

Media Release

Yoma Strategic signs new master lease and unveils latest details of its Landmark Development in downtown Yangon

- Two new separate master leases signed on 23 July 2016
- Revised development plan increases gross floor area by 15%
- Target FY2021 completion and grand opening
- Cash contribution for the Landmark Development is not expected to be significant in the next 12 to 18 months

Singapore, 26 July 2016 – Yoma Strategic Holdings Ltd. (“Yoma Strategic” or the “Company” together with its subsidiaries, the “Group”) is pleased to provide the latest details of its Landmark Development, which is an integrated Mixed-Use Development¹ and The Peninsula Yangon located at the heart of the downtown Yangon.

The Landmark Development has continued to make progress in recent months. On 23 July 2016, the Ministry of Transport and Communications via Myanma Railways signed 2 new separate master leases for the Landmark Development, one for The Peninsula Yangon and the other for the Mixed-Use Development¹.

The Landmark Development

The Landmark Development is a dynamic collaboration between Yoma Strategic and its esteemed partners, The Hongkong and Shanghai Hotels, Limited (“Hongkong and Shanghai Hotels”), Mitsubishi Corporation, Mitsubishi Estate, the International Finance Corporation (“IFC”), the Asian Development Bank (“ADB”) and First Myanmar Investment Company Limited (“FMI”). This strategic partnership between these organisations will undoubtedly transform the 10-acre site into the heart of Yangon’s central business district and will be pivotal in the development and growth of the downtown district when it is completed in FY2021.

Designed by prominent architect, Cecil Balmond OBE, the Mixed-Use Development¹ is an integrated real estate development that will feature the first luxury residences branded as Peninsula, two Grade A office towers, a business hotel and serviced apartments which will all be seamlessly connected by a retail podium. The site will also be anchored by the former headquarters of the Burma Railway Company which will be restored into The Peninsula Yangon. The Peninsula Yangon will bring a new level of distinction to the Myanmar hospitality scene.

¹For the purpose of this press release, reference to the Mixed-Use Development shall mean the Landmark Development excluding The Peninsula Yangon.

With this new design, the total gross area of the Landmark Development has been reconfigured to be approximately 2.44 million square feet from the initial plan of approximately 2.12 million square feet. (Please see Annex 1 for the latest design of the Landmark Development.)

Mr Melvyn Pun, CEO of Yoma Strategic, commented, “The latest design for the Landmark Development is very exciting and offers a higher efficiency in the use of space while enhancing the iconic heritage site. The design, quality and landscaped spaces have been carefully planned to create what we believe will be the most sought-after address to work, live and play in downtown Yangon.”

Mixed Used Developments¹

The Mixed-Use Development¹ will be held by the Company (48%); the Mitsubishi Companies² (30%); FMI (12%); IFC (5%); and ADB (5%). The total development cost for the Mixed-Use Development¹ is estimated to be approximately US\$660 million, consisting of land cost and other development costs including construction, consultants, overheads, contingencies and financing. The total development cost will be funded by a combination of:

- (i) debt facilities of up to approximately US\$135 million; and
- (ii) a total equity contribution of between approximately US\$349 - 400 million from the various equity partners.

The Company’s cash contribution is estimated to be between approximately US\$92 - 117 million, which will be spread over FY2016 and FY2021.

The Peninsula Yangon

The Peninsula Yangon will be held by Hongkong and Shanghai Hotels (70%); the Company (24%); and FMI (6%). The Company’s net cash contribution for the development is approximately US\$38 million (after taking into consideration the Company’s 80%-interest in the land value) under a cost agreement which had been entered into by the parties.

² Mitsubishi Corporation and Mitsubishi Estate (together, the “Mitsubishi Companies”) will establish a joint venture with preferred equity investment from Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN). JOIN is the first and only government-private sponsored fund in Japan that specialises in overseas infrastructure investment (source: <http://www.join-future.co.jp>).

Company's Funding Requirements for Landmark Development

The Company's cash contribution to the development cost of Landmark Development is not expected to be significant in the next 12 to 18 months and will be approximately US\$11 - 15 million due to the following:

- (i) it will contribute its land development rights as equity in kind. To recapitulate, the Company holds an interest in the land development rights on the 10-acre through its 80% subsidiary, Meeyahta International Hotel Limited³; and
- (ii) it has already invested an approximately US\$24 million⁴ for the consultation, design and preliminary project costs which are included in the total development cost. As such, its partners shall have to make their cash contribution for their pro rata interests.

The Company intends to fund its cash contribution from a combination of corporate level debt, sales of non-core assets and other internal resources.

Master Leases

The Landmark Development sits on two sites with master leases that had been extended for an initial period of 50 years commencing on 1 January 1998 in accordance with the Myanmar Foreign Investment Law⁵. Subsequent to this on 23 July 2016, the Ministry of Transport and Communications via Myanma Railways signed 2 separate leases for the Landmark Development, one for The Peninsula Yangon and the other for the Mixed-Use Development¹ with the same 50-year extension periods.

Significant Project Milestone

With the signing of the 2 separate leases for the Landmark Development, the Company will proceed to submit the relevant applications to the Myanmar Investment Commission ("**MIC**") to approve, *amongst other things*, the incorporation of the joint venture entities. It expects to receive the approval and major works for the Mixed-Use Development is also expected to commence by the end of the year.

³ The Company and Serge Pun & Associates (Myanmar) Limited ("SPA") have also agreed that the payment of the remaining consideration of approximately US\$38 million for the acquisition of the Landmark Development site shall not be triggered until the Landmark Development plans have been approved by MIC. The Company shall have up to 6 months to make the payment to SPA once the payment obligation is triggered.

⁴ Amount as at 30 June 2016.

⁵ The leases shall terminate at the end of the initial period of 50 years or upon the expiry of any period that will be extended by the MIC pursuant to the Foreign Investment Law 2012 or the foreign investment law for the time being in force. As at the date of this media release, the Foreign Investment Law 2012 provides that the MIC may extend the initial period of 50 years for a consecutive period of 10 years and a further 10 years depending on the amount and type of investment.

Based on the above, the drawdown of the debt facilities for the Mixed-Use Development will take place by end of March 2017 with pre-sales of the branded residences commencing after April 2017.

The target completion for the Landmark Development is before end of 2020.

Artist Impression of the latest design of The Landmark Development



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Note: This media release should be read in conjunction with the Landmark Presentation it released on the SGXNet on the same date.

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 a diversified portfolio of businesses in Real Estate, Consumer, Automotive & Equipment, and Investments 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. The Company was ranked in the top 10% of the Governance and Transparency Index 2015, ranked 17th out of top 100 largest Singapore companies in the Asean Corporate Governance Scorecard 2015 and won the Best Managed Board (Gold) Award at the Singapore Corporate Awards in 2016.

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