
ACQUISITION OF JOINT VENTURE INTERESTS IN AUTOMOTIVE BUSINESS

1. INTRODUCTION

The Board of Directors of Yoma Strategic Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to inform shareholders that it has completed the rationalisation of its joint ventures in the automotive business in Myanmar with First Myanmar Investment Company Limited (“**FMI**”) by way of the acquisition of FMI’s thirty per cent. (30%) interest in Myanmar Motors Pte Ltd (“**Myanmar Motors**”) and FMI’s twenty per cent. (20%) interest in Summit SPA Motors Limited (“**Summit SPA**”).

2. MYANMAR MOTORS

Myanmar Motors was incorporated in 2013. The Company, through its wholly-owned subsidiary, Elite Matrix International Limited (“**Elite Matrix**”), holds a seventy per cent. (70%) interest and FMI holds a thirty per cent. (30%) interest in Myanmar Motors. It is used as an investment holding company for the following automotive businesses.

(a) German Car Industries Company Limited (“**GCI**”), a wholly-owned subsidiary of Myanmar Motors

GCI was acquired by Myanmar Motors in 2013. It has entered into a service partner agreement with Volkswagen Aktiengesellschaft to operate Volkswagen’s first service centre in Myanmar. It also operates as a premier service centre for European vehicles in Yangon.

Please refer to the Company’s announcements on 28 February 2013 and 23 October 2013.

(b) Yoma Fleet Limited (“**Yoma Fleet**”) and Vehicle Leasing Management Limited (“**VLM**”), both deemed wholly-owned subsidiaries of Myanmar Motors

Yoma Fleet and VLM were both incorporated in 2014 for the purpose of carrying on the vehicle operating lease and rental business in Myanmar.

Please refer to the Company’s announcements on 28 January 2014 and 20 March 2014.

(c) D Myanmar Investment (Singapore) Pte Ltd (“**D Singapore**”), a 40% associated company of Myanmar Motors

D Singapore was incorporated in 2013. It is a joint venture between Myanmar Motors (holding a forty per cent. (40%) interest) and unrelated third parties (holding in aggregate sixty per cent. (60%) interest) to carry out the business of providing automotive related services and parts in Myanmar. It was formerly known as Hovelton Pte. Ltd. and has two wholly-owned subsidiaries, Imbergold Pte. Ltd. and D Service (Myanmar) Limited.

Please refer to the Company’s announcement on 9 July 2014.

- (d) First Japan Tire Services Company Limited (“**First Japan Tire**”), a 30% associated company of Myanmar Motors

First Japan Tire was incorporated in 2014. It is a joint venture between Myanmar Motors (holding a thirty per cent. (30%) interest) and Mitsubishi Corporation (holding a seventy per cent. (70%) interest) to carry out the business of providing support services in relation to the provision of various services for companies engaged in the automobile and tyre industry in Myanmar. It is also providing sales support for Bridgestone tyres in Myanmar.

Please refer to the Company’s announcements on 27 April 2014 and 8 July 2014.

3. PROPOSED ACQUISITION OF MYANMAR MOTORS

The Company, through Elite Matrix, entered into a sale and purchase agreement with FMI to acquire FMI’s thirty per cent. (30%) interest in Myanmar Motors by way of an acquisition of three (3) ordinary shares in the capital of Myanmar Motors for S\$3.00 and an assignment of shareholders’ loan amounting to S\$1.57 million. This shareholders’ loan is FMI’s pro rata portion of its investment in Myanmar Motors and does not carry interest. There are no material terms to the acquisition as the Company already controls Myanmar Motors, its seventy per cent. (70%) subsidiary.

With the completion of this transaction, Myanmar Motors is now a wholly-owned subsidiary of the Company. As a consequence of which, the Company’s effective interest in each of the entities mentioned above would be increased as follows:-

- (a) GCI – 100%
- (b) D Singapore – 40%
- (c) First Japan Tire – 30%

4. PROPOSED ACQUISITION OF TWENTY PER CENT. (20%) INTEREST IN SUMMIT SPA MOTORS LIMITED (“SUMMIT SPA”)

Summit SPA is a joint venture company established between Sumitomo Corporation (holding a sixty per cent. (60%) interest), Elite Matrix (holding a twenty per cent. (20%) interest) and FMI (holding the balance twenty per cent. (20%) interest) in 2014 to operate authorized service stations for, and to distribute, Hino trucks and buses in Myanmar. Please refer to the Company’s announcement on 19 December 2013.

The Company, through Myanmar Motors, entered into a sale and purchase agreement with FMI to acquire FMI’s twenty per cent. (20%) interest in Summit SPA for a cash consideration of US\$880,000, being FMI’s pro rata portion of its investment in Summit SPA. Sumitomo Corporation has given its consent to the transaction and following completion, the Company’s effective interest in Summit SPA is now forty per cent. (40%).

5. FUNDING

The Company used the proceeds from the placement which was completed in July 2014 to fund the consideration for the proposed acquisition of Myanmar Motors and the proposed acquisition of twenty per cent. (20%) interest in Summit SPA.

6. INTERESTED PERSON TRANSACTIONS

Mr. Serge Pun is the Executive Chairman and a controlling shareholder of the Company, holding approximately 37.32% direct and deemed interests in the Company as at the date of this Announcement.

Mr. Serge Pun is also the Chairman 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 SGX-ST Listing Manual. The proposed acquisition of Myanmar Motors and the proposed acquisition of twenty per cent. interest in Summit SPA are therefore interested person transactions under Chapter 9 of the SGX-ST Listing Manual.

Based on the latest audited consolidated financial statements of the Group as at 30 September 2014, the net tangible assets less non-controlling interest (the “**NTA**”) of the Group is S\$358.87 million. The aggregate value of these transactions is S\$2.69 million and, when aggregated with other interested person transactions, is S\$16.18 million or 4.51% of the NTA of the Group (excluding transactions transacted under the shareholders mandate).

7. VALUE OF INTERESTED PERSON TRANSACTIONS

The aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under the shareholders’ mandate pursuant to Rule 920) for the 6-month period ended 30 September 2014 with Mr. Serge Pun and his associates is S\$11.58 million.

8. STATEMENT BY THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee of the Company is of the view that the terms of the proposed acquisition of Myanmar Motors and the proposed acquisition of twenty per cent. interest in Summit SPA are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

BY ORDER OF THE BOARD

Andrew Rickards
Chief Executive Officer

19 November 2014