

Press Release

## **Yoma Strategic and AC Energy Announce Partnership, Target Leadership in Myanmar’s Renewable Energy Industry**

- Partnership to drive sustainable and inclusive economic growth
- Plans to scale up Yoma Micro Power and participate in large utility scale renewable projects

**Singapore, 14 October 2019** – Yoma Strategic Holdings Ltd. (“Yoma Strategic”) today announced its decision to form a strategic partnership with AC Energy, Inc.<sup>1</sup> (“AC Energy”) the energy platform of major Philippine conglomerate Ayala Corporation. Yoma Strategic and AC Energy are looking to establish a 50:50 joint venture<sup>2</sup> (“Joint Venture”) that will see AC Energy and Yoma Strategic working together to drive the growth of Yoma Micro Power (S) Pte. Ltd. (“Yoma Micro Power”). As part of this transaction, AC Energy and Yoma Strategic have signed a binding term sheet which envisages the Joint Venture investing at least \$30 million into Yoma Micro Power.

The new Joint Venture plans to invest in Yoma Micro Power and will jointly explore developing around 200MW of additional renewable energy projects within Myanmar including participation in large utility scale renewable projects.

Melvyn Pun, CEO, Yoma Strategic stated, “Supply of electricity is one of the largest opportunities in Myanmar and also one of the biggest bottlenecks for economic development. We are excited to have AC Energy as our partner to drive sustainable and inclusive economic growth. AC Energy’s international expertise in the renewable energy sector and the access to funding will be invaluable as we work together to service this huge, underserved market in Myanmar.”

Meanwhile, Patrice Clause, COO of AC Energy Renewables, lauds the partnership as a step towards AC Energy’s 2025 goals. “This is a very meaningful investment for AC Energy, as we intend to participate in Myanmar’s renewables sector in a significant way. We are delighted to partner with Yoma Strategic who shares the same aspiration to build a meaningful portfolio in renewable energy and together, be able to contribute to creating an environmentally sustainable future. Our combined expertise, strong financing capabilities and AC Energy’s commitment to shore up presence in the fast-growing region will provide a critical platform for growth in the country.”

The World Bank estimates that electricity consumption in Myanmar will grow at an average annual rate of 11% until 2030 to achieve complete electrification in all households with an expected investment of around US\$2 billion per year required<sup>3</sup>. The Myanmar Government’s energy master plan envisions solar power contributing up to 5% of the nation’s electricity as the country shifts away from hydropower and natural gas sources<sup>4</sup>. In addition, the Myanmar government’s recent hike in electricity tariffs has also enhanced the attractiveness of solar energy solutions to the commercial and industrial segment.

“The renewable energy sector is a scalable business which has the potential to generate a sizeable revenue stream with recurring cashflow to complement Yoma Strategic’s core businesses. Myanmar has one of the lowest electrification rates in Asia, with more than 60% of the population without access to grid electricity, particularly in rural areas. There is a need to significantly increase generation capacity and build out last mile distribution infrastructure, which Yoma Micro Power has embarked upon.” added Pun.

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<sup>1</sup> AC Energy, Inc. is investing through their wholly-owned subsidiary, ACE Investments HK Limited.

<sup>2</sup> Subject to the satisfaction of certain terms and conditions including consents of joint venture partners.

<sup>3</sup> World Bank June 2019: Myanmar Economic Monitor

<sup>4</sup> Source: Ministry of Electricity and Energy, 2030 Electricity Mix Projections

Yoma Strategic currently holds 35%, while Norfund and IFC hold 30% each in Yoma Micro Power. The remaining 5% is held by Alakesh Chetia, the managing director of Yoma Micro Power and an experienced professional in the power infrastructure sector. Post the investment and restructuring, which is planned for 2020, the Joint Venture is expected to hold at least 50% of Yoma Micro Power.

Yoma Micro Power builds micro power plants and mini-grids that provide electricity to off-grid rural communities and telecommunications towers in Myanmar. Following the successful implementation of the 10-site pilot project in 2018, Yoma Micro Power is currently rolling out 250 micro power plants by end of 2019 and is expected to scale up to more than 2,000 sites by 2023.

**About AC Energy, Inc. ([www.acenergy.com.ph](http://www.acenergy.com.ph))**

AC Energy is the energy platform of Ayala, one of the largest business groups in the Philippines. AC Energy is one of the fastest growing energy companies with over US\$1 billion of invested and committed equity in renewable and thermal energy in the Philippines and around the region. From a strong local base, AC Energy is expanding rapidly around the region through strategic partnerships and greenfield initiatives. In 2018, the company successfully developed over 1.8 GW of attributable energy portfolio in the Philippines and around the region. The company aspires to exceed 5 GW of attributable capacity and generate at least 50% of energy output from renewables by 2025.

**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, Financial Services 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 2019, ranked 26th out of top 100 largest Singapore companies in the ASEAN Corporate Governance Scorecard 2017 and won the Best Managed Board (Gold) Award at the Singapore Corporate Awards in 2016.

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