Media Release

Strong operational performances across core businesses in 2Q2018

- Healthy revenue growth driven by New Holland tractor sales and KFC store expansion
- Improved gross profit margins and increased operating cashflow
- Completion of three investment properties enhances recurring real estate rental revenues
- Decrease in net profit due to the absence of the fair value gain from the telecommunication towers investment

FINANCIAL HIGHLIGHTS In S$ million except otherwise stated	2Q2018	2Q2017	Change	1H2018	1H2017	Change
Revenue	**33.1**	**24.9**	**32.9%**	**59.0**	**42.6**	**38.6%**
Gross Profit	**14.8**	**10.3**	**43.5%**	**25.3**	**17.1**	**48.1%**
Net Profit	**6.6**	**7.6**	**(13.0%)**	**10.5**	**9.6**	**8.9%**
Net Profit attrib. to Equity Holders	**3.7**	**8.5**	**(56.8%)**	**6.4**	**10.1**	**(36.3%)**

Singapore, 27 October 2017 – SGX Mainboard listed Yoma Strategic Holdings Ltd. ("祐玛战略控股有限公司", "Yoma Strategic" or collectively with its subsidiaries, the "Group") today announced its financial results for the second quarter ended 30 September 2017 ("2Q2018").

Results Highlights

In 2Q2018, the Group revenue increased by 32.9% year-on-year to S$33.1 million from S$24.9 million for the three months ended 30 September 2016 ("2Q2017"). The growth was mainly driven by the strong operational performance of its Automotive & Heavy Equipment and Consumer businesses, which together contributed 54% of the total revenue and is consistent with the Group's 2020 strategy.

Revenue from the Group's Automotive & Heavy Equipment business grew by 109.9% year-on-year to S$14.6 million in 2Q2018, largely driven by the significant growth in New Holland tractor sales. In the coming months, the Group is expected to deliver another 651 tractors from the sales that were organized by the government's Agriculture Mechanisation Department.

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Meanwhile, revenue from the Group's KFC business grew by 20.1% year-on-year to S$3.3 million, mainly due to the addition of new stores.

Revenue from the Group's Real Estate business was stable, contributing S$15.2 million or 46% of the Group's 2Q2018 revenue. The revenue from the sales of residences and land development rights was primarily driven by StarCity. The Group also entered into an agreement to buy back the development of Galaxy Towers (Zone C) at cost and is entitled to the share of profits in relation to the sales of the residential units made prior to the date of the buyback.

Meanwhile, Real Estate rental revenue remained healthy. Furthermore, the completion of (i) The Campus (previously known as Yoma Office Park); (ii) Dulwich International School in Pun Hlaing Estate; and (iii) Phase 1 of Dulwich International School in StarCity is expected to continue driving rental revenue. The Group is reviewing plans to keep some units at Galaxy towers for rental income.

Gross profit margins for 2Q2018 improved to 44.7% from 41.4% in 2Q2017.This improvement was mainly due to the higher margin achieved in the revenue generated from the share of profits in StarCity's Galaxy Towers (Zone C) and Zone B.

Other income decreased 53.5% year-on-year to S$7.6 million in 2Q2018, mainly due to the absence of the S$14.7 million fair value gain on the telecommunications towers investment which was recognised in 2Q2017. Interest expense on borrowings increased from S$2.0 million to S$3.9 million, due to the increase in total borrowings and a rising interest rate environment, while administrative expenses rose slightly by 8.6% to S$13.5 million in 2Q2018 largely due to the increase in staff costs, rental and lease expenses and depreciation in relation to the growing number of KFC stores and New Holland tractors branches.

As a result of the above, net profit attributable to equity holders of the Company declined to S$3.7 million in 2Q2018.

Commenting on the 2Q2018 financial results, Mr Melvyn Pun, Yoma Strategic's Chief Executive Officer said, "We are pleased to deliver a solid revenue growth supported by better operational performance. In the coming months, we expect the positive momentum from our non-real estate business to continue with the opening of more KFC restaurants and the peak dry season for our New Holland tractors."

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Tourism Business

Following the Group's restructuring of its tourism business in 2Q2018, MM Myanmar Pte Ltd and its subsidiaries ("MM Group") will hold the Group's existing tourism assets namely, the Balloons over Bagan business, the Bagan Land business and the Pun Hlaing Lodge business. Accordingly, the Company had classified the assets and liabilities of these businesses as the Disposal Group Classified As Held-For-Sale as at 30 September 2017 and included the results of these businesses were presented as "discontinued operations" for the relevant periods.

In addition, MM Group also acquired two businesses, namely the DMC business (which is in the businesses of tourism and destination management) and the TLH business (which is in the business of operating a hotel/lodge). In view that these two businesses were acquired for subsequent sale, the Group had accounted for the cost of investment in these two businesses as "Assets Held-For-Sale" as at 30 September 2017. The results of these two additional businesses were not included in the Group's results for all periods presented.

The net asset value of MM Group is S$45.5 million as at 30 September 2017[1] .Yoma Strategic has a 63.1% interest in MM Group and is expected to book a gain on disposal upon the completion of the tourism spin-off exercise.

Outlook

Mr Serge Pun, Yoma Strategic's Executive Chairman concluded, "In our real estate business, we are focused on increasing our recurring rental income by building a portfolio of quality properties. That will enable us to have strong recurring cash flow in our real estate business. I am also pleased to see that our non-real estate businesses are making very good progress and believe we can attract the best-in-class partners to grow these platforms."

Financial Ratio

Borrowings for the Group has increased slightly to S$197.1 million as at 30 September 2017, as compared to S$195.5 million as at 30 June 2017 with the Group's net financial gearing ratio currently standing at 13.6%[2] as at 30 September 2017.

[1] Please see previous announcements regarding the acquisition of the MM Group by SHC Capital Asia Limited.

[2] The financial gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings (excluding loans from non-controlling interests) less cash and cash equivalents. Total capital is calculated as total equity plus net debt

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Note: This media release should be read in conjunction with the results announcement released on the SGXNet on the same date.

About Yoma Strategic Holdings Ltd. (www.yomastrategic.com)

Listed on the Main Board of the Singapore Securities Exchange Trading Limited (SGX-ST), Yoma Strategic Holdings Ltd. is a leading business corporation with a diversified portfolio of businesses in Real Estate, Consumer, Automotive & Heavy Equipment, and Investments in Myanmar. Together with its partner, the SPA Group, the Group is taking a conglomerate approach to build a diversified portfolio of businesses in Myanmar. The Company was ranked in the top 5% of the Governance and Transparency Index 2017, ranked 17th out of top 100 largest Singapore companies in the Asean Corporate Governance Scorecard 2015 and won the Best Managed Board (Gold) Award at the Singapore Corporate Awards in 2016.

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