



NEWS RELEASE

US\$100 MILLION LOAN TO YOMA STRATEGIC HOLDINGS TO HELP MYANMAR GET CONNECTED

YANGON, MYANMAR (16 December 2014) – The Asian Development Bank (ADB) has approved a loan of up to US\$100 million to Singapore-listed Yoma Strategic Holdings Ltd. (Yoma Strategic) to improve infrastructure connectivity needed for sustainable economic growth in Myanmar.

“Investment in connectivity infrastructure is a key factor in creating better access to economic opportunities, reducing costs, promoting trade, and attracting private investment into diverse geographic areas and sectors,” said Christopher Thieme, a Director in ADB’s Private Sector Operations Department. “ADB is delighted to be supporting this important work with Yoma Strategic that will help acceleration of Myanmar’s growth.”

Myanmar is one of the least-connected countries in the world in terms of telecommunication, transportation, and logistics. In 2012, fixed and mobile telecommunication line penetration rates stood at less than 1% and 7% of the population, respectively. The road density in Myanmar is less than one fifth the average in ASEAN countries. The country’s inland waterways network, which is important for freight traffic, is also underutilized due to an ageing fleet of vessels and neglected ports facilities.

Myanmar has been experiencing an influx of investors in recent years. Investments, however, have been concentrated in the oil, gas, and other mineral sectors, as well as light manufacturing. Private sector financing for much-needed infrastructure projects to boost connectivity remains a challenge due to an underdeveloped banking sector and capital market, and a lack of alternative funding sources.

The ADB loan will meet the gap for long-term commercial debt for infrastructure designed to enhance connectivity. It will be disbursed in two tranches, with Yoma Strategic engaging partner companies to work with it on individual infrastructure subprojects. The first tranche will be used to build telecommunication towers, develop cold storage logistics, and modernize vehicle fleet leasing; the second will fund subprojects in transportation, distribution, logistics and other sectors.

“It is a privilege to be chosen by ADB as a partner to work on improving Myanmar’s infrastructure,” said Serge Pun, Executive Chairman of Yoma Strategic. “ADB’s loan will help support our goal of improving the country’s connectivity, which in turn will strengthen local markets, boost productivity, and create jobs.”

Yoma Strategic has property, agriculture, tourism, automotive, and retail/F&B businesses in Myanmar. Its market capitalization was US\$692 million, as of 2 December 2014. Executive Chairman Serge Pun owns around 37% of the company’s shares. The company ranks in the top 5% of Singapore Exchange-listed companies in the 2014 Governance and Transparency index.

ADB, based in Manila, is dedicated to reducing poverty in Asia and the Pacific through inclusive economic growth, environmentally sustainable growth, and regional integration. Established in 1966, it is owned by 67 members—48 from the region. In 2013, ADB assistance totaled US\$21.0 billion, including cofinancing of US\$6.6 billion.

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