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- A. **PROPOSED ACQUISITION OF ECONOMIC INTERESTS IN LAND DEVELOPMENT RIGHTS IN RESPECT OF PUN HLAING GOLF ESTATE (“PHGE”) AND OPERATING RIGHTS IN RESPECT OF THE PUN HLAING GOLF COURSE AND COUNTRY CLUB (“PHGE GOLF & COUNTRY CLUB”) AS AN INTERESTED PERSON TRANSACTION**
 - B. **PROPOSED ACQUISITION OF ONE HUNDRED PER CENT. (100%) INTEREST IN CONVENIENCE PROSPERITY CO., LTD (“CPCL”) AS AN INTERESTED PERSON TRANSACTION**
 - C. **PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 432,539,405 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE “RIGHTS SHARES”) AT AN ISSUE PRICE OF S\$0.38 FOR EACH RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY THREE (3) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY (“SHAREHOLDERS”) AS AT A BOOKS CLOSURE DATE TO BE DETERMINED (THE “BOOKS CLOSURE DATE”), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “PROPOSED RIGHTS ISSUE”)**
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PROPOSED ACQUISITION OF PHGE AND PHGE GOLF & COUNTRY CLUB

1 INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of Yoma Strategic Holdings Ltd. (the “**Company**”) and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 24 June 2014 (the “**FRRD Announcement**”) in relation to the proposed acquisition under the First Right of Refusal Deed (the “**FRRD**”).
- 1.2 As mentioned in the FRRD Announcement, the Group has received a written notice from Serge Pun & Associates (Myanmar) Limited ((“**SPA**”) and together with its subsidiaries collectively, the “**SPA Group**”) offering the Group the right to acquire the economic benefit of seventy per cent. (70%) of the land development rights (“**LDRs**”) in PHGE amounting to an aggregate area of approximately 250 acres (approximately 10.8 million square feet) of which approximately 9.6 million square feet comprises the golf course and country club and approximately 1.2 million square feet comprises land development rights alongside some related businesses, infrastructure and facilities in PHGE.
- 1.3 Subsequent to discussions between the Company and the SPA Group and in view of the rationale set out in Paragraph 1.7 below, the Company decided to acquire further LDRs in PHGE (in addition to those announced under the FRRD Announcement).

Pun Hlaing Golf Estate

- 1.4 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.

- 1.5 In 1998, SPA through its wholly-owned subsidiary, Yangon Nominees Company Limited (“**Yangon Nominees**”) entered into a joint venture with the Department of Human Settlement and Housing Development (“**DHSD**”) to develop PHGE into an 18-hole golf course and community with housing developments. As part of the joint venture, DHSD transferred 652 acres of 60-year leasehold land in PHGE to the joint venture company, Hlaing River Golf and Country Club Limited (“**HRGCC**”) in exchange for thirty per cent. (30%) interest. Yangon Nominees hold the remaining seventy per cent. (70%) interest in HRGCC. HRGCC has been granted sixty (60) years from the date of the lease deed (which was in December 1998) to develop PHGE (the “**PHGE Lease**”) and thirty (30) years with four (4) extensions of five (5) years each totaling fifty (50) years from the date of possession (which was in April 2002) to manage and operate the golf course and its related facilities.
- 1.6 In 2006, the economic interest of seventy per cent. (70%) of the LDRs in approximately 176.55 acres (approximately 7.69 million square feet) and one hundred per cent. (100%) of the LDRs in approximately 9.24 acres (approximately 0.40 million square feet) of the residential portion of PHGE were acquired by the Company. As at 30 June 2014, approximately 103.67 acres (approximately 4.52 million square feet) of the said seventy per cent. (70%) of LDRs and approximately 6.62 acres (approximately 0.29 million square feet) of the said one hundred per cent. (100%) are held by Lion Century Properties Limited (“**LCP**”). The remaining 75.50 acres (approximately 3.29 million square feet) of LDRs have been sold to third party purchasers or are being developed for sale by Yoma Development Group Limited (“**YDG**”). Both LCP and YDG are wholly-owned subsidiaries of the Company.

1.7 Rationale

The Company has decided to proceed with the Proposed Acquisition of PHGE and PHGE Golf & Country Club for the following reasons:-

- (a) PHGE has been a signature project of the Group since the Company’s re-listing on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in 2006 and the Company had in the course of the last few years launched project developments within the estate such as Ivory Court Residence I, Lakeview Apartments, Ivory Court Villas, Rose Garden Villas and Bamboo Grove Garden Villas. PHGE remains one of the most exclusive residential estates in Myanmar. Please refer to <http://www.punhlainggolfestate.com> for more information on the respective project developments.
- (b) Given the Group’s interest in PHGE and its plan to continue to offer an exclusive residential community consisting of villas, terrace houses and apartments providing homeowners an array of residential choices and other commercial facilities to grow the estate into an exclusive community, the Company is keen to acquire the remaining LDRs in PHGE so that it can be in control of the overall design and planning of the estate. This is also consistent with its plan to build PHGE into a pre-eminent residential estate in Yangon and enhance its long-term value prospects. Furthermore, given that the golf course and country club are integral parts of the estate and provide essential recreational activities to the residences as well as visitors of PHGE, the Company feels that it should be involved in the operation and management of the golf course and the country club. As such, the Company will also acquire an interest in the related businesses, infrastructure and facilities of PHGE.

2 STRUCTURES OF THE LDRS IN PHGE

2.1 The LDRs in PHGE are held in various forms depending on the respective developments, some of which are currently jointly developed by the Group and the SPA Group. For purpose of this Announcement, the Proposed Acquisition of PHGE and PHGE Golf & Country Club shall comprise all the transactions set out in this Paragraph 2 and be deemed as a single transaction to be approved by shareholders.

2.2 Interests in LDRs in respect of land held by Pun Hlaing International Hospital Ltd (“PHIH”)

2.2.1 As part of the initial plan to develop the Pun Hlaing Hospital, one hundred per cent. (100%) of the LDRs in respect of 9.58 acres of land in PHGE were transferred to PHIH in 2004 and a sixty-year leasehold term was granted to PHIH in respect of the said land. A hospital and certain related facilities were built on 5.55 acres of the land. The Company intends to acquire one hundred per cent. (100%) interest in the LDRs of the remaining 4.03 acres (approximately 0.18 million square feet) of land (the “**Land Adjacent to Hospital**”) which comprises a utilities building and an open space car park.

2.2.2 PHIH is a wholly-owned subsidiary within the SPA Group. Its principal activity is operating the Pun Hlaing International Hospital located in PHGE.

2.2.3 The Company had, through its wholly-owned subsidiary, YDG, entered into a conditional sale and purchase agreement with PHIH, SPA and Mr. Serge Pun on 2 September 2014 to acquire one hundred per cent. (100%) interest in the LDRs of the Land Adjacent to Hospital (the “**PHIH S&P Agreement**”). Please refer to Paragraph 3.2 below for information on the consideration.

2.2.4 The main conditions precedent include (a) approval from the shareholders of the Company for the Proposed Acquisition of PHGE and PHGE Golf & Country Club; (b) completion of the Proposed Rights Issue; (c) the receipt of a due diligence report on the LDRs relating to the Land Adjacent to Hospital being satisfactory to the Company; (d) a special power of attorney from PHIH authorising YDG to deal with and exercise rights over the LDRS relating to the Land Adjacent to Hospital; and (e) a certified true copy of the board resolutions signed by the directors of PHIH confirming the execution of the PHIH S&P Agreement and the transactions contemplated therein.

2.2.5 Other Salient Terms

(a) YDG will upon completion apply to DHSHD for a separate leasehold grant in respect of the LDRs relating to the Land Adjacent to Hospital to be issued in the name of YDG. For so long as the separate leasehold grant is not issued by DHSHD, each of PHIH and SPA undertakes to take such action as may be reasonably required by YDG to enforce its right as owner of the LDRS relating to the Land Adjacent to Hospital.

(b) In the event that YDG decides not to develop the land adjacent to Hospital, YDG has granted a first right of refusal to PHIH to acquire the LDRs relating to the Land Adjacent to Hospital.

- (c) Upon completion of the Proposed Acquisition of PHGE and PHGE Golf & Country Club, the Company will grant PHIH the right to use the utilities building and the open space car park situated on the Land Adjacent to Hospital, rent-free (for so long as there is no change to the current amount of rent payable to the relevant authorities in respect of the Land Adjacent to Hospital), provided that PHIH agrees that it will vacate the car park and the utilities building within three (3) months and six (6) months respectively upon the receipt of a written notice from the Company and that PHIH will be solely responsible for all costs and expenses relating to the demolition, de-commissioning, clearing and relocation of the utilities building and car park.

2.3 **Interests in LDRs in respect of land held by Yangon Sands Industries Ltd (“Yangon Sands”)**

2.3.1 Reference is made to the Company’s announcement dated 11 March 2014 whereby it was disclosed that the Company has formalised plans to develop premium educational facilities within PHGE. It has entered into a memorandum of understanding with Harrow International Management Services (“HIMS”) to manage an Early Years Centre on a four-acre site in PHGE wholly-held by the Group. The Early Years Centre managed by HIMS has just commenced operations on 25 August 2014. In furtherance of the plan to develop educational facilities, the Group decided to acquire one hundred per cent. (100%) interest in the LDRs of a twelve-acre site which is adjacent to the Early Years Centre (the “**School Land**”).

2.3.2 This twelve-acre site is held by Yangon Sands Industries Ltd (“**YSI**”), a wholly-owned subsidiary within the SPA Group, YSI has applied to DHSHD for the sixty-year leasehold grant to be issued in its name. The principal activity of YSI is investment holding.

2.3.3 The Company had, through its wholly-owned subsidiary, YDG, entered into a conditional sale and purchase agreement with SPA and Mr. Serge Pun to acquire one hundred per cent. (100%) interest in YSI (the “**YSI S&P Agreement**”). Please refer to Paragraph 3.3 below for information on the consideration.

2.3.4 The main conditions precedent include (a) approval from the shareholders of the Company for the Proposed Acquisition of PHGE and PHGE Golf & Country Club; (b) completion of the Proposed Rights Issue; (c) the receipt of a due diligence report on the LDRs relating to the School Land being satisfactory to the Company; (d) a completion accounts on YSI prepared in the manner to the satisfaction of the Company; (e) a special power of attorney from YSI authorising YDG to deal with and exercise rights over the LDRs relating to the School Land; and (f) a certified true copy of the board resolutions signed by the directors of YSI confirming the execution of the YSI S&P Agreement and the transactions contemplated therein.

2.3.5 Other Salient Term

- (a) For so long as the leasehold grant is not issued by DHSHD, SPA undertakes to take such action as may be reasonably required by YSI to enforce its right as owner of the LDRS relating to the School Land.
- (b) Save for the LDRs relating to the School Land and the four-acre site, SPA undertakes that there are no other assets held or liabilities payable by YSI as at completion.

2.4 Interests in LDRs in respect of land held by PHL and land which have been earmarked for hotel development in PHGE

- 2.4.1 In the Company's announcement dated 10 December 2013, it was announced that the Company and Pun Hlaing Lodge Ltd. ("**PHL**"), a wholly-owned subsidiary of SPA, had entered into a joint venture to construct a hotel in PHGE to accommodate golfers for international tournaments and to support golf tourism. The Company will hold eighty per cent. (80%) interest and PHL will hold twenty per cent. (20%) interest in the joint venture company. The hotel is expected to offer 48 deluxe duplex and terrace suites alongside restaurants and ancillary facilities (which are still subject to change depending on the final master plan and prevailing conditions). It will become an integral part of PHGE which will add value to the whole estate and enhance the reputation of PHGE. The first phase of the hotel will be constructed over a land area of 2.19 acres (approximately 1.00 million square feet) and parties had subsequently agreed that an additional land area of 1.60 acres (approximately 0.07 million square feet) was to be earmarked for further hotel development. As a term of the joint venture, PHL also agreed that it will procure that the LDRs in another plot of land which is in the vicinity of the 2 plots of land (which land size area is about 221.53 square meters which may be developed into a fitness and leisure centre for use by the hotel guests and residents of PHGE) be held by the joint venture company at no additional consideration to the Company. All the above mentioned land areas for the hotel development shall be collectively, known as "**PHL Land**"). These land are adjacent to one another. Please refer to the Company's announcement dated 10 December 2013 for more information on the joint venture to develop the PHL Land.
- 2.4.2 In line with the Group's and the SPA Group's intention to restructure all its joint ventures to better enhance parties' investments, it was agreed that the Company shall develop the PHL Land itself and not in partnership with the SPA Group especially given its proposed extensive involvement and ownership in PHGE upon completion of the Proposed Acquisition of PHGE and PHGE Golf & Country Club.
- 2.4.3 The LDRs in respect of 2.19 acres and 1.60 acres of the PHL Land are currently held by PHL.
- 2.4.4 The Company, through its wholly-owned subsidiary, YDG, entered into a conditional sale and purchase agreement with SPA on 2 September 2014 to acquire one hundred per cent. (100%) interest in PHL (the "**PH S&P Agreement**"). Please refer to Paragraph 3.4 below for information on the consideration.
- 2.4.5 The main conditions precedent include (a) approval from the shareholders of the Company for the Proposed Acquisition of PHGE and PHGE Golf & Country Club; (b) completion of the Proposed Rights Issue; (c) the receipt of a due diligence report on the LDRs relating to the PHL Land being satisfactory to the Company; (d) a completion accounts on PHL prepared to the satisfaction of the Company; (e) a special power of attorney from PHL authorising YDG to deal with and exercise rights over the LDRs relating to the PHL Land; and (f) a certified true copy of the board resolutions signed by the directors of PHL confirming the execution of the PHL S&P Agreement and the transactions contemplated therein.

2.4.6 Other Salient Terms

- (a) For so long as the leasehold grant in respect of the PHL Land is not issued by DHSHD, SPA undertakes to take such action as may be reasonably required by PHL to enforce its right in the LDRs relating to the PHL Land.
- (b) As at completion, the only assets held by PHL are the LDRs relating to the PHL Land and save for development costs incurred in relation to the development of the hotel and its related facilities, there are no other liabilities payable by PHL.

2.5 Economic Interests in LDRs held by Yangon Nominees in respect of certain land held by Hlaing River Golf and Country Club Limited (“HRGCC”) and the operating rights in respect of the PHGE Golf & Country Club

- 2.5.1 The Company intends to acquire seventy per cent. (70%) of the economic interests in the majority of the remaining of the LDRs in PHGE which amounts to 23.45 acres (approximately 1.02 million square feet) for residential and commercial developments (the “**Remaining LDRs**”). These exclude the LDRs relating to the Land Adjacent to Hospital, the School Land, the PHL Land, the golf course and related facilities and LDRs which have been transferred, sold, developed or earmarked for development. The Remaining LDRs are currently held by HRGCC.
- 2.5.2 The Remaining LDRs are held under the PHGE Lease. Please refer to Paragraph 1.5 for information on the PHGE Lease.
- 2.5.3 Furthermore, HRGCC, through Yangon Nominees, currently manages and operates the related businesses, infrastructure and facilities in PHGE such as the Horizons Restaurant, OASIS Spa, Bistro Restaurant, clubhouse with sport facilities such as 2 tennis grass-courts, gymnasium, a swimming pool and other supporting facilities for community and club members. Inherent to the management and operation of PHGE, it also provides infrastructure such as streets, landscaping, back-up electricity and water systems to the estate. The Company, through LCP, intends to acquire seventy per cent. (70%) economic interests in the management and operation of these related businesses, infrastructure and facilities by having LCP being appointed as an exclusive operator of the PHGE Golf & Country Club.
- 2.5.4 The Company had on 2 September 2014 entered into a conditional joint development and operating deed and a deed of assignment with Yangon Nominees, LCP, SPA and Mr. Serge Pun (together, the “**JDD**”) whereby it was agreed that upon completion of the Proposed Acquisition of PHGE and PHGE Golf & Country Club, Yangon Nominees will assign its interest in the net profit of the sales of the Remaining LDRs (which is equivalent to seventy per cent. (70%) interest in HRGCC) to LCP or its nominee and, LCP shall be appointed as the exclusive operator to develop, manage and operate the PHGE Golf & Country Club for a fee amounting to seventy per cent. (70%) of the net profit of the operations of the PHGE Golf & Country Club. LCP may delegate its responsibility as an exclusive operator to a nominee. Please refer to Paragraph 3.5 for below for information on the consideration.

- 2.5.5 The main conditions precedent include (a) approval from the shareholders of the Company for the Proposed Acquisition of PHGE and PHGE Golf & Country Club; (b) completion of the Proposed Rights Issue; (c) the receipt of a due diligence report on the Remaining LDRs being satisfactory to the Company; (d) the receipt of a legal opinion from Myanmar lawyers confirming that the execution and the performance by LCP of the JDOD will not violate any provisions of the relevant laws in Myanmar; (e) a special power of attorney from Yangon Nominees authorising LCP or its nominee to develop the Remaining LDRs and to manage and operate the PHGE Golf & Country Club; and (f) a certified true copy of signed resolutions of HRGCC confirming the execution of the JDD.
- 2.5.6 Other Salient Terms
- (a) LCP will be liable for seventy per cent. (70%) of the costs and expenses relating to any development, maintenance and operations of the Remaining LDRs and the PHGE Golf Country Club by HRGCC which may be incurred after completion.
 - (b) The SPA Group shall be liable for any compensation determined by the Government in relation to LDRs in PHGE which are subject of the Proposed Acquisition of PHGE and PHGE Golf & Country Club (comprising the LDRs relating to the Land Adjacent to Hospital, the School Land, the PHL Land, the Remaining LDRs and the PHGE Golf & Country Club) to settle potential claims by individuals who claim to have previously occupied land in PHGE.
 - (c) Yangon Nominees undertakes that it shall not exercise any of its rights and obligations under the JDD in HRGCC without the prior written consent of LCP or its nominee.
 - (d) Upon completion of the Proposed Acquisition of PHGE & PHGE Golf & Country Club, LCP will be responsible for the operation and management of the whole of the PHGE.
- 2.5.7 Assuming that the Proposed Acquisition of PHGE and PHGE Golf & Country Club is completed, there remains some plots of land held under the LDRs in PHGE which are subject to the FRRD. The Company has not included these LDRs as part of its current acquisitions as it feels that they are not yet suitable for development as at the date of finalising the definitive agreements on the Proposed Acquisition of PHGE and PHGE Golf & Country Club.

3 THE ACQUISITION PRICE

- 3.1 In accordance with the terms of the FRRD, the acquisition price is to be derived from the average of the values attributed to the LDRs by two internationally reputable and recognised valuers, separately appointed by the Group and the SPA Group, and discounted by an amount to be agreed between the Group and the SPA Group.

3.2 LDRs Relating to Land Adjacent to Hospital

- 3.2.1 Based on the value of US\$12.00 million arrived at by the independent valuer appointed by the Group, Jones Lang La Salle (“**JLLS**”) on 1 July 2014, and the value of US\$11.40 million arrived at by the independent valuer appointed by the SPA Group, Robert Khan & Co Pte Ltd (“**RKPL**”) on 1 July 2014, the average value of one hundred per cent. (100%) interest in the LDRs relating to the Land Adjacent to Hospital is US\$11.70 million (approximately S\$14.61 million, using exchange rate of USD1 : SGD1.2484).

3.3 LDRs Relating to School Land

3.3.1 The SPA Group has agreed to waive its right to appoint its valuer for this land. Therefore, based on the value of US\$5.10 million arrived at by JLLS on 1 July 2014, the acquisition price for one hundred per cent. (100%) interest in the LDRs relating to the School Land is US\$5.10 million (approximately S\$6.37 million, using exchange rate of USD1 : SGD1.2484) (the “**School Land Acquisition Price**”).

3.4 LDRs Relating to PHL Land

3.4.1 The LDRs in the PHL Land comprises (a) 2.19 acres of land; (b) 1.60 acres of land; and (c) 221.53 square meters (at no consideration).

3.4.2 Pursuant to the Company’s announcement dated 10 December 2013, JLLS, acting as the Company’s independent valuer, has valued the 2.19 acres of land at US\$3.0 million and the Company has paid US\$2.4 million, being eighty per cent. (80%) of the valuation amount. SPA has agreed to sell its twenty per cent. (20%) interest in that land for US\$0.60 million (approximately S\$0.75 million, using exchange rate of USD1 : SGD1.2484), being twenty per cent. (20%) of the valuation amount.

3.4.3 Based on the value of US\$2.20 million arrived at by JLLS on 1 July 2014, and the value of US\$2.79 million arrived at by RKPL, the average value of one hundred per cent. (100%) interest in the LDRs relating to the 1.60 acres of land is US\$2.50 million (approximately S\$3.11 million, using exchange rate of USD1 : SGD1.2484).

3.5 Economic Interests in LDRs in respect of the Remaining LDRs

3.5.1 Based on the value of US\$64.44 million arrived at by JLLS on 1 July 2014, and the value of US\$64.27 million arrived at by RKPL, the average value of the Remaining LDRs is US\$64.36 million (approximately S\$80.34 million, using exchange rate of USD1 : SGD1.2484). Therefore, a seventy per cent. (70%) economic interest in the value of the Remaining LDRs is US\$45.05 million (approximately S\$56.24 million, using exchange rate of USD1 : SGD1.2484).

3.6 Economic Interests in the Operating Rights in respect of the PHGE Golf & Country Club

3.6.1 In relation to the operating rights in respect of the PHGE golf course, based on the value of US\$15.5 million arrived at by JLLS on 1 July 2014, and the value of US\$16.27 million arrived at by RKPL, the average value of the operating rights in respect of the PHGE golf course is US\$15.89 million (approximately S\$19.83 million, using exchange rate of USD1 : SGD1.2484). Therefore, a seventy per cent. (70%) economic interest in the operating rights in respect of the PHGE golf course is US\$11.12 million (approximately S\$13.88 million, using exchange rate of USD1 : SGD1.2484) (the “**Value of Golf Course Operating Rights**”).

3.6.2 The Company has also agreed to pay for the costs incurred by Yangon Nominees in relation to the related businesses, infrastructure and facilities which is equivalent to its seventy per cent. (70%) pro rata contribution to HRGCC. This cost amounts to approximately US\$2.16 million (approximately S\$2.69 million, using exchange rate of USD: SGD1.2484) subject to adjustments as at completion (the “**PHGE Golf & Country Club Related Costs**”).

3.7 Consideration

- 3.7.1 The SPA Group has agreed to a discount factor of two per cent. (2.0%) to be applied to the aggregate acquisition prices and accordingly,
- (a) the acquisition price for a one hundred per cent. (100%) interest in the LDRs relating Land Adjacent to Hospital shall be approximately S\$14.31 million (the “**Land Adjacent to Hospital Acquisition Price**”);
 - (b) the acquisition price for a one hundred per cent. (100%) interest in the 1.60 acres of land shall be approximately S\$3.05 million and this when computed with the acquisition price for the remaining twenty per cent. (20%) interest in the 2.19 acres of land of S\$0.75 million, shall amount to approximately S\$3.80 million subject to adjustments in accordance with completion accounts;
 - (c) the acquisition price for a seventy per cent. (70%) economic interest in the Remaining LDRs shall be approximately S\$55.12 million; and
 - (d) the consideration for a seventy per cent. (70%) economic interest in the operating rights in respect of the PHGE golf course shall be approximately S\$13.61 million.
- (together, the “**PHGE Acquisition Prices**”).
- 3.7.2 The PHGE Acquisition Prices when aggregated with the School Land Acquisition Price and the PHGE Golf & Country Club Related Cost amount to US\$76.81 million (approximately S\$95.90 million using an exchange rate of USD: SGD1.2484) and these amounts shall be fully paid by the Company in cash.
- 3.7.3 The Group and SPA have agreed to engage an independent land surveyor to determine the acreage of each of plot of land which is subject of the Proposed Acquisition PHGE and PHGE Golf & Country Club (excluding the golf course area) and hence, the consideration payable under the said acquisitions will be subject to final adjustments, if necessary.
- 3.7.4 For the purposes of funding the Proposed Acquisition of PHGE and PHGE Golf & Country Club, the Company will be undertaking the Proposed Rights Issue, further details of which are set out in Paragraph 13 of this Announcement.
- 3.7.5 Pursuant to the respective definitive agreements, the aggregate acquisition price for the Proposed Acquisition of PHGE and PHGE Golf & Country Club shall be paid to Mr. Serge Pun, as the controlling shareholder of the SPA Group, such payment to Mr. Serge Pun to constitute full and final settlement of the aggregate acquisition price.

PROPOSED ACQUISITION OF CPCL

4 INTRODUCTION

4.1 The Company had on 15 February 2013 informed Shareholders that it intends to partner with First Myanmar Investment Company Limited (“**FMI**”) to carry on the automotive business in Myanmar. Hence, parties have incorporated the joint venture company, Myanmar Motors Pte. Ltd. (“**MM**”) in Singapore which will be used to hold the parties’ joint investments in the automotive business in Myanmar. The Company holds seventy per cent. (70%) interest in MM through its wholly-owned subsidiaries, Yoma Strategic Investments Ltd. and Elite Matrix International Limited (“**Elite Matrix**”) and FMI holds the remaining thirty per cent. (30%) interest in MM. Subsequent to the announcement, the various investments relating to automobiles such as the acquisition of the business and assets of German Car Industries Company Limited, investment in vehicle leasing business through Yoma Fleet Limited and Vehicle Lease Management Ltd and joint venture with Mitsubishi Corporation to provide sales support for Bridgestone tyres are all held through MM.

4.2 Rationale

4.2.1 The Group and the SPA Group aim to restructure a number of their existing joint ventures with a view to better enhancing investment values and this includes their automotive joint ventures held through MM. In order to align the interests of the Company and FMI, parties agree that the SPA Group’s interest in Convenience Prosperity Co., Ltd (“**CPCL**”) should be restructured so that it is held by Elite Matrix or its nominee. As at the Latest Practicable Date, SPA holds sixty per cent. (60%) interests and FMI holds forty per cent. (40%) interests in CPCL.

4.2.2 The acquisition of CPCL, an authorised dealer of New Holland tractors and farm equipment in Myanmar, would enhance the product offering and brand portfolio of the Group’s automotive division. The business focuses on supporting the development of Myanmar’s agricultural industry. CPCL has branches and/or dealerships in 10 cities throughout 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 net income of S\$0.42 million and maintained a stock of 176 units of tractors and 304 implements of tractors. Management believes that CPCL will also offer significant synergies to a number of the Group’s existing businesses, including the Agriculture Division and Yoma Fleet.

5 TERMS OF THE PROPOSED ACQUISITION OF CPCL

5.1 The Company, through Elite Matrix, entered into a conditional sale and purchase agreement with SPA and FMI to acquire an effective interest of the one hundred per cent. (100%) interest in CPCL (the “**CPCL S&P Agreement**”).

5.2 The main conditions precedent include (a) approval from the shareholders of the Company for the Proposed Acquisition of CPCL; (b) completion of the Proposed Rights Issue; (c) the receipt of a due diligence report on CPCL being satisfactory to the Company; (d) the receipt of a completion accounts to the satisfaction of the Company; (e) a special power of attorney from CPCL authorising Elite Matrix or its nominee to deal with and exercise rights over CPCL; and (f) a certified true copy of the board resolutions signed by the directors of CPCL confirming the execution of the CPCL S&P Agreement and the transactions contemplated therein.

5.3 Other Salient Terms

- (a) Each of SPA and FMI undertakes that prior to completion, it shall not enter into any material contracts for and on behalf of CPCL and that it shall seek the prior written consent of the Company for all matters relating to the business and affairs of CPCL.
- (b) Save for the shareholders' loan (see Paragraph 6 below), there are no other outstanding liabilities payable by CPCL.

6 CONSIDERATION

- 6.1 It was agreed that the consideration payable for one hundred per cent. (100%) interests CPCL is US\$2.24 million (approximately S\$2.80 million using the exchange rate of USD: SGD1.2484). This is based on the valuation of the 100% equity interest of CPCL by the Company's independent valuer, JLLS.
- 6.2 In addition, the Company will also be assigned and pay for a shareholders' loan amounting to US\$9.60 million (approximately S\$11.98 million using the exchange rate of USD1 : SGD1.2484) which was advanced by the shareholders to CPCL to acquire tractors and implements for tractors. The consideration set out in Paragraph 6.1 above together with this assignment of shareholders' loan shall be collectively known as, the "**CPCL Acquisition Price**" subject to adjustments in accordance with completion accounts.
- 6.3 The Company intends to fund the Proposed Acquisition of CPCL using the net proceeds from the Proposed Rights Issue. Please refer to Paragraph 13 for information on the Proposed Rights Issue. In the event that Shareholders do not approve the Proposed Acquisitions of PHGE and PHGE Golf & Country Club and the Proposed Rights Issue, the Company intends to fund the Proposed Acquisition of CPCL using internal sources.

7 INTERESTED PERSON TRANSACTION

- 7.1 Mr. Serge Pun is the Executive Chairman and a Controlling Shareholder of the Company, holding approximately 37.32% direct and deemed interests in the Company as at the date of this Announcement.
- 7.2 Mr. Serge Pun is also the Chairman of FMI and the controlling shareholder of SPA and FMI as at the date of this Announcement. SPA and FMI are considered an associate of Mr. Serge Pun and accordingly, interested persons of the Company for the purposes of Chapter 9 of the Listing Manual. The Proposed Acquisition of PHGE and PHGE Golf & Country Club and the Proposed Acquisition of CPCL are therefore interested person transactions under Chapter 9 of the SGX-ST Listing Manual.

- 7.3 Based on the latest audited consolidated financial statements of the Group as at 31 March 2014, the net tangible assets less non-controlling interest (the “NTA”) of the Group is S\$358.87 million. As the aggregate transaction values of the Proposed Acquisition of PHGE and PHGE Golf & Country Club and the Proposed Acquisition of CPCL is S\$110.68 million, being more than five per cent. (5%) of the Group’s NTA as at FY2014, the Company is required to seek Shareholders’ approval for the Proposed Acquisition of PHGE and PHGE Golf & Country Club pursuant to Rule 906 of the SGX-ST Listing Manual.

8 RELATIVE FIGURES

- 8.1 The relative figures computed on the bases set out in Rule 1006 of the SGX-ST Listing Manual in relation to the Proposed Acquisition of PHGE and PHGE Golf & Country Club and the Proposed CPCL Acquisition are as follows:-

(a) The net asset value of the assets to be disposed of, compared with the group’s net asset value. This basis is not applicable to an acquisition of assets.	Not Applicable
(b) The net profits attributable to the 70% economic interest in the Proposed Acquisition of PHGE and PHGE Golf & Country Club and the Proposed CPCL Acquisition compared with the Group’s net profits ⁽¹⁾ .	25.88%
(c) The aggregate consideration given for the 70% economic interest in the Proposed Acquisition of PHGE and PHGE Golf & Country Club and the Proposed CPCL Acquisition compared with the Company’s market capitalisation ⁽²⁾ based on the total number of issued shares excluding treasury shares.	10.45 %
(d) The number of equity securities issued by the Company as consideration for the Proposed Acquisition of PHGE and PHGE Golf & Country Club and the Proposed CPCL Acquisition, compared with the number of equity securities previously in issue.	Not Applicable

Notes:-

- (1) The LDRs in PHGE which are the subject of the Proposed Acquisition of PHGE have yet to be developed with no relevant historical financial results. The aggregated net profit after tax of the PHGE Golf & Country Club and CPCL for the three-month period ended 30 June 2014 is S\$0.37 million. The net profit after tax attributable to the equity holders of the Company for the three-month period ended 30 June 2014 is S\$1.44 million.
- (2) The Company’s market capitalisation of approximately S\$917.40 million is based on its total number of issued shares of 1,292,118,215 and the closing share price of S\$0.71 per share on 2 September 2014.

- 8.2 The relative figure for Rule 1006(b) of the Listing Manual exceeds 20% and the Proposed Acquisition of PHGE and PHGE Golf & Country Club and the Proposed CPCL Acquisition will be subject to Shareholders' approval.

9 ABSTENTION FROM VOTING

- 9.1 Mr. Serge Pun and his sons, Mr. Cyrus Pun Chi Yam and Mr. Melvyn Pun Chi Tung, who are Interested Persons in relation to the Proposed Acquisition of PHGE and PHGE Golf & Country Club and the Proposed Acquisition of CPCL, will abstain and have undertaken that their associates will abstain from voting at the EGM (as defined below) in respect of the ordinary resolutions relating to the said acquisitions, and will not accept nominations as proxy or otherwise for voting at the EGM (as defined below) in respect of the said ordinary resolutions unless the independent Shareholders appointing them as proxies give specific instructions in the relevant proxy form in the manner in which they wish their votes to be cast for the ordinary resolutions.
- 9.2 In addition, the Board confirms that Mr. Serge Pun and his sons, Mr. Cyrus Pun Chi Yam and Mr. Melvyn Pun Chi Tung, did not participate in the decision of the Board to proceed with the Proposed Acquisition of PHGE and PHGE Golf & Country Club and the Proposed Acquisition of CPCL.

10 AUDIT COMMITTEE STATEMENT

The Audit Committee of the Company is obtaining an opinion from KPMG Corporate Finance Pte. Ltd. before forming its view that the Proposed Acquisition of PHGE and PHGE Golf & Country Club and the Proposed Acquisition of CPCL are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

11 VALUE OF INTERESTED PERSON TRANSACTIONS

The aggregate value of all interested person transactions for the 3-month period ended 30 June 2014 with Mr. Serge Pun and his associates is S\$3.25 million and the aggregate value of all interested person transactions for the financial year ended 31 March 2014 was S\$33.26 million.

12 INDEPENDENT FINANCIAL ADVISER

KPMG Corporate Finance Pte. Ltd. has been appointed as independent financial adviser to advise the independent Directors of the Company on the Proposed Acquisition of PHGE and PHGE Golf & Country Club.

13 PROPOSED RIGHTS ISSUE

- 13.1 As announced by the Company on 24 June 2014, the Company is proposing to undertake the renounceable non-underwritten rights issue of up to 432,539,405 Rights Shares at an issue price of S\$0.38 for each Rights Share (the "**Issue Price**"), on the basis of one (1) Rights Share for every three (3) existing ordinary shares in the capital of the Company (the "**Shares**") held by the Shareholders as at a time and date to be determined by the Directors for the purpose of determining the Shareholders' entitlements under the Proposed Rights Issue (the "**Books Closure Date**"), fractional entitlements to be disregarded.

13.2 Maximum Number of Rights Shares

Based on the existing share capital of the Company (excluding treasury shares) of 1,292,118,215 Shares and 5,500,000 Shares comprised in options which have vested as at the date of this Announcement and will vest as at 31 December 2014 (collectively, the “**Vested Options**”), up to 432,539,405 Rights Shares may be issued pursuant to the Proposed Rights Issue. As at the date of this Announcement, the Company does not have any treasury shares.

13.3 Issue Price

The Rights Shares are priced at the Issue Price of S\$0.38 which represents a discount of approximately 46.48% and 39.63% respectively, to the closing price of S\$0.71 per Share on the SGX-ST and the theoretical ex-rights trading price⁽¹⁾ of S\$0.63 per Share as at 2 September 2014, being the last trading day preceding the date of this Announcement.

Note:

(1) The theoretical ex-rights price is the theoretical market price of each Share assuming the completion of the Proposed Rights Issue, and is calculated based on the closing price of S\$0.71 per Share on the SGX-ST on 2 September 2014, being the last trading day of the Shares on the SGX-ST prior to the date of this Announcement and the total number of issued Shares following the completion of the Proposed Rights Issue (assuming that the maximum number of Rights Shares has been issued).

13.4 The terms and conditions of the Proposed Rights Issue are subject to such changes as the Directors may in their absolute discretion deem fit. The final terms and conditions of the Proposed Rights Issue will be contained in the offer information statement to be issued by the Company (the “**Offer Information Statement**”) and lodged with the Monetary Authority of Singapore.

13.5 In the event that any of the Proposed Variations to the Proposed Acquisition of the Landmark Development (please refer to the Company’s announcement dated 16 June 2014 for more information) or the Proposed Acquisition of PHGE and PHGE Golf & Country Club is not approved by Shareholders at the EGM, the Company may, at its discretion, choose to scale down the ratio of Rights Shares to be issued, but all other terms and conditions of the Proposed Rights Issue (including the price of the Rights Shares) will remain the same.

13.6 Please refer to Annex A for the more information on the Proposed Rights Issue.

14 **PURPOSE OF THE PROPOSED RIGHTS ISSUE AND USE OF PROCEEDS**

14.1 Assuming that the Proposed Rights Issue is fully subscribed and taking into account the Vested Options, the estimated gross proceeds of the Proposed Rights Issue is approximately S\$164.37 million and the net proceeds of the Proposed Rights Issue, after deducting estimated expenses of approximately S\$0.50 million, will amount to approximately S\$163.87 million (“**Net Proceeds**”). The Company intends to use the Net Proceeds from the Proposed Rights Issue for the purposes of funding the following:

(a) US\$43.20 million (approximately S\$54.00 million using the exchange rate of USD:S\$1.25) to satisfy the First Payment of the Proposed Variations to the Proposed Landmark Acquisition (please refer to the Company’s announcement dated 16 June 2014 for more information);

- (b) US\$76.81 million (approximately S\$95.90 million using the exchange rate of USD:S\$1.2484) to satisfy the PHGE Acquisition Prices, the School Land Acquisition Price and the PHGE Golf & Country Club Related Cost; and
- (c) US\$11.84 million (approximately S\$14.78 million at the exchange rate of USD: S\$1.2484) to satisfy the CPCL Acquisition Price.

Assuming that shareholders of the Company approve the Proposed Variations to the Proposed Landmark Acquisition, the Proposed Acquisition of PHGE and PHGE Golf & Country Club and the Proposed Acquisition of CPCL, there will be a shortfall of S\$0.81 million even if the Proposed Rights Issue is fully subscribed taking into account the Vested Options. The Company will fund the shortfall (which is dependent on the number of Vested Options that are exercised) through its internal source of funds.

- 14.2 In the reasonable opinion of the Directors, and in view of the Irrevocable Undertaking and the Setting-Off Arrangement (both terms as defined below), there is no minimum amount which must be raised from the Proposed Rights Issue.
- 14.3 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when funds are materially disbursed and will provide a status report on the use of such proceeds and any material deviations therefrom in its annual report.
- 14.4 Pending the deployment of the Net Proceeds for the purposes mentioned above, such proceeds may be deposited with banks or financial institutions, invested in short-term money markets or marketable securities or used for any other purpose on a short-term basis as the Directors may deem fit.

15 IRREVOCABLE UNDERTAKING

- 15.1 The Company is pleased to announce that Mr. Serge Pun (Executive Chairman and controlling shareholder of the Company), who directly and indirectly holds an aggregate number of 482,208,863 Shares representing approximately 37.32% of the existing share capital of the Company as at the date of this Announcement, has, as an indication of support and commitment to the Company, on 2 September 2014 given an irrevocable undertaking (the “**Irrevocable Undertaking**”) in favour of the Company that, *inter alia*:
 - (a) he will subscribe and pay for and/or procure subscriptions and payments in full for his *pro-rata* entitlements to up to 160,958,510 Rights Shares (direct and indirect) under the Proposed Rights Issue, assuming that he exercises his Vested Options and new Shares are issued to him before the Books Closure Date (the “**Pro Rata Entitlements**”); and
 - (b) he will make and/or procure to be made excess application(s) and payment(s) for up to 271,580,895 of the balance of the Rights Shares which are not subscribed or applied for by Shareholders other than himself (such number of shares calculated on the assumption that the remaining Vested Options have been exercised and new Shares are issued before the Books Closure Date), which, together with the Pro Rata Entitlements, will amount up to S\$103.20 million.

- 15.2 In light of the First Payment, the PHGE Acquisition Prices, the School Land Acquisition Price, the PHGE Golf & Country Club Related Cost and the CPCL Acquisition Price being payable directly to Mr. Serge Pun, the Company has granted to Mr. Serge Pun the right to set-off the monies payable pursuant to the Irrevocable Undertaking against the said acquisition prices payable by the Company to him (the **"Setting-off Arrangement"**).
- 15.3 The Company has decided to proceed with the Proposed Rights Issue on a non-underwritten basis in view of the Irrevocable Undertaking provided by Mr Serge Pun and cost considerations in avoiding underwriting fees.
- 15.4 The Rights Shares and excess Rights Shares to be issued to Mr. Serge Pun pursuant to the Irrevocable Undertaking (and by parties acting in concert with him), may result in an obligation on their part to make a take-over under Rule 14 of the Singapore Code on Take-overs and Mergers (the **"Code"**). In this regard, the Company will seek the approval of (i) the Securities Industry Council (**"SIC"**) for granting a waiver of his obligation to make a mandatory general offer under the Code, for all the Shares not owned or controlled by Mr. Serge Pun or parties acting in concert with him (the **"SIC Waiver"**) and (ii) the approval of a whitewash resolution from independent Shareholders for the waiver of their right to receive such a mandatory offer from Mr. Serge Pun or parties acting in concert with him (the **"Whitewash Resolution"**) and such other conditions that the SIC may impose which are reasonably acceptable to the Company.
- 15.5 The Company has appointed KPMG Corporate Finance Pte. Ltd. as an independent financial adviser to advise the Directors who are deemed independent for the purpose of the Whitewash Resolution in connection with the Whitewash Resolution.

16 APPROVALS IN RESPECT OF THE PROPOSED RIGHTS ISSUE

- 16.1 The Proposed Rights Issue is subject to, *inter alia*, the following:-
- (a) the approval in-principle of the SGX-ST for the dealing in, listing and quotation of the Rights Shares on the Main Board of the SGX-ST;
 - (b) the Proposed Rights Issue, including the issue and allotment of the Rights Shares, having been approved by Shareholders at an extraordinary general meeting to be convened (the **"EGM"**);
 - (c) the approval by Shareholders of any of (i) the Proposed Variations to the Proposed Landmark Acquisition; or (ii) the Proposed Acquisition of PHGE and PHGE Golf Country Club at the EGM;
 - (d) the lodgment of the Offer Information Statement with the Monetary Authority of Singapore;
 - (e) the grant of the SIC Waiver; and
 - (f) Shareholders' approval for the Whitewash Resolution.
- 16.2 The Company will be making an application to the SGX-ST for the permission to deal in and for the listing of and quotation for the Rights Shares on the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course.

17 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this Announcement, none of the Directors and substantial Shareholders has any interest, direct or indirect, in the Proposed Acquisition of PHGE and PHGE Golf & Country Club, the Proposed Acquisition of CPCL and the Proposed Rights Issue (other than through their respective shareholdings in the Company).

18 CIRCULAR AND EGM

The Company intends to convene an EGM to seek shareholders' approval for the Proposed Variations to the Proposed Landmark Acquisition, the Proposed Acquisition of PHGE and PHGE Golf 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 Shareholders in due course.

19 RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of the preparation of this Announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

20 DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at 78 Shenton Way, #32-00 Singapore 079120 for a period of three (3) months from the date of this Announcement:

- (a) PHIH S&P Agreement;
- (b) YSI S&P Agreement;
- (c) PHL S&P Agreement;
- (d) JDD;
- (e) CPCL S&P Agreement;
- (f) Valuation reports by JLLS in respect of the LDRs relating to the Land Adjacent to Hospital, the LDRs relating to the School Land, the LDRs relating to the PHL Land, the LDRs relating to the Remaining LDRs and CPCL; and
- (g) Valuation report by RKPL in respect of the LDRs relating to the Land Adjacent to Hospital Land and the LDRs relating to the Remaining LDRs.

ON BEHALF OF THE BOARD

Andrew Rickards
Chief Executive Officer
3 September 2014

DETAILS OF THE PROPOSED RIGHTS ISSUE

1 TERMS OF THE PROPOSED RIGHTS ISSUE

- 1.1 The Company is offering up to 432,539,405 Rights Shares at the Issue Price of S\$0.38 per Rights Share, on the basis of one (1) Rights Share for every three (3) existing Shares held by Entitled Shareholders (as hereinafter defined) as at the Books Closure Date, fractional entitlements to be disregarded.
- 1.2 Entitled Shareholders will be entitled to participate in the Proposed Rights Issue and receive the Offer Information Statement to be issued by the Company in connection with the Proposed Rights Issue together with the appropriate application forms and accompanying documents at their respective Singapore addresses.
- 1.3 Entitled Shareholders will be provisionally allotted the Rights Shares on the basis of their shareholdings as at the Books Closure Date. Entitled Shareholders will be at liberty to accept (in full or in part), decline, renounce or, in the case of Entitled Depositors (as defined below) only, trade (during the “nil-paid” rights trading period prescribed by the SGX-ST) their provisional allotments of the Rights Shares, and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Proposed Rights Issue.
- 1.4 Fractional entitlements to the Rights Shares, if any, will be disregarded in arriving at the Entitled Shareholder’s provisional allotments of Rights Shares and will, together with the provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Shares (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company.
- 1.5 In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and the Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Proposed Rights Issue, or have representation (direct or through a nominee) on the board of the Company, will rank last in priority for rounding of odd lots and allotment of excess Rights Shares. The Company will also not make any allotment and issuance of any excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.
- 1.6 The Rights Shares are payable in full upon acceptance and application by Entitled Shareholders. The Rights Shares will, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the Record Date (as defined herein) for which falls before the date of issue of the Rights Shares. For this purpose, a “**Record Date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or The Central Depository (Pte) Limited (the “**CDP**”), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

2 ELIGIBILITY TO PARTICIPATE IN THE PROPOSED RIGHTS ISSUE

2.1 Entitled Depositors

Shareholders whose securities accounts with CDP are credited with Shares as at 5.00 p.m. (Singapore time) on the Books Closure Date (“**Depositors**”) will be provisionally allotted Rights Shares on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. (Singapore time) on the Books Closure Date.

To be “**Entitled Depositors**”, Depositors must have registered addresses in Singapore with CDP as at the Books Closure Date or if they have registered addresses outside Singapore must provide CDP, at 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807, with addresses in Singapore no later than 5.00 p.m. (Singapore time) on the date being five (5) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares.

2.2 Entitled Scripholders

Shareholders whose share certificates are not deposited with CDP and whose Shares are not registered in the name of CDP (“**Scripholders**”) will have to submit duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Books Closure Date by the Company’s share registrar, B.A.C.S Pte. Ltd. (the “**Share Registrar**”), in order to be registered to determine the transferee’s provisional allotments of Rights Shares entitlements under the Proposed Rights Issue.

To be “**Entitled Scripholders**”, Scripholders must have registered addresses in Singapore with the Company as at the Books Closure Date or if they have registered addresses outside Singapore, must provide the Share Registrar at 63 Cantonment Road Singapore 089758 with addresses in Singapore no later than 5.00 p.m. (Singapore time) on the date being five (5) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares entitlements under the Proposed Rights Issue.

Entitled Depositors and Entitled Scripholders shall be collectively referred to as the “**Entitled Shareholders**” in this Announcement.

Notwithstanding the foregoing, investors should note that the offer and sale of, or exercise or acceptance of, or subscription for, provisional allotments of the Rights Shares to or by persons located or resident in jurisdictions other than Singapore may be restricted or prohibited by the laws of the relevant jurisdiction. Crediting of provisional allotments of the Rights Shares to any securities account with CDP, the receipt of any provisional allotments of the Rights Shares, or receipt of the Offer Information Statement and/or any of its accompanying documents, will not constitute an offer or sale in those jurisdictions in which it will be illegal to make such offer or sale, or where such offer or sale will otherwise violate the securities laws of such jurisdictions or be prohibited. The Company reserves absolute discretion in determining whether any Shareholder located or resident outside Singapore may participate in the Proposed Rights Issue.

2.3 Foreign Shareholders

The Company, in its absolute discretion, may offer the Rights Shares to some or all of its foreign Shareholders subject to such terms and conditions as the Company may decide at its absolute discretion, provided that there is no violation of the laws or securities legislation of the relevant jurisdiction. Save as aforesaid, for practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Rights Shares will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least five (5) market days prior to the Books Closure Date, provided to the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents (“**Foreign Shareholders**”).

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares commence. The net proceeds arising from such sales after deducting all expenses will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings as at the Books Closure Date, save that no payment will be made for amounts of less than S\$10.00 to a single Foreign Shareholder, and such amount shall be retained for the sole benefit of the Company or otherwise dealt with as the Directors in their absolute discretion deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP or the Share Registrar in connection therewith.

If such provisional allotments of Rights Shares cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP or the Share Registrar in connection therewith.

3 FINANCIAL EFFECTS

3.1 Assumptions

The financial effects of the Transactions (taking into account the Vested Options) and the Private Placement completed in July 2014 (collectively, the “**Enlarged Transactions**”) set out below are purely for illustrative purposes and do not reflect the future actual financial results or positions of the Group after the completion of the Enlarged Transactions. The financial effects of the Enlarged Transactions are prepared based on (a) the First Payment; (b) the PHGE Acquisition Prices, the School Land Acquisition Price and the PHGE Golf & Country Club Related Cost; (c) the CPCL Acquisition Price; (d) the unaudited financial statements of the Company, PHGE Golf & Country Club and CPCL for the three-month period ended 30 June 2014; (e) the basis that the LDRs in PHGE which are the subject of the Proposed Acquisition of PHGE have yet to be developed with no relevant historical financial results; and (f) the assumption that MIHL is not a subsidiary of the Company.

3.2 Share Capital

Assuming that the Enlarged Transactions had been completed on 30 June 2014, the effect of the Enlarged Transactions the share capital of the Company as at 30 June 2014 would have been as follows:-

	Before the Enlarged Transactions	After the Enlarged Transactions ⁽¹⁾
Issued and paid up Share capital (S\$'000)	327,204	586,069
Number of Shares ('000)	1,157,118	1,724,658

Note:-

- (1) The financial effects as set out above are presented before taking into account fees and expenses to be incurred in relation to the Enlarged Transactions.

3.3 Net Tangible Assets

Assuming that the Enlarged Transactions had been completed on 30 June 2014, the effect of the Enlarged Transactions on the NTA of the Group as at 30 June 2014 would have been as follows:-

	Before the Enlarged Transactions	After the Enlarged Transactions ⁽¹⁾
NTA (S\$'000)	360,457	600,667
Number of Shares ('000)	1,157,118	1,724,658
NTA per Share (cents)	31.15	34.83

Note:-

- (1) The financial effects as set out above are presented before taking into account fees and expenses to be incurred in relation to the Enlarged Transactions.

3.4 Earnings Per Share

Assuming that the Enlarged Transactions had been completed on 1 April 2014, the effect of the Enlarged Transactions on the EPS of the Group for the three-month period ended 30 June 2014 would have been as follows:-

	Before the Enlarged Transactions	After the Enlarged Transactions ⁽¹⁾
Net profit after tax (S\$'000)	1,441	1,814
Weighted average number of Shares ('000)	1,157,118	1,724,658
EPS per Share (cents)	0.12	0.11

Note:-

- (1) The financial effects as set out above are presented before taking into account fees and expenses to be incurred in relation to the Enlarged Transactions.