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## ACQUISITION AND SHAREHOLDING CHANGES IN COMPANY'S SUBSIDIARY

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### 1. INTRODUCTION

The Board of Directors of First Myanmar Investment Public Company Limited (the "Company" and with its subsidiaries, the "Group") wishes to announce the proposed acquisition and shareholding changes in the Company's subsidiary, Yoma Bank Limited ("Yoma Bank").

Yoma Bank was founded in 1993 and is in the financial services sector in Myanmar. It is currently one of the major banks in Myanmar with over 3000 employees and 74 branches across the country. Yoma Bank became a subsidiary of the Company since March 2015.

### 2. THE ACQUISITION AND SHAREHOLDING CHANGES IN YOMA BANK

#### 2.1 Transaction 1

Pursuant to the convertible loan agreement entered into between Yoma Bank and International Finance Corporation ("IFC") on 16 September 2014, Yoma Bank had, on 23 May 2019, agreed to convert certain portions of the outstanding convertible loan into 5% of the share capital of Yoma Bank (the "Transaction 1"). Transaction 1 has received the relevant approvals from the regulatory authorities.

The Company's shareholding in Yoma Bank immediately before and after the completion of the allotment of shares pursuant to Transaction 1 is as follows:

	Shareholding before Transaction 1	Shareholding after Transaction 1
The Company	51%	48.45%

#### 2.2 Transaction 2

Pursuant to a term sheet entered into between the Company and Yangon Land Company Limited ("Yangon Land") in March 2019, the Company has entered into a conditional share swap agreement ("Share Swap Agreement") with Yangon Land, to acquire 669,553 shares of Yoma Bank owned by Yangon Land by way of (a) a share swap issuance of 9,091,170 new ordinary shares in the capital of the Company ("FMI Swap Shares") and (b) cash payment of MMK 10,101,300,000 to Yangon Land ("Cash Payment") ("Transaction 2"). The nominal issue price of the Company's shares is MMK 10,000.

The FMI Swap Shares under Transaction 2 will be allotted and issued pursuant to the general mandate granted by the shareholders of the Company via the resolution passed at the Company's Special General Meeting held on 12 January 2019 and will be allotted and issued upon receipt of the relevant approvals from the regulatory authorities ("Allotment Condition"). The FMI Swap Shares will rank pari passu with the existing issued shares of the Company.

Pursuant to the Share Swap Agreement, the shares of Yoma Bank will be transferred to be Company upon receipt of the approval from relevant regulatory authorities. The Cash Payment will be made within 6 months of the completion of the transfer of the shares of Yoma Bank to the Company.

The long stop date for the satisfaction of the conditions of the Share Swap Agreement is 31 December 2019.

Following the completion of Transaction 2, it is also intended that Yoma Bank will undertake further planned capital expansion activities (“Capital Expansion”). Upon completion of Transaction 1, Transaction 2 and the Capital Expansion, it is intended that the Company’s shareholding in Yoma Bank (“Proposed Shareholding”) will be as follows.

	Shareholding before the Transaction 1	Shareholding after Transaction 1	Proposed Shareholding after Transaction 1, Transaction 2 and Capital Expansion
The Company	51%	48.45%	62.52% <sup>1</sup>

### 2.3 Consideration

The proposed issuance of 9,091,170 new ordinary shares of the Company and Cash Payment of MMK 10,101,300,000 by the Company in consideration for the acquisition of 669,553 shares of Yoma Bank from Yangon Land in Transaction 2 was arrived at after an arm’s length negotiations based on market value and on a willing-buyer willing-seller basis.

### 3. RATIONALE

As part of the Company’s continuing strategy to focus on the financial services sector, the proposed transactions will allow the Company to maintain its position as a major shareholder of Yoma Bank and the capital investment put into Yoma Bank will allow the Company to leverage the growth potential of the overall banking sector in Myanmar.

The Company believes that Yoma Bank is an important growth engine for the Company, and also is well-positioned to leverage its network and expertise to support the future growth of the Company’s performance.

### 4. RELATED PARTY TRANSACTION

U Theim Wai @ Serge Pun, the executive chairman of the Company, is a director and shareholder of Yangon Land. U Tun Tun, an executive director of the Company, is a director and shareholder of Yangon Land. U Theim Wai @ Serge Pun and U Tun Tun abstained from voting in relation to Transaction 2.

Following the completion of Transaction 2, it is intended that Yangon Land’s shareholding in the Company will increase from 29.52% to 47.22% and U Theim Wai @ Serge Pun’s direct and indirect interest in the Company will increase from 62.75% to 72.10%.

Save as disclosed above, none of the Company’s directors and substantial shareholders (other than in their respective capacities as a director and/or shareholder of the Company) has any interest, direct or indirect in the Proposed Acquisition.

### 5. FINANCIAL EFFECTS

#### 5.1 Assumptions

The below is for illustrative purpose only and do not reflect the actual financial results or positions of the Company or the Group after the completion of Transaction 2. The financial effects of Transaction 2 are prepared based on the latest audited financial information of the Company or the Group (as the case may be) for the financial year ended 31 March 2018 (“FY2018”).

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<sup>1</sup> The shareholding ratio subject to change upon finalisation of the Capital Expansion.

## 5.2 Share Capital

As at 31 March 2018	Before Transaction 2	After Transaction 2
Paid-up Share capital and Share premium (MMK '000)	93,762,054	184,673,754
Number of Shares ('000)	25,825	34,916

Note:

(1) The share capital after the proposed acquisition was computed based on the assumption that the proposed acquisition was completed on 31 March 2018.

## 5.3 Net Tangible Assets (NTA) of the Group

As at 31 March 2018	Before Transaction 2	After Transaction 2
NTA (MMK'000)	250,515,430	240,414,130
Number of Shares ('000)	25,825	34,916
NTA per Share	9,701	6,886

Note:

(1) The NTA after Transaction 2 was computed based on the assumption that the proposed acquisition was completed on 31 March 2018.

## 5.4 Basic Earnings Per Share (Basic EPS) of the Company

FY2018	Before the proposed acquisition	After the proposed acquisition
Net profit attributable to equity holders of the Company (MMK'000)	18,617,449	20,420,442
Weighted average number of shares ('000)	24,946	34,037
Basic EPS	746	600

Note:

(1) The basic EPS after proposed acquisition was computed based on the assumption that the proposed acquisition was completed on 1 April 2018.

(2) The net profit attributable to Transaction 2 (based on the Group's increment of shareholding from 51% to 62.52% after Transaction 2 and the further Capital Expansion is completed in the proposed acquisition) for FY2018 is approximately MMK1.78 billion.

## 6. 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 transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

## **7. CAUTIONARY STATEMENT**

The Board would like to advise Shareholders that completion of the proposed transactions is subject to certain conditions precedent being fulfilled, and including any regulatory approvals that may be required, and there is no certainty or assurance as at the date of this announcement that the transactions contemplated in this announcement will be completed or that no changes will be made to the terms thereof.

Shareholders are advised to exercise caution when trading and dealing in the shares of the Company. Shareholders are advised to read this announcement and any further announcement(s) by the Company relating to the proposed transactions carefully. Shareholders should consult their stockbrokers, bankers, solicitors or other professional advisers if they have any doubt about the actions they should take.

### **By Order of the Board**

Tun Tun  
Executive Director  
17<sup>th</sup> June, 2019

### **First Myanmar Investment Public Company Limited**

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