YOMA
STRATEGIC HOLDINGS LTD.

Update on Landmark Development

June 2014

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Executive Summary

- **A summary of Landmark Development Project**

- **Key Variations to the Proposed Acquisition***
  - Lease terms of the sites
  - Payment Terms
  - Approval from Myanmar Investment Commission (MIC)

- **Proposed Right Issue**

- **Rationale for the Proposed Acquisition**

*To be read in conjunction with the Company's SGX announcement dated 16 June 2014.

Landmark Development

- Signed S&P agreement with SPA on 19 Nov 2012 to acquire 80% Landmark Development Project at an c.S$99.16m (US$81.28 m)

- Acquisition approved by shareholders at EGM on 28 Feb 2013

- Landmark Development Project sits on 2 plots of land
  - Site 1 which is 9.5 acres
  - Site 2 which is 0.5 acres

- Awaiting government's approval for a new master lease of 50 years with two extensions of 10 years to be issued for the sites

- Current long stop date of the Proposed Acquisition is 30 June 2014

Landmark – Centrally located



1 Shwedagon Pagoda



2 Low-rise Buildings



10 Holy Trinity Anglican Church





3 Aung San Stadium



9 Yangon General Hospital



4 Central Railway Station



8 Suelay Pagoda



7 Yangon City Central & Yangon River



6 City Hall & Highcourt Building



5 Saint Mary's Cathedral

Current landscape



Future landscape



KEY CONCEPTS:

CREATING A DISTINCTIVE CITY CENTRE

- Iconic tower and unique buildings
- Prime Office Space
- Main central plaza for pedestrians
- Integration of feature landscaping
- Contemporary architecture

CREATING A NEW CIVIC DESTINATION

- Diversified building programs and zones
- A hub of retail, recreational and leisure activities
- Public plaza for public interaction and social gatherings

CREATING STRONG CONNECTIVITY

- Strong links to public infrastructure and tourist sites
- Network of designated and shared pathways
- Various drop-off points to suit separate zones
- Simple vehicular traffic connecting zone

CREATING A SUSTAINABLE LIVING ENVIRONMENT

- Mixed use development with shared facilities
- Environmentally friendly buildings
- Application of green roofs and podium gardens to reduce heat gain
- Application of water and waste renewable technologies
- Network of energy saving systems throughout development

CREATING A SAFE AND SECURE CITY CENTRE

- Controlled points of access
- Clear and defined pedestrian spaces and access routes
- Mixed use buildings to generate activity at all times
- Utilise natural topography as site boundary treatment

Proposed key variations

- SPA informed that negotiation for the extension of the master lease is still ongoing

- Company agreed to vary the terms of the Proposed Acquisition with SPA to complete the acquisition

- Variation of the terms includes:

  - Acquisition of existing leases of the sites
  - Payment Terms
  - MIC Approval for transfer of 80% in MIHL

Variation in lease terms

- Proceed with the Landmark Development Project by initially acquiring the existing leases on the two sites
  - Site 1 has a lease term of 30 years with an extension of 10 years from 1998. i.e a remaining lease of c.24 years
  - Site 2 has a lease term of 30 years with an extension with three extensions of five years each from 1995. i.e a remaining lease of c.26 years
- SPA will continue the discussions with the relevant government authorities on the lease extensions

Variation in payment terms

Acquisition price:
US$81.28 million*

First Payment:
US$43.2 million

Value is derived based on Jones Lang LaSalle's valuation on remaining term of 24 years which is the shorter lease term of the two sites

Remaining Payment:
Up to US$38.08 million

- To be paid when the leases for the 10-acre site have been extended
- MIC approval

* Based on the value of US$100.00 million arrived at by the independent valuer appointed by the Group, JLL, and the value of US$109.50 million arrived at by the independent valuer appointed by the SPA Group, Robert Khan Pte Ltd, the average value of the Master Lease was US$104.75 million. Accordingly, the parties agreed that the acquisition price of the Proposed Acquisition would be US$81.28 million being 80% of the average value of the Master Lease (US$101.6 million) discounted by a factor of 3.01%.

Approval from MIC

- SPA will procure the approval of MIC for the transfer of 80% in MIHL to the Company or its nominee by 31 Dec 2015

- Pro rata development cost capped at US$40 million for the period until 31 Dec 2015
  - In addition to the S$7 million* already incurred by the Company

- SPA will refund the Company US$43.2million and all monies the Company has spent or disbursed for the Landmark Development Project should SPA fail to obtain the approval from MIC by 31 Dec 2015

* Please refer to the Company's announcement made on 19 August 2013 on the Pro Rata Development Costs

Proposed right issue

- Current 1 for 4 rights issue at 38 Singapore cents per share will expire at the forthcoming AGM
- Propose a new 1 for 8 rights issue at 38 Singapore cents to fund the first payment of the Proposed Acquisition as amended by the proposed variations
- Serge Pun has indicated his intention to support the entire rights issue
- Financing of the remaining consideration will be announced as and when the leases are extended

Rationale for the proposed acquisition

- Prime location – site to be developed into one of downtown Yangon's iconic commercial and residential areas
- Lack of quality commercial space and hotel rooms
- Cements the Group's position as one of the leading developers in Myanmar
- The Group will continue to work with our sister companies FMI and SPA to extend the lease for an additional 70 years
- These revised terms allow the Company to proceed with the development plans

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Questions & Answers