



RESPONSES TO QUESTIONS FROM SHAREHOLDERS IN RELATION TO ANNUAL REPORT FOR FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 TO BE TABLED AT THE ANNUAL GENERAL MEETING ON 28 JANUARY 2022

Yoma Strategic Holdings Ltd. (the “**Company**”, or collectively with its subsidiaries, the “**Group**”) would like to thank all shareholders for submitting their questions in advance of its Annual General Meeting (“**AGM**”) which will be convened and held by way of electronic means on 28 January 2022 at 10.00 a.m. (Singapore time).

The Company has consolidated the substantial and relevant questions received, made editorial amendments to, or rephrased, some of the questions to ensure that the context of these questions is clearer.

Please refer to **Annex A** for the list of substantial and relevant questions and the Company’s responses to these questions.

It is important to note that these questions and responses should be read in conjunction with the Company’s Annual Report 2021.

BY ORDER OF THE BOARD

Melvyn Pun
Chief Executive Officer
24 January 2022

ANNEX A: QUESTION FROM SHAREHOLDERS AND THE COMPANY'S RESPONSE

Question 1:

- How are the company's operations affected by the political situation in Myanmar?
- What are the plans to overcome the impact of the political situation in Myanmar?
- What is the outlook of the company?
- Does Yoma Strategic feel confident about thriving (breaking even or better) during this period of uncertainty in Myanmar? How does it plan to stay solvent?
- Please give details of the operation condition in Myanmar. Moving ahead is the business operating situation getting better in Myanmar, please explain.

Company's response:

It has been a challenging year for Myanmar with substantial uncertainty in the economic and business environment since 1st February 2021 followed by a third wave of COVID-19 in July. Group revenue declined by 15.5% year-on-year while The Group's operations faced significant disruptions, including nationwide curfews, travel restrictions and border closures, temporary shut downs of 4G mobile and internet services and other disruptions to the banking system including cash shortages. Further information can be found in the Group's unaudited financial statements for the six months ended 31 March 2021 and for the full financial year ended 30 September 2021 and in the Annual Report 2021.

Whilst uncertainty remains in the current environment, the Group believes that it is in a strong position to weather these challenges. In particular, the Group intends to focus on its real estate businesses and on Wave Money, where the combination of strong market leading positions, unique business offerings to customers, and healthy underlying demand provide reasons to remain optimistic in the Group's future. The competitive landscape in Myanmar has also shifted with reduced competition compared to the pre-COVID environment across most of the Group's businesses.

Question 2:

Are there any plans for fundraising?

Company's response:

The Group is actively managing its balance sheet and is currently undergoing a deleveraging exercise and exploring potential asset disposals. Whilst there are no concrete plans for additional fundraising, the Group will remain open to all possible fundraising opportunities.



Question 3:

What is the progress in the digital payments business?

Company's response:

The Group is optimistic about the Wave Money business. Wave Money demonstrated resilience as it weathered major disturbances, such as the 4G mobile shutdown in March and April as well as the cash shortages in the market. Over-the-counter money transfers, digital transaction volumes and digital monthly active users for the e-wallet have all recovered substantially since June 2021, and the trend is expected to continue. Digitalization of the economy, in particular in financial services, is accelerating with the Central Bank of Myanmar making this a priority and Myanmar consumers increasingly accepting these methods of payment. Furthermore, the Group believes that Wave Money will be at the heart of the Group's digital ecosystem and that taking a controlling stake in Wave Money would allow for greater collaboration between Wave Money and the Group's other businesses through the contribution of certain payment functions as well as a closer alignment of new products and features on the WavePay app.

Question 4:

Any strategic plans for the company with new strategic partners?

Company's response:

The Group is honored to have developed a number of strong strategic partnerships with prominent international business groups, such as Ayala Corporation and Mitsubishi Corporation. These partnerships have been particularly beneficial to the Group in leveraging the wealth of knowledge and advice from our partners during these difficult times. Building strong partnerships with best-in-class business groups will remain a core business philosophy for Yoma Strategic.



Question 5:

What is the status of how the 2nd tranche of Ayala investment into Yoma will be resolved?

Company's response:

The Company had on 29 December 2021 informed shareholders that it has restructured the Second Tranche Placement Shares into a perpetual loan (the "Restructured Loan"). The Restructured Loan does not have a maturity date and based on its terms, it will be accounted for within the capital and reserves attributable to equity holders of the Company under equity and not as a borrowing under liabilities. The repayment of the Restructured Loan may only be made by way of allotment and issuance of new shares in the Company. Furthermore, the Restructured Loan must be redeemed upon the satisfaction of certain conditions including a ruling from the Securities Industry Council (which as at the date of this announcement remains pending) and a minimum 7-day volume weighted average price of a share of the Company which is equal to or exceeds S\$0.45. Please refer to the Company's announcement dated 29 December 2021 for more information.

Question 6:

- Has the Company evaluated whether the portfolio of brands that Yoma F&B holds is still relevant and attractive to the taste buds of the Myanmar people?
- Is Yoma F&B continually refreshing its F&B offering to remain relevant and attractive to the evolving taste and preferences of the Myanmar people? If so, could the company elaborate how it has done so? Any new brands/F&B offerings?

Company's response:

The Group's two F&B brands remain popular for the Myanmar people. YKKO is one of the most recognized restaurant brands in the country, and KFC remains the largest international QSR brand by providing high quality food at a reasonable value proposition and continuing to launch new limited-time offers to cater to local tastes. Both brands have remained operational throughout periods of significant market disruption.

There are no immediate plan to expand the Group's current F&B offerings. The Group is now focused on profitability over growth, and accordingly in FY2021, the Group decided to shut down the two smaller F&B brands – Little Sheep Hotpot and Auntie Anne's™ – as well as to close approximately 30% of its restaurant locations. These steps have contributed to better financial performance in the Yoma F&B business.



Question 7:

What is the Company doing to manage its currency exposures? Please elaborate.

Company's response:

The Group has proactively taken measures to mitigate its exposure to foreign exchange risks. As much as possible, the Group tries to link its revenues to USD , whilst prioritizing its expenses in MMK. For example, large property sales tend to be quoted and negotiated in USD, and the long-term recurring contracts in Yoma Land's property leasing business and in Yoma Fleet's automotive leasing business are substantially denominated in USD. Where possible, major expenses, such as construction costs at Yoma Land and food items at Yoma F&B, are increasingly sourced in Myanmar as part of the shift towards MMK expenditures.

Question 8:

- Would it be feasible for the Company to borrow more in MMK and less in USD to allow for "natural hedging"? If not, why not?
- Could the Company restructure its debt to be denominated in MMK instead of USD? Does the Company intend to do so? If not, why not?

Company's response:

Over the last 2 years, the Group has gradually increased its MMK-denominated borrowings to the current level of MMK 80 billion in order to hedge the parts of its businesses that transact in MMK. The Group maintains strong relationships with key local banks and continues to monitor its local currency exposure in order to optimize its capital structure.

The Group is also making a concerted effort to reduce its overall debt profile. In FY2021 gross repayments of borrowings were USD 28.6 million, and the Group's pro-forma gearing ratio reduced to 27.7%. The Group has revised the payment schedules for certain loan facilities and discussions regarding covenant frameworks remain ongoing. It will continue to engage with its lenders to ensure a stable liquidity position and minimize any adverse impact to the Group.



Question 9:

- What can management do to safeguard Yoma's assets during the civil war?"
- Is there a civil war currently occurring in Myanmar?
- Have any of our properties been damaged by the civil war?
- Any "crystal ball" on when the political uncertainty/social and civil unrest in Myanmar would end?
- Any "crystal ball" on how and what would bring the political uncertainty/social and civil unrest in Myanmar to an end?

Company's response:

The Group is not disposed to comment on matters of a political nature. It is important to note that the Group's operations have largely resumed with employees working at their usual locations, with the exception of the suspension of the Yoma Central project as the project's shareholders consider revisions to the funding and construction plans. There are no material damages to the Group's properties.

Question 10:

Are our properties covered by insurance?

Company's response:

The Group believes that it has adequate coverage over its properties, in particular, material assets including its investment properties and fleet are covered.