
**ANNUAL GENERAL MEETING TO BE HELD ON 30 JULY 2024
RESPONSES TO QUESTIONS SUBMITTED BY SHAREHOLDERS**

Yoma Strategic Holdings Ltd. (the “**Company**”, or collectively with its subsidiaries, the “**Group**”) would like to thank all shareholders for submitting their questions in advance of its Annual General Meeting (“**AGM**”) which will be convened and held at Sophia Cooke Ballroom, Level 2, YWCA Fort Canning, 6 Fort Canning Road, Singapore 179494 on Tuesday, 30 July 2024 at 10.00 a.m. (Singapore time).

The Company has consolidated the questions received, made editorial amendments to, or rephrased, some of the questions to ensure that the context of these questions is clearer.

Please refer to Annex A for the list of - questions and the Company’s responses to these questions. It is important to note that these questions and responses should be read in conjunction with the Company’s Annual Report 2024.

BY ORDER OF THE BOARD

Melvyn Pun
Chairman and Chief Executive Officer
29 July 2024

ANNEX A: QUESTION FROM SHAREHOLDERS AND THE COMPANY'S RESPONSE

Question 1:

On Page 8 of the annual report, it is stated that Mr. Serge Pun is also the Executive Chairman of Yoma Bank.

(a) Is Yoma Bank the Central Bank of Myanmar?

Yoma Bank is one Myanmar's private commercial banks and is not the Central Bank of Myanmar.

(b) Is that why Mr. Serge Pun was detained for alleged non-compliance with banking laws, as reported in the local news?

Mr. Serge Pun and other executives in the banking sector frequently engage with the relevant authorities as part of standard inquiries and regulatory matters regarding banking activities in Myanmar.

Having made reasonable inquiries with Mr. Serge Pun and the relevant authorities, the Company has not been provided with any information stating that Mr. Serge Pun has been detained or placed under "house arrest" in accordance with local laws. As of the date of this announcement, Mr. Serge Pun remains in Nay Pyi Taw staying at accommodation provided by the relevant authorities and cooperating with the relevant authorities. No charges have been filed against him.

Please refer to our announcements dated 10 July 2024, 11 July 2024 and 18 July 2024 for more detail.

(c) Will this impact Yoma Strategic's financial operations, such as Wave Money?

As of the date of this response, the Company takes the view that there is no material impact on the Group's financials (including assets), operations and businesses, including Wave Money, arising out of (a) the investigation into Yoma Bank and (b) the Group's dealing with Yoma Bank, considering that (i) the Company has not been provided with, and is not aware of, the specific details relating to the investigation into Yoma Bank and (ii) in any case, the Group does not obtain loans from Yoma Bank.

Please refer to our announcements dated 10 July 2024, 11 July 2024 and 18 July 2024 for more detail.

Question 2:

Leadership succession - Has the Board decided on what to do if Mr. Serge Pun continued to be detained? Any deputy Executive Chairman designated in view of the above appointment?

Mr. Serge Pun has stepped down as Executive Chairman and Director of the Company as of 24 July 2024. Mr. Melvyn Pun has been appointed to the dual role of Chairman and CEO of the Company effective from 24 July 2024. Mr. Melvyn Pun has been serving as CEO of Yoma Strategic since July 2015 and has been a member of the Board since 2012, including as Alternate Director to Mr. Serge Pun between September 2012 and July 2015 and as an Executive Director of the Company since July 2015. The Group's day-to-day operations will continue to be managed by Mr. Melvyn Pun, along with other key management personnel and the heads of each business division.

In addition, the Company intends to have Mr. Cyrus Pun rejoin the Board as a Director as soon as the appointment process is completed. Mr. Cyrus Pun was the Alternate Director to Mr. Serge Pun between January 2022 and July 2024 and previously served as the head of the Company's real estate segment from 2012 to 2019. He has been the CEO of Memories Group Pte. Ltd. since 2019.

Please refer to our announcement dated 24 July 2024 for more detail.

Question 3:

On page 22 of the annual report, it is stated that operations are affected by frequent power outages. Are these outages nationwide in Myanmar? Which business unit in the Group is most impacted? On page 130 of the annual report, it shows that utility expenses decreased from US\$3.2 million to US\$2.9 million. Does this include the cost of backup power during these frequent outages?

The utility charges listed on page 22 of the annual report amounted to US\$3.2 million for the period from 1 October 2021 to 31 March 2023 (18 months) as compared to US\$2.9 million for the financial year from 1 April 2023 to 31 March 2024 (12 months). For a more meaningful comparison, utility charges increased by 16.0% year-on-year on a 12-month basis.

Nationwide power outages in Myanmar have impacted the Group's restaurant operations more than any other business segment. These outages, combined with higher diesel prices for backup power generators, have led to increased utility costs, particularly from November 2023 to January 2024. To keep up with the rise in operating costs and to maintain margins, Yoma F&B implemented multiple pricing adjustments throughout the financial year.

Question 4:

On page 91 of the annual report, it is stated that subcontractor costs increased from US\$54 million to US\$67 million. Is this increase caused by the power outages?

The increase in subcontractor and related costs was in line with the revenue generated by the Yoma Land Development and Yoma F&B segments. Utility costs are not a part of subcontractor and related costs, but rather are reflected under "Others" under Expenses in the Group's consolidated statement of profit or loss.

Question 5:

On page 21 of the annual report, there was a net fair value loss of US\$20.8 million in 12M-Mar2023 versus a net fair value gain of US\$41.9 million gain in 12M-Mar2024, while the net loss was US\$63.3million in 12M-Mar2023 and then a net profit of US\$21.2 million profit in 12M-Mar2024. If we exclude the fair value gain, the group is still making losses of about US\$20 million in 12M-Mar2024 but lower lower than 12M-Mar2023.

(a) Fair value computation - who did the valuation? Has the external auditor verified that?

As at 31 March 2024, the fair values of the properties located in Myanmar have been determined by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, which have also been reviewed and verified by the Group's Independent Auditor.

(b) As fair value is merely an accounting treatment, if we examine the group results without it, there is a net loss of about US\$20 million. The Group performed better in most segments, narrowing the losses, but overall, it is still not out of the woods. Has the Board considered how to ensure the road to profitability amid the political turmoil in Myanmar?

The annual valuation of the Group's investment properties that results in fair value gains or losses is a fundamental aspect of our real estate business and occurs at the end of each financial year. This exercise reflects the market value of our investment properties and provides an accurate representation of the value of our underlying assets.

Core EBITDA, which is a reflection of the Group's operating profitability and already excludes fair value gains, more than doubled year-on-year to US\$45.8 million for the 12 months ending in March 2024 and reflects the strong recovery of the Group's underlying core businesses.

Please refer to the Company's response to Question 7 for the outlook of the business.

Question 6:

No dividend declared because the Group is still not out of the woods i.e. actually making \$20m losses as the fair value is just an accounting treatment.

The Company acknowledges the shareholder's comments. Please refer to the Company's response to Question 5(b) above.

Question 7:

Amid the ongoing political and macroeconomic challenges in Myanmar, it is heartening to see Yoma return to profitability in FY24. Is the company in a position to sustain its profitability in the year ahead?

The World Bank reported that Myanmar's economy grew just one percent in 2023 and is expected to grow by one percent in 2024, reflecting the ongoing difficulties facing businesses and households. Increasingly challenging operating conditions persist, including the depreciation of the Myanmar Kyat, restrictions on foreign currency transactions and overseas remittances, trade disruptions, electricity shortages, and inflationary pressures.

With substantial revenue backlog within our real estate development segment, the Group will concentrate on constructing and delivering units to homebuyers over the next 18 to 24 months. Additionally, the Group will enhance Wave Money's digital platform by expanding its product offerings to reach a larger user base and will focus on the measured development of the Group's F&B brands. In the current environment, the Group will maintain operational and financial discipline, including controlling costs, generating positive operating cash flows and further reducing leverage.

Question 8:

Please provide an update on the development of Yoma Central. When is it targeted for completion?

The Company is actively monitoring Myanmar's evolving business landscape. As such, plans to develop Yoma Central's various components in phases starting with the private residences tower is still being finalised. Further updates on Yoma Central, including the commencement and completion dates of the phases of the project, will be provided in due course.