



PRESS RELEASE

## China-Based SF Holding to Join Yoma Strategic and Kokubu in KOSPA Joint Venture

- SF Holding to take 25 per cent stake in joint venture for US\$4 million
- New capital to drive expansion of KOSPA's existing storage and transport business, leveraging SF Holding's technological expertise and vast international experience
- Partnership targeting opportunities for cross-border transit created by improving China – Myanmar economic relations through the Belt and Road initiative

**Singapore, 01 March 2019** - Yoma Strategic Holdings Ltd. ("Yoma Strategic") and Kokubu Group ("Kokubu") today welcomed SF Holding Co., Ltd. ("SF Holding"), a technology-led international logistics service provider based in China, as a joint venture partner in KOSPA Limited ("KOSPA"), subject to the satisfaction of certain conditions. SF Holding will acquire a 25 per cent stake in KOSPA for a consideration of US\$4 million in newly issued shares, primarily to fund the expansion of KOSPA's current fleet and its warehouse capacity.

KOSPA offers warehousing and third-party logistics services in Myanmar including cold chain solutions, inventory management and transportation. The newly formed partnership will build on KOSPA's capabilities as one of Myanmar's leading integrated logistics service providers and aims to widen its service scope to other categories of logistics solutions, express delivery and cross-border deliveries. KOSPA intends to leverage SF Holding's technological expertise to strengthen its service offering.

Post the transaction, Yoma Strategic will retain its 50 per cent stake in KOSPA with SF Holding and Kokubu each holding 25 per cent in the joint venture. KOSPA will become a subsidiary of Yoma Strategic pursuant to a new shareholders agreement between the parties.

**Mr. Melvyn Pun, CEO, Yoma Strategic stated,** "We are delighted to welcome SF Holding as a new partner in KOSPA. SF Holding is at the cutting edge of the logistics industry, which drove its position as one of the largest integrated logistics service providers in China. The additional capital and expertise will catapult KOSPA forward while both deepening and widening our service offerings to customers. Logistics has the potential to become a major growth sector of the Myanmar economy and this partnership strategically positions KOSPA to capture opportunities presented by a growing appetite for e-commerce in the country."

**Mr. Dick Wang, Chairman, SF Holding stated,** "Myanmar is poised for good economic growth in years to come and we're certainly happy to be a partner of KOSPA to facilitate its domestic and cross-border logistics services. By leveraging on our strong aviation & ground network and advanced logistical technologies together with the resources and advantages in KOSPA, Yoma Strategic and Kokubu, we believe this partnership will further add value and provide better logistics solutions to customers."



**Mr. Akira Kokubu, Representative Director President and COO, Kokubu Group Corporation stated,** "We are certainly excited to welcome SF Holding as a partner in KOSPA. We trust KOSPA can leverage SF Holding's technological expertise, global logistics network and experience in order to strengthen its existing services. We will also explore further synergies in cross-border and express services between our business platform in China and the wider ASEAN region."

"With SF Holding on board, KOSPA will also explore the possibility of expanding its logistics business into the cross-border trade between Myanmar and its neighbouring countries, especially China. This comes against the backdrop of deepening China – Myanmar economic relations through the Belt and Road Initiative and the Y-Shaped China-Myanmar Economic Corridor." **added Mr. Pun.**

The trade volume between Myanmar and China is estimated at approximately US\$10 billion every year<sup>1</sup>, accounting for around 30 per cent of Myanmar's total foreign trade. The volume and value of trade is expected to grow further in the near future as economic ties between the two countries deepen with both governments working to create 'economic cooperation zones' along the Myanmar-China border<sup>2</sup>.

Besides the potential demand for inbound Chinese products arising from the growth in e-commerce in Myanmar, KOSPA has also identified several types of products that could be targeted for both import and export between the two countries. Examples include heavy cargo and freight shipping for import from China and agricultural produce for export to China.

#### **About SF Holding**

Established in Shunde, Guangdong Province in 1993, SF Holding is one of the leading integrated express logistics service providers in China, providing customers with one-stop integrated logistics solutions. Adopting a directly-owned operation model, SF Holding has built a massive and integrated logistics network of "Aviation Network", "Ground Network" and "Information Network", facilitating the efficient flow of parcels inside and outside of China, and guarantees the overall operation quality of service networks.

#### **About Yoma Strategic Holdings Ltd. ([www.yomastrategic.com](http://www.yomastrategic.com))**

Listed on the Main Board of the Singapore Securities Exchange Trading Limited (SGX-ST), Yoma Strategic Holdings Ltd. is a leading business corporation with a diversified portfolio of businesses in Real Estate, Consumer, Automotive & Heavy Equipment, and Investments in Myanmar. Together with its partner, the SPA Group, the Group is taking a conglomerate approach to build a diversified portfolio of businesses in Myanmar. The Company was ranked in the top 5% of the Governance and Transparency Index 2017, ranked 17th out of top 100 largest Singapore companies in the Asean Corporate Governance Scorecard 2015 and won the Best Managed Board (Gold) Award at the Singapore Corporate Awards in 2016.

#### **About Kokubu Group Corporation ([www.kokubu.co.jp/english/](http://www.kokubu.co.jp/english/))**

For more than three centuries since its establishment in 1712, KOKUBU has been engaged in food distribution. The environment surrounding food, such as consumers' tastes and lifestyles, globalization and expansion of the Internet, is changing consistently and rapidly. The KOKUBU Group, as "Food Marketing Company", will proactively continue to

<sup>1</sup>[http://www.xinhuanet.com/english/2018-01/22/c\\_136914463.htm](http://www.xinhuanet.com/english/2018-01/22/c_136914463.htm)

<sup>2</sup><https://www.aseanbriefing.com/news/2018/11/02/myanmar-plans-economic-zones-chinese-border.html>;  
<http://www.chinadaily.com.cn/a/201811/13/WS5bea61d6a310eff303288610.html>



respond to the true needs of all businesses dealing with food to have new value, the best customer satisfaction rating. In Japan, as "Community-based Nationwide Wholesaler", we will fulfil our functions by collaboration of area companies all over the country. And outside Japan, we will strive to expand our wholesale operations and distribution business. We will continuously respect our corporate commitment "Trust", and endeavour to achieve new innovations as a valuable corporate group that serves customers, in the pursuit of our corporate philosophy: "Abiding spirit and innovating power - We deliver enriched lifestyles through the medium of food".

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