
PROPOSED ACQUISITION OF SHARES IN YOMA FLEET LIMITED

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of Yoma Strategic Holdings Ltd. (the “**Company**” and together with the subsidiaries of the Company, the “**Group**”) wishes to announce that the Company and the Company’s wholly owned subsidiary, Myanmar Motors Pte. Ltd. (“**MMPL**”), have on 27 June 2024 entered into a share exchange agreement (the “**SPA**”) with Tokyo Century Asia Pte. Ltd. (“**Tokyo Century Asia**”), pursuant to which MMPL shall acquire all of Tokyo Century Asia’s interest in Yoma Fleet Limited (“**Yoma Fleet**”), comprising 2,000,000 ordinary shares (the “**Sale Shares**”) which represent 20% of the issued and paid-up share capital of Yoma Fleet, upon the terms and subject to the conditions of the SPA (the “**Proposed Acquisition**”).
- 1.2 As at the date of this Announcement, the Group holds the remaining 80% interest in Yoma Fleet. If completion of the Proposed Acquisition takes place, Yoma Fleet will become a deemed wholly owned subsidiary of the Company.

2. INFORMATION ON YOMA FLEET AND TOKYO CENTURY ASIA

- 2.1 Yoma Fleet was established in Myanmar on 15 January 2014 and is in the business of vehicle, equipment and other consumer products leasing and rental. Tokyo Century Asia acquired a 20% interest in Yoma Fleet for US\$26.6 million by way of the subscription of the Sale Shares on or around 30 April 2019.
- 2.2 The Sale Shares represent the entirety of Tokyo Century Asia’s interest in Yoma Fleet.
- 2.3 Tokyo Century Asia was incorporated in Singapore on 14 November 2018 with management consultancy services being its principal activity and general and other holding companies as its secondary activity. Tokyo Century Asia is a subsidiary of Tokyo Century Corporation, one of Japan’s largest leasing companies and a company listed on the Tokyo Stock Exchange.
- 2.4 Tokyo Century Asia has confirmed that it is not a person falling within the category of persons listed in Rule 812(1) of the Listing Manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). As at the date of this Announcement, Tokyo Century Asia does not hold, directly or indirectly, any shares in the capital of the Company.

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3. SALIENT TERMS OF THE PROPOSED ACQUISITION

Consideration

- 3.1 The consideration for the sale and purchase of the Sale Shares is the sum of S\$18,495,000 (the “**Consideration**”), which reflects an overall valuation for Yoma Fleet of approximately US\$68.37 million. The Consideration shall be satisfied by the issuance and allotment of 137,000,000 new ordinary shares in the Company (the “**Consideration Shares**”) to Tokyo Century Asia at an issue price of S\$0.135 per Consideration Share (the “**Issue Price**”).
- 3.2 The Consideration in respect of the Proposed Acquisition was arrived at on a “willing-buyer, willing-seller” basis after arm’s length negotiations between MMPL, the Company and Tokyo Century Asia, taking into account, amongst others, the earnings, potential growth and net asset value of Yoma Fleet.

Conditions

- 3.3 The obligations of the parties to complete the Proposed Acquisition under the SPA shall be subject to fulfilment and satisfaction or waiver of certain conditions precedent, or their fulfilment and satisfaction subject only to the completion of the Proposed Acquisition (“**Closing**”), amongst others, the in-principle approval of the SGX-ST being obtained for the listing, quotation and trading of the Consideration Shares on the Mainboard of the SGX-ST (“**Listing Approval**”), on terms acceptable to Tokyo Century Asia in its absolute discretion, and the Listing Approval remaining in full force and effect at Closing and, to the extent that such conditions are required to be fulfilled on or before Closing, they are so fulfilled.
- 3.4 Further, Tokyo Century Asia must not, without the prior written consent of the Company, transfer, dispose or set any encumbrance on, any of the Consideration Shares held by it within a period of 60 months after the date of the Closing.

Long-Stop Date

- 3.5 If all of the conditions precedent under the SPA have not been fulfilled or waived on or before 31 December 2024 or such other date as may be agreed in writing between the parties, the SPA shall lapse and no party shall have any claim against any other party under it, save for any claim arising from antecedent breaches of the SPA.

4. RATIONALE FOR THE PROPOSED ACQUISITION

- 4.1 The Company believes that the financial services segment is an important part of the Group, and Yoma Fleet has strong prospects for earnings, potential growth and net asset value over the next three to five years. The Company, therefore, is keen to acquire the 20% interest in Yoma Fleet from Tokyo Century Asia at an attractive valuation. Additionally, the Company believes that having 100% interest in Yoma Fleet

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will provide better alignment with the future corporate plans which the Company has for Yoma Fleet.

- 4.2 Taking into account all of the above factors, the Directors are of the view that the Proposed Acquisition is in the best interests of the Company and the shareholders of the Company ("**Shareholders**").

5. ISSUE PRICE AND CONSIDERATION SHARES

- 5.1 The agreed Issue Price of S\$0.135 per Consideration Share represents a premium of approximately 17.39% to the volume weighted average price ("**VWAP**") of S\$0.115 for each share of the Company (the "**Shares**"), based on the trade done on the SGX-ST on 26 June 2024, being the last full market day on which the Shares were traded prior to the entry into the SPA.
- 5.2 The Consideration Shares represent approximately 6.09% of the existing issued and paid-up share capital of the Company as at the date of this Announcement and if fully allotted and issued, represent approximately 5.74% of the enlarged issued and paid-up share capital of the Company after completion of the Proposed Acquisition.
- 5.3 The Consideration Shares shall, when issued and allotted, rank *pari passu* in all respects with the other Shares of the Company then in issue, save for any rights, benefits and entitlements the record date for which is on or before the date of issuance of the Consideration Shares.
- 5.4 The Company will be making an application to the SGX-ST for the Listing Approval and will make the necessary announcements once the Listing Approval has been obtained.
- 5.5 At the Company's annual general meeting held on 27 July 2023 ("**AGM**"), shareholders' approval for the issuance of shares and convertible securities was obtained pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual, subject to certain terms and conditions (the "**General Mandate**"). Pursuant to the General Mandate, Directors may issue up to fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the AGM (subject to adjustments as set out under the terms of the General Mandate) (the "**Issued Shares**"), provided that the aggregate number of new Shares of the Company to be issued other than on a pro-rata basis to all existing Shareholders shall not exceed twenty per cent. (20%) of the total number of issued shares.

Based on 2,249,837,592 Issued Shares as at the date of the AGM (after taking into account adjustments as set out under the terms of the General Mandate), the Company had 449,967,518 Shares available for issuance under the General Mandate on a *non-pro-rata* basis. As at the date of this announcement, the Company has not utilised the General Mandate in any way. The 137,000,000 Consideration Shares to be issued and allotted pursuant to the Proposed Acquisition would constitute approximately 6.09% of

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the Issued Shares. As such, the allotment and issuance of the Consideration Shares pursuant to the Proposed Acquisition fall within the limit of the General Mandate.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

Relative Figures Computed on the Bases set out In Rule 1006 of the Listing Manual

6.1 The Proposed Acquisition is in the ordinary course of business of MMPL. For the purpose of Chapter 10 of the Listing Manual, the relative figures under Rule 1006 of the Listing Manual for the Proposed Acquisition, using the financial information of the Group from the latest announced unaudited financial statements of the Group for the financial year ended 31 March 2024 (“FY2024”), are as follows.

(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 profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	0.14% ⁽¹⁾
(c) The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued Shares (excluding treasury shares).	7.15% ⁽²⁾
(d) The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	6.09% ⁽³⁾
(e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable

Notes:

- (1) The net profit attributable to the Sale Shares for FY2024 is approximately US\$0.04 million and the Group's net profit (before income tax and non-controlling interests) for the same period is approximately US\$27.22 million.
- (2) The Company's market capitalisation of approximately S\$258.73 million is based on its total number of issued Shares (excluding treasury shares) of 2,249,837,592 and the closing VWAP of S\$0.115 per Share on 26 June 2024 (being the market day immediately preceding the date of this Announcement).
- (3) Based on the 137,000,000 Consideration Shares and the 2,249,837,592 Shares in issue as at the date of this Announcement.

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Value of Asset Being Acquired and Net Profits Attributable to Asset Being Acquired

- 6.2 Based on the unaudited financial statements of Yoma Fleet for the latest financial year ended 31 March 2024, the book value of Yoma Fleet (which is also its net tangible asset value) as at 31 March 2024 is approximately US\$40.18 million. Accordingly, the book value of the Sale Shares (which is also the net tangible asset value) being acquired by MMPL will be approximately US\$8.04 million.
- 6.3 Based on the unaudited financial statements of Yoma Fleet for the latest financial year ended 31 March 2024, the net profit (before income tax) of Yoma Fleet is approximately US\$0.19 million. Accordingly, the net profit attributable to the Sale Shares being acquired by MMPL will be approximately US\$0.04 million.

Bases and Assumptions

- 6.4 The financial effects of the Proposed Acquisition set out below are purely for illustrative purposes only and do not reflect the actual financial results or positions of the Company after the completion of the Proposed Acquisition. No representation is made as to the actual financial position and/or results of the Company after completion of the Proposed Acquisition. The financial effects of the Proposed Acquisition have been prepared based on (a) the latest announced unaudited financial statements of the Group for FY2024; (b) the unaudited financial statements of Yoma Fleet for FY2024; (c) the assumption that 137,000,000 Consideration Shares are allotted and issued at the aggregate consideration of S\$18,495,000; and (d) the financial effects are presented before taking into account (i) purchase price allocation exercise and (ii) fees and expenses to be incurred in relation to the Proposed Acquisition.

6.5 Share Capital

The effect of the Proposed Acquisition on the share capital of the Company for FY2024, assuming that the Proposed Acquisition had been effected at the end of FY2024, is as follows:

As at 31 March 2024	Before the Proposed Acquisition	After the Proposed Acquisition
Issued and paid-up Share capital (US\$'000)	625,699	639,298
Number of Shares ('000)	2,244,327	2,381,327

6.6 Net Tangible Assets (“NTA”)

The effect of the Proposed Acquisition on the NTA per Share of the Company for FY2024, assuming that the Proposed Acquisition had been effected at the end of FY2024, is as follows:

As at 31 March 2024	Before the Proposed Acquisition	After the Proposed Acquisition
NTA ⁽¹⁾ (US\$'000)	317,713	312,150 ⁽²⁾
No. of issued Shares	2,244,327	2,381,327
NTA per Share (US cents)	14.16	13.11

(1) “NTA” refers to net tangible assets attributable to equity holders of the Company.

(2) On the assumption that there will be an intangible asset (i.e. goodwill arising from the acquisition of the Sale Shares) of approximately US\$5.56 million, being the difference between the purchase consideration and the book value of the Sale Shares.

6.7 Basic Earnings Per Share (“Basic EPS”)

The effect of the Proposed Acquisition on the Basic EPS of the Company for FY2024, assuming that the Proposed Acquisition had been effected at the beginning of FY2024, is as follows:

FY2024	Before the Proposed Acquisition	After the Proposed Acquisition
Net profit attributable to equity holders ⁽¹⁾ (US\$'000)	17,830	17,867
Weighted average number of Shares ('000)	2,242,502	2,379,502
Basic EPS (cents)	0.80	0.75

(1) After adjusting for perpetual securities distribution paid during FY2024

7. **INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition (other than in their capacity as a Director or Shareholder of the Company).

8. **DIRECTORS’ SERVICE CONTRACTS**

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

9. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Announcement are fair and accurate in all material respects as at the date of this Announcement, and that there are no material facts the omission of which would make this Announcement misleading in any material respect.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours at the registered office of the Company at 63 Mohamed Sultan Road #02-14 Singapore 239002, for a period of three (3) months commencing from the date of this Announcement.

BY ORDER OF THE BOARD

Melvyn Pun
Chief Executive Officer

28 June 2024