

## **ADDENDUM DATED 11 JULY 2016**

### **THIS ADDENDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

This Addendum is circulated to shareholders of Yoma Strategic Holdings Ltd. (the “**Company**”) together with the Company’s Annual Report 2016. Its purpose is to explain to shareholders of the company the rationale and provide information for the proposed modifications to, and renewal of, the Shareholders’ Mandate (as herein defined) to be tabled at the Annual General Meeting of the Company to be held at The Straits Room, Level Four, The Fullerton Hotel, 1 Fullerton Square, Singapore 049178 on 26 July 2016, Tuesday at 10.00 a.m.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your ordinary shares (“**Shares**”) in the capital of the Company held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Addendum to the purchaser or transferee as arrangements will be made by CDP for a separate Addendum to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should immediately forward this Addendum and the Proxy Form to the purchaser or to the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The Ordinary Resolution 9 proposed to be passed in respect of the above matter is set out in the Notice of AGM (as defined herein) enclosed in the Annual Report 2016.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the accuracy of any of the statements made or opinions expressed or reports contained in this Addendum.



## **YOMA STRATEGIC HOLDINGS LTD.**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 196200185E)

Independent Financial Adviser to the Independent Directors



## **ADDENDUM TO SHAREHOLDERS**

**in relation to**

**THE PROPOSED MODIFICATIONS TO, AND RENEWAL OF, THE SHAREHOLDERS’  
MANDATE FOR INTERESTED PERSON TRANSACTIONS**

## CONTENTS

	Page
<b>DEFINITIONS</b> .....	3
<b>LETTER TO SHAREHOLDERS</b>	
1. INTRODUCTION .....	5
2. PROPOSED MODIFICATIONS TO, AND RENEWAL OF, THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS .....	5
3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS .....	18
4. DIRECTORS' RECOMMENDATION .....	19
5. ABSTENTION FROM VOTING .....	20
6. ANNUAL GENERAL MEETING .....	20
7. DIRECTORS' RESPONSIBILITY STATEMENT .....	20
8. CONSENT .....	20
9. ACTION TO BE TAKEN BY SHAREHOLDERS .....	20
10. DOCUMENTS AVAILABLE FOR INSPECTION .....	21
<b>APPENDIX A – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE PROPOSED MODIFICATIONS TO, AND RENEWAL OF, THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS</b> .....	22

## DEFINITIONS

For the purpose of this Addendum, the following definitions apply throughout unless the context requires otherwise or unless otherwise stated:

### **Companies within the YSH Group**

- “Company” or “YSH” : Yoma Strategic Holdings Ltd.
- “Group” : The Company and its subsidiaries collectively

### **Other companies, corporations and organizations**

- “CDP” : The Central Depository (Pte) Limited
- “FMI” : First Myanmar Investment Company Limited
- “SGX-ST” : Singapore Exchange Securities Trading Limited
- “SPA” : Serge Pun & Associates (Myanmar) Limited
- “SPA Group” : SPA and its associates and subsidiaries, collectively (including Yangon Land Co., Ltd., a wholly-owned subsidiary of SPA whose shares are held on trust for SPA)

### **General**

- “Addendum” : This Addendum to Shareholders dated 11 July 2016
- “AGM” : The Annual General Meeting of the Company to be held on 26 July 2016, notice of which is set out in the Annual Report
- “Annual Report” : Annual Report of the Company for FY2016
- “Articles” : The Articles of Association of the Company, as may be amended from time to time
- “Board” or “Directors” : The directors of the Company as at the date of this Addendum
- “Companies Act” : The Companies Act, Chapter 50, of Singapore as amended, supplemented or modified from time to time
- “FY” : Financial year ended or ending 31 March, as the case may be
- “Independent Directors” : The Directors who are deemed independent for the purposes of the Shareholders’ Mandate are Mr. Adrian Chan, Mr. Basil Chan, Ms. Wong Su Yen and Dato Timothy Ong
- “Interested Persons” : The persons referred to in Section 2.7 of this Addendum
- “Interested Person Transactions” : The transactions referred to in Section 2.8 of this Addendum
- “Latest Practicable Date” : 1 July 2016, being the latest practicable date prior to the printing of this Addendum
- “Listing Manual” : The Listing Manual of the SGX-ST, as amended or modified from time to time
- “Myanmar” : Republic of the Union of Myanmar

“NTA”	: Net tangible assets
“Proxy Form”	: The proxy form in respect of the AGM as set out in the Annual Report
“Shareholders”	: Persons who are registered as holders of the Shares in the Register of Members of the Company, or where CDP is the registered holder, the term “Shareholders” shall, in relation to such Shares, mean the Depositors who have Shares entered against their names in the Depository Register
“Shareholders’ Mandate”	: The general mandate for the Group to enter into certain types of transactions with specified classes of the Company’s interested persons pursuant to Chapter 9 of the Listing Manual, as further described in Section 2 of this Addendum
“Shares”	: Ordinary shares in the capital of the Company

**Currencies, Units of Measurement and Others**

“SGD” or “S\$” and “cents”	: Singapore dollars and cents respectively, representing the lawful currency of the Republic of Singapore
“US\$”	: United States dollars, the lawful currency of the United States of America
“%” or “per cent.”	: Percentage or per centum

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Addendum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Addendum shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Addendum is made by reference to Singapore time unless otherwise stated.

# YOMA STRATEGIC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)  
(Company Registration No. 196200185E)

## LETTER TO SHAREHOLDERS

### Board of Directors:-

Mr. Serge Pun (Executive Chairman)  
Mr. Melvyn Pun Chi Tung (Executive Director and Chief Executive Officer)  
Mr. Cyrus Pun Chi Yam (Executive Director)  
Mr. Adrian Chan Pengee (Non-Executive Independent Director)  
Mr. Basil Chan (Non-Executive Independent Director)  
Mr. Kyi Aye (Non-Executive Director)  
Ms. Wong Su Yen (Non-Executive Independent Director)  
Dato Timothy Ong Teck Mong (Non-Executive Independent Director)

### Registered Office:-

78 Shenton Way  
#32-00  
Singapore 079120

11 July 2016

**To: The Shareholders of Yoma Strategic Holdings Ltd.**

Dear Sir/Madam,

### THE PROPOSED MODIFICATIONS TO, AND RENEWAL OF, THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

#### 1. INTRODUCTION

The Directors refer to the notice of the AGM ("**Notice of AGM**") of the Company in relation to the forthcoming AGM. The Directors are seeking Shareholders' approval at the forthcoming AGM for the proposed modifications to, and renewal of, the Shareholders' Mandate. The Shareholders' Mandate will enable the Company and its subsidiaries to enter into transactions with Interested Persons in compliance with Chapter 9 of the Listing Manual.

The purpose of this Addendum, circulated together with the Annual Report, is to provide Shareholders with information relating to the proposed Ordinary Resolution 9 in the Notice of the AGM relating to the modifications to, and renewal of, the Shareholders' Mandate.

#### 2. PROPOSED MODIFICATIONS TO, AND RENEWAL OF, THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

##### 2.1 Background

At the extraordinary general meeting of the Company held on 10 September 2007, a shareholders' mandate (the "**pre-existing shareholders' mandate**") was obtained for the Company and its subsidiaries to enter into transactions falling within the categories of interested person transactions described in the Company's circular to Shareholders dated 14 August 2007, with any party who is of the class or classes of interested persons described in the said circular, provided that such transactions were made on normal commercial terms in accordance with the guidelines and procedures for review and administration of the interested person transactions as described in the said circular. The pre-existing shareholders' mandate was renewed at the Company's previous annual general meetings held on 21 July 2008, 24 July 2009 and 29 July 2010.

At the extraordinary general meeting of the Company held on 3 December 2010, an additional scope to expand the scope of the transactions covered by the pre-existing shareholders' mandate was obtained. The shareholders' mandate (comprising the pre-existing shareholders' mandate

obtained on 29 July 2010 and the additional scope obtained on 3 December 2010) was renewed at the Company's previous annual general meetings held on 27 July 2011, 25 July 2012 and 30 July 2013.

Furthermore, at the Company's annual general meeting held on 25 July 2014, Shareholders' approval was obtained for the renewal of the Shareholders' Mandate (comprising certain modifications). The Shareholders' Mandate was subsequently approved by Shareholders at the Company's annual general meeting held on 27 July 2015 and this Shareholders' Mandate will, unless renewed at the AGM, expire after the AGM.

## **2.2 Proposed Modifications to the Shareholders' Mandate**

In conjunction with the renewal of the Shareholders' Mandate, the Company is proposing certain modifications to the Shareholders' Mandate as set out below.

### **2.2.1 Modifications to "Classes of Interested Persons" of the Shareholders' Mandate**

The Company is proposing to replace Section 2.7 (b) under "Classes of Interested Persons" in its entirety with the following:-

"(b) Mr. Serge Pun and his associates; and"

### **2.2.2 Modifications to "General Transactions" of the Shareholders' Mandate**

The Company is proposing to make certain modifications to "General Transactions" of the Shareholders' Mandate as set out in Section 2.8.1 of this Addendum in the manner set out below.

#### **(a) Insertion of a new Section 2.8.1(l) in the Shareholders' Mandate**

The Company is proposing to insert a new Section 2.8.1(l) under the "General Transactions" category set out in Section 2.8.1 of this Addendum, to include provision of guarantee for a debt incurred by third party customers under a hire purchase arrangement in relation to the sale of vehicles, automotive parts and accessories and the payment of commission for the provision of financing under such a hire purchase arrangement.

#### **(b) Insertion of a new section 2.8.1(m) in the Shareholders' Mandate**

The Company is proposing to insert a new section 2.8.1(m) under the "General Transactions" category set out in section 2.8.1 of this Addendum, to include the receipt of letters of credit issued to third party suppliers in relation to the purchase of vehicles, automotive parts and accessories and the payment of commission and provision of collateral for such a facility.

#### **(c) Renaming of existing Section 2.8.1(l) in the Shareholders' Mandate as Section 2.8.1 (n)**

## **2.3 Rationale for the modifications to the Shareholders' Mandate**

### "Classes of Interested Persons"

As part of the Group's strive to improve corporate governance and transparency, it proposed to be specific in the identities of interested persons under the Shareholders' Mandate. Hence, it has proposed to modify Section 2.7(b) to name Mr. Serge Pun and his associates as the interested persons instead of making a general reference to all "Directors, Chief Executive Officer and Controlling Shareholders of the Company and their respective associates".

### "General Transactions"

As disclosed to Shareholders in the circular dated 10 July 2015, the Group has embarked on its next phase of growth to diversify by building on its non-real estate businesses particularly in the automotive and consumer businesses to match the scale of the non-real estate operations by 2020.

The proposed inclusion of the provision of guarantee for a debt incurred by third party customers under a hire purchase arrangement in relation to the sale of vehicles, automotive parts and accessories and the payment of commission for the provision of financing under such a hire purchase arrangement is essential to the automotive business as the availability of such hire purchase arrangement will allow customers to obtain funding to purchase vehicles and thus, the automotive business can reach out to more customers and increase its sales. For example, for one of the automotive subsidiaries, Convenience Prosperity Company Limited (“CPCL”), which is the authorized dealer of New Holland tractors and farm equipment, its customer base comprise largely of farmers who will not have the financial means to make full payment for tractors and equipment nor are they able to collateralise other assets to finance such a purchase. Under the hire purchase arrangement between the purchaser and the local bank, upon signing of the definitive agreement, CPCL as the authorised dealer will transfer ownership of the vehicle to the local bank in exchange for the settlement of the balance of the purchase consideration of the vehicle by the local bank. The local bank will in turn transfer ownership of such vehicle to the purchaser upon full payment of the outstanding loan. The local bank will require CPCL to guarantee the payment of the outstanding loan by the purchaser and a commission is also payable to the local bank by the authorised dealer and the purchaser as service fees for providing such a hire purchase arrangement. The value at risk for such a hire purchase arrangement is the amount of loan in default and the amount of commission payable as service fees by CPCL to the local bank which may be an interested person.

Further, the proposed inclusion of the receipt of letters of credit issued to third party suppliers in relation to the purchase of vehicles, automotive parts and accessories and the payment of commission and provision of collateral for the provision of such a facility is also to facilitate the purchase of vehicles, parts and accessories by the automotive businesses especially those which holds dealerships. For example, in the case of CPCL, upon receipt of sales order for tractors and equipment or when it is necessary to increase existing stock, orders will be made to the CNH Industrial N.V. group (“CNH”) which will require either full cash payment before delivery or letters of credit to guarantee that it will be paid. Where letters of credit are used, CNH will only be paid upon receipt of confirmation that the goods have been shipped. It is not uncommon for banks to require a collateral to be provided and a commission to be paid for the issuance of letters of credit. Letters of credit are often used in international transactions and is an important aspect of international trade. It would benefit the automotive business to have access to such a facility. The value at risk for such facility is the collateral to be provided and the commission payable as service fees by CPCL to the bank which may be an interested person.

The above services which are in the normal course of business of the Group will greatly benefit the Group and contribute towards meeting the abovementioned goal to diversify.

To ensure that the abovementioned transactions are conducted at arm’s length and on normal commercial terms consistent with the Group’s usual business practices and on terms which are generally not more favourable than those extended to unrelated third parties, and will not be prejudicial to the interests of the Company and its minority Shareholders, the Group will carry out the procedures for the review and approval of Interested Person Transactions set out in Sections 2.9 (c) and (d) of this Addendum. As at the date of this Addendum, the interested person for the abovementioned transactions is Yoma Bank.

Save for the above, the rationale of the Shareholders’ Mandate in respect of the Interested Persons Transactions which is sought to be renewed remains unchanged as described in Section 2.6.1 hereafter.

## **2.4 Chapter 9 of the Listing Manual**

Under Chapter 9 of the Listing Manual, where a listed company or any company that is its subsidiary or “associate” (as defined in Section 2.4 below) which is an “entity at risk” (as defined in Section 2.4 below) proposes to enter into a transaction with the listed company’s “interested persons” (as defined in Section 2.4 below), an immediate announcement, or an immediate announcement and shareholders’ approval, will be required in respect of the transaction if the value of the transaction is equal to or exceeds the thresholds set out in Chapter 9 of the Listing Manual.

In particular, an immediate announcement is required where:

- (a) the transaction is of a value equal to, or more than, three per cent. (3%) of the latest audited consolidated NTA of the listed company and its subsidiary companies; or
- (b) the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to three per cent. (3%) or more of the latest audited consolidated NTA of the listed company and its subsidiary companies. An announcement will also have to be made immediately of the latest transaction and all future transactions entered into with the same interested person during the financial year; and

Shareholders' approval (in addition to an immediate announcement) is required where:

- (a) the transaction is of a value equal to, or more than, five per cent. (5%) of the latest audited consolidated NTA of the listed company and its subsidiary companies; or
- (b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, five per cent. (5%) of the latest audited consolidated NTA of the listed company and its subsidiary companies. The aggregation will exclude any transaction that has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders.

For the purposes of aggregation, any Interested Person Transaction which is below S\$100,000 is to be excluded.

For illustration purposes, based on the audited consolidated accounts of the Group for the financial year ended 31 March 2016, the audited consolidated NTA of the Group as at 31 March 2016() was S\$638.95 million. Accordingly, in relation to the Group, for the purposes of Chapter 9 of the Listing Manual in the current financial year, Shareholders' approval will be required where:

- (a) the transaction is of a value equal to, or more than, S\$31.95 million, being five per cent. (5%) of the latest audited consolidated NTA of the Group; or
- (b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, S\$31.95 million, being five per cent. (5%) of the latest audited consolidated NTA of the Group.

Chapter 9 of the Listing Manual, however, provides that a listed company may seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials which may be carried out with the listed company's interested persons, but not in respect of the purchase or sale of assets, undertakings or businesses.

## 2.5 Definitions

For the purposes of Chapter 9 of the Listing Manual:

- (a) an **"approved exchange"** means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual;



- (b) an “**associate**” means:
- (i) in relation to any director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual):
    - (1) his immediate family member (that is, the person’s spouse, child, adopted child, step-child, sibling and parent);
    - (2) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
    - (3) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more;
  - (ii) in relation to a substantial shareholder or a Controlling Shareholder (being a company), its subsidiary or holding company or a subsidiary company of such holding company or a company in which it and/or such other company or companies taken together (directly or indirectly) have an interest of thirty per cent. (30%) or more;
- (c) “**Control**” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company;
- (d) a “**Controlling Shareholder**” in relation to a listed company means a person who:
- (i) holds directly or indirectly fifteen per cent. (15%) or more of the total number of issued shares excluding treasury shares in the company (unless the SGX-ST has determined such a person not to be a Controlling Shareholder of the company); or
  - (ii) in fact exercises Control over the company,
- or such other definition as the SGX-ST may from time to time determine;
- (e) an “**entity at risk**” means:
- (i) the listed company;
  - (ii) a subsidiary company of the listed company that is not listed on the SGX-ST or an approved exchange; or
  - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has Control over the associated company;
- (f) an “**interested person**” means:
- (i) a director, chief executive officer or Controlling Shareholder of the listed company; or
  - (ii) an associate of such director, chief executive officer or Controlling Shareholder;
- (g) an “**interested person transaction**” means a transaction between an entity at risk and an interested person; and
- (h) a “**transaction**” includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly.

## **2.6 The Shareholders' Mandate**

### **2.6.1 Rationale for the Shareholders' Mandate**

Mr. Serge Pun is the Executive Chairman and a Controlling Shareholder of the Company, holding approximately thirty-six per cent. (36.27%) direct and deemed interest in the Company as at the Latest Practicable Date. Mr. Serge Pun is also the Chairman of SPA, a private company incorporated in Myanmar, and he holds direct and indirect interests of approximately ninety per cent. (90%) in SPA as at the Latest Practicable Date. The remaining ten per cent. (10%) is held by various parties. Therefore, Mr. Serge Pun and the SPA Group (which is an associate of Mr. Serge Pun) are interested persons of the Company for the purposes of Chapter 9 of the Listing Manual. As some of the SPA Group's businesses are similar or complementary to the Group's businesses in property development, construction, project management and design services in Myanmar, certain transactions (as more particularly described in Section 2.8 below) between the SPA Group and the Group have occurred in the past and would continue to occur from time to time. The Group intends to continue to enter into transactions with the SPA Group so long as it is in the interest of the Group to do so.

FMI is a public company incorporated in Myanmar and is listed on the Yangon Stock Exchange. As at the Latest Practicable Date, Mr. Serge Pun and his associates hold approximately sixty-two per cent (62.30%) interest in FMI, with the remaining shareholding interests held by approximately 10,000 public shareholders.

In view of the benefits of the Shareholders' Mandate to Shareholders (as described in Section 2.3 above and Section 2.6.2 below), the Directors are seeking Shareholders' approval for the modifications to, and renewal of, the Shareholders' Mandate for the Group to enter into Interested Person Transactions with the classes of Interested Persons set out in Section 2.7 below, which includes FMI and the SPA Group.

If approved by Shareholders at the AGM, the proposed modifications to, and renewal of, the Shareholders' Mandate will take effect from the date of receipt of Shareholders' approval at the AGM until the next annual general meeting of the Company, and shall apply in respect of Interested Person Transactions entered or to be entered into from the date of the AGM until the next annual general meeting of the Company, unless revoked or varied by the Company in a general meeting. Thereafter, approval from Shareholders for the modifications to, and renewal of, the Shareholders' Mandate will continue to be sought at each subsequent annual general meeting of the Company.

### **2.6.2 Benefits of the Shareholders' Mandate**

The Directors believe that the proposed renewal of the Shareholders' Mandate is in the interests of the Group for the following reasons:-

FMI and the SPA Group are primarily engaged in various business sectors, namely, financial services, real estate, healthcare and aviation. Part of their businesses are similar and/or complementary to the businesses of the Group and as such, business relations with FMI and the SPA Group provide many opportunities for the Group to leverage their wide spectrum of businesses, many of which are able to add value to the businesses of the Group, and on the products and services provided to or by FMI and the SPA Group. The Group may also take full advantage of the opportunities available in Myanmar and tap on the wide network established by FMI and the SPA Group within the public and private sectors.

The Shareholders' Mandate will allow the Group to take advantage of such opportunities efficiently without incurring additional administrative costs in relation thereto. The Group will also benefit from having access to competitive quotes from its Interested Persons in addition to obtaining quotes from, or transacting with, non-Interested Persons.

The renewal of the Shareholders' Mandate on an annual basis would eliminate the need for the Company to announce, or to announce and convene separate general meetings from time to time to seek Shareholders' prior approval as and when potential Interested Person Transactions with a

specific class of Interested Persons arise, thereby reducing substantial administrative time-costs and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group. In addition, this will considerably improve administrative efficacy.

The Shareholders' Mandate is intended to facilitate the Interested Person Transactions in the ordinary course of business of the Group which the Directors envisage are likely to be transacted with some frequency from time to time with the Interested Persons, provided that they are carried out at arm's length and on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

### **2.6.3 Scope of the Shareholders' Mandate**

The Shareholders' Mandate will cover a range of transactions arising in the ordinary course of business operations of the Group as set out in Section 2.8 below.

The Shareholders' Mandate will not cover any Interested Person Transaction which has a value below S\$100,000 as the threshold and aggregate requirements of Chapter 9 of the Listing Manual does not apply to such transactions.

Transactions with Interested Persons which do not come within the ambit of the proposed renewal of the Shareholders' Mandate will be subject to the applicable provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

## **2.7 Classes of Interested Persons**

The Shareholders' Mandate will apply to the Interested Person Transactions (as described in Section 2.7 below) to be carried out between any company within the Group and the following classes of Interested Persons:-

- (a) SPA Group;
- (b) Mr. Serge Pun and his associates; and
- (c) FMI.

## **2.8 Categories of Interested Person Transactions**

The types of transactions with the Interested Persons (as described in Section 2.6 above) to which the Shareholders' Mandate applies and the benefits to be derived therefrom are set out below:-

### **2.8.1 General Transactions**

This category is in respect of general transactions ("**General Transactions**") by the Group relating to the provision to, or the obtaining from, Interested Persons of the following products and services in the normal course of business of the Group:-

- (a) piling services including pile production and foundation piling works;
- (b) construction services including supply of raw materials for construction, finishing works, interior decoration, doors, windows, trusses and equipment for construction;
- (c) design and architectural services including landscape, design, architecture, structure and building services;
- (d) project management services, construction management and quantity survey services in respect of residential, commercial and industrial properties;

- (e) supply and purchase and/or distribution of raw materials and finished goods (which would include the supply of such plantation produce which may be produced by Myanmar Agri-Tech Ltd. (“**MAGT**”) under the Crop and Produce Supply Agreement dated 25 July 2007 entered into between MAGT and the Company’s subsidiary, Plantation Resources Pte. Ltd);
- (f) rental of commercial properties, office space and land and related agency services;
- (g) vehicle repair, support and maintenance services;
- (h) distribution, sale, lease, rental, and import services of vehicles and automotive parts and accessories;
- (i) information technology services including computer repair and maintenance;
- (j) security services;
- (k) hotel and serviced residence accommodation services (including room rental and sale and purchase of food and beverages) and other related facilities;
- (l) provision of guarantees for a debt incurred by third party customers under a hire purchase arrangement in relation to the sale of vehicles, automotive parts and accessories, and the payment of commission for the provision of financing under such a hire purchase arrangement;
- (m) receipt of letters of credit issued to third party suppliers in relation to the purchase of the vehicles, automotive parts and accessories, and the payment of commission and provision of collateral for such a facility; and
- (n) such other products and/or services which are incidental to or in connection with the provision, or the obtaining of the products and/or services listed above.

By providing such products and services, the Group will derive additional sources of revenue. In addition, when receiving such products and services, the Group will also benefit from having access to competitive quotes from its Interested Persons in addition to obtaining quotes from, or transacting with, non-Interested Persons.

### **2.8.2 Treasury Transactions**

This category is in respect of treasury transactions (“**Treasury Transactions**”) which principally comprise the placement of funds with Interested Persons.

The Group deposits cash with Yoma Bank, a subsidiary of FMI and a member of the SPA Group. Yoma Bank is a privately owned commercial bank with one of the largest networks in Myanmar.

### **2.8.3 Land Development Rights Transactions**

This category is in respect of transactions relating to land development rights (“**LDR Transactions**”) which comprise the following:-

- (a) the receipt by Interested Persons on behalf of the Group of the sale proceeds of land development rights; and
- (b) the payment of marketing and sales commission by the Group to Interested Persons in relation to the sale of land development rights.

The LDR Transactions are carried out directly between the SPA Group and the end-buyers. The SPA Group will receive the sale proceeds from the end-buyers before remitting the Group’s share of its net proceeds to the Group.

The marketing and sales department of SPA provides marketing and sales services for the purposes of the Group's property development projects.

## **2.9 Review procedures for Interested Person Transactions**

To ensure that Interested Person Transactions are conducted at arm's length and on normal commercial terms consistent with the Group's usual business practices and on terms which are generally not more favourable than those extended to unrelated third parties, and will not be prejudicial to the interests of the Company and its minority Shareholders, the Group has adopted the following procedures for the review and approval of Interested Person Transactions under the Shareholders' Mandate. Any reference to the "**Chief Financial Officer**" in the following review procedures shall mean the Chief Financial Officer or such other officer of equivalent rank or designation of the Company for the time being.

### **2.9.1 General Transactions**

(a) All Interested Person Transactions are to be carried out:-

- (i) at the prevailing market rates/prices of the services or product providers (including, where applicable, preferential prices/rates/discounts accorded to a class of customers or for bulk purchases, where the giving of such preferential rates/prices/discounts are commonly practised within the applicable industry and may be extended to unrelated third parties, provided that there is no difference in terms of preferential rates/prices/discounts accorded to unrelated third parties vis-à-vis Interested Persons), or otherwise in accordance with applicable industry norms; and
- (ii) on terms which, in relation to services or products to be provided to an Interested Person, are no more favourable to the Interested Person than the usual commercial terms extended to unrelated third parties; or in relation to services or products to be obtained from an Interested Person, are no more favourable than those extended to the Group by unrelated third parties.

(b) In terms of sale of products or services:-

- (i) selling prices will be determined with reference to a standard price list in relation to the sales of such products or the provision of such services to unrelated third parties ("**Standard Price**"). Should there be any variation between the selling price and the Standard Price, the extent to which the selling price deviates from the Standard Price and the reasons for such variation will be analysed and shall be subject to the approval of a director of the relevant company of the Group (who has no interest, direct or indirect, in the transaction); and
- (ii) where the Standard Price is not available due to the unique nature of the product to be sold or service to be provided, a director of the relevant company of the Group (who has no interest, direct or indirect, in the transaction) and subject to the relevant required approvals as set out in sub-Section (d) below, will determine the pricing of such products to be sold or services to be provided to an Interested Person in accordance with industry norms and consistent with the usual business practices and pricing policies of the relevant company of the Group.

(c) In terms of purchases of products or services:-

- (i) in determining whether the price and terms offered by the Interested Person are fair and reasonable and comparable to those offered by unrelated third parties to the Group for the same or substantially similar type of product or service, the management of the relevant company in the Group will obtain at least two (2) other quotations from unrelated third party vendors or suppliers for a similar or substantially similar type of product or service as bases for comparison. The

management will then submit the recommendation to a director of the relevant company of the Group (who has no interest, direct or indirect, in the transactions) for approval; and

- (ii) where it is impractical or not possible for such quotations to be obtained (for example, where there are no unrelated third party vendors or suppliers of a similar type of product or service, or the product or service is proprietary), a director of the relevant company of the Group (who has no interest, direct or indirect, in the transaction) will ensure that the price and terms offered to the Group are fair and reasonable and that the terms of supply from the Interested Person will (where applicable) be in accordance with industry norms.
- (d) In addition to the above procedures, the following review and approval procedures have been implemented to supplement the existing internal control procedures for General Transactions:-

<b>Value of each transaction</b>	<b>Required approval</b>
Less than S\$100,000 (or US\$65,000)	The approval of the managing director of the relevant company in the Group (who shall not be an Interested Person in respect of the particular transaction).
Greater than or equal to S\$100,000 (or US\$65,000) but less than or equal to three per cent. (3%) of the Company's latest audited consolidated NTA	The approval of the managing director of the relevant company in the Group; verification and confirmation by the Company's Chief Executive Officer or Director (who shall not be an Interested Person in respect of the particular transaction) prior to making any commitment to the transaction; and approval of one (1) Independent Director.
Greater than three per cent. (3%) but less than or equal to five per cent. (5%) of the Company's latest audited consolidated NTA	The approval of the Company's Chief Executive Officer or Director (who shall not be an Interested Person in respect of the particular transaction) and a majority of the members of the Audit and Risk Management Committee (excluding any person who shall be an Interested Person in respect of the particular transaction) prior to making any commitment to the transaction.
Greater than five per cent. (5%) of the Company's latest audited consolidated NTA	The approval of the majority of the members of the Audit and Risk Management Committee and the Board of Directors (excluding any person who shall be an Interested Person in respect of the particular transaction) prior to making any commitment to the transaction.

### **2.9.2 Treasury Transactions**

- (a) The Company had on 27 June 2006 given an undertaking to the SGX-ST that:-
- (i) the Group will not obtain any loans from Yoma Bank which is an Interested Person; and
  - (ii) the Group will not deposit more than US\$500,000 in aggregate with Yoma Bank.
- (b) The following approval procedures have been adopted by the Company in respect of Treasury Transactions, in particular, the placement of the funds with Yoma Bank:-

<b>Value of each cash deposit</b>	<b>Required approval</b>
Less than S\$30,000 (or US\$20,000)	The approval of the managing director of the relevant company in the Group (who shall not be an Interested Person).
Greater than or equal to S\$30,000 (or US\$20,000)	The approval of the managing director of the relevant company in the Group and verification and confirmation by the Company's Chief Executive Officer or Director (who shall not be an Interested Person).

The accounts department of each company in the Group will submit a report on its bank balance with Yoma Bank to the Chief Financial Officer on a daily basis. The Chief Financial Officer will ensure that the bank balance with Yoma Bank will not exceed the stipulated US\$500,000 at all times.

### **2.9.3 Land Development Rights Transactions**

- (a) The Chief Financial Officer shall ensure that the sale proceeds of the land development rights received on behalf of the Group by the Interested Persons are transferred to the Group within three (3) business days of the collection date from the end buyers.
- (b) The Company's financial controller in its Yangon office shall review, approve and report to the Chief Financial Officer on a monthly basis, any payment of marketing commission to Interested Persons in relation to the sale of land development rights.
- (c) The Company shall record all LDR Transactions in the register of Interested Person Transactions (as mentioned in Section 2.8.4 below) together with all the supporting documents such as sale contracts and receipt vouchers issued by Interested Persons to end buyers.

### **2.9.4 Other procedures**

In addition to the review procedures set out above, the following will also be implemented:-

- (a) The Company's financial controller in its Yangon office will maintain a register of transactions carried out with Interested Persons pursuant to the Shareholders' Mandate. Details such as the names of Interested Persons, the date, value and basis of Interested Person Transactions on which they were entered into, including the quotations obtained or sale invoices raised to support such basis, shall be recorded in the register, together with any original review documents.

- (b) The Company shall, on a quarterly basis, report to the Audit and Risk Management Committee on all Interested Person Transactions and the basis of such transactions, entered into with Interested Persons during the preceding quarter. The Audit and Risk Management Committee shall review such Interested Person Transactions at its quarterly meetings except where any Interested Person Transactions require the approval of the Audit and Risk Management Committee prior to the transaction.
- (c) The Company's annual internal audit plan shall incorporate a review of all Interested Person Transactions, including the established review procedures for monitoring of such Interested Person Transactions, entered into during the current financial year.
- (d) The Audit and Risk Management Committee will conduct periodic reviews of not less than half-yearly of the review procedures for the Interested Person Transactions. If during the periodic reviews by the Audit and Risk Management Committee, the Audit and Risk Management Committee is of the view that the guidelines and review procedures for Interested Person Transactions have become inappropriate or insufficient in the event of changes to the nature of, or the manner in which, the business activities of the Group or the Interested Persons are conducted, new guidelines and procedures will be set so that Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders and the Company will seek a fresh mandate from Shareholders based on such new guidelines and procedures.
- (e) For the purpose of the above review and approval process, any Director, who has an interest in the Interested Person Transaction under review and is not considered independent, will abstain from voting on any resolution relating to the Interested Person Transaction and/or abstain from participating in the Audit and Risk Management Committee's decision during its review of the established review procedures for the Interested Person Transactions or during its review or approval of any Interested Person Transaction.

#### **2.10 Validity period of the Shareholders' Mandate**

If approved by Shareholders at the AGM, the modifications to, and renewal of, the Shareholders' Mandate will take effect from the date of receipt of Shareholders' approval, and will (unless revoked or varied by the Company in general meeting) continue in force until the next annual general meeting of the Company.

Approval from Shareholders will continue to be sought for the modifications to, and renewal of, the Shareholders' Mandate at the next annual general meeting and at each subsequent annual general meeting of the Company, subject to the satisfactory review by the Audit and Risk Management Committee of its continued application to Interested Person Transactions.

#### **2.11 Disclosure to Shareholders**

In accordance with Chapter 9 of the Listing Manual, the Company will disclose the Shareholders' Mandate and the aggregate value of the Interested Person Transactions conducted pursuant to the Shareholders' Mandate in the Annual Report, and in the annual reports for subsequent financial years during which the Shareholders' Mandate is in force. In addition, the Company will announce the aggregate value of the Interested Person Transactions conducted pursuant to the Shareholders' Mandate for each relevant financial period, which it is required to report on pursuant to the Listing Manual, within the time required for the announcement of such report. These disclosures will be made in the form required under Chapter 9 of the Listing Manual.



## **2.12 Statement of the Audit and Risk Management Committee**

Having considered, *inter alia*, the rationale for and benefits of the proposed modifications to, and renewal of, the Shareholders' Mandate as well as the opinion and advice of KPMG Corporate Finance Pte Ltd ("**KPMG**"), the Audit and Risk Management Committee concurs with the opinion of KPMG and is of the view that the procedures for determining transaction prices under the proposed modifications to, and renewal of, the Shareholders Mandate, are sufficient to ensure that the Interested Person Transactions covered by such mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

## **2.13 Opinion of the Independent Financial Adviser**

KPMG has been appointed as the independent financial adviser in relation to the Shareholders' Mandate to advise the Independent Directors on whether the procedures for determining transaction prices under the proposed modifications to the Shareholders' Mandate and the corresponding methods or procedures are sufficient to ensure that the Interested Person Transactions covered by such mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. A copy of the KPMG's letter to the Independent Directors dated 11 July 2016 (the "**IFA Letter**"), containing in full its advice and recommendations, is set out in the Appendix A hereto. Shareholders are advised to read the letter carefully before proceeding to vote on the proposed modifications to, and renewal of, the Shareholders' Mandate at the AGM. Having regard to the considerations set out in the IFA Letter and subject to the assumptions and qualifications contained therein, KPMG is of the opinion that the procedures for determining transaction prices of the Interested Person Transactions under the proposed modifications to, and renewal of, the Shareholders' Mandate are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

### 3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and the Substantial Shareholders of the Company as at the Latest Practicable Date, as recorded in the Register of Director's Shareholdings and the Register of Substantial Shareholders maintained under the provisions of the Companies Act are as follows:

	Direct Interest		Deemed Interest		Shares comprised in an option <sup>(4)</sup>
	No. of Shares	% of total issued Shares (%)	No. of Shares	% of total issued Shares (%)	
<b>Directors</b>					
Mr. Serge Pun	450,436,358 <sup>(2)</sup>	25.95 <sup>(1)</sup>	179,096,790 <sup>(3)</sup>	10.32 <sup>(1)</sup>	1,495,154
Mr. Melvyn Pun	17,300,000	0.99 <sup>(1)</sup>	–	–	4,000,000
Mr. Cyrus Pun	888,000	0.051	–	–	1,495,154
Mr. Adrian Chan	221,333	0.012	–	–	374,348
Mr. Basil Chan	221,333	0.012	–	–	374,348
Mr. Kyi Aye	221,333	0.012	–	–	374,348
Ms. Wong Su Yen	–	–	–	–	–
Dato Timothy Ong	925,000	0.053	–	–	–
<b>Substantial Shareholders</b>					
Mr. Serge Pun	450,436,358 <sup>(2)</sup>	25.95 <sup>(1)</sup>	179,096,790 <sup>(3)</sup>	10.32 <sup>(1)</sup>	1,495,154
Aberdeen Asset Management PLC. <sup>(5)</sup>	–	–	171,812,025	9.90	–
Aberdeen Asset Management Asia Limited <sup>(5)</sup>	–	–	171,812,025	9.90	–
The Capital Group Companies Inc. <sup>(6)</sup>	–	–	138,252,639	7.97	–
Capital Research and Management Company <sup>(6)</sup>	–	–	138,252,639	7.97	–
Capital Group International, Inc. <sup>(6)</sup>	–	–	138,252,639	7.97	–
Eaton Vance Corp. <sup>(7)</sup>	–	–	64,876,000	5.02	–
Eaton Vance Management <sup>(7)</sup>	–	–	64,876,000	5.02	–
Boston Management and Research <sup>(7)</sup>	–	–	65,389,000	5.06	–

**Notes:**

- (1) The percentage (%) of total issued Shares is computed based on the Company's enlarged share capital of 1,735,816,620 as at 22 June 2016.

- (2) 444,573,332 shares are held through nominee companies.
- (3) Mr. Serge Pun is deemed interested in (a) 896,790 shares held by Pun Holdings Pte Ltd and (b) 178,200,000 shares held by Pun Holdings Investments Limited. Pun Holdings Pte Ltd is 100% owned by Mr. Serge Pun and Pun Holdings Investments Limited is a 100% subsidiary of Pun Holdings Pte Ltd.
- (4) The options were granted pursuant to the Yoma Strategic Holdings Employees Share Option Scheme 2012.
- (5) Aberdeen Asset Management PLC ("AAM PLC") is the parent company of Aberdeen Asset Management Asia Limited. ("AAMAL"). AAMAL acts as an investment manager for various clients/funds and has the power to exercise, or control the exercise of, a right to vote attached to the securities and has the power to dispose of, or control the disposal of, the securities. The registered holder(s) of the securities is the client's or fund's custodian. AAM PLC is able to exercise or control the exercise of 9.90% of the total votes attached to the shares in the Company.
- (6) CGC is the parent company of Capital Research and Management Company ("CRMC"). CRMC is a U.S.-based investment management company that manages the American Funds family of mutual funds. CRMC manages equity assets for various investment companies through three divisions, Capital Research Global Investors, Capital International Investors and Capital World Investors. CRMC in turn is the parent company of Capital Group International, Inc. ("CGII"), which in turn is the parent company of five investment management companies ("CGII Management Companies"): Capital Guardian Trust Company, Capital International, Inc., Capital International Limited, Capital International Sàrl and Capital International K.K. The CGII Management Companies primarily serve as investment managers to institutional clients.

Neither CGC nor any of its affiliates own shares of the Company for its own account. Rather, the shares reported are owned by accounts under the discretionary investment management of one or more of the investment management companies described above.

Holdings of the CGII Management Companies are as follows; Capital Guardian Trust Company (22,116,613 voting shares), Capital International, Inc. (73,859,805 voting shares), Capital International Limited (1,418,000 voting shares) and Capital International Sàrl (40,858,221 voting shares). The said shares are managed by the CGII Management Companies in exercise of the investment management discretion vested in them in their respective capacities as investment managers to institutional clients.

As CGII is the holding company of the CGII Management Companies, CGII has a deemed interest in an aggregate of 138,252,639 voting shares in the Company. As CRMC is the parent company of CGII, in accordance with Sections 4(4) and 4(5) of the Securities and Futures Act, Chapter 289 Singapore ("SFA"). CRMC has a deemed interest in the said 138,252,639 voting shares in the Company managed by the CGII Management Companies.

For the reasons stated, CRMC has a total deemed interest of 138,252,639 voting shares in the Company, which constitutes approximately 7.97% of the total number of voting shares (excluding treasury shares) in the Company.

As CGC is the parent company of CRMC, pursuant to Sections 4(4) and 4(5) of the SFA, CGC is deemed interested in the total interest of CRMC of 138,252,639 voting shares (7.97%) in the Company.

- (7) Eaton Vance Corp. ("EVC") is the parent company of multiple fund managers, including Eaton Vance Management ("EVM") and Boston Management and Research ("BMR"). EVM is a wholly owned subsidiary of EVC. BMR is a 99.9% owned subsidiary of EVM. EVM and BMR are managers of certain funds that own in the aggregate more than 5% of the securities of the Company. EVC, through the funds managed by its subsidiaries, has the power to exercise, or control the exercise of, a right to vote attached to the securities and has the power to dispose of, or control the disposal of, the securities.

\*Company's Note:-

Both EVC's and BMR's notifications of substantial shareholdings in the Company were made based on their acquisitions of shares in the Company on 1 October 2014 and 16 October 2014 respectively, prior to the Company's rights issue on 9 February 2015.

#### 4. DIRECTORS' RECOMMENDATION

After having considered, *inter alia*, the rationale for and benefits of the proposed modifications to, and renewal of, the Shareholders' Mandate, as well as the opinion of the IFA, the Independent Directors are of the opinion that the proposed modifications to, and renewal of, the Shareholders' Mandate are in the interests of the Company and are not prejudicial to the interests of its minority Shareholders and recommend that Shareholders vote in favour of Ordinary Resolution 9 relating to the modifications to, and renewal of, the Shareholders' Mandate as set out in the Notice of AGM.

## **5. ABSTENTION FROM VOTING**

Mr. Serge Pun, Mr. Melvyn Pun and Mr. Cyrus Pun, who are interested persons in relation to the Shareholders' Mandate, will abstain and they have undertaken to ensure that their respective associates will abstain, from voting at the AGM in respect of Ordinary Resolution 9 relating to the proposed modifications to, and renewal of, the Shareholders' Mandate.

In addition, Mr. Serge Pun, Mr. Melvyn Pun and Mr. Cyrus Pun will decline to accept appointment as proxies for Shareholders to vote on (Ordinary Resolution 9) relating to the proposed modifications to, and renewal of, the Shareholders' Mandate at the AGM unless the Shareholder concerned shall have given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of such Ordinary Resolution.

## **6. ANNUAL GENERAL MEETING**

The AGM, notice of which is set out in the Annual Report, will be held at The Straits Room, Level Four, The Fullerton Hotel, 1 Fullerton Square, Singapore 049178 on 26 July 2016 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the resolutions set out in the Notice of AGM relating to, *inter alia*, the proposed modifications to, and renewal of, the Shareholders' Mandate.

## **7. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the proposed modifications to, and renewal of, the Shareholders' Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading. Where information in this Addendum 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 Addendum in its proper form and context.

## **8. CONSENT**

KPMG has given and has not withdrawn its written consent to the issue of this Addendum with the inclusion of its name and the IFA Letter and all reference thereto in the form and context in which they appear in this Addendum.

## **9. ACTION TO BE TAKEN BY SHAREHOLDERS**

### **9.1 Appointment of Proxies**

Shareholders who are unable to attend the AGM and who wish to appoint a proxy to attend and vote at the AGM on their behalf will find attached to the Annual Report, a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company not less than forty-eight (48) hours before the time fixed for the AGM. The completion and lodgement of the Proxy Form by a Shareholder does not preclude him from attending and voting in person at the AGM if he finds that he is able to do so.

### **9.2 When Depositor regarded as Shareholder**

A Depositor will not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register as at forty-eight (48) hours before the AGM.

## 10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company during normal working hours from the date of the Addendum up to and including the date of the AGM:-

- (a) audited consolidated financial statements of the Company and the Group for the financial year ended 31 March 2016; and
- (b) the IFA Letter; and
- (c) the letter of consent referred to in Section 8 of this Addendum.

Yours faithfully,  
For and on behalf of the Board of Directors of  
**Yoma Strategic Holdings Ltd.**

Melvyn Pun  
Chief Executive Officer & Executive Director

# APPENDIX A – LETTER FROM THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE PROPOSED MODIFICATIONS TO, AND RENEWAL OF, THE SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS

**KPMG Corporate Finance Pte Ltd.**  
16 Raffles Quay #22-00  
Hong Leong Building  
Singapore 048581

Telephone +65 6213 3388  
Fax +65 6225 0984  
Internet kpmg.com.sg

**Private and confidential**  
The Independent Directors  
Yoma Strategic Holdings Ltd.  
78 Shenton Way  
#32-00  
Singapore 079120

Our ref VS/KC

Contact Vishal Sharma  
+65 6213 2845

11 July 2016

Dear Sirs and Madams

## PROPOSED MODIFICATIONS TO, AND RENEWAL OF, THE SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS

*For the purpose of this letter, capitalised terms not otherwise defined herein shall have the same meaning as given in the addendum dated 11 July, 2016 (the “**Addendum**”) to the Shareholders of Yoma Strategic Holdings Ltd. together with the Company’s Annual Report 2016 (the “**Annual Report**”).*

### 1. INTRODUCTION

Yoma Strategic Holdings Ltd. (“**Yoma**” or the “**Company**”) is proposing modifications to “Classes of Interested Persons” and “General Transactions” (“**General IPTs**”) of the shareholders’ mandate undertaken between the Company and Interested Persons (the “**Shareholders’ Mandate**”) that was approved by shareholders of the Company (the “**Shareholders**”) at the annual general meeting held on 27 July 2015.

The directors of Yoma (the “**Directors**”) are seeking Shareholders’ approval at the forthcoming annual general meeting to be held on 26 July 2016 (“**AGM**”) for the proposed modifications to, and renewal of, the Shareholders’ Mandate. Details of the proposed modifications are set out in paragraph 2.2 of the Addendum to Shareholders dated 11 July, 2016.

This letter has been prepared for the use of the directors of the Company, who are considered independent for the purposes of the proposed modifications to “Classes of Interested Persons” and “General Transactions” of the Shareholders’ Mandate (the “**Independent Directors**”) as at the date of the Addendum.

To comply with requirements of Chapter 9 of the Listing Manual, KPMG Corporate Finance Pte Ltd (“**KPMG Corporate Finance**”) has been appointed as the independent financial adviser (“**IFA**”) to provide an opinion to the Independent Directors on whether the proposed

modifications to “Classes of Interested Persons” and “General Transactions” of the Shareholders’ Mandate and the corresponding methods or procedures set out in paragraph 2.9 of the Addendum, taken as a whole and if applied strictly, are sufficient to ensure that the General IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

## **2. TERMS OF REFERENCE**

The objective of this IFA letter is to provide an independent opinion to the Independent Directors, for the purposes of Chapter 9 of the Listing Manual, on whether the proposed modifications to the Shareholders’ Mandate and the corresponding review procedures set out in the “General Transactions” section of the Shareholders’ Mandate, when taken as a whole and if applied strictly, are sufficient to ensure that the General IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The views of KPMG Corporate Finance as set forth in this IFA letter are based upon market, economic, industry, monetary, and other conditions in effect on, and the information provided in the Addendum as well as information provided to us by the Company, as at 1 July 2016 (the “**Latest Practicable Date**”). Accordingly, this opinion does not take into account any event or condition occurring after this date. We assume no responsibility to update, revise or re-affirm our opinion, factors or assumptions in light of any subsequent development after the Latest Practicable Date.

It is not within our terms of reference to, and we do not (by this IFA letter or otherwise), evaluate or comment on the merits and/or associated risk, whether commercial, financial or otherwise of any Interested Person Transactions entered into or about to be entered into, and as such, we do not express an opinion thereon. All such evaluations or comments are and remain the sole responsibility of the Directors of the Company, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion.

We have not been involved in the deliberations leading up to the decision by the Directors to modify and renew the Shareholders’ Mandate, or the review procedures to be adopted by the Company to ensure that the General IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

In the course of our evaluation of the review procedures adopted for the General IPTs in connection with the proposed modifications, we have held discussions with members of the management team of the Company (the “**Management**”). We have also relied on the information contained in the Addendum. We have not independently verified such information furnished by the Management or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance. Nevertheless, the Management have confirmed to us that, to the best of their knowledge and belief, the information provided to us (whether written or verbal) as well as the information contained in the Addendum constitutes a full and true

disclosure, in all material respects, of all material facts relating to the proposed modifications and renewal of the Shareholders' Mandate and there is no material information the omission of which would make any of the information contained herein or in the Addendum inaccurate, incomplete or misleading in any material respect.

We have made reasonable enquiries and exercised our judgment in assessing such information and have found no reason to doubt the accuracy or reliability of such information. We have relied upon the assurance of the Directors (including those who may have delegated detailed supervision of the Addendum that they have taken all reasonable care to ensure that the facts stated or opinions expressed in the Addendum are fair and accurate in all material respects and that no material facts have been omitted which might cause the Addendum to be misleading in any material respect.

We do not warrant the implementation of the review procedures in relation to the General IPTs, as covered by the Shareholders' Mandate.

Our terms of reference in relation to the proposed modifications to the Shareholders' Mandate do not require us to conduct, and we have not conducted any review of the business, operations or financial condition of the Company, including but not limited to the historical or current interested person transactions carried out by the Company. Accordingly, we do not express any opinion on whether such interested person transactions were or are in compliance with the methods or procedures set out under the Shareholders' Mandate. The implementation of such review procedures is the responsibility of the Directors.

We are not required nor authorised to obtain, and we have not obtained, any quotations or transaction prices from third parties for products or services similar to those which are to be covered by the Shareholders' Mandate, and are therefore not able to, and did not, compare the General IPTs with similar transactions with third parties. In particular, the Shareholders' Mandate contemplates the General IPTs that may be entered into on behalf of the Company only in the future and we have not been requested to opine on any specific transactions proposed that may form the basis of comparison with quotations or transaction prices offered by third parties.

Our opinion is delivered for the use and benefit of the Independent Directors for their deliberation on the proposed modifications to the Shareholders' Mandate, and the recommendations made by the Independent Directors shall remain the responsibility of the Independent Directors. In rendering our opinion, we have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any Shareholder. As different Shareholders might have different investment objectives, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to the Shareholders' Mandate and/or proposed modifications to the Shareholders' Mandate to consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

The Company has been advised by its own professional advisers in the preparation of the Addendum (other than this IFA letter). We have no role or involvement and have not provided any advice, financial or otherwise, in the preparation, review and verification of the Addendum



(other than this IFA letter). Accordingly, we take no responsibility for and express no views, whether expressed or implied, on the contents of the Addendum (other than this IFA letter).

**Our opinion in relation to the proposed modifications to the Shareholders' Mandate, should be considered in the context of the entirety of this IFA letter and the Addendum.**

### **3. SHAREHOLDERS' MANDATE**

#### **(a) Interested Person Transactions relating to the General IPTs**

Salient information on the proposed modifications to the Shareholders' Mandate including:

- (i) the rationale for the Shareholders' Mandate;
- (ii) the rationale for the proposed modifications to the Shareholders' Mandate;
- (iii) the Classes of Interested Persons;
- (iv) the categories of General IPTs; and
- (v) the review procedure for the General IPTs.

are set out in paragraphs 2.2 to 2.9 of the Addendum.

#### **(b) Validity Period of the Shareholders' Mandate**

If approved by Shareholders at the AGM of the Company, the Shareholders' Mandate with the proposed modifications will take effect from the date of the AGM, and shall apply in respect of the Interested Person Transactions entered or to be entered into from the date of the AGM until the next annual general meeting of the Company or the date on which the next annual general meeting of the Company is required to be held, whichever is the earlier, unless revoked or varied by the Company in a general meeting.

Thereafter, the Company will seek the approval of Shareholders for a renewal of the Shareholders' Mandate at each subsequent annual general meeting.

#### **(c) Disclosure**

In accordance with the requirements of Chapter 9 of the Listing Manual, disclosure is required to be made in the Company's Annual Report of the aggregate value of all transactions conducted with Interested Persons pursuant to the Shareholders' Mandate during the current financial year, and in the Annual Reports for subsequent financial years that the Shareholders' Mandate continues in force. The Company is also required to announce the aggregate value of all Interested Person Transactions conducted with Interested Persons pursuant to the Shareholders' Mandate for the financial periods that it

is required to report on, pursuant to Rule 705 of the Listing Manual, within the time stipulated for the announcement of such report.

**(d) Other Transactions with Interested Persons**

The Independent Directors should note that any transaction with Interested Persons which does not fall within the ambit of the Shareholders' Mandate as set out in the Addendum shall be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

Such transactions will, unless specifically excluded from the ambit of Chapter 9 of the Listing Manual, require an immediate announcement where:

- (i) the transaction is of a value equal to, or more than, 3% of the Group's latest audited consolidated net tangible assets; or
- (ii) the transaction, when aggregated with other transactions entered into with the same Interested Persons during the same financial year, is of a value equal to, or more than, 3% of the Group's latest audited consolidated net tangible assets.

Shareholders' approval (in addition to an immediate announcement) is required where:

- (i) the transaction is of a value equal to, or more than, 5% of the Group's latest audited consolidated net tangible assets; or
- (ii) the transaction, when aggregated with other transactions entered into with the same Interested Persons during the same financial year, is of a value equal to, or more than, 5% of the Group's latest audited consolidated net tangible assets.

The above two rules do not apply to any Interested Person Transaction below S\$100,000.

**4. CONCLUSION**

In arriving at our opinion on whether the proposed modifications to the Shareholders' Mandate and the corresponding review procedures set out in the Addendum, when taken as a whole and if applied strictly, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, we have considered the following:

- (i) the rationale for the Shareholders' Mandate;
- (ii) the rationale for the proposed modifications to the Shareholders' Mandate;
- (iii) the Classes of Interested Persons;
- (iv) the categories of General IPTs; and

(v) the review procedure for the General IPTs.

**Based on the analysis undertaken and subject to the qualifications and assumptions made herein, KPMG Corporate Finance is of the opinion that the proposed modifications to the Shareholders' Mandate and the corresponding review procedures set out in the Addendum, if taken as a whole and applied strictly, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.**

We have prepared this IFA letter solely for the use of the Independent Directors of the Company in connection with and for the purpose of their consideration of the proposed modifications to the Shareholders' Mandate and for inclusion in the Addendum.

The opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

Vishal Sharma  
Executive Director

Kenneth Chan  
Associate Director