
PROPOSED PLACEMENT

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**”) wishes to announce that the Company has on 13 November 2019 entered into a placement agreement (the “**Placement Agreement**”) with Ayala Corporation (“**Ayala**”), pursuant to which Ayala (through its indirect wholly-owned Singapore subsidiary, VIP Infrastructure Holdings Pte. Ltd. (“**VIP Infrastructure**”) has agreed to subscribe for, and the Company has agreed to allot and issue to Ayala, an aggregate of 474,680,104 new ordinary shares in the capital of the Company (the “**Placement Shares**”) in the two tranches, the first tranche comprising 332,500,000 Placement Shares (the “**First Tranche Placement Shares**”) and the second tranche comprising 142,180,104 Placement Shares (the “**Second Tranche Placement Shares**”), amounting to an aggregate consideration of US\$155 million, on the terms and subject to the conditions of the Placement Agreement (the “**Proposed Placement**”).
- 1.2 The Proposed Placement for the First Tranche Placement Shares and the Second Tranche Placement Shares is made pursuant to the private placement 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 placement.
- 1.3 The Company did not appoint any placement agent for the purposes of the Proposed Placement, and no commission, fee or other selling or promotional expenses is payable or incurred by the Company in connection with the Proposed Placement, other than those incurred for administrative or professional service.

2. AYALA CORPORATION

- 2.1 Ayala was introduced through Mr. Serge Pun, the Executive Chairman of the Company. Ayala wishes to be a strategic investor in the Company and agreed to subscribe for the Placement Shares as part of its business strategy to diversify into Asia. Please refer to the press release jointly released by the Company and First Myanmar Investment Public Company Limited (“**FMI**”) today.
- 2.2 Each of Ayala and VIP Infrastructure has confirmed that it is not a person falling within the category of persons listed in Rule 812(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). As at the date of this Announcement, neither Ayala nor VIP Infrastructure holds, directly or indirectly, any shares in the capital of the Company.

3. USE OF PROCEEDS

- 3.1 Assuming all Placement Shares are allotted and issued, the estimated gross proceeds of the Proposed Placement is approximately US\$155 million (the “**Placement Proceeds**”) comprising approximately US\$108.57 million for the First Tranche Placement Shares and approximately US\$46.43 million for the Second Tranche Placement Shares.
- 3.2 The Proposed Placement will help fund the growth and expansion of the Group's various businesses with over half of the Placement Proceeds being earmarked for its real estate division and the remainder primarily to refinance its existing indebtedness and for general corporate purposes. The Placement Proceeds will be used by the Company in the following estimated proportions:

Use of Placement Proceeds Percentage Allocation (%)

Use of Placement Proceeds	Approximate Percentage of Allocation (%)
Investments in Real Estate businesses including payments relating to Yoma Central project and The Peninsula Yangon Hotel project and capital expenditure for development in Pun Hlaing Estate and StarCity	50 - 70%
Investments in Financial Services businesses	Not more than 5%
Investments in Consumer businesses including capital expenditure for store expansions and potential new F&B investments	Not more than 5%
Refinance existing indebtedness	15 - 25%
General corporate purposes	15 - 25%

- 3.3 The Company will make periodic announcements on the use of the Placement Proceeds as and when the proceeds are materially disbursed and provide a status report on the use of the Placement Proceeds in the Company's annual report. The Company will disclose a breakdown with specific details on the use of the Placement Proceeds in such announcements and annual reports.
- 3.4 Pending the deployment of the Placement Proceeds for the purpose mentioned above, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets or marketable securities or used for any other purpose on a short-term basis as the Directors may deem fit.

4. SALIENT TERMS OF THE PROPOSED PLACEMENT

4.1 First Tranche Placement Shares to be allotted and issued pursuant to General Mandate

- (a) At the Company's annual general meeting held on 24 July 2019 ("**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.
- (b) Based on 1,895,820,441 Issued Shares at the date of the AGM (taking into account adjustments as set out in the terms of the General Mandate), up to 379,164,088 new ordinary shares in the capital of the Company may be issued by way of a private placement. The Company does not have any treasury shares and subsidiary holdings.
- (c) As at the date of this Announcement, the Company has not yet utilised any part of the General Mandate. Accordingly, the Company intends to issue the First Tranche Placement Shares in reliance of the General Mandate.
- (d) The First Tranche Placement Shares, if fully allotted and issued, represent approximately 14.90% of the enlarged issued and paid-up share capital of the Company after completion (the "**First Completion**").

4.2 Second Tranche Placement Shares to be allotted and issued subject to Shareholders' Approval

- (a) Assuming the First Completion has taken place, the Second Tranche Placement Shares, if fully allotted and issued, shall represent approximately 5.10% of the enlarged issued and paid-up share capital of the Company after completion (the "**Second Completion**").
- (b) The allotment and issue of the Second Tranche Placement Shares will result in a transfer of controlling interest pursuant to Rule 803 of the Listing Manual of the SGX-ST (the "**Proposed Transfer of Controlling Interest**"), for which specific shareholders' approval shall be sought. As such, the Company will convene a shareholders' meeting to seek shareholders' approval (the "**Shareholders' Approval**") for the allotment and issue of the Second Tranche Placement Shares.
- (c) Shareholders should note that following the allotment and issue of the Second Tranche Placement Shares, Ayala will become a controlling shareholder of the Company.
- (d) A circular to the shareholders of the Company in relation to the Proposed Transfer of Controlling Interest and the proposed whitewash resolution in relation to the Whitewash Waiver (as hereinafter defined), together with notice of the shareholders' meeting, will be despatched by the Company in due course (the "**Circular**").

4.3 Placement Price

The aggregate consideration for the Placement Shares is US\$155 million which denotes an issue price of S\$0.45 per Placement Share (at the exchange rate of US\$1:S\$1.3747). This issue price represents a premium of approximately 37.7% to the volume weighted average price of S\$0.3267 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 12 November 2019, being the preceding full market day prior to the signing of the Placement Agreement.

4.4 Conditions Precedent

Completion of the Proposed Placement for each of the First Tranche Placement Shares and the Second Tranche Placement Shares is conditional upon the satisfaction or waiver (in accordance with the Placement Agreement) of certain conditions precedent. Please refer to Appendix A for the list of material conditions.

4.5 Ranking of Placement Shares

The First Tranche Placement Shares and the Second Tranche Placement Shares, when issued and delivered, shall rank *pari passu* with and shall carry all rights similar to the existing issued Shares and they will rank for any dividend, rights, allotment or other distributions, the record date for which falls after the First Completion or the Second Completion, as the case may be.

4.6 Additional Undertakings

The Placement Agreement provides for certain rights for Ayala including as follows:-

- (a) various representations and warranties about the Company in favour of Ayala;
- (b) rights of Ayala to nominate one (1) non-independent non-executive director to the Board of the Company (the “**Proposed Ayala Director**”);
- (c) anti-dilution provisions whereby the Company will not undertake any non pro rata issuance of Shares or securities convertible into Shares (the “**Additional Securities**”) without first offering Ayala a right to subscribe on the same terms for such number of Additional Securities as is necessary for Ayala to maintain its shareholding in the Company subject to compliance with all applicable laws including the Listing Manual of the SGX-ST and where the requisite approvals cannot be obtained, the Company will be permitted to proceed with such issuance of Additional Securities;
- (d) the prior approval of Ayala to be obtained prior to (i) undertaking a “Major Transaction” in accordance with and subject to Chapter 10 of the Listing Manual of the SGX-ST; or (ii) any disposal of any material part of the existing core businesses of the Group (not in the ordinary course of business); and

- (e) the right for Ayala (directly or through any of its wholly-owned subsidiaries) to co-invest in certain strategic projects of the Company to be agreed upon between Ayala and the Company including any (i) real estate, (ii) energy generation, distribution and infrastructure, (iii) water utilities or (iv) industrial manufacturing project to be undertaken by the Group subject to applicable laws and regulations.

Ayala's rights are subject to conditions including Ayala maintaining the First Tranche Placement Shares or (if the Second Completion occurs, the Placement Shares (the **"Specified Minimum Shareholding"**)).

5. UNDERTAKINGS FROM THE CONTROLLING SHAREHOLDER

- 5.1 As at the date of this Announcement, Mr. Serge Pun, the Executive Chairman of the Company and the controlling shareholder of the Company holds direct and indirect interest in an aggregate of approximately 33.16% interest in the Company (the **"Undertaking Shareholder"**) comprising an aggregate number of 629,533,148 Shares (the **"Undertaking Shareholder Shares"**).
- 5.2 In connection with the Proposed Placement, it is a condition precedent to the First Completion that the Undertaking Shareholder (directly and through his nominee companies) provides Ayala with a Deed of Undertaking which provides, among others, that:-
 - (a) for so long as Ayala holds the Specified Minimum Shareholding, the Undertaking Shareholder will vote, or procure the voting of, all of the Company's Shares held by the Undertaking Shareholder in favour of any resolution of the Company to appoint, elect or re-elect, as the case may be, the Proposed Ayala Director;
 - (b) the Undertaking Shareholder will, to the extent permitted by the SGX-ST or other relevant authority, vote, or procure the voting of, all of the Company's Shares held by the Undertaking Shareholder in favour of the resolution proposed by the Company at the EGM to allot and issue the Second Tranche Placement Shares; and
 - (c) for so long as Ayala holds the Specified Minimum Shareholding, Ayala shall have the right to tag along any disposal or transfer of Undertaking Shareholder Shares which will result in the Undertaking Shareholder ceasing to hold the specified minimum percentage of Shares in the Company at the subscription price of the Placement Shares.

6. WHITEWASH WAIVER

- 6.1 Under Rule 14 of the Singapore Code on Take-overs and Mergers (the **"Code"**), except with the consent of the Securities Industry Council (**"SIC"**), where (a) a person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or (b) any person who, together with persons acting in concert with him, holds not less than 30% but more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights, such person must extend offers immediately to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares.

- 6.2 In view of the undertakings to be provided by the Undertaking Shareholder, an application will be made to the SIC for a waiver of the obligations of Ayala and its concert parties to make a mandatory offer for the Company under Rule 14 of the Code as a result of the allotment and issue of the Second Tranche Placement Shares (the **"Whitewash Waiver"**).
- 6.3 An independent financial adviser (**"IFA"**) will be appointed to advise the Directors who are independent for the purposes of the Proposed Placement in connection with the Second Tranche Placement Shares on whether the terms are fair and reasonable. The IFA's opinion will be included in the Circular.

7. FINANCIAL EFFECTS

7.1 Assumptions

The financial effects of the Proposed Placement set out below are purely for illustrative purposes only and do not reflect the actual financial results or positions of the Group after the completion of the Proposed Placement. The financial effects of the Proposed Placement are prepared (a) based on the latest audited financial information of the Group for the financial year ended 31 March 2019 (**"FY2019"**); (b) on the assumption that 474,680,104 Placement Shares are fully subscribed for and issued at the aggregate consideration of US\$155 million at the same time; (c) excluding 2,899,975 ordinary shares that were issued under the YSH Performance Share Plan in July 2019; and (d) the financial effects are presented before taking into account fees and expenses to be incurred in relation to the Proposed Placement.

7.2 Share Capital

As at 31 March 2019	Before Proposed Placement	After Proposed Placement
Issued and paid up Share capital (US\$'000)	513,716	668,716
Number of Shares ('000)	1,895,820	2,370,500

Note:-

- (1) The share capital after the Proposed Placement was computed based on the assumption that the Proposed Placement was completed on 31 March 2019.

7.3 Net Tangible Assets (NTA)

As at 31 March 2019	Before Proposed Placement	After Proposed Placement
NTA (US\$'000)	526,664	681,664
Number of Shares ('000)	1,895,820	2,370,500
NTA per Share (US cents)	27.78	28.76

Note:-

- (1) The NTA after the Proposed Placement was computed based on the assumption that the Proposed Placement was completed on 31 March 2019.

7.4 Basic Earnings Per Share (Basic EPS)

FY2019	Before Proposed Placement	After Proposed Placement
Net Profit attributable to equity holders of the Company (US\$'000)	34,125	34,125
Weighted Average Number of Shares ('000)	1,907,758	2,382,438
Basic EPS (US cents)	1.80	1.43

Note:-

(1) The basic EPS after Placement was computed based on the assumption that the Proposed Placement was completed on April 2018. 1

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Placement 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.

9. 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 Proposed Placement, 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
14 November 2019

Appendix A – Material Conditions Precedent

FIRST COMPLETION

1. Undertakings from the controlling shareholder to be executed and remaining in full force and effect and the obligations expressed to be assumed by the parties thereto remaining valid, binding and enforceable and such obligations not being prohibited by any applicable statute, order, rule, regulation or directive promulgated or issued by any legislative, executive or regulatory body or authority of Singapore or elsewhere, and there having been, as at the First Completion Date, no breach by the relevant parties thereto of any of the obligations, representations, warranties or undertakings therein.
2. The Listing Approval in respect of the First Tranche Placement 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 Ayala and, to the extent that any conditions for such approval are required to be fulfilled on or before the First Completion Date, they are so fulfilled, and in this regard, the Company will deliver to Ayala 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.
3. The convertible loan agreement between First Myanmar Investment Public Company Limited and Ayala have been executed by the relevant parties thereto, and each such agreement remaining in full force and effect and not having been terminated in accordance with the terms therein, and the obligations assumed by the parties thereto remaining valid, binding and enforceable and such obligations not being prohibited by any applicable statute, order, rule, regulation or directive promulgated or issued by any legislative, executive or regulatory body or authority of Singapore or elsewhere, and there having been, as at the First Completion Date, no breach by the relevant parties thereto (other than Ayala) of any of the obligations, representations, warranties or undertakings therein.

If any of the conditions to the First Completion are not satisfied or waived within three (3) weeks from the date of the Placement Agreement, Ayala shall not be bound to proceed with the subscription of the First Tranche Placement Shares.

SECOND COMPLETION

1. The completion of the allotment and issuance of the First Tranche Placement Shares to Ayala.
2. The ruling from the SIC that Ayala is not construed as acting in concert with Mr. Serge Pun and his investment holding companies holding shares in the Company to obtain or consolidate effective control of the Company as a consequence of the Proposed Placement (including the provision of the undertakings by the controlling shareholders of the Company) or the SIC'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 ("**Code**"), subject to (i) any conditions that the SIC may impose, provided that such conditions are reasonably acceptable to Ayala and its concert parties; and (ii) the independent shareholders of the Company approving a resolution to waive the obligation of Ayala and its concert parties to make a mandatory general offer under Rule 14 of the Code.

3. The Company having convened an extraordinary general meeting and obtained the requisite shareholders' approval for the allotment and issuance of the Second Tranche Placement Shares to Ayala.
4. Undertakings from the controlling shareholder to be executed and remaining in full force and effect and the obligations expressed to be assumed by the parties thereto remaining valid, binding and enforceable and such obligations not being prohibited by any applicable statute, order, rule, regulation or directive promulgated or issued by any legislative, executive or regulatory body or authority of Singapore or elsewhere, and there having been, as at the Second Completion Date, no breach by the relevant parties thereto of any of the obligations, representations, warranties or undertakings therein.
5. The duly executed convertible loan agreement between First Myanmar Investment Public Company Limited and Ayala and related documents remaining in full force and effect and not having been terminated in accordance with the terms therein, and the obligations assumed by the parties thereto remaining valid, binding and enforceable and such obligations not being prohibited by any applicable statute, order, rule, regulation or directive promulgated or issued by any legislative, executive or regulatory body or authority of Singapore or elsewhere, and there having been, as at the Second Completion Date, no breach by the relevant parties thereto (other than Ayala) of any of the obligations, representations, warranties or undertakings therein.
6. The Proposed Ayala Director having been validly appointed/re-elected to, and remaining on, the Board of the Company.

If any of the conditions to the Second Completion are not satisfied or waived within twelve (12) months from the date of the Placement Agreement, Ayala shall not be bound to proceed with the subscription of the Second Tranche Placement Shares.