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## PROPOSED ACQUISITION OF CONTROLLING INTEREST IN DIGITAL MONEY MYANMAR LIMITED

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Reference is made to the press release dated 18 May 2020 and the announcements dated 24 June 2020, 1 July 2020, 13 November 2020, 28 January 2021, 31 March 2021 and 3 May 2021 (together, the **"Previous Announcements"**). Where capitalised terms are used in this Announcement and not otherwise defined, such capitalised terms shall bear the same meanings as ascribed to them in the Previous Announcements.

### 1. INTRODUCTION

- 1.1 Reference is made to the announcements dated 3 May 2021 and the unaudited financial statements of the Group for the six months and the full financial year ended 30 September 2021 dated 29 November 2021 (the **"Latest Unaudited Financial Statements"**) wherein shareholders were informed that although the long stop date to complete the Proposed Transactions<sup>1</sup> had not been extended, the Company would continue to explore opportunities in, and had remained in discussion with Telenor regarding, Wave Money.
- 1.2 The Board wishes to announce that the Company's wholly-owned subsidiary, Yoma MFS Holdings Pte. Ltd.<sup>2</sup> (**"Yoma MFS"**) has on 15 January 2022 entered into a new share purchase agreement (the **"New SPA"**) with Telenor South East Asia Investment Pte. Ltd., Telenor Go Pte. Ltd., Telenor Global Services Singapore Pte. Ltd., and Telenor Asia Pte. Ltd. (collectively, **"Telenor"** or the **"Vendors"**) to acquire all of the Vendors' interest in Digital Money Myanmar Limited (**"Wave Money"**), comprising 510,000 ordinary shares and 17,878,050 redeemable preference shares (the **"Sale Shares"**) for an aggregate consideration of US\$53 million, upon the terms and subject to the conditions of the New SPA (the **"Proposed New Acquisition"**). Please see Paragraphs 4 and 5 of this Announcement for further details on the salient terms and structure of the Proposed New Acquisition.

### 2. INFORMATION ON WAVE MONEY

- 2.1 Please refer to the announcement dated 24 June 2020 for information on Wave Money.
- 2.2 As at the date of this Announcement, the shareholders of Wave Money are the Vendors (collectively, 51%), YSIL (44%) and Yoma Bank (5%).
- 2.3 The Sale Shares represent the entirety of the Vendors' interest in Wave Money.

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<sup>1</sup> The Proposed Transactions relate to the proposed strategic partnership in Digital Money Myanmar Limited with Ant Group Co., Ltd., and the Group's proposed acquisition of controlling interest of Digital Money Myanmar Limited from Telenor Group. Please refer to the Previous Announcements for the details.

<sup>2</sup> Yoma MFS was incorporated as a wholly-owned subsidiary of YSIL in 2020. It was to be used to hold the Company's interest in Wave Money upon completion of the Proposed Transactions.

### **3. RATIONALE FOR THE PROPOSED NEW ACQUISITION**

- 3.1 As disclosed in the Latest Unaudited Financial Statements, despite the challenging business environment and economic slowdown in Myanmar, Wave Money is expected to grow substantially given that the digitalisation of the financial system is a key priority for the Central Bank of Myanmar.
- 3.2 The Company remains confident that both the real estate and financial services pillars will contribute a significant part of the Group's business performance over the next three to five years and therefore is keen to increase its shareholding interest in Wave Money. It also continues to hold the belief that Wave Money will be at the heart of the Group's digital ecosystem and that taking a controlling stake in Wave Money would allow for greater collaboration between Wave Money and the Group's other businesses through the contribution of certain payment functions as well as a closer alignment of new products and features on the WavePay app.

### **4. SALIENT TERMS OF THE PROPOSED NEW ACQUISITION**

#### Sale and Purchase

- 4.1 Pursuant to the New SPA, the Vendors shall sell and Yoma MFS shall purchase the Sale Shares, free from encumbrances and together with all rights attaching to them including the right to receive all distributions and dividends declared, paid, made or accruing from the completion of the New SPA, subject to the terms and conditions of New SPA. The long stop date for completion is 180 days after the date of the New SPA (the "**Long Stop Date**").

#### Conditions Precedent

- 4.2 The obligations of the parties to complete the sale and purchase of the Sale Shares under the New SPA shall be subject to fulfilment and satisfaction of certain conditions precedent, amongst others, approval for the Proposed New Acquisition by shareholders of the Company (if required) and regulatory approval on or prior to the Long Stop Date.

#### Consideration

- 4.3 The aggregate consideration for the Proposed New Acquisition is US\$53 million<sup>3</sup> in cash (the "**Telenor Consideration**") and was arrived at on a willing-buyer willing-seller basis. The Company took into account, *inter alia*, the economic and business developments in Myanmar since the Previous Announcements, Wave Money's recent financial performance along with its earnings and growth potential, the potential synergies in collaborating with the Group's other businesses, comparable market valuations and the current level of cash on Wave Money's balance sheet in determining the consideration for the Proposed New Acquisition.
- 4.4 The Telenor Consideration will be funded by the financing activities as further elaborated in Paragraph 5 of this Announcement.

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<sup>3</sup> Subject to closing adjustments accruing from 1 February 2022.



## 5. WAVE MONEY TRANSACTIONS

- 5.1 The Company intends to restructure the holding of its interest in Wave Money such that Yoma MFS will hold the Group's existing 44% interest in Wave Money (the "**Restructure**").
- 5.2 As at the date of this Announcement, it is contemplated that the Company would invest up to US\$27.1 million<sup>4</sup> in Yoma MFS for an additional 26% effective interest in Wave Money and a consortium of investors<sup>5</sup>, as new shareholders of Yoma MFS, would contribute the remaining Telenor Consideration for the Proposed New Acquisition (the "**Consortium Investment**").
- 5.3 Upon the completion of the Restructure, the Consortium Investment and the Proposed New Acquisition (collectively, the "**Wave Money Transactions**"),
- (a) Yoma MFS would become the direct controlling shareholder of Wave Money holding a 90%<sup>6</sup> interest (which includes the Sale Shares) in Wave Money.
  - (b) The Company's aggregate effective interest in Wave Money would be no less than 70% assuming that the Company acquires the additional 26% interest in Wave Money.

Further to the Proposed New Acquisition, the Company has also granted a right to one of the investors in the Consortium Investment<sup>7</sup> (the "**Specified Consortium Investor**") the right to increase its effective interest in Wave Money by purchasing shares in Yoma MFS equivalent to up to a 15% effective interest in Wave Money subject to certain terms (the "**Investor's Increase in Effective Interest**") without ceding effective control in Wave Money. Please refer to Paragraph 8 of this Announcement for details of the Investor's Increase in Effective Interest. The Investor's Increase in Effective Interest was part of the Specified Consortium Investor's arrangements to participate in the Consortium Investment.

## 6. RELATIVE FIGURES FOR THE PROPOSED NEW ACQUISITION

- 6.1 On the basis that the Wave Money Transactions would be completed on or about the same day, the relative figures under Rule 1006 of the SGX-ST Listing Manual have been computed based on the final effective percentage in Wave Money to be held by the Company upon completion of the series of transactions.

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<sup>4</sup> This amount would be financed by loan facilities to be extended by the investors in the consortium including the Specified Consortium Investor (as hereinafter defined).

<sup>5</sup> More information on the investors would be made upon execution of the definitive agreements relating to the investments in Yoma MFS. As at the date of this Announcement, none of the investors are considered as "interested persons" under Chapter 9 of the SGX-ST Listing Manual.

<sup>6</sup> Yoma Bank will retain its existing 5% interest in Wave Money. One of the investors in the consortium will hold a direct 5% interest in Wave Money as a regulatory requirement of the Central Bank of Myanmar.

<sup>7</sup> More information on the Specified Consortium Investor would be made upon execution of the definitive agreements relating to the investments in Yoma MFS. As at the date of this Announcement, the Specified Consortium Investor is not considered as "interested persons" under Chapter 9 of the SGX-ST Listing Manual.

6.2 To summarise, based on the above and the assumption that the Company would invest US\$27.1 million in Yoma MFS, the Company would be acquiring an additional 26% effective interest in Wave Money. Please see below for the computation of the relative figures under Rule 1006 of the SGX-ST Listing Manual using the financial information of the Group from the latest audited financial information of the Group for FY2021.

(a) The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable
(b) The net profit attributable to the Wave Money Transactions compared with the Group's net loss. <sup>(1)</sup>	(19.92%)
(c) The aggregate consideration <sup>(2)</sup> given for the Wave Money Transactions compared with the Company's market capitalisation <sup>(3)</sup> based on the total number of issued shares excluding treasury shares.	12.26%
(d) The number of equity securities issued by the Company as consideration for the Wave Money Transactions, compared with the number of equity securities previously in issue.	Not applicable

Notes:-

- (1) The net profit attributable to the Wave Money Transactions for the twelve-month period ended 30 September 2021 is approximately US\$2.57 million and the Group's net loss (before income tax and non-controlling interests) for the same period is approximately US\$12.85 million.
- (2) The aggregate consideration paid by the Group is approximately US\$27.1 million.
- (3) The Company's market capitalisation of approximately S\$299.82 million is based on its total number of issued Shares of 2,237,469,260 and the closing price of S\$0.134 per Share on 14 January 2022 (being the market day immediately preceding the date of the New SPA).

6.3 The Company considers the Wave Money Transactions as a discloseable transaction under Chapter 10 of the SGX-ST Listing Manual given that the absolute relative figures (based on the acquisition of effectively an additional interest of 26%) computed in each of Rule 1006 (c) and (d) exceed 5% but does not exceed 20%. The Company will consult the Singapore Exchange on the application of Chapter 10 of the SGX-ST Listing Manual for the Wave Money Transactions and will update shareholders on the outcome of such consultation.

## 7. FINANCIAL EFFECT FOR THE WAVE MONEY TRANSACTIONS

### 7.1 Assumptions

The financial effects of the Wave Money Transactions set out below are purely for illustrative purposes only and do not reflect the actual financial results or positions of the Group after the completion of the Wave Money Transactions. No representation is made as to the actual financial position and/or results of the Company after completion of the Wave Money Transactions. The financial effects of the Wave Money Transactions are prepared based on (a) the Wave Money Transactions being treated as one transaction as it is contemplated that completion will take place on the same day; (b) the latest audited financial information of the Group for the financial year ended 30 September 2021 (“FY2021”); and (c) the financial effects being presented before taking into account fees and expenses to be incurred and any fair value adjustments in relation to the Wave Money Transactions.

### 7.2 Share Capital

<b>As at 30 September 2021</b>	<b>Before the Wave Money Transactions</b>	<b>After the Wave Money Transactions</b>
<b>Issued and paid up Share capital (US\$'000)</b>	624,890	624,890
<b>Number of Shares ('000)</b>	2,237,469	2,237,469

Note:-

- (1) The share capital after the Wave Money Transactions was computed based on the assumption that the Wave Money Transactions were completed on 30 September 2021.

### 7.3 Net Tangible Assets (NTA)

<b>As at 30 September 2021</b>	<b>Before the Wave Money Transactions</b>	<b>After the Wave Money Transactions</b>
<b>NTA<sup>(1)</sup> (US\$'000)</b>	466,594	475,509
<b>Number of Shares ('000)</b>	2,237,469	2,237,469
<b>NTA per Share (cents)</b>	20.85	21.25

Note:-

- (1) NTA refers to net tangible assets attributable to equity holders of the Company.  
 (2) The NTA after the Wave Money Transactions was computed based on the assumption that the Wave Money was completed on 30 September 2021 and includes a deemed gain of US\$8.92 million that was derived from the difference between the fair value and the Company's carrying amount of its existing 44% interest in Wave Money as at 30 September 2021.

#### 7.4 Basic Earnings Per Share (Basic EPS)

<b>FY2021</b>	<b>Before the Wave Money Transactions</b>	<b>After the Wave Money Transactions</b>
<b>Net Profit attributable to equity holders of the Company (US\$'000)</b>	(19,704)	(2,015)
<b>Weighted Average Number of Shares ('000)</b>	2,246,394	2,246,394
<b>Basic EPS<sup>(3)</sup> (cents)</b>	(0.91)	(0.09)

Notes:-

- (1) The basic EPS after Wave Money Transactions was computed based on the assumption that the Wave Money Transactions were completed on 1 October 2020 and includes a deemed gain of US\$15.73 million that was derived from the difference between the fair value and the Company's carrying amount of its existing 44% interest in Wave Money as at 1 October 2020.
- (2) The net profit attributable to the Wave Money Transactions for FY2021 is approximately US\$2.56 million and the Group's net loss attributable to the equity holders of the Company for the same period is approximately US\$19.70 million.
- (3) After adjusting for perpetual securities distribution paid during FY2021.

## 8. INVESTOR'S INCREASE IN EFFECTIVE INTEREST

- 8.1 The Investor's Increase in Effective Interest allows the Specified Consortium Investor, at any time during the period commencing from the date of the New SPA and expiring on the later of (a) four and half (4<sup>1/2</sup>) months after 14 December 2021<sup>8</sup>; and (b) thirty (30) days after the date of the New SPA subject to, amongst others, due diligence and approval of the relevant regulatory authorities, the right to increase their effective interest in Wave Money by purchasing shares in Yoma MFS equivalent to up to a 15% effective interest in Wave Money. To the extent that the Specified Consortium Investor elects its right under the Investor's Increase in Effective Interest, the Company and the Specified Consortium Investor shall enter into good faith negotiations for the entry into a share purchase agreement which shall be substantially on the same terms as the New SPA.
- 8.2 The consideration payable by the Specified Consortium Investor is approximately US\$15.6 million which is computed based on the proportionate amount of the Telenor Consideration (the "**Investor's Increase in Effective Interest Consideration**").
- 8.3 The Company intends to use the Investor's Increase in Effective Interest Consideration to repay part of the financing it had obtained specifically for the Consortium Investment. There is no gain or loss from the Investor's Increase in Effective Interest given that the Investor's Increase in Effective Interest Consideration is based on the Telenor Consideration.
- 8.4 If the completion of the purchase of Sale Shares pursuant to the New SPA does not take place by the Long Stop Date, the Investor's Increase in Effective Interest shall automatically terminate.

<sup>8</sup> This is the date of signing the agreement on the Investor's Increase in Effective Interest which only takes effect on the signing of the New SPA.

- 8.5 Based on the above and the assumptions that the Company would complete the Proposed New Acquisition and the Specified Consortium Investor elects the Investor's Increase in Effective Interest for the entire 15% effective interest in Wave Money, the Company would be disposing of a 15% effective interest in Wave Money. Please see below for the computation of the relative figures under Rule 1006 of the SGX-ST Listing Manual using the financial information of the Group from the the latest audited financial information of the Group for FY2021.

(a) The net asset value of the assets to be disposed of, compared with the Group's net asset value <sup>(1)</sup> . This basis is not applicable to an acquisition of assets.	0.74%
(b) The net profit attributable to the Investor's Increase in Effective Interest compared with the Group's net loss. <sup>(2)</sup>	(11.51%)
(c) The aggregate consideration <sup>(3)</sup> received for the Investor's Increase in Effective Interest compared with the Company's market capitalisation <sup>(4)</sup> based on the total number of issued shares excluding treasury shares.	7.07%
(d) The number of equity securities issued by the Company as consideration for the Increase in Effective Interest, compared with the number of equity securities previously in issue.	Not applicable

Notes:-

- (1) The net assets attributable to the Investor's Increase in Effective Interest as at 30 September 2021 is approximately US\$5.06 million and the Group's net assets (total assets less total liabilities) is US\$681.40 million.
- (2) The net profit attributable to the Investor's Increase in Effective Interest for the twelve-month period ended 30 September 2021 is approximately US\$1.48 million and the Group's net loss (before income tax and non-controlling interest) for the same period is approximately US\$12.85 million.
- (3) The aggregate consideration received by the Group is approximately US\$15.6 million.
- (4) The Company's market capitalisation of approximately S\$299.82 million is based on its total number of issued Shares of 2,237,469,260 and the closing price of S\$0.134 per Share on 14 January 2022 (being the market day immediately preceding the date of the New SPA).

- 8.6 The Company considers the Investor's Increase in Effective Interest as a discloseable transaction under Chapter 10 of the SGX-ST Listing Manual given that the absolute relative figure computed in each of Rule 1006 (c) and (d) exceeds 5% but does not exceed 20%.
- 8.7 Assuming that the Wave Money Transactions and the Investor's Increase in Effective Interest are completed on 30 September 2021, the Share Capital and NTA after the transactions would be the same as set out in Paragraphs 7.2 and 7.3.
- 8.8 Assuming that the Wave Money Transactions and the Investor's Increase in Effective Interest are completed on 1 October 2020, the EPS after the transactions would be (0.16) cents.



**9 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save for their respective interests in the issued Shares in the capital of the Company (as the case may be), none of the directors of the Company or, as far as the Company is aware, substantial shareholders of the Company has any interest, direct or indirect, in the Wave Money Transactions and the Investor's Increase in Effective Interest.

**10 DOCUMENT AVAILABLE FOR INSPECTION**

A copy of the New SPA and the Investor's Increase in Effective Interest are available for inspection during normal business hours at the Company's registered office at 63 Mohamed Sultan Road, #02-14, Sultan-Link, Singapore 239002 for three (3) months after the date of this Announcement.

**11 FURTHER ANNOUNCEMENTS**

The Company will make further announcements as and when appropriate.

BY ORDER OF THE BOARD

Melvyn Pun  
Chief Executive Officer  
17 January 2022