
PROPOSED RESTRUCTURING OF INVESTMENT BY AYALA CORPORATION

Reference is made to the announcements dated 14 November 2019, 24 November 2019, 2 December 2019, 12 November 2020, 30 April 2021 and 30 September 2021 (together, the “Announcements”) and unless otherwise stated, all terms shall be as defined in the Announcements.

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of Yoma Strategic Holdings Ltd. (the “**Company**”) and together with the subsidiaries of the Company, the “**Group**”) refers to the Placement Agreement in relation to the subscription of the First Tranche Placement Shares and the Second Tranche Placement Shares by the indirect wholly-owned Singapore subsidiary of Ayala Corporation (“**Ayala**”), VIP Infrastructure Holdings Pte. Ltd. (“**VIP Infrastructure**”), and wishes to announce that the Company has on 29 December 2021 entered into a new agreement with VIP Infrastructure (the “**Restructured Loan Agreement**”) to restructure the subscription of the Second Tranche Placement Shares into a perpetual loan which can only be redeemed by way of allotment and issuance of ordinary shares in the capital of the Company (the “**Redemption Shares**”) in accordance with the terms and conditions of Restructured Loan Agreement, the salient terms of which are set out in Paragraph 3 of this Announcement. The Company does not have any existing convertibles.
- 1.2 As at the date of this Announcement, Ayala, through VIP Infrastructure, holds 332,500,000 shares in the Company (being the First Tranche Placement Shares), representing approximately 14.86% interest.
- 1.3 Ayala had previously, through VIP Infrastructure, provided a 5-year loan in the principal amount of US\$46,426,880¹ to the Company in November 2020 (the “**5-year Loan**”). Parties agree to convert the 5-year Loan together with the accrued interest up to and including the date of execution of the Restructured Loan of US\$2,704,623 (collectively, the “**Existing Loan**”) into a perpetual loan under the Restructured Loan Agreement (the “**Restructured Loan**”). The Restructured Loan amount is US\$49,131,503.

¹ The principal amount of the loan is equivalent to the aggregate subscription price for the Second Tranche Placement Shares. As at the date of execution of the 5-year Loan agreement, Ayala was an interested person given that Mr. Fernando Miranda Zobel de Ayala was a Non-Executive Director of the Company and Ayala is his associate. Please refer to Paragraph 18 (Interested Person Transactions) of the Company’s unaudited financial results for the six months ended 31 March 2021 for the estimated total amount of interest payable to Ayala assuming full repayment of principal at maturity. This Interested Person Transaction did not exceed three per cent. (3%) of the Group’s latest audited net tangible assets.

- 1.4 Following the execution of the Restructured Loan Agreement, the terms in the Placement Agreement relating to the subscription of the Second Tranche Placement Shares are also amended accordingly. For the avoidance of doubt, the rights of Ayala as disclosed in Paragraph 4.6 of the announcement on the Proposed Placement dated 14 November 2019 (the “**Placement Announcement**”) will remain unchanged for so long as Ayala holds the First Tranche Placement Shares.
- 1.5 The Restructured Loan is made pursuant to the exemption under Section 272B of the Securities and Futures Act, Cap. 289 of Singapore (“**SFA**”). As such, no prospectus or offer information statement will be issued by the Company in connection with the Restructured Loan. Furthermore, no commission, fee or other selling or promotional expenses is payable or incurred by the Company in connection with the Restructured Loan, other than those incurred for administrative or professional services.
- 1.6 Information on Ayala has been disclosed in the Placement Announcement.

2. RATIONALE

- 2.1 Ayala had, through VIP Infrastructure, completed its subscription of the First Tranche Placement Shares on 2 December 2019. Following the First Completion, both the Company and Ayala had proceeded to work on satisfying the conditions for the Second Completion. The parties subsequently extended the long stop date on several occasions. The latest long stop date is on 31 December 2021. Please refer to the Company’s announcement dated 30 September 2021.
- 2.2 Despite the continued uncertainty in the economic and business environment in Myanmar, Ayala has remained supportive of the Group and considers its interest in the Company as a long term investment. As such, given the circumstances, the parties feel that it would be in their respective best interests to enter into the Restructured Loan Agreement to convert the Existing Loan into the Restructured Loan.
- 2.3 Furthermore, as at the date of this Announcement, the 5-year Loan had been fully utilised in the manner set out in the Placement Announcement.

3. THE RESTRUCTURED LOAN AGREEMENT

- 3.1 The Restructured Loan will be redeemed by way of allotment and issuance of Redemption Shares at the share issue price of S\$0.45² per Redemption Share (the “**Share Issue Price**”) which is the same issue price as the First Tranche Placement Shares.

² The Share Issue Price represents a premium of approximately 243.51% to the closing price of S\$0.131 for each ordinary share in the capital of the Company (the “**Share**”) for trades done on the Shares on the Main Board of the SGX-ST on 28 December 2021, being the preceding full market day prior to the signing of the Restructured Loan Agreement.

3.2 *Salient terms of the Restructured Loan*

Principal Amount	:	US\$49,131,503
Use of Proceeds from the Restructured Loan	:	The Restructured Loan has been used by the Company in the manner disclosed in the Placement Agreement.
Number of Redemption Shares	:	150,091,282 ³ based on the Share Issue Price.
Redemption Right	:	Parties may redeem the Restructured Loan (in full and not in parts) into Redemption Shares upon the satisfaction of the prescribed conditions and following which, either party may deliver to the other party a notice seven (7) Business Days ³ prior to the date fixed for redemption (the “ Redemption Date ”).
Conditions for Redemption	:	<p>The Restructured Loan must be redeemed upon the satisfaction of the following conditions:-</p> <p>(a) the issuance of a ruling from the Securities Industry Council that Ayala is not construed as acting in concert with Mr. Serge Pun to obtain or consolidate effective control of the Company as a consequence of the subscription of the First Tranche Placement Shares (including the provision of the agreed undertakings by Mr. Serge Pun to Ayala) or the Securities Industry Council’s waiver of the obligations of Ayala and its concert parties (and such waiver not having been revoked or repealed) to make a mandatory general offer for the Company under Rule 14 of the Singapore Code on Takeover and Mergers, subject to (i) any conditions that the Securities Industry Council may impose, provided that such conditions are reasonably acceptable to Ayala; and (ii) if required, the independent shareholders of the Company approving a resolution to waive the obligation of Ayala Corporation to make a mandatory general offer under Rule 14 of the Singapore Code on Takeover and Mergers (the “SIC Ruling/Waiver”);</p>

³ The exchange rate of US\$1:S\$1.3747 which was used for the Placement Agreement is also used for this computation.

		<p>(b) the Company having convened an extraordinary general meeting and obtained the requisite shareholders' approval for the allotment and issuance of the Redemption Shares to VIP Infrastructure (the "Proposed Redemption Shares Issuance");</p> <p>(c) the listing approval in respect of the Redemption Shares being obtained from the SGX-ST and such approval not having been revoked or amended and, where such approval is subject to conditions, such conditions being acceptable to the Company and, to the extent that any conditions for such approval are required to be fulfilled on or before the Redemption Date, they are so fulfilled, and in this regard, the Company will deliver to VIP Infrastructure a copy of the listing approval and certification from any Director of the Company certifying the fulfilment of the conditions imposed by the SGX-ST for such approval;</p> <p>(d) all authorisations necessary for the allotment and issue and the listing of and quotation for the Redemption Shares have been duly obtained on or prior to the Redemption Date;</p> <p>(e) the 7-day volume weighted average price of a Share of the Company is equal to or exceeds S\$0.45, being the issue price per Redemption Share; and</p> <p>(f) the agreed representations of the Company being true and accurate in all respect as at the Redemption Date, with reference to the then existing circumstances.</p>
Repayment by way of Redemption Shares	:	Repayment of the Restructured Loan may only be made by way of the Redemption Shares.
Status of Redemption Shares	:	The Redemption Shares, when issued and delivered, shall rank <i>pari passu</i> with and shall carry all rights similar to the existing issued Shares and they will rank <i>pari passu</i> for any dividend, rights, allotment or other distributions, the record date for which falls after the Redemption Date.
Distribution	:	<p>(a) 2% per annum on the principal amount of the Restructured Loan; or</p> <p>(b) the amount equivalent to any dividends that may be declared and paid by the Company, whichever is higher.</p>

Distribution Discretion	:	<p>The Company has the sole discretion, in the event that it does not declare any dividend during a distribution period, to defer payment a Distribution by giving notice to VIP Infrastructure not less ten (10) Business Days⁴ prior to a scheduled Distribution payment date. Any Distribution not paid will be non-cumulative and will not accrue interest.</p> <p>There is no limit on the number of times the Company can elect not to pay Distributions, save for the obligation of the Company to pay any unpaid and accrued Distributions on or before the Redemption Date.</p>
Dividend Stopper	:	<p>Save as otherwise agreed by the Company and VIP Infrastructure in writing if, the Company elects to defer the payment of a Distribution on a Distribution payment date, the Company shall not, in the financial year following such Distribution payment date (a) declare or pay any distributions or make any other payment on, and will procure that no distribution or other payment is made on, any of its shares; or (b) redeem, reduce, cancel, buy-back or acquire for any consideration any of its shares, unless and until (A) all outstanding Distributions under the Restructured Loan have been paid by the Company to VIP Infrastructure; or (B) a redemption of the Restructured Loan has occurred, whichever is earlier.</p>
Maturity Date	:	<p>The Restructured Loan is a perpetual loan with no fixed maturity date⁵.</p>
Listing	:	<p>The Restructured Loan will not be listed on the SGX-ST.</p>
Governing Law	:	<p>Singapore</p>

⁴ **Business Day** means a day (other than a Saturday, Sunday, or gazetted public holiday) on which commercial banks are open for business in Singapore and the Philippines.

⁵ 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.

- 3.3 Following the redemption, VIP Infrastructure will hold 482,591,282 Shares representing 20.2% of the enlarged issued and paid-up share capital of the Company.

4. SHAREHOLDERS' APPROVAL FOR THE PROPOSED REDEMPTION SHARES ISSUANCE

- 4.1 At the Company's annual general meeting held on 29 January 2021 ("**AGM**"), shareholders' approval for the issuance of shares and convertible securities was obtained pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Listing Manual, subject to certain terms and conditions (the "**General Mandate**"). Pursuant to the General Mandate, Directors may issue up to fifty per cent. (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the AGM (subject to adjustments as set out under the terms of the General Mandate) (the "**Issued Shares**"), provided that the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company does not exceed twenty per cent. (20%) of the total number of Issued Shares.
- 4.2 Based on 2,237,469,260 Issued Shares at the date of the AGM (taking into account adjustments as set out in the terms of the General Mandate), up to 447,493,852 new ordinary shares in the capital of the Company may be issued on a non pro-rata basis. The Company does not have any treasury shares and subsidiary holdings.
- 4.3 As at the date of this Announcement, the Company has not yet utilised any part of the General Mandate. Accordingly, the Company intends to allot and issue the Redemption Shares to VIP Infrastructure in reliance of the General Mandate.
- 4.4 However, pursuant to Rule 812 of the Listing Manual, unless specific Shareholders' approval has been obtained, an issue of securities must not be placed to, *inter alia*, an issuer's substantial shareholders. VIP Infrastructure is a substantial shareholder of the Company. Therefore, in accordance with Rule 812(2), specific approval from Shareholders is required for the Proposed Redemption Shares Issuance.
- 4.5 Accordingly, the Company will be convening an extraordinary general meeting ("**EGM**") to seek specific Shareholders' approval from independent Shareholders for the Proposed Redemption Shares Issuance in respect of the allotment and issuance of the Redemption Shares to VIP Infrastructure upon redemption, subject to and in accordance with the conditions set out in the Restructured Loan Agreement. Pursuant to Rule 812(2), VIP Infrastructure and its associates will abstain from voting on the resolution relating to the Proposed Redemption Shares Issuance.
- 4.6 As at the date of this Announcement, VIP Infrastructure holds 14.86% of the total issued share capital of the Company, it is not a controlling shareholder and not an associate of a Director of the Company. The conversion of the Existing Loan into the Restructured Loan pursuant to the Restructured Loan Agreement and the Proposed Redemption Shares Issuance are not interested person transactions under Chapter 9 of the Listing Manual.

5. EGM AND CIRCULAR

As stated above, the Company will convene an EGM for the purpose of considering and, if thought fit, passing with or without modification, *inter alia*, the ordinary resolution in respect of the Proposed Redemption Shares Issuance. A circular to the Shareholders containing further details of, *inter alia*, the Proposed Redemption Shares Issuance, together with a notice of the EGM to be convened in connection with the same will be despatched to the Shareholders in due course. VIP Infrastructure and its associates will abstain from voting on the resolution relating to the Proposed Redemption Shares Issuance.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors of the Company have any interest, direct or indirect, in the Restructured Loan save for their direct or indirect interests (if any) arising by way of their shareholdings and/or directorships, as the case may be, in the Company.

7. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Restructured Loan Agreement will be made available for inspection⁶ at the registered office of the Company at 63 Mohamed Sultan Road, #02-14, Sultan Link, Singapore 239002, during normal business hours for three (3) months from the date of this Announcement.

8. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the conversion of the Existing Loan into the Restructured Loan and the Proposed Redemption Shares Issuance, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

ON BEHALF OF THE BOARD

Melvyn Pun
Chief Executive Officer
29 December 2021

⁶ Prior appointment is required in light of the COVID-19 situation.