



BUSINESS UPDATE BRIEFING

11 March 2014

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Executive Summary

- ❖ **Proposed International Education Facilities**
- ❖ **Real Estate**
 - Future Real Estate Projects
- ❖ **Agriculture and Logistics**
- ❖ **Use of Proceeds**



INTERNATIONAL EDUCATION FACILITIES

Education

- ❖ Myanmar used to have some of the best educational institutions in Asia (Rangoon University, Medical School, etc)
 - Quality of schools have fallen behind other countries

- ❖ Yoma Strategic has decided to enter the field of education
 - Satisfy local and expat demand
 - Increase attractiveness of residential developments

- ❖ Partnering with two of UK's most respected school groups
 - **Dulwich College International and Dulwich College**
 - **Harrow International Management Services**

Star City

- ❖ New international school by Yoma Strategic and Education Index Management Ltd (EIM), overseen by **Dulwich College International** with **Dulwich College** in London as educational adviser
 - Full service school with modern facilities catering for ages 2 to 18
 - Yoma Strategic will be the landlord, not an operator
 - Expected to open in August 2015
- ❖ **Private local school** operated by local education group
- ❖ Expected development cost for international and local schools
 - Total: US\$52 Million
 - Yoma Strategic: US\$36 Million (70%)
- ❖ Future Star City developments likely to move more upmarket



- ❖ Founded in 1619 by Edward Alleyn
- ❖ Academically selective boys' school in South London - top 15% of the UK academic range
- ❖ One of UK's most prestigious independent (private) schools with largest overseas network
 - five international schools and two high school programmes in China, South Korea and Singapore
- ❖ Distinguished Alumni:
 - Explorer Sir Ernest Shackleton
 - Writers PG Wodehouse, Raymond Chandler, Michael Ondaatje
 - Actor Chiwetel Ejiofor (won BAFTA for Best Actor in 2014 and nominated in 2014 Oscars as the Leading Actor in 'Twelve Years a Slave')

Pun Hlaing Golf Estate

- ❖ Enter into an MOU with **Harrow International Management Services (HIMS)** to manage an Early Years Centre on a 4-acre site
- ❖ HIMS is a premier educational group that has entered into a partnership with Harrow School UK to establish and run Harrow International School-branded international schools around the world
- ❖ First step to establishing a full British curriculum school at Pun Hlaing



- ❖ One of the leading schools in Britain founded in 1572 under a Royal Charter granted by Queen Elizabeth I
- ❖ Famous Old Harrovians include: Winston Churchill and six other British Prime Ministers, the first Prime Minister of India, Pandit Nehru, King Hussein of Jordan and 23 princes of the Thai royal family, as well as poets and writers as diverse as Byron, Sheridan and Trollope
- ❖ Since 1998, Harrow International Management Services partners with UK Harrow School has brought the very best of British education and tradition to Asia through the network of Harrow International Schools
- ❖ Harrow family currently comprises five schools in London, Bangkok, Beijing and Hong Kong

Market key drivers

- ❖ Significant growth for the international private-school market across all segments
- ❖ Out of an estimated 8.5 million school-age children in Myanmar, only 3,200 students enrolled in five premium international schools with a total market value of less than US\$25 million
- ❖ Market could potentially be worth over US\$100 million in 2024 according to research by Thura Swiss

Growth in affluent class

After opening up the economy, Myanmar will see significant growth in affluent families seeking higher quality of life and education in the market. This will be a major driving factor for the coming decade.

Myanmar's transition

The transition towards democracy, GDP growth and incoming of many MNCs, embassies and consulates, as well as regional and international organisations including UN-related organisations are sources for growth of the market in coming years.

A flight to quality

An awareness in the country about the current poor quality of public education will also contribute to the demand pull. Another quality parents are increasingly demanding is "student-centered" learning, which only international schools can deliver.

A greater disposition to pay for education

As the world becomes increasingly competitive, many parents begin to see evidence of the advantages of private education, like international schools leavers successfully securing offers from world's top universities, leading to greater willingness to pay for quality education.

Demographics

Approximately 50,000 of school-going children will be added into the education system each year in the coming decade. This will also push up the demand for high quality international schools in the country.

REAL ESTATE

Future Real Estate Projects

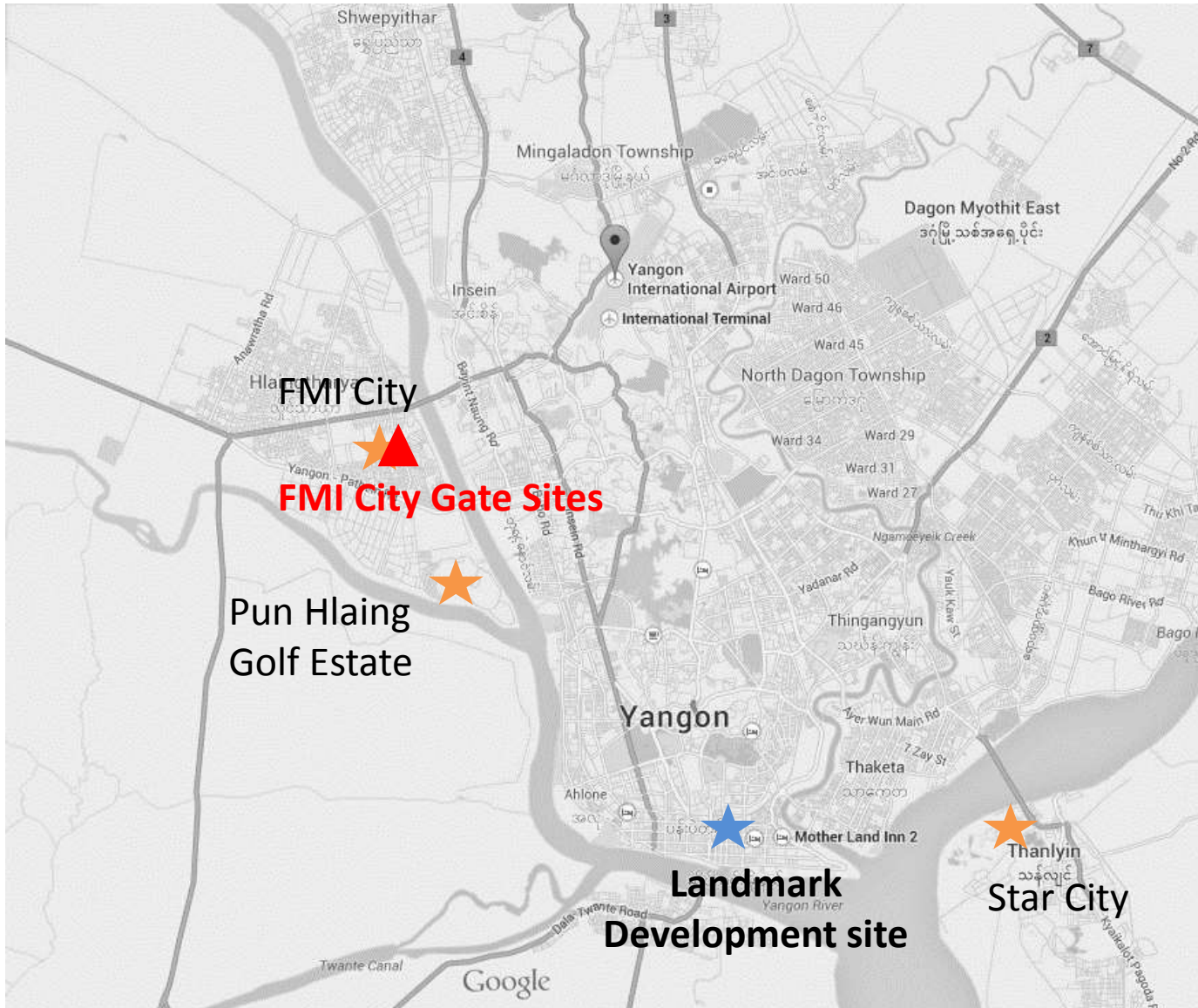
❖ FMI City Gate Sites

- 2 plots of land (1.345 acres) at FMI City, Hlaing Tharyar Township, Yangon
- FMI City was one of the Group's first residential developments in Yangon and is already established in the community
- Proposed mixed-use residential and commercial building with 90 residential units and close to 20,000 sq ft of commercial leasing
- Agreed land valuation is US\$3.2m with expected construction cost of US\$15 million
- 80% interest

❖ Continue to look for new land bank



Future Real Estate Projects



AGRICULTURE & LOGISTICS

- ❖ Proposed Partnership with **IFC**

- ❖ Formation of Yoma Agricultural & Logistics Holding Pte. Ltd. (YALH) to invest in the following businesses
 - Coffee Plantation in Maw Tin Estate with **ED&F Man**

 - Investment in Dairy Production

 - Agricultural Cold Chain Business with **Kokubu**

 - Commercial Vehicle Leasing through Yoma Fleet

- ❖ **Partners** have strong network and expertise to supplement the Group's local strength and expertise

Synergies in Agriculture

Coffee and Milk Production



Cold Chain Businesses



Commercial Vehicle Leasing



Creating Synergies



Partners with strong track records



Source: ED&F MAN, Kokubu, Tetra Pak, Company

- ❖ International Finance Corporation (IFC), a member of the World Bank Group, which has a \$50 billion portfolio of investment commitments spanning nearly 2,000 companies in 126 countries
- ❖ Being the largest global development institution, it has high social, environmental and corporate governance standards and a thorough approach to risk management when investing in emerging markets
- ❖ IFC to provide a debt and equity financing package to the Group for its venture into the agriculture and logistics sectors in Myanmar
- ❖ IFC to invest up to 20% in YALH

- ❖ Conditional JV with ED&F Man (EDFM)
 - To plant and produce lowland Robusta coffee in Maw Tin Estate
 - To plant a total of 3,700 acres by Year 4
 - YALH will hold 85% and EDFM will hold 15%
 - EDFM intends to guarantee the off-take of the whole crop
 - Expected investment over 4 years:
 - Total: US\$20 million
 - YALH: US\$17 million, Yoma Strategic: US\$14 million



Plantation at Maw Tin Estate



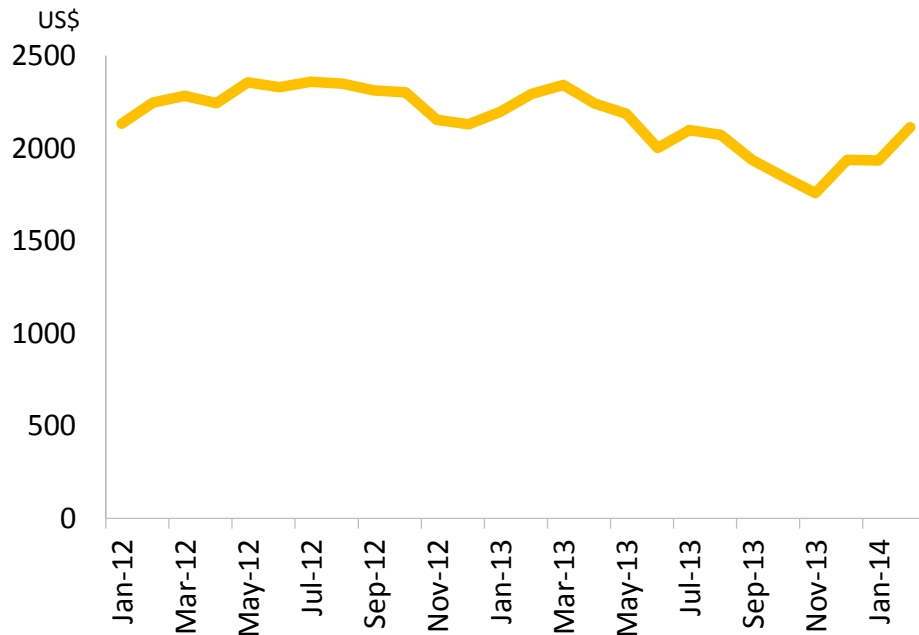
Coffee Nurseries



Source: Company, ED&F Man
(<http://www.edfman.com/>)

- ❖ Consumption for coffee has been rising with the consumption in emerging markets and exporting markets driven by economic growth
- ❖ Price of Robusta coffee per metric tonne rose by +9.2% between Sept'13 and Feb'14 and is trading at US\$2,115 in Feb'2014

Robusta: Daily Weight Averages at US\$ per metric ton



Source: International Coffee Organization, Company
<http://www.ico.org/prices/p2.htm>

World Coffee Consumption



Source: International Coffee Organization, Company
<http://www.ico.org/news/march-ico-outlook.pdf>

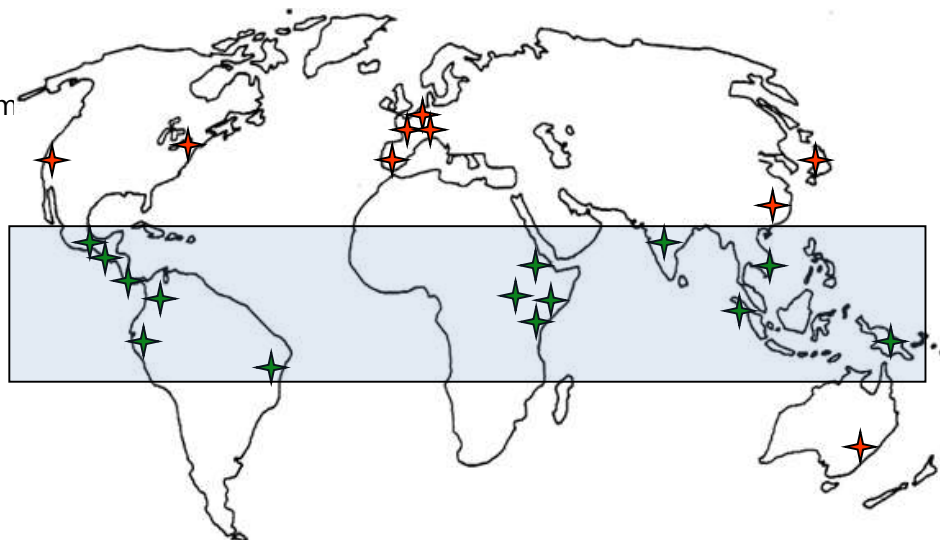
About ED&F Man - Volcafe

Volcafe is a wholly-owned subsidiary of ED&F Man

Zone Americas/ Europe

- Volcafe Winterthur
- Golluecke and Rothfos, Germ
- Volcafe Iberia
- Volcafe, France
- Volcafe Specialty USA
- Volcafe USA

- Volcafe Santos, Brazil
- Carcafe/ ENA, Colombia
- Prodelsur, Peru
- Café Capris, Costa Rica
- Molinos de Honduras
- Waelti Schoenfeld, Guatemala



Zone Africa/ Asia

- Volcafe Japan
- Cofi Com, Australia
- ED&F Man Shanghai
- Taylor Winch, Kenya
- Taylor Winch, Tanzania
- Kyagalanyi, Uganda
- Volcafe Ethiopia
- Dakman, Vietnam
- Volkopi, Indonesia
- PNGCE, Papua New Guinea
- Man India

The Coffee Belt

Volcafe-owned operations give *access* to:

92% of world coffee production
80% of world coffee consumption

- ❖ MOU with FMI and PMM Partners Limited (“PMM”) to jointly supply ultra heat treated (UHT) dairy products to the local Myanmar market
 - YALH will hold 40%, FMI 50% and PMM Partners 10%.
 - Wide outreach via proposed tie-up with the Myanmar Government to supply UHT milk to school children
 - Expected investment
 - Total: US\$46 million
 - YALH: US\$18 million, Yoma Strategic: US\$15 million



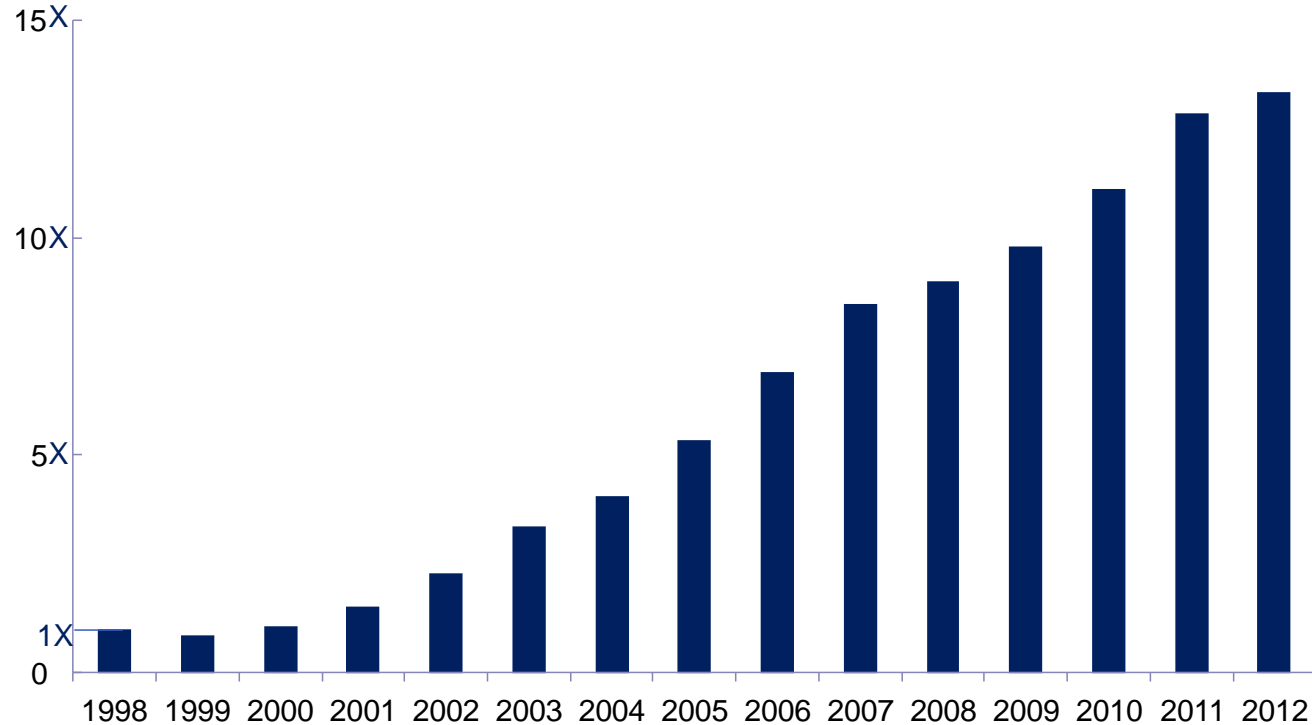
Why UHT?

UHT milk allows distribution and sale throughout the country in ambient temperatures, which increases reach and addresses the lack of cold-chain distribution in Myanmar

China Milk Consumption

China UHT Dairy & Beverage growth evolution

White Milk, Flavored Milk and Lactic Acid Drinks as key drivers



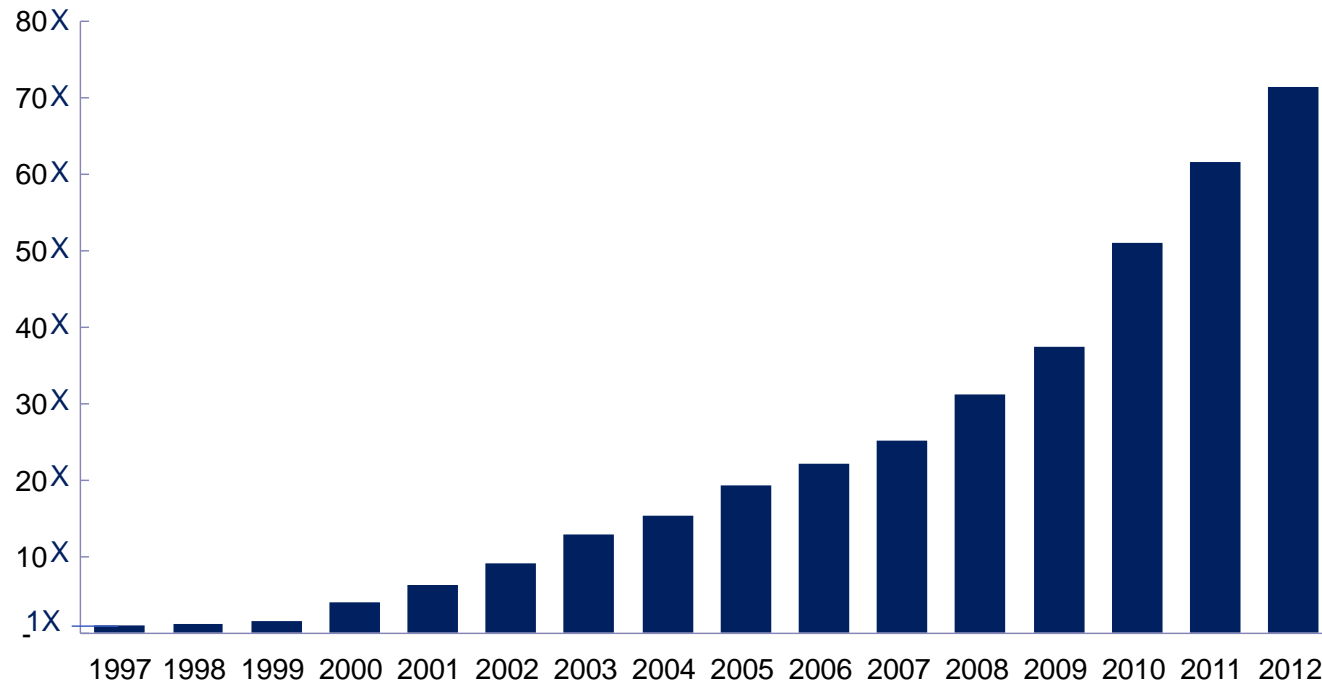
CAGR 20%	1998 – 2000	2001 – 2004	2005 – 2008	2009 – 2012
	3%	39%	19%	11%

Source : Euromonitor; market data surveys, Tetra Pak

Vietnam Milk Consumption

Vietnam UHT Dairy & Beverage growth evolution

White Milk as key driver

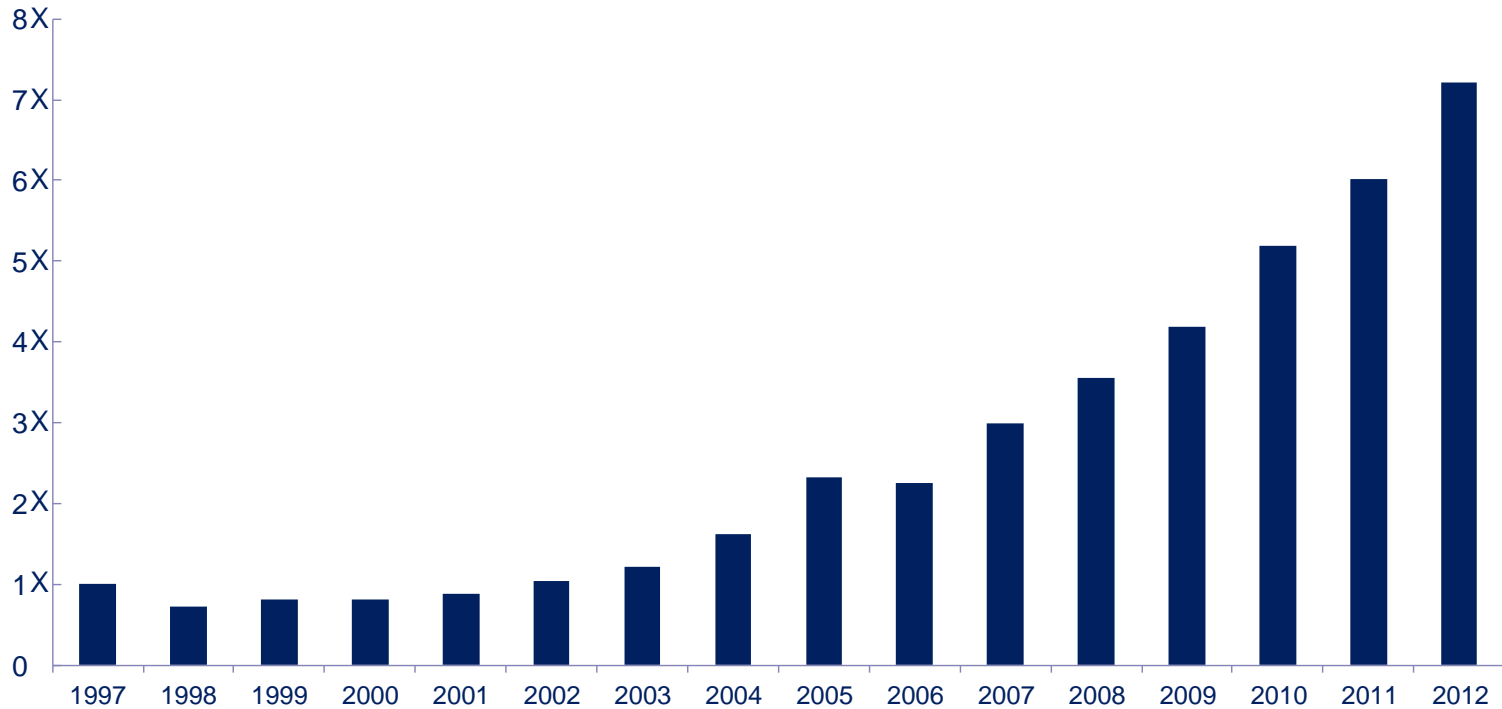


CAGR 33%	1997 – 2000	2001 – 2004	2005 – 2008	2009 – 2012
	59%	35%	17%	24%

Source : Euromonitor; market data surveys, Tetra Pak

India Milk Consumption

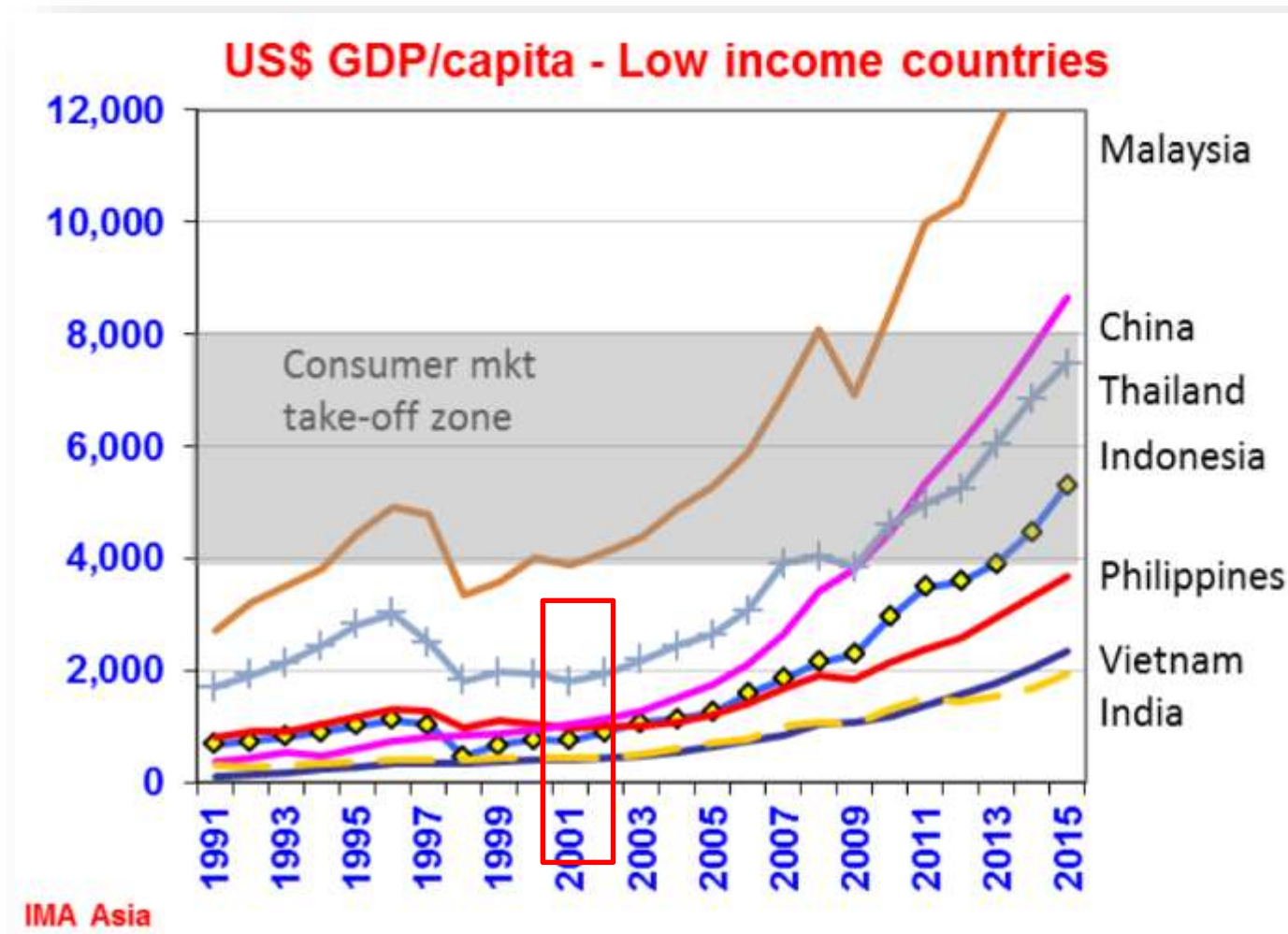
India UHT Dairy & Beverage growth evolution White Milk and Juice as key drivers



CAGR 14%	1997 – 2000	2001 – 2004	2005 – 2008	2009 – 2012
	-7%	23%	15%	20%

Dairy Take-off Zone

Consumption of staple foods (e.g., milk) historically enters “take-off zone” at US\$1,000 GDP per capita



Dairy Take-off Zone

Myanmar GDP indicates a similar tipping point for take-off as China, Vietnam and India in 2000

Country		China	India	Vietnam	Myanmar
Population (million)	2000	1,264	1,006	79	47
	2013	1,350	1,221	92	55
GDP per capita (US\$)	2000	2,480	1,703	1,516	403
	2010	6,207	2,861	2,721	1,199
	2013	7,958	3,341	3,133	1,325
Per capita consumption @ 2013 (liter per person)	Dairy	26.45	48.55	17.05	N.A.
	White Milk	6.78	45.03	8.27	N.A.
	OLDP*	19.67	3.39	8.78	N.A.
	Dairy Alternatives	14.74	0.01	5.33	N.A.
	Soya	10.07	0.01	5.27	N.A.
Market Size (million liters)	White Milk	9,434	55,841	762	N.A.
	OLDP*	27,375	4,335	809	N.A.
	Soya	14,013	8	485	N.A.

* OLDP refers to Other Liquid Dairy Product, includes flavored milk, evaporated milk, condensed milk, drinking yogurt, cream, etc

Source : Euromonitor; market data surveys, Tetra Pak

Expert in the field

- ❖ The dairy business will be overseen by Neil R. Macintyre. Neil has extensive experience in the commercialisation of innovation in dairy consumer consumer products. He started his career in 1985 and amongst other things, founded the following companies:
 - ANZ (Asia New Zealand) Nutrition Ltd, a company which advises on the development of commercial opportunities in the dairy foods industry in Asian consumer markets including emerging market such as Vietnam, Cambodia, Mongolia, Guangdong Province and United Arab Emirates.
 - FieldLinx Ltd, a company which develops software for mobile internet solutions to rural and dairy industry sectors in New Zealand, Australia, South Africa.
 - Func.Nutrition Ltd, a company which develops and markets premium fresh milk products in the New Zealand market – Sun Latte, Sun Organics Milks. Fonterra Dairy Co-op purchased the NZ and Australian brand rights and operations in 2006
 - Prior to that, Neil was an economist at the New Zealand Planning Council and the Federated Farmers of New Zealand

Cold Chain Business with Kokubu

❖ MOU with Kokubu & Co., Ltd (“Kokubu”) and FMI

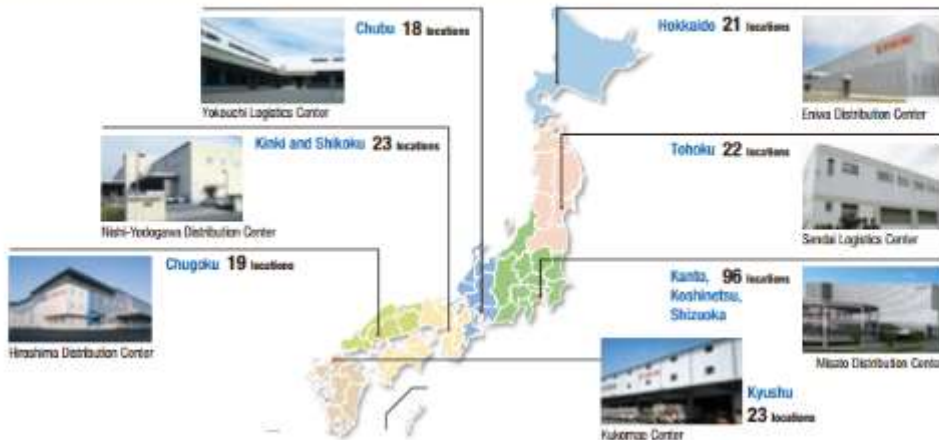
- To establish cold storage and logistics facilities in Myanmar
- To service the inefficient supply chain in Myanmar’s vast agriculture industry for farmers to better store and transport produce
- Initially to build two key distribution centres in Myanmar
- Kokubu will hold 50%, YALH 30% and FMI 20%
- Expected initial investment:
 - Total: US\$12 million
 - YALH: US\$4 million, Yoma Strategic: US\$3 million



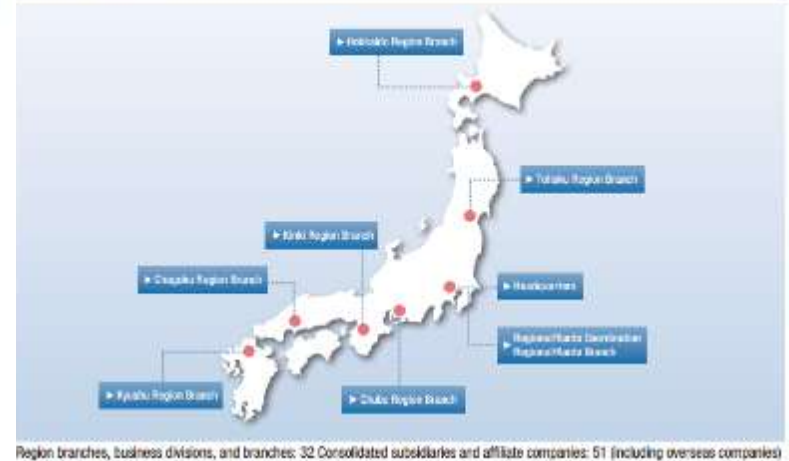
About Kokubu

- ❖ Established in 1712, Kokubu is one of the largest companies in Japan engaging in the food distribution business
- ❖ Kokubu has about 600,000 product assortment and distribute to 35,000 outlets and has presence in Japan
- ❖ In addition to Japan, Kokubu currently operate their logistics and wholesale businesses in China and Vietnam
- ❖ Annual sales of US\$15 billion

Kokubu Group's Logistics Network



Offices in Japan



Commercial Vehicle Leasing

❖ Yoma Fleet Limited

- Established in Jan 2014 and operates vehicle lease and rental business
- First 3 contracts signed in Feb 2014 with >US\$1.5m orders for buses, tractors and trucks
- Yoma's interest in Yoma Fleet will be transferred to YALH



Source: Company

Use of Proceeds of Placement in November 2012

	S\$	S\$
Placement proceeds raised		101.2
Working capital purposes	(5.00)	
Real Estate - China ⁽¹⁾	(17.2)	
Real Estate – Myanmar ⁽²⁾	(36.8)	
Automotive	(3.6)	
Luxury Travel & Tourism	(17.0)	
FMCG ⁽³⁾	(4.20)	
Telecoms ⁽⁴⁾	(3.90)	
General Investments ⁽⁵⁾	(6.40)	
		(94.0)
		7.2

(1) Partial payment of a loan owing by 讯祥(大连)实业有限公司 (an indirect wholly-owned subsidiary of Yoma Strategic) to China Citic Bank International Limited and other related expenses relating to the loan.

(2) Includes development cost for existing projects, new acquisition of land and payment for the pro rata development costs for the Landmark Development

(3) Partial payment for the acquisition of a 30% stake in ABC Group

(4) Refers to the Group's investment in the telecommunication consortium with the Digicel Group

(5) Refers to the investment in the fund known as PMM Partners Limited, an investment company that is jointly managed by Simon Murray & Company ("SMC") and Serge Pun & Associates (Myanmar) Limited ("SPA").



Questions & Answers
