
**THE PROPOSED SPIN-OFF OF THE GROUP'S TOURISM RELATED BUSINESSES
ON THE CATALIST BOARD OF THE SGX-ST –**

- A. ENTRY INTO AGREEMENTS**
B. LODGEMENT AND DESPATCH OF CIRCULAR BY SHC CAPITAL ASIA LIMITED
C. PROPOSED CHANGE IN BOARD COMPOSITION
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Reference is made to the announcements of Yoma Strategic Holdings Ltd. (the "**Company**") dated 24 October 2016, 23 December 2016, 30 June 2017, 17 August 2017, 26 September 2017, and 29 September 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 them in the Company's Announcements.

The Board of Directors of the Company ("**Board**") refers to the Announcements on the Proposed Sale.

A. ENTRY INTO AGREEMENTS

1. In connection with the Proposed Sale, YSIL and the relevant subsidiaries of the Company had entered into, *inter alia*, the following agreements:
- (a) deeds of undertaking between SHC, YSIL and FMI in respect of the buyback of the BOB Business and/or the BL Business ("**Buyback Undertaking (BOB Business and BL Business)**") upon the occurrence of certain Potential Buyback Events (as defined hereunder) on 20 November 2017; and
 - (b) the second amendment and restatement to the Amended and Restated MSID ("**2nd Amended and Restated MSID**") between, *inter alia*, the Vendors, the relevant subsidiaries of the Company, and certain other registered shareholders of the Target Group Companies on 19 November 2017.

The Buyback Undertaking (BOB Business and BL Business) shall take effect on Completion.

2. Buyback Undertaking (BOB Business and BL Business)

Since the completion of the BL APA (being the asset purchase agreement of the BL Business, entered into as part of the Restructuring, as defined in the 17 August Announcement) will not take place as of Completion; and further given that certain material licenses relating to the BOB Business are subject to renewal after Completion, SHC, YSIL and FMI have entered into the Buyback Undertaking (BOB Business and BL Business) pursuant to which each of YSIL and FMI undertakes, *inter alia*, the following:

In relation to the BOB Business

- (i) if at any time on or prior to 31 December 2018, BOB SPV is required to reduce its ownership of shares in SLTG to below a 40% shareholding percentage as a condition or requirement of, or otherwise in connection with, the obtaining, renewing or maintaining the Air Operator Certificates, the Tour Operation Enterprise Licence and Tourist Transport Business Licence for the purposes of the BOB Business

In relation to the BL Business

- (ii) if at any time within the period of three (3) years following the Completion, a Final Ruling is made by the relevant authorities that the BL Land has been demarcated as a heritage site and is otherwise not permitted or approved for any commercial development;
- (iii) if at any time within the period of three (3) years following the Completion, a Final Ruling is made by the MIC to reject the application for MIC Endorsement or MIC Permit (as applicable) for the Long Term Lease¹ of the BL Land or otherwise to deny BL MM Co the right to hold or be granted the Long Term Lease of the BL Land; or
- (iv) at the end of three (3) years following the Completion, either the MIC Endorsement or MIC Permit (as applicable) for the Long Term Lease of the BL Land in favour of BL MM Co has not been obtained, or BL MM Co has otherwise not obtained all relevant approvals as required under the prevailing laws to allow it to hold or be granted a Long Term Lease of the BL Land,

SHC will take steps to effect the Potential Buyback (as defined below) of the BOB Business and/or BL Business (as applicable), as further elaborated in below, and YSIL and FMI shall be irrevocably and unconditionally obliged to, and take all such steps necessary or relevant for purposes of completing the purchase of the relevant Target Business which is the subject of the Potential Buyback at the relevant Buyback Consideration (as defined below).

The Corporate Vendor and JMR had also provided similar undertakings in respect of the buyback of the HAL Business upon the occurrence of certain potential buyback events. Please refer to the announcement made by SHC on 20 November 2017 for more details of the undertakings.

¹ Comprising a lease of up to 50 years in respect of the BL Land, which may be extended for two consecutive periods of up to 10 years each (“**Long Term Lease**”) or such lesser initial period as otherwise set out in the Amended and Restated SPA or as otherwise agreed to by SHC under the Amended and Restated SPA or as may otherwise be acceptable to SHC, and approved or endorsed by MIC.

Where, as used above:

“Potential Buyback” means, where applicable, a buyback of the BOB Business and/or BL Business by YSIL and FMI upon the occurrence of a Potential Buyback Event.

“Potential Buyback Event” means, the occurrence of any of the following events in relation to the BOB Business and/or BL Business (as the case may be) as set out below, and pursuant to which SHC is required to take steps to effect a Potential Buyback of such business to YSIL and FMI.

A **“Final Ruling”** is deemed to have been made only if in the reasonable opinion of the new Board of Directors of SHC post-Completion (**“SHC New Board”**):

- (a) a final ruling, determination or finding has been made by the relevant authorities from which there are no other or further appeals that may be made, either within the same ministry or agency or other relevant authority, or any other ministry, agency or relevant authority; and
- (b) there are no other methods, avenues or recourse of overruling, re-interpreting or bypassing or otherwise supplementing varying or modifying any ruling, determination or finding referred to in (a) above, including through re-submission, amendment or modification of any applications previously submitted.

In forming its view as aforesaid, the SHC New Board is entitled to seek and rely on such legal and other professional expert advice as they deem fit or appropriate, and any SHC director who is interested in the Potential Buyback (whether directly or through his associates) shall recuse himself from any deliberations or decision in relation thereto.

Potential Buyback Terms

Further to the Buyback Undertaking (BOB Business and BL Business, YSIL and FMI agreed that in the event of the occurrence of a Potential Buyback Event in relation to any of the BOB Business, and/or the BL Business (as the case may be), SHC post-Completion shall, subject to compliance with the provisions of the Buyback Undertaking (BOB Business and BL Business, effect a disposal of such relevant business to which the Potential Buyback Event applies back to YSIL and FMI (in accordance to their respective pro rata interests) for cash.

The cash consideration (“**Buyback Consideration**”) payable by YSIL and FMI for the Potential Buyback of the BOB Business, and/or the BL Business (as the case may be) shall be the same dollar amount paid by SHC for such relevant Target Business pursuant to the Proposed Sale:

Target Business	Cash Consideration Payable by YSIL (SGD)	Buyback Payable by FMI (SGD)
BOB Business	17,546,802	7,520,058
BL Business	8,194,935	3,512,115

Each Potential Buyback of the relevant Target Business shall be treated an interested person transaction of SHC and shall be subject to all the requirements as set out under Chapter 9 of the Catalist Rules, including the approval of the independent shareholders of SHC at an extraordinary general meeting. YSIL and FMI, and their respective associates shall abstain from voting at such extraordinary general meeting of SHC. Subject to such SHC shareholders’ approval, YSIL and FMI shall be irrevocably and unconditionally obliged to, and take all such steps necessary or relevant for purposes of completing the purchase of the relevant Target Business which is the subject of the Potential Buyback at the relevant Buyback Consideration. Further details on the Buyback Undertaking (BOB Business and BL Business are available in the SHC Circular (as defined below).

Non-Disclosable Transaction

The buyback of the BOB Business and/or the BL Business in the event that a Potential Buyback Event is triggered is a non-disclosable transaction pursuant to Chapter 10 of the Listing Rules of the Main Board of the SGX-ST (the “**Listing Rules**”) on the date of entry into the Buyback Undertaking (BOB Business and BL Business). Based on the latest audited financial results of the Group, as at 31 March 2017, the book value of the BOB Business as carried out under SLTG is approximately S\$3.32 million, and the net tangible asset value is approximately S\$2.58 million; and the book value and net tangible asset value of the BL Business as carried out under CIL is approximately S\$6.97 million.

3. **2nd Amended and Restated MSID**

The parties to the 2nd Amended and Restated MSID had agreed to make further modifications and amendments to the Amended and Restated MSID relating to certain restructuring items. Amongst other modifications, each of the registered shareholders of the asset holding companies of the Target Businesses had agreed to execute and deliver all such instruments, documents and declarations and do all such things to ensure that the SingCo SPVs will at all times be vested with and benefit from all rights and interests that they are supposed to have under the deeds of assignment (“**DOA**”) of economic interest. Further to the above, each of the registered shareholders agreed that, subject to prevailing laws, it shall as soon as reasonably practicable upon written request from the relevant SingCo SPV: (a) appoint such person(s) (other than that SingCo SPV) as that SingCo SPV may designate or nominate from time to time as the attorney(s) under the relevant Special Power of Attorney, in addition to that SingCo SPV, whether acting jointly or severally or jointly and severally; and/or (b) replace or substitute any or all attorney(s) for the time being named in the relevant Special Power of Attorney, and enter into supplemental Power(s) of Attorney to give effect to such additions or replacements or substitutions; and (c) it shall not change any attorney under the relevant Special Power(s) of Attorney or otherwise revoke, or terminate such Special Power(s) of Attorney, save as otherwise expressly requested by the relevant SingCo SPV.

B. LODGEMENT AND DESPATCH OF CIRCULAR BY SHC CAPITAL ASIA LIMITED

1. **Lodgement and Despatch**

SHC had on 20 November 2017 lodged a circular dated 20 November 2017 (“**SHC Circular**”), containing information on, *inter alia*, the proposed acquisition by it of the Sale Shares, with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore, and enclosing the notice of the Extraordinary General Meeting of SHC (“**SHC EGM**”) to be convened to seek the approval of the SHC shareholders, *inter alia*, for the proposed acquisition of the entire issued shares in the share capital of the Target (also referred to as the Sale Shares). An electronic copy of the SHC Circular and the Notice of EGM is available for viewing on the on the SGX-ST’s website at <http://www.sgx.com> commencing from 20 November 2017, and physical copies of the SHC Circular will be despatched to Shareholders within the requisite notice period required under the Constitution of SHC and the Catalist Rules.

The SHC EGM to approve, *inter alia*, the proposed acquisition of the Sale Shares is scheduled to be held on 18 December 2017.

2. Tentative Timetable

Assuming that the approval for all the resolutions proposed at the SHC EGM is obtained on 18 December 2017 and Completion takes place by 26 December 2017, the tentative timetable is set out below:

Date of the SHC EGM	:	18 December 2017
Expected date of Completion	:	26 December 2017
Expected date of suspension of trading of the SHC Shares	:	26 December 2017
Expected date of lodgement of the offer information Statement by SHC in relation to the Proposed Compliance Placement	:	27 December 2017
Expected date of completion of the Proposed Compliance Placement by SHC	:	3 January 2018
Expected date of the resumption of trading of the SHC Shares	:	5 January 2018

Upon Completion in accordance with the terms and subject to the conditions of the Amended and Restated SPA (as modified and amended from time to time), YSIL shall be issued 167,078,848 Consideration Shares in SHC, valued in aggregate at S\$43,941,737, based on the issue price of S\$0.263 per Consideration Share. Following the issue of the Consideration Shares, but excluding the shareholding effects arising from the Proposed Compliance Placement, YSIL shall hold 54.12% of the total issued shares in SHC.

C. PROPOSED CHANGE IN BOARD COMPOSITION

The Board of Directors of the Company wishes to announce the following appointment and cessation of Independent Directors and changes to the Board and Board Committees of the Company with effect on 22 December 2017:

- (a) the appointment of Mr. Thia Peng Heok George ("**Mr. Thia**") as an Independent and Non-Executive Director of the Company. Mr. Thia will also be appointed as the Chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee and Nominating and Governance Committee; and
- (b) the cessation of Mr. Basil Chan as an Independent and Non-Executive Director of the Company. Mr. Basil Chan will concurrently cease to be the Chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee and Nominating and Governance Committee.

Mr. Basil Chan is proposed to be nominated and appointed by SHC as the lead independent director of the New SHC Board at the SHC EGM.

The detailed template announcement pursuant to Rule 704(7)(a) of the Listing Manual containing particulars of Mr Thia has been released separately to the Singapore Exchange Securities Trading Limited.

D. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Mr. Serge Pun is the Executive Chairman and a Controlling Shareholder of the Company, holding approximately 33.25% direct and deemed interests in the Company as at the date of this Announcement. 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.

As at the date of this Announcement, the wife of Mr. Adrian Chan Pengee, the Company's Lead Independent Director, holds 40,000 shares in SHC.

Other than as disclosed above, 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 Proposed Sale, save for their respective interests in the Shares of the Company.

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
20 November 2017