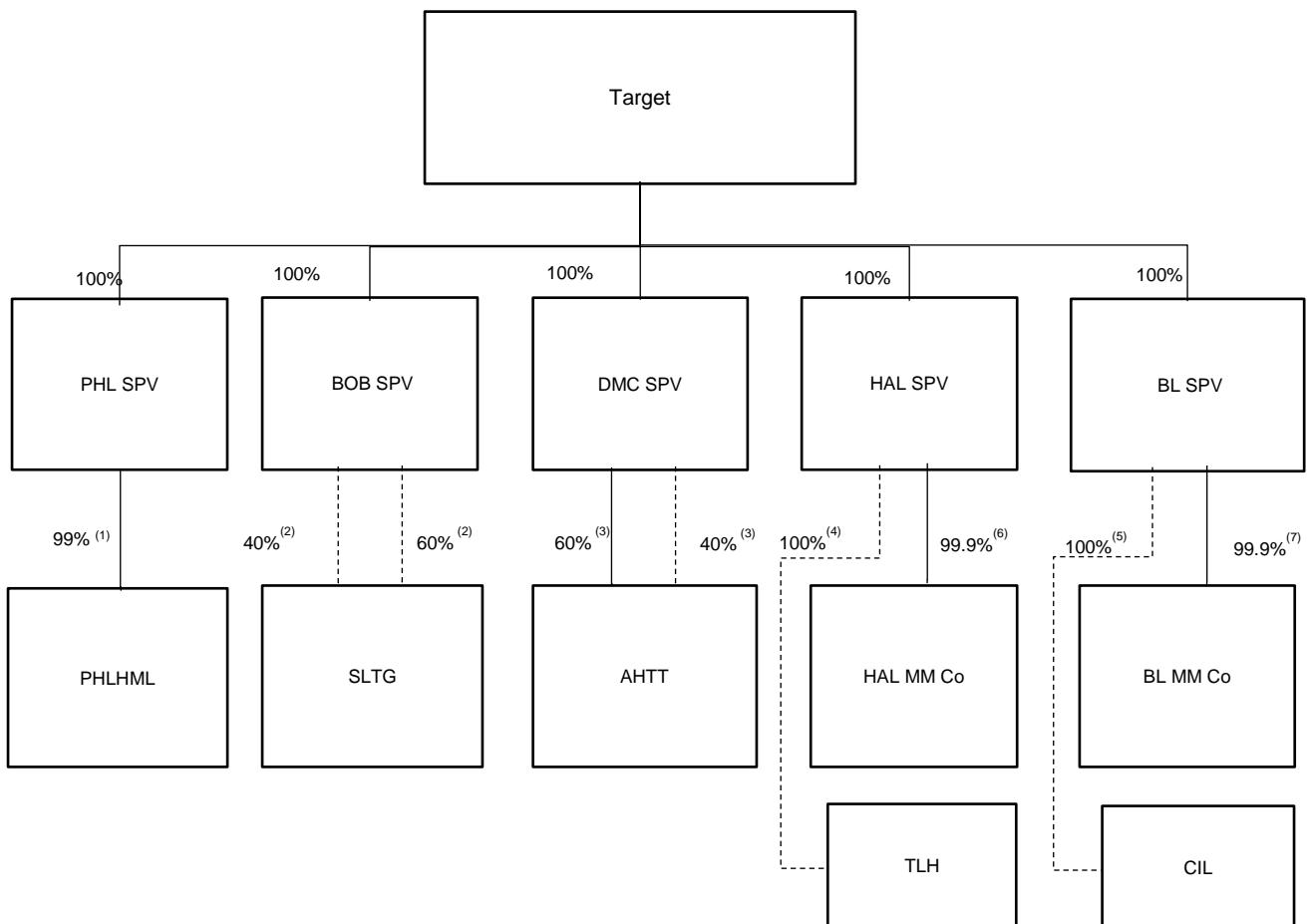
The Board would like to advise Shareholders that the completion of the Proposed Sale and the transactions relating to or in connection with the Proposed Sale are subject to conditions precedents being fulfilled, and including any regulatory approvals that may be required, and there is no certainty or 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
17 August 2017

ANNEX 1

CORPORATE STRUCTURE OF THE TARGET GROUP AS OF THE DATE OF THIS ANNOUNCEMENT



Notes:

- (1) The remaining 1.0% equity interest of PHLHML is held directly by Target.
- (2) BOB SPV has submitted the shares transfer in respect of 40% of the issued share capital of SLTG, which is pending approval from the MIC. In the interim, the BOB SPV holds certain interests (including economic interests) over both the 40% of the issued share capital of SLTG and the remaining 60% of the issued share capital of SLTG. Upon obtaining MIC's approval, BOB SPV is contemplated to secure the legal and beneficial ownership of the 40% of the issued shares capital of SLTG, which will result in a completion of the Restructuring.



- (3) Following the completion of the DMC SPA, DMC SPV holds the legal and beneficial ownership of 60.1% of the issued share capital of AHTT. DMC SPV holds certain interests (including economic interests) over the remaining 39.9% of the issued share capital of AHTT. Further to the additional restructuring contemplated under the Amended and Restated SPA, DMC SPV shall subsequently hold the legal and beneficial ownership of 59.9% of the issued share capital of AHTT and certain interests (including economic interests) over the remaining 40.1% of the issued share capital of AHTT.
- (4) HAL SPV holds certain interests (including economic interests) over 100% of the issued share capital of TLH.
- (5) BL SPV holds certain interests (including economic interests) over 100% of the issued share capital of CIL.
- (6) The remaining 0.1% equity interest of HAL MM Co is held directly by Target.
- (7) The remaining 0.1% equity interest of BL MM Co is held directly by Target.