
PROPOSED VARIATIONS TO THE TERMS OF THE PROPOSED ACQUISITION OF EIGHTY PER CENT. (80%) INTERESTS IN RESPECT OF THE LANDMARK DEVELOPMENT

*Unless otherwise defined, all terms used or referred to in this announcement have the meanings as assigned to them in the announcements made by Yoma Strategic Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) on 19 November 2012, 18 December 2012, 8 February 2013, 15 March 2013, 16 June 2013, 4 July 2013, 15 July 2013, 19 August 2013 and 20 December 2013 (together, the “**Announcements**”).*

1. INTRODUCTION

Further to the Announcements, the Board of Directors of the Company wishes to inform shareholders that it has agreed with the vendor, Serge Pun & Associates (Myanmar) Limited (“**SPA**” or the “**vendor**”), to vary the terms of the proposed acquisition of eighty per cent. (80%) shareholding interests in Meeyahta International Hotel Limited (“**MIHL**”), a foreign investment company incorporated in Myanmar (the “**Proposed Acquisition**”) for the following reasons:-

- 1.1 It has become apparent that the conditions precedent stipulated in the sale and purchase agreement relating to the Proposed Acquisition dated 19 November 2012 (the “**S&P Agreement**”) will not be satisfied before the long-stop date of 30 June 2014.
- 1.2 SPA is confident that all the conditions precedent will eventually be satisfied. However, the timing of such is uncertain at this juncture.
- 1.3 The Company having considered all the ramifications of the current status of the vendor’s ongoing negotiations with the relevant authorities, is desirous to complete the Proposed Acquisition so as to secure the Sites (as hereinafter defined) for development.

2 SUMMARY OF THE PROPOSED ACQUISITION

- 2.1 The Company had on 19 November 2012 announced the Proposed Acquisition. MIHL holds the land development rights of Site 1 and it will procure that the land development rights of Site 2 will be held by MIHL prior to completion of the Proposed Acquisition. Site 1 is located at 372 Bogyoke Aung San Road, Pabedan Township, Yangon, Myanmar and is approximately 9.5 acres. Site 2 is located next to Site 1 at 380 Bogyoke Aung San Road, Pabedan Township, Yangon, Myanmar and is approximately 0.5 acres.

2.2 Site 1 and Site 2 (together, the “**Sites**”) currently comprise FMI Centre, the Grand Meeyahta Hotel (which had ceased operations in October 2013 to make way for the proposed redevelopment) and the former headquarters of the Burma Railway Company which is a heritage site built in 1877. Parties intend to develop Site 1 and Site 2 into a mixed-used development (the “**Landmark Development**”).

2.3 One of the conditions precedent to completion of the Proposed Acquisition was the issue of a Master Lease on such terms acceptable to the parties.

2.4 Master Lease

The master lease is a new leasehold title to be issued by the Ministry of Rail Transportation (“**MR**”) and approved by the Myanmar Investment Commission (“**MIC**”) for the benefit and in favour of MIHL and/or its wholly-owned subsidiaries whereby the existing leases of Site 1 and Site 2 will be combined with renewed lease terms of fifty (50) years with two (2) extensions of ten (10) years each, amounting to seventy (70) years, commencing from a current date.

2.5 Long-Stop Date

The original long-stop date for completion of the Proposed Acquisition was 30 June 2013 and the parties had agreed to two (2) extensions. The current long-stop date is 30 June 2014.

Please refer to the Company’s circular dated 8 February 2013 and the Announcements for more information on the Proposed Acquisition.

3 TERMS OF THE PROPOSED VARIATIONS

3.1 The Company has negotiated with SPA in good faith and both parties have mutually agreed to proceed with the Proposed Acquisition by waiving certain conditions precedent and instead have agreed on new terms and conditions with a view to completing the Proposed Acquisition as soon as reasonably practicable after the Company receives shareholders’ approval for the Proposed Variations (as hereinafter defined).

3.2 The key terms and conditions of the Proposed Acquisition which have been varied are as follows (together, the “**Proposed Variations**”):-

(a) Master Lease

The issuance of the Master Lease will no longer be a condition precedent to completion of the Proposed Acquisition. Instead, the Company will agree to acquire the remaining terms of the leases of Site 1 and Site 2 on an as-is basis.

Information on the remaining terms of the existing leases of Site 1 and Site 2

The existing lease of Site 1 has a term of thirty (30) years with an extension of ten (10) years subject to the mutual agreement of MIHL and MR. The lease commenced in 1998 and has a remaining term of approximately 24 years as at to-date assuming the ten (10) year extension is granted.

The existing lease of Site 2 has a term of thirty (30) years with three (3) extensions of five (5) years each. The lease commenced in 1995 and has a remaining term of approximately 26 years as at to-date assuming the three (3) extensions are granted. The lease is in the name of Yangon Land Co., Ltd. ("**Yangon Land**"), a wholly-owned subsidiary of SPA, and it is provided in the lease that Yangon Land may transfer the right to use the building on Site 2 with the prior consent from MR. For the purpose of completion of the Proposed Acquisition as amended by the Proposed Variations, MIHL will be appointed by Yangon Land to oversee the management and continuing development of Site 2 in exchange for step-in rights and the right to take over the lease at no further cost when MR approves the transfer to MIHL (the "**Management Appointment**"). The Company will obtain an independent legal opinion to confirm the validity and enforceability of this Management Appointment.

Please refer to Annex A for the list of conditions precedent as amended by the Proposed Variations.

(b) Consideration

The consideration for the Proposed Acquisition of US\$81.28 million¹ will remain as follows:-

- (i) The original valuation by the Company's independent valuer, Jones Lang LaSalle ("**JLL**"), for the Master Lease was US\$100.00 million. Parties agreed that the previously agreed value of US\$101.6 million¹ would still be used as the basis of determining the consideration for the Proposed Acquisition as amended by the Proposed Variations unless the Company elects to appoint an independent valuer to value the terms of the lease extensions for Site 1 and Site 2 where it is of the view that the terms and conditions of the extensions are materially different from the assumptions used by JLL in its original valuation and may therefore be materially adverse to the Company (the "**Election**"). Hence, the Company's eighty per cent (80%) share would remain at US\$81.28 million (the "**Consideration**") save as varied by the Election, if applicable.

¹ Based on the value of US\$100.00 million arrived at by the independent valuer appointed by the Group, JLL, and the value of US\$109.50 million arrived at by the independent valuer appointed by the SPA group, Robert Khan Pte Ltd, the average value of the Master Lease was US\$104.75 million. Accordingly, the parties agreed that the acquisition price of the Proposed Acquisition would be US\$81.28 million being 80% of the average value of the Master Lease (US\$101.6 million) discounted by a factor of 3.01%.

- (ii) US\$43.2 million of the Consideration will be paid to the vendor upon completion of the Proposed Acquisition as amended by the Proposed Variations (the “**First Payment**”). The First Payment is based on the valuation done by JLL on the existing leases assuming a remaining term of approximately 24 years. Upon the extension of the existing leases² of Site 1 and Site 2 and the transfer or assignment of the existing lease of Site 2 to MIHL with the approvals of MR and MIC, the Company may exercise its right under the Election or pay the remaining US\$38.08 million to the vendor. In the event that the Company exercises its rights under the Election, the remaining amount of the consideration payable to the vendor shall be the average of the values of the extended terms of the existing leases determined by two (2) independent valuers separately appointed by the Company and SPA less the First Payment.
- (iii) SPA will be responsible for any land premium associated with any extension or renewal of the existing leases of Site 1 and Site 2.
- (iv) The Company shall have up to six (6) months to make any payment to SPA in the event that SPA exercises its right set out in sub-clause 3.2(b)(ii) above where the existing leases of Site 1 and Site 2 are extended or renewed.
- (c) SPA agreed to waive its right to seek an opinion from an independent valuer on the value of the land development rights attributable to the Landmark Development for the purpose of the Proposed Variations.
- (d) Shareholders’ approval of the Company must be obtained at an extraordinary general meeting to approve the Proposed Variations.
- (e) Completion for the Proposed Acquisition as amended by the Proposed Variations will take place upon the (a) satisfaction of the conditions precedent set out in the S&P Agreement save as amended by the Proposed Variations or waived by the Company; and (b) execution of the such documents (which will comprise those documents listed in the S&P Agreement, a deed of assignment and deed of management control in relation to the eighty per cent. (80%) shareholding interests in MIHL, the management agreement relating to Site 2 and such other documents as the Company in its sole discretion consider necessary to give effect to the Proposed Acquisition).
- (f) Condition Subsequent

SPA will procure that approval of the transfer of eighty per cent. (80%) shareholding interests in MIHL to the Company or its nominee will be granted by

² The lease terms extended for fifty (50) years with two (2) extensions of ten (10) years each, amounting up to seventy (70) years, in accordance with the relevant legislations.

the MIC and where conditions are imposed, such conditions to be acceptable to the Company (the “**MIC Approval**”) by 31 December 2015 or such other date as the parties may agree in writing, failing which, SPA shall refund to the Company the First Payment and all such monies that the Company had spent on or disbursed for the purpose of or in connection with the redevelopment of Site 1 and Site 2 without any deductions within three (3) months of receipt of the written notice from the Company.

- (g) Prior to the receipt of the MIC Approval, the Company shall only disburse up to a maximum of US\$40 million, being its pro rata share of eighty per cent. (80%) of the development costs³, for the purpose of or in connection with the redevelopment of Site 1 and Site 2 (the “**Funding Amount**”). The Company intends to fund the Funding Amount by exploring various funding options such as debt and/or equity fund raising such as a placement exercise. For the avoidance of doubt, this US\$40 million shall exclude the S\$7 million, being the Company’s pro rata share of eighty per cent (80%) of the preliminary development costs that has already been disbursed (the “**Pro Rata Development Costs**”). Please refer to the Company’s announcement made on 19 August 2013 on the Pro Rata Development Costs.
- (h) SPA and Mr. Serge Pun have undertaken to provide and to procure the provision of guarantees, in such forms as may be determined by the Company, for the vendor’s payment obligations under sub-clause 3.2(f).
- (i) SPA, together with the Company and FMI, will apply for all licenses, authorization, orders, grants, confirmations, permissions, registrations and other approvals necessary for the redevelopment of Site 1 and Site 2 after completion of the Proposed Acquisition as amended by the Proposed Variations.
- (j) The Company will undertake a rights issue (on revised terms set out below) to raise funds to secure funding for the First Payment.
- (j) The date for completion of the Proposed Acquisition as amended by the Proposed Variations shall be within three (3) months from the date the Company receives shareholders’ approval for the Proposed Variations.
- (k) All other terms and conditions of the Proposed Acquisition set out in the S&P Agreement remain unchanged save that in the event that such terms and conditions conflict with the Proposed Variations, parties agree that the Proposed

³ Based on the latest design which may be subject to changes depending on the prevailing market conditions and a quantity surveyor report, the total development costs of the Landmark Development (excluding the development cost of the former headquarters of the Burma Railway Company) is estimated to range from US\$415 million to US\$440 million. Please refer to the Company’s announcement dated 20 February 2014.

Variations shall prevail and the Company and SPA shall use their best endeavours to take such steps, enter into all such arrangements and agreements as may be necessary or expedient for the purpose of giving effect to the Proposed Variations.

4. RATIONALE

The Company continues to believe that the Sites offer one of the best development opportunities in Yangon today. Further, its independent valuer, Jones Lang LaSalle, has indicated that the value of the Sites has increased since its valuation report issued in October 2012 but the Company will still be acquiring the Sites based on the original valuation.

It is keen to proceed with the redevelopment of the Sites and is of the view that securing the Sites with a shorter lease term initially is the best way to keep the momentum going for the project which is attracting a significant amount of attention in the local market. The Company is confident that the existing leases will be extended as it understands from SPA that the authorities have indicated that so long as progress is made towards the development of the Burma Railway Company heritage building and a new hotel then the authorities will consider the request to extend the existing leases positively.

5. INTERESTED PERSON TRANSACTION

- 5.1 Mr. Serge Pun is the Executive Chairman and a Controlling Shareholder of the Company, holding approximately 41.67% direct and deemed interests in the Company as at the date of this Announcement.
- 5.2 Mr. Serge Pun is also the Chairman of SPA and the controlling shareholder of SPA as at the date of this Announcement. SPA 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.
- 5.3 Although the Company had received shareholders' approval for the Proposed Acquisition at the extraordinary general meeting held on 28 February 2013, the Company will be seeking approval from Shareholders for the Proposed Variations as a specific interested person transaction at an extraordinary general meeting ("**EGM**") to be convened.
- 5.4 Pursuant to Rule 906 of the Listing Manual, Shareholders' approval for an interested party transaction is required in the event that the aggregate transaction value exceeds five per cent. (5%) of the net tangible assets less non-controlling interest ("**NTA**") of the Group. As the maximum transaction value of the S&P Agreement as amended by the Proposed Variations is US\$81.28 million, which is equivalent to S\$99.16 million (28.7% of the Group's NTA as at 31 March 2013), the Company is seeking approval from Shareholders for the Proposed Variations as a specific interested person transaction at the extraordinary general meeting to be convened.

5.5 VALUE OF INTERESTED PERSON TRANSACTIONS

The aggregate value of all interested person transactions for the 12-month period ended 31 March 2014 with Mr. Serge Pun and his associates is S\$33.3 million.

6. PROPOSED RIGHTS ISSUE

The Company had on 30 July 2013 obtained shareholders' approval to undertake a proposed renounceable non-underwritten rights issue on the basis of one (1) rights share for every four (4) existing shares at an issue price of S\$0.38 for each rights share for the purposes of funding the Consideration and for working capital requirements. This rights issue mandate will expire at the forthcoming annual general meeting of the Company. The Company intends to seek shareholders' approval to undertake a revised rights issue of one (1) rights share for eight (8) existing ordinary shares at an issue price of S\$0.38 for each rights share to fund the First Payment (the "**Proposed Rights Issue**") and it will make a further announcement on the financing of the remainder of the consideration as and when the leases are extended.

Mr. Serge Pun has indicated that he intends to subscribe and pay for his pro rata entitlements under the proposed rights issue and make excess applications and payments for the excess number of rights shares which are not subscribed or applied by shareholders.

Further information on the proposed rights issue may be found in Annex B of this Announcement.

7. INDEPENDENT FINANCIAL ADVISER

An independent financial adviser will be appointed to advise the independent Directors of the Company on the Proposed Variations.

8. ABSTENTION FROM VOTING

Mr. Serge Pun and his sons, Mr. Cyrus Pun and Mr. Melvyn Pun, are deemed to be interested in the Proposed Variations. Mr. Serge Pun and (if applicable), both Mr. Cyrus Pun and Mr. Melvyn Pun will abstain and have undertaken that their associates will abstain, from voting at the EGM in relation to the Proposed Variations and will not accept nominations as proxy or otherwise for voting at the EGM 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 resolution.

10. AUDIT COMMITTEE STATEMENT

The Audit Committee of the Company will be obtaining an opinion from an independent financial adviser before forming its view that the Proposed Variations is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed above and to the best knowledge of the Directors, none of the other Directors and substantial shareholders has any interest, direct or indirect, in the Proposed Variations.

12. CIRCULAR AND EGM

The Company intends to convene an EGM to seek shareholders' approval for the abovementioned corporate actions. The Circular containing further information on, amongst other things, the corporate actions will be issued by the Company and despatched to Shareholders in due course.

13. 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.

14. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Supplementary Agreement to the S&P Agreement will be available for inspection during normal business hours at the Group's registered office for three (3) months from the date of this Announcement.

BY ORDER OF THE BOARD

Andrew Rickards
Chief Executive Officer
16 June 2014

Annex A

Unless otherwise defined, the terms herein shall bear the same meanings to those specified in the Announcement.

- (a) The approval of the shareholders of the Company being obtained at an EGM for, *inter alia*, the Proposed Variations and the Proposed Rights Issue.
- (b) In relation to the Proposed Rights Issue, the grant of whitewash waiver(s) by the Securities Industry Council in respect of the obligation of Mr. Serge Pun to make a general offer arising from or in connection with his subscription of the excess rights shares in accordance with his undertaking and the independent shareholders of the Company passing a resolution in favour of such waiver(s), if required.
- (c) The Company having received a satisfactory legal opinion from a Myanmar counsel on, *inter alia*, the validity and enforceability of the deed of management control and deed of assignment relating to the eighty per cent (80%) interest in MIHL and the Management Appointment, in such form as is acceptable to the Company in its sole and discretion, prior to the EGM to be convened by the Company to seek approval from its shareholders.
- (d) The Company being satisfied with the results of the legal and financial due diligence exercises (including but not limited to review of assets and liabilities (which shall include contingent liabilities) and existing tenancy agreements relating to the properties) conducted on MIHL.
- (e) Each Party not having committed a material breach of any of the covenants and agreements required to be performed or caused to be performed by it under the S&P Agreement on or before the completion date.
- (f) None of the parties having received notice of any injunction or other order or directive restraining or prohibiting the consummation of the transactions contemplated by or in connection with the S&P Agreement, deed of management control, deed of assignment and the Management Appointment and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending.
- (g) There being no material change to the redevelopment plan including road line plans, drainage plans and boundary lines, and usage of the Sites or any part of the Sites, and no notice of such intended change has been given, by the government or such other competent authority.
- (h) There being no increase or alteration in the issued and paid up capital of MIHL.
- (i) There being no material adverse change to the business, prospects, operations or financial condition of MIHL and Yangon Land occurring on or before the completion date.

Annex B

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 144,639,776 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.38 FOR EACH RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY EIGHT (8) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1 INTRODUCTION

The Board of Directors (the “**Directors**”) of Yoma Strategic Holdings Ltd. (the “**Company**”) wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue (the “**Rights Issue**”) of up to 144,639,776 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.38 (the “**Issue Price**”) for each Rights Share, on the basis of one (1) Rights Share for every eight (8) existing ordinary shares in the capital of the Company (the “**Shares**”) held by the shareholders of the Company (the “**Shareholders**”) as at a time and date to be determined by the Directors for the purpose of determining the Shareholders’ entitlements under the Rights Issue (the “**Books Closure Date**”), fractional entitlements to be disregarded.

The Company intends to convene an extraordinary general meeting to seek shareholders’ approval for the Rights Issue.

2 DETAILS OF THE RIGHTS ISSUE

2.1 Terms of the Rights Issue

The Company is offering up to 144,639,776 Rights Shares at the Issue Price of S\$0.38 per Rights Share, on the basis of one (1) Rights Share for every eight (8) existing Shares held by Entitled Shareholders (as hereinafter defined) as at the relevant books closure date (“**Book Closure Date**”), fractional entitlements to be disregarded.

Entitled Shareholders will be entitled to participate in the Rights Issue and receive the offer information statement to be issued by the Company in connection with the Rights Issue (the “**Offer Information Statement**”) together with the appropriate application forms and accompanying documents at their respective Singapore addresses.

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 Singapore Exchange Securities Trading Limited (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 Rights Issue.

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.

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 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.

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.

2.2 Size of the Rights Issue

As at the date of this Announcement, the issued and paid-up share capital of the Company comprises 1,157,118,215 Shares (the “**Existing Share Capital**”). Based on the Existing Share Capital and assuming that the Rights Issue is fully subscribed, 144,639,776 Rights Shares will be issued pursuant to the Rights Issue.

2.3 Issue Price

The Rights Shares are priced at the Issue Price of S\$0.38 per Share which represents (i) a discount of approximately 51.9% to the closing price of S\$0.79 per Share on 13 June 2014, being the market day immediately preceding the date of this Announcement on which Shares were traded on the SGX-ST, and (ii) a discount of approximately 48.6% to the theoretical ex-rights trading price of S\$0.74 per Share.

2.4 Further Information

The terms and conditions of the Rights Issue are subject to such changes as the Directors may in their absolute discretion deem fit. The final terms and conditions of the Rights Issue will be contained in the Offer Information Statement to be lodged with the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore.

3. PURPOSE OF THE RIGHTS ISSUE AND USE OF PROCEEDS

Based on the Existing Share Capital, if the Rights Issue is fully subscribed, the estimated gross proceeds of the Rights Issue is approximately S\$54.96 million and the estimated net proceeds ("**Net Proceeds**") of the Rights Issue, after deducting estimated expenses of approximately S\$0.25 million, will amount to approximately S\$54.71 million.

The Company intends to utilise the Net Proceeds in the following manner:

- (i) approximately S\$54.00 million of the Net Proceeds will be used to make the First Payment for the Proposed Acquisition as amended by the Proposed Variations; and
- (ii) the balance of the Net Proceeds will be used for general working capital purposes.

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.

Pending the deployment of the Net Proceeds for the uses identified above, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purpose on a short-term basis as the Directors may deem appropriate in the interest of the Group.

4. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE

4.1 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.

4.2 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 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 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 Rights Issue.

4.3 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 (which may or may not be the same as the terms of the Rights Issue) 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.

5. APPROVALS

The 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 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 the Proposed Variations at the EGM;
- (d) the completion of the Proposed Acquisition as amended by the Proposed Variations; and
- (e) the lodgment of the Offer Information Statement with the Monetary Authority of Singapore.

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.

A circular to Shareholders containing, *inter alia*, the notice of the EGM in relation to the Rights Issue will be despatched to Shareholders in due course. The Offer Information Statement will be lodged with the SGX-ST (acting as agent of the Monetary Authority of Singapore) and despatched to Entitled Shareholders in due course following the EGM if the Rights Issue is approved at the EGM.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and substantial Shareholders has any interests, direct or indirect, in the Rights Issue, other than through each of their respective shareholding interests, direct and/or indirect, in the Company.

7. FINANCIAL EFFECTS

7.1 Assumptions

The financial effects of the Proposed Acquisition as amended by the Proposed Variations and the proposed Rights Issue (collectively, the “**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 Transactions. The financial effects of the Transactions are prepared based on (a) the First Payment; (b) the most recently completed financial year ended 31 March 2014; and (c) the assumption that MIHL is not a subsidiary of the Company.

7.2 Share Capital

Assuming that the Transactions had been completed on 31 March 2014, the effect of the Transactions the share capital of the Company as at 31 March 2014 would have been as follows:-

	Before the Transactions	After the Transactions ⁽¹⁾
Issued and paid up Share capital (S\$'000)	327,204	382,167
Number of Shares ('000)	1,157,118	1,301,758

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 Transactions.

7.3 Net Tangible Assets

Assuming that the Transactions had been completed on 31 March 2014, the effect of the Transactions on the NTA of the Group as at 31 March 2014 would have been as follows:-

	Before the Transactions	After the Transactions (1)
NTA (S\$'000)	358,866	413,829
Number of Shares (‘000)	1,157,118	1,301,758
NTA per Share (cents)	31.01	31.79

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 Transactions.

7.4 Earnings Per Share

Assuming that the Transactions had been completed on 1 April 2013, the effect of the Transactions on the EPS of the Group for the financial year ended 31 March 2014 would have been as follows:-

	Before the Transactions	After the Transactions (1)
Net profit after tax (S\$'000)	16,392	16,392
Weighted average number of Shares (‘000)	1,157,118	1,301,758
EPS per Share (cents)	1.42	1.26

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 Transaction.