

Issuer: YOMA STRATEGIC HOLDINGS LTD.
Security: YOMA STRATEGIC HOLDINGS LTD.

Meeting details:

Date: 26 Jul 2016

Time: 10:00 AM

Venue: The Straits Room Level Four The Fullerton Hotel 1 Fullerton Square Spore 049178

Questions on strategy, financials and operations

1. In the annual report, the Chairman mentioned that “the new government has fully taken charge, positive sentiments have returned to the market and the economy is once again on an upward trajectory”. As confidence is restored, **what are some of the opportunities and threats facing Yoma at this stage of the country’s growth? Specifically, how will legislation changes impact the group and how can Yoma take advantage of the possible changes? For instance, with the proposed revisions of the Myanmar Companies Act and the Myanmar Investment Law, there will be greater competition in the market. How well prepared is Yoma for the influx of new/external capital? What is the impact of the “Condominium law” and how does this affect Yoma’s real estate business and the future strategy?**

2. As the group invests in the four growing core businesses (in real estate, automotive & equipment, consumer and investments), gearing has gradually increased from a net cash position (2013), to 8-9% gearing in 2014-2015 and to 18% for the financial year ended 31 March 2016 (page 29 of the annual report). The group has a strategy of not exceeding 40% for its gearing. **Given the numerous and competing investment needs, can the board help shareholders understand how it makes the capital allocation decisions? How soon does the board see the group approaching the 40% limit? Can shareholders get an update on the proposed initiatives with IFC to co-invest in agriculture/logistics projects and with ADB to provide loans for infrastructure projects?**

Question on governance and management

3. The company is associated to Serge Pun & Associates (Myanmar) Ltd. (“SPA”) and First Myanmar Investment Co., Ltd. (“FMI”). The latter is listed on the Yangon Stock Exchange. All three entities have their own set of shareholders with significant overlapping business areas among the three entities. For instance, one of FMI’s “three pillars” is investing in real estate and most, if not all, LDRs originate from SPA. **Can the board elaborate further on how it ensures that there are no conflicts of interests, and when there are interested person transactions, the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of Yoma and her minority shareholders?** These potential conflicts of interests also extend to non-financial areas such as human resource and naming rights. As an example, Yoma is fortunate to have the rights to the Yoma Yangon International Marathon. **What about the conflicts of omission? FMI has significant investments in financial services. Has the Yoma board considered venturing into financial services as the group tries to diversify away from real estate?**