



Yoma Strategic Holdings Ltd. ("**Yoma Strategic**" or the "**Company**" or collectively with its subsidiaries, the "**Group**") is proposing a series of actions that is in line with its long-term strategy of growing its core businesses, while actively working to dispose of certain non-core assets to strengthen its balance sheet. The following actions would be beneficial to the Group as they will streamline its portfolio of investments and free up cash to be redeployed to core businesses.

- (i) Divestment of its remaining telecommunication tower investment for a cash consideration of US\$57.50 million where proceeds will be used for expansion of its core businesses and the repayment of debt. (*Refer to Section A below for more information*)
- (ii) Strengthen Yoma Financial Services' position with the proposed acquisition of an additional 10% interest in Wave Money, a profitable and fast growing mobile financial services business. (*Refer to Section B below for more information*)
- (iii) Reclassification of The Grand Central Shopping Mall in Dalian, China, under "Disposal group classified as held-for-sale" as the Group actively seeks to dispose of this investment to recycle capital. (*Please refer to the profit guidance announcement made on the same day*)

SECTION A: DISPOSAL OF THE COMPANY'S TELECOMMUNICATIONS TOWER INVESTMENT

Reference is made to the Company's announcements dated 4 December 2015, 8 November 2016 and 19 December 2016 (collectively, the "**edotco Announcements**") in relation to the Company's 12.5% interest in edotco Investments Singapore Pte. Ltd. ("**edotco Singapore**").

BACKGROUND

The board of directors (the "**Board**") of Yoma Strategic refers to the edotco Announcements wherein it had been disclosed that following the completion of the disposal of the Group's 12.5% interest in edotco Singapore, parties had executed a revised shareholders' agreement (the "**Shareholders Agreement**")¹.

As at the date of this Announcement, the Group holds 12.5% interest in edotco Singapore through its wholly-owned subsidiary, YSH Finance Ltd ("**YSH Finance**"), and edotco Investments (Labuan) Limited ("**edotco Labuan**") holds the remaining 87.5% interest in edotco Singapore.

TRANSACTION

The Board wishes to inform shareholders that YSH Finance had pursuant to the terms of the Shareholders' Agreement, served a notice to sell its 12.5% interest in edotco Singapore comprising 250,000 ordinary shares (the "**Sale Shares**") (the "**Transaction**") in accordance with terms of the Shareholders Agreement and consequentially entered into a conditional sale and purchase agreement for the purpose of the Transaction with Sojitz Corporation (as approved by edotco Labuan). The Sale and Purchase Agreement is conditional upon, amongst others, certain consents and waivers being obtained.

¹ It was disclosed in the Company's announcement dated 8 November 2016 that in order to streamline the documentation, the then Put and Call Option Agreement would be terminated and the revised Shareholders Agreement would contain revised terms of the option including using the new consideration as the base put price for the remaining 12.5% interest held by YSH Finance.

The consideration for the Sale Shares is US\$57.50 million (the “**Consideration**”) and is based on the put price mechanism set out in the Shareholders Agreement and an agreed premium (taking into account certain agreed variations to the terms of the existing agreements between, *inter alia*, YSH Finance and edotco Labuan). Based on the latest unaudited financial statements of YSH Finance as at 30 June 2019, the book value of the Sale Shares is approximately US\$54.49 million. Through the Transaction, the Group will monetise US\$44.14 million of accumulated fair value gains (based on an initial investment cost of US\$10.35 million and the above book value as at 30 June 2019) and recognise a further US\$3.01 million of disposal gains upon completion. The proceeds from the Transaction will be used for the expansion of core businesses and the repayment of debt.

Upon completion of the disposal of the Sale Shares, the Group will cease to hold an interest in edotco Singapore.

SECTION B: AGREEMENT IN RELATION TO PROPOSED ACQUISITION OF 10% INTEREST IN DIGITAL MONEY MYANMAR LIMITED

1. INTRODUCTION

The Board of Yoma Strategic wishes to announce that the Company’s wholly-owned subsidiary, Yoma Strategic Investments Ltd. (“**YSIL**”), has entered into an agreement (the “**Agreement**”) with First Myanmar Investment Public Company Limited (“**FMI**”) to acquire its 10% interest in Digital Money Myanmar Limited (“**Wave Money**”) comprising 100,000 ordinary shares and 3,505,500 redeemable preference shares (“**Sale Shares**”) (the “**Proposed Acquisition**”). The Agreement sets out the manner in which the parties envisage implementing the Proposed Acquisition and serves as a framework for discussion, negotiation and agreement between the parties on matters relating to the Proposed Acquisition.

2. WAVE MONEY

- 2.1 Wave Money operates the largest financial services network in Myanmar and offers mobile payment solutions and services in Myanmar. It was the first licensed provider under Myanmar’s Mobile Financial Services Regulations and is permitted to have foreign investment.
- 2.2 As at the date of this Announcement, Telenor South East Asia Investment Pte. Ltd. (“**TSE**”), Telenor Go Pte. Ltd. (“**TnGO**”), Telenor Global Services Singapore Pte. Ltd. (“**TGS**”) (TSE, TnGO and TGS shall collectively be known as, “**Telenor**”) collectively hold 51% interest, the Company holds 34% interest, FMI holds 10% interest and Yoma Bank Limited (“**Yoma Bank**”) holds 5% interest, respectively, in Wave Money.

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition will strengthen the Company’s financial services pillar since Wave Money has a proven track record of being profitable and is fast growing.

4. SALIENT TERMS OF THE TERM SHEET

4.1 Consideration

The consideration for the Sale Shares of US\$6 million was based on a total equity value of Wave Money of US\$59.92 million² (the “**Transaction Value**”) subject to a potential adjustment should any third party investor acquire an interest in Wave Money at a valuation higher than the Transaction Value within twelve (12) months following the completion of the Proposed Acquisition but notwithstanding this, it was agreed that the aggregate amount of consideration for the Sale Shares shall not exceed US\$10 million (the “**Consideration**”). The Consideration will be funded by proceeds generated from the disposal of certain non-core assets.

- 4.2 The Agreement is subject to the parties entering into a definitive sale and purchase agreement which is targeted to be within twelve (12) months from the date of the Agreement.

5. RELATIVE FIGURES³ FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is a non-discloseable transaction under Chapter 10 of the Listing Manual as the relative figures as computed under Rule 1006 are less than 5%.

6. INTERESTED PERSON TRANSACTION³

- 6.1 Mr. Serge Pun is the Executive Chairman and a Controlling Shareholder of the Company, holding approximately 33.21% direct and deemed interests in the Company as at the date of this Announcement.
- 6.2 Mr. Serge Pun is also the Chairman of FMI and the controlling shareholder of FMI as at the date of this Announcement. FMI is considered an associate of Mr. Serge Pun and accordingly, an interested person of the Company for the purposes of Chapter 9 of the Listing Manual. The Proposed Acquisition is therefore an interested person transaction under Chapter 9 of the Listing Manual.
- 6.3 Based on the latest audited consolidated financial statements of the Group as at 31 March 2019, the net tangible assets less non-controlling interest (the “**NTA**”) of the Group is US\$526.66 million. As at 30 June 2019, the Consideration, together with the value of other interested person transactions with Mr. Serge Pun and his associates (excluding those conducted under the shareholders’ mandate), represents 2.11% of the NTA of the Group. The Consideration had been disclosed as part of the value of interested person transactions (excluding those conducted under the shareholders’ mandate) in the Company’s announcement on its unaudited financial statements for the first quarter ended 30 June 2019.

²The valuation was arrived at by updating the valuation of Wave Money which was prepared by PricewaterhouseCoopers Myanmar Pte Ltd for the initial acquisition of 34% in Wave Money by the Company. Please refer to the Company’s announcement dated 8 March 2018.

³ For the purpose of computations under the Listing Manual, the maximum amount of US\$10 million had been used.



7. FURTHER ANNOUNCEMENTS

The Company will make further announcements as and when appropriate when the Proposed Acquisition has closed.

BY ORDER OF THE BOARD

Melvyn Pun
Chief Executive Officer
8 November 2019