

November 27, 2018
Daiwa PI Partners Co. Ltd.

Attention

This is an unofficial translation of an excerpt of the press release issued on November 27, 2018, Daiwa PI Partners Co. Ltd. The original press release is in Japanese.

Daiwa PI to Invest in Rent 2 Own Holdings Pte. Ltd. in Singapore/Myanmar

Daiwa PI Partners Co. Ltd. (President: Hideki Araki, Headquarter: Gran Tokyo North Tower 1-9-1, Marunouchi, Chiyoda-ku, Tokyo/"DPI"), a subsidiary of Daiwa Securities Group Inc., purchased ordinary shares of Rent 2 Own Holdings Pte. Ltd. (CEO: Philippe Lenain, Headquarter of Myanmar Business: 701 Merchant Road, Pabedan Township, Yangon, Myanmar /"R2O") from a member of the ADM Capital group based on Hong Kong ("ADM Capital") who has provided equity and debt to the company in December 2015. This deal is DPI's third private equity investment in Myanmar.

R2O, through its subsidiary in Myanmar, provides motorcycle rental service, mainly targeting retail consumers. Though there is a huge demand for motorcycles as vehicles of daily transportation in Myanmar, people have limited access to financial institutions or other channels which enables them to use or own motorcycles. R2O's motorcycle rental service provides such access and contributes in improving the people's living standards. R2O also offers an option for its customers to possess the motorcycles after the rental period, further allowing its customers to make use of the vehicle for a longer period. The venture is considered to have a strong social benefit to Myanmar, where presently credit penetration is incredibly poor.

As the number of motorcycles sold in Myanmar per year is estimated to be around 1 million and given that the penetration rate of the vehicle is yet substantially low compared to other South-east Asian countries, the number of users of motorcycle rental services in Myanmar is expected to enjoy fast growth.

After the commencement of its business in 2016, R2O has already become a top-tier company in Myanmar's motorcycle renting industry. Currently having 34 branches and more than 400 points of sales, R2O plans to further expand its business in Myanmar and to meet the demands of people throughout the country.

Simultaneously with this transaction, R2O secured US\$6.0mn through a funding round whereby DEG (a subsidiary of KfW Group in Germany, engaging in development finance) and AgRIF – an impact focused fund which provides funding to financial intermediaries targeting smallholder farmers and rural population, managed by Incofin Investment Management, a global impact asset manager (www.incofin.com), – acquired shares in R2O. DPI will hold a board seat and support R2O's business expansion.

1. Summary of Investment

Company name	Rent 2 Own Holdings Pte. Ltd.
Vendor	ADM Capital Singapore Pte. Ltd.
Purchaser	Daiwa PI Partners Co. Ltd.
Completion date	November 26, 2018

2. Summary of R2O

Establishment date	August 17, 2015
Address in Myanmar	701 Merchant Road, Pabedan Township, Yangon, Myanmar
Business description	Motorcycle rental service in Myanmar
Web address	http://rent2own.com.mm/en