

UNAUDITED FINANCIAL STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2016

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016

	The Group					
	S\$'000		%	S\$'000		%
	Quarter ended		Increase/ (Decrease)	Period ended		Increase/ (Decrease)
	30.09.2016	30.09.2015		30.09.2016	30.09.2015	
Revenue	24,939	19,915	25.2	42,578	42,599	NM
Cost of sales	(14,617)	(10,990)	33.0	(25,526)	(23,662)	7.9
Gross profit	10,322	8,925	15.7	17,052	18,937	(10.0)
Other income, net	16,299	6,903	136.1	28,039	8,625	225.1
Expenses						
- Administrative	(13,043)	(12,440)	4.8	(25,624)	(20,961)	22.2
- Finance	(3,935)	(3,923)	0.3	(6,159)	(4,077)	51.1
Share of (losses)/profits of joint ventures	(1,051)	60	NM	(1,546)	(191)	709.4
Share of (losses)/profits of associated companies	(884)	439	NM	(1,502)	788	NM
Profit/(loss) before income tax	7,708	(36)	NM	10,260	3,121	228.7
Income tax expense	(75)	(220)	(65.9)	(640)	(710)	(9.9)
Net profit/(loss)	7,633	(256)	NM	9,620	2,411	299.0
Other comprehensive income/(loss):						
Items that may be reclassified subsequently to profit or loss:						
- Currency translation differences arising from consolidation – (losses)/gains	(14,808)	3,197	NM	(9,106)	(26,208)	(65.3)
- Share of other comprehensive income/(loss) of associated companies	-	2,377	NM	-	(477)	NM
Other comprehensive (loss)/income, net of tax	(14,808)	5,574	NM	(9,106)	(26,685)	(65.9)
Total comprehensive (loss)/income for the financial period	(7,175)	5,318	NM	514	(24,274)	NM
Net profit/(loss) attributable to:						
Equity holders of the Company	8,513	298	2,756.7	10,093	2,934	244.0
Non-controlling interests	(880)	(554)	58.8	(473)	(523)	(9.6)
	7,633	(256)	NM	9,620	2,411	299.0

The Group						
S\$'000		%	S\$'000		%	
Quarter ended		Increase/ (Decrease)	Period ended		Increase/ (Decrease)	
30.09.2016	30.09.2015		30.09.2016	30.09.2015		
Total comprehensive (loss)/income attributable to:						
Equity holders of the Company	(4,929)	5,268	NM	1,696	(20,885)	NM
Non-controlling interests	(2,246)	50	NM	(1,182)	(3,389)	(65.1)
	(7,175)	5,318	NM	514	(24,274)	NM

NM – Not meaningful

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:

The Group						
S\$'000		%	S\$'000		%	
Quarter ended		Increase/ (Decrease)	Period ended		Increase/ (Decrease)	
30.09.2016	30.09.2015		30.09.2016	30.09.2015		
Expenses/(Income)						
Amortisation of intangible assets	431	431	-	862	862	-
Depreciation of property, plant and equipment	2,010	1,126	78.5	3,886	1,970	97.3
Employee share option expense	166	1	NM	599	303	97.7
Employee share award expense	267	-	NM	355	-	NM
Fair value gain on financial asset at fair value through profit or loss	(14,667)	-	NM	(24,923)	-	NM
Interest expense	2,030	986	105.9	3,708	1,408	163.4
Interest income	(886)	(556)	59.0	(1,592)	(1,121)	42.0
Share-based payment to CEO	-	910	NM	-	910	NM
Currency translation gains, net	(1,584)	(6,335)	(74.9)	(2,213)	(6,726)	(67.1)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group (S\$'000)		The Company (S\$'000)	
	30.09.2016	31.03.2016	30.09.2016	31.03.2016
ASSETS				
Current assets				
Cash and bank balances	28,284	13,439	18,264	3,292
Trade and other receivables	63,871	58,186	-	8,547
Inventories	15,003	13,946	-	-
Development properties	197,899	182,894	-	-
Other current assets	23,056	13,935	6,501	1,017
Financial asset at fair value through profit or loss	88,986	63,098	-	-
Land development rights	18,216	16,790	-	-
	435,315	362,288	24,765	12,856
Non-current assets				
Trade and other receivables	66,640	61,805	-	-
Other non-current assets	-	651	-	-
Available-for-sale financial assets	5,981	4,918	-	-
Investments in joint ventures	11,422	9,816	-	-
Investments in associated companies	27,681	28,523	-	-
Investments in subsidiary corporations	-	-	675,990	641,680
Call option to acquire land	-	13,161	-	-
Investment properties	194,147	192,933	-	-
Prepayments	7,236	6,319	-	-
Property, plant and equipment	41,482	34,273	306	406
Intangible assets	29,605	30,466	-	-
Land development rights	203,140	203,255	-	-
	587,334	586,120	676,296	642,086
Total assets	1,022,649	948,408	701,061	654,942
LIABILITIES				
Current liabilities				
Trade and other payables	110,838	82,008	11,900	8,786
Current income tax liabilities	2,107	2,871	50	152
Borrowings	55,728	58,614	47,615	33,611
Deferred income tax liabilities	1,302	1,634	-	-
	169,975	145,127	59,565	42,549
Non-current liabilities				
Borrowings	89,492	31,050	73,786	31,050
Shareholders' loans from non-controlling interests	45,184	35,826	-	-
	134,676	66,876	73,786	31,050
Total liabilities	304,651	212,003	133,351	73,599
NET ASSETS	717,998	736,405	567,710	581,343
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	591,313	590,013	591,313	590,013
Share option reserve	4,024	4,025	4,024	4,025
Share award reserve	355	-	355	-
Currency translation reserve	(36,373)	(27,968)	-	-
Fair value reserve	660	652	-	-
Retained profits/(accumulated losses)	93,550	102,698	(27,982)	(12,695)
	653,529	669,420	567,710	581,343
Non-controlling interests	64,469	66,985	-	-
Total equity	717,998	736,405	567,710	581,343

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30.09.2016		As at 31.03.2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
6,473	49,255	22,261	36,353

Amount repayable after one year

As at 30.09.2016		As at 31.03.2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
89,492	-	31,050	-

The current borrowings as at 30 September 2016 decreased to S\$55.73 million as compared to S\$58.61 million as at 31 March 2016. The decrease was mainly due to the classification of the loan owing by the Group's wholly-owned subsidiary, Xun Xiang (Dalian) Enterprise Co Ltd ("Xun Xiang") to non-current borrowings following an extension of the loan during 1Q2017, and offset by new current borrowings obtained by the Company during the six-month period ended 30 September 2016. Included in current borrowings was a loan of S\$6.47 million from a bank which is secured by a development property in Myanmar.

Non-current borrowings increased from S\$31.05 million as at 31 March 2016 to S\$89.49 million as at 30 September 2016, mainly due to increase in the borrowings from Asian Development Bank ("ADB"). Included in non-current borrowings as at 30 September 2016 were:-

- (a) a loan of S\$73.79 million (or US\$54.00 million) owing by the Company to ADB. US\$16.00 million of the loan is secured by shares in the Company's wholly-owned subsidiary corporation, YSH Finance Ltd (which holds the Group's 25% interest in edotco Investments Singapore Pte. Ltd. ("edotco Investments") (formerly known as Digicel Asian Holdings Pte Ltd), US\$13.00 million is secured by the assignment and/or mortgage of 100% interest in Yoma Fleet Limited and KOSPA Limited and US\$25.00 million is secured by the assignment and/or mortgage of 100% interest in Star City International School Company Limited; and
- (b) a loan of S\$15.71 million that was owing by Xun Xiang as explained above. This loan is secured by an investment property (i.e. retail mall in Dalian, China) held by Xun Xiang.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group (S\$'000)			
	Quarter ended		Period ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
Cash flows from operating activities:				
Net profit/(loss)	7,633	(256)	9,620	2,411
Adjustments for:				
Income tax expense	75	220	640	710
Depreciation of property, plant and equipment	2,010	1,126	3,886	1,970
Amortisation of intangible assets	431	431	862	862
Share-based payment to CEO	-	910	-	910
Write-off of property, plant and equipment	1	2	1	2
Fair value gains on financial asset at fair value through profit or loss	(14,667)	-	(24,923)	-
Loss/(Gain) on disposal of property, plant and equipment	21	(1)	(64)	1
Interest income	(886)	(556)	(1,592)	(1,121)
Interest expenses on borrowings	2,030	986	3,708	1,408
Employee share option expenses	166	1	599	303
Employee share award expenses	267	-	355	-
Share of losses/(profits) of joint ventures	1,051	(60)	1,546	191
Share of losses/(profits) of associated companies	884	(439)	1,502	(788)
Unrealised currency translation gains	(11,169)	(2,242)	(7,206)	(16,452)
Operating cash flows before movements in working capital	(12,153)	122	(11,066)	(9,593)
Changes in working capital, net of effects from acquisition of subsidiary corporations:				
Trade and other receivables	1,321	(9,626)	(2,896)	(13,267)
Inventories and properties under development	9,207	(1,910)	6,202	9,451
Land development rights	(14)	(587)	(1,312)	(13)
Trade and other payables	21,859	6,853	32,168	8,336
Cash generated from/(used in) operations	20,220	(5,148)	23,096	(5,086)
Income tax (paid)/refunded	(1,213)	(213)	(1,223)	772
Interest received	326	329	600	(260)
Net cash provided by/(used in) operating activities	19,333	(5,032)	22,473	(4,574)

	The Group (S\$'000)			
	Quarter ended		Year ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
Cash flows from investing activities:				
Acquisition of subsidiary corporations, net of cash acquired	-	-	-	338
Additions to investment properties	(5,837)	(299)	(7,652)	(356)
Additions to property, plant and equipment	(9,820)	(9,353)	(13,156)	(13,984)
Additions to available-for-sale financial assets	-	-	(1,356)	-
Additions to investments in future projects	(977)	(370)	(1,690)	(1,435)
Additions to development properties intended for investing activities	(17,701)	(12,209)	(23,141)	(17,007)
Investments in joint ventures	(192)	-	(3,463)	-
Investments in associated companies	-	(8,161)	-	(8,196)
Proceeds from disposal of property, plant and equipment	156	4	348	34
Proceeds from dilution of interests in available-for-sale financial assets	-	-	339	-
Net cash used in investing activities	(34,371)	(30,388)	(49,771)	(40,606)
Cash flows from financing activities:				
Interest paid	(771)	(351)	(2,686)	(699)
Proceeds from issuance of shares pursuant to exercise of share options	419	827	699	827
Dividends paid	(4,342)	-	(4,342)	-
Shareholders' loans from non-controlling interests	151	6,617	151	6,617
Proceeds from borrowings	43,295	29,266	70,299	39,265
Repayment of borrowings	(2,087)	-	(12,738)	-
Loan to a non-related party	(5,442)	(2,269)	(8,636)	(2,340)
Interest received	297	-	574	-
Acquisition of non-controlling interests	(1,118)	-	(1,118)	-
Increase in bank deposits pledged	(1,258)	-	(2,372)	-
Net cash provided by financing activities	29,144	34,090	39,831	43,670
Net increase/(decrease) in cash and cash equivalents	14,106	(1,330)	12,533	(1,510)
Cash and cash equivalents				
Beginning of financial period	11,986	19,041	13,439	20,025
Effects of currency translation on cash and cash equivalents	(199)	319	(79)	(485)
End of financial period	25,893	18,030	25,893	18,030

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:-

	The Group (S\$'000)	
	30.09.2016	30.09.2015
Cash and bank balances	28,284	18,030
Less: Bank deposits pledged	(2,391)	-
Cash and cash equivalents per consolidated statement of cash flow	25,893	18,030

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

S\$'000									
The Group	Attributable to equity holders of the Company							Non-controlling Interest	Total
	Share Capital	Share Option Reserve	Share Award Reserve	Currency Translation Reserve	Fair Value Reserve	Retained Profits	Total		
At 1 April 2016	590,013	4,025	-	(27,968)	652	102,698	669,420	66,985	736,405
Issue of new shares under YSH ESOS 2012	1,300	(600)	-	-	-	-	700	-	700
Employee share option expense	-	599	-	-	-	-	599	-	599
Employee share award expense	-	-	355	-	-	-	355	-	355
Dividends paid	-	-	-	-	-	(4,342)	(4,342)	-	(4,342)
Effect of changes in shareholdings in subsidiary corporations without a change in control	-	-	-	-	-	(14,899)	(14,899)	(1,334)	(16,233)
Total comprehensive (loss)/income	-	-	-	(8,405)	8	10,093	1,696	(1,182)	514
At 30 September 2016	591,313	4,024	355	(36,373)	660	93,550	653,529	64,469	717,998
At 1 April 2015	587,583	5,060	-	4,080	-	65,100	661,823	70,368	732,191
Issue of new shares	910	-	-	-	-	-	910	-	910
Issue of new shares under YSH ESOS 2012	1,520	(693)	-	-	-	-	827	-	827
Employee share option expense	-	303	-	-	-	-	303	-	303
Effect of changes in shareholdings in subsidiary corporations without a change in control	-	-	-	29	-	(415)	(386)	286	(100)
Total comprehensive (loss)/ income	-	-	-	(23,819)	-	2,934	(20,885)	(3,389)	(24,274)
At 30 September 2015	590,013	4,670	-	(19,710)	-	67,619	642,592	67,265	709,857

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

S\$'000					
The Company	Share Capital	Share Option Reserve	Share Award Reserve	Accumulated Losses	Total
At 1 April 2016	590,013	4,025	-	(12,695)	581,343
Issue of new shares under YSH ESOS 2012	1,300	(600)	-	-	700
Employee share option expense	-	599	-	-	599
Employee share award expense	-	-	355	-	355
Dividends paid	-	-	-	(4,342)	(4,342)
Total comprehensive loss	-	-	-	(10,945)	(10,945)
At 30 September 2016	591,313	4,024	355	(27,982)	567,710
At 1 April 2015	587,583	5,060	-	(18,582)	574,061
Issue of new shares	910	-	-	-	910
Issue of new shares under YSH ESOS 2012	1,520	(693)	-	-	827
Employee share option expense	-	303	-	-	303
Total comprehensive loss	-	-	-	(4,620)	(4,620)
At 30 September 2015	590,013	4,670	-	(23,202)	571,481

1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the six-month period ended 30 September 2016, the Company allotted and issued 2,497,392 new ordinary shares pursuant to the exercise of options granted under the Employee Shares Option Scheme (YSH ESOS 2012). As a result, the total number of issued shares of the Company increased from 1,734,816,620 as at 31 March 2016 to 1,737,314,012 as at 30 September 2016 and the share capital increased to S\$591.31 million.

The outstanding share options granted as at 30 September 2016 were for a total of 17.16 million (30 September 2015: 20.60 million) ordinary shares.

The Yoma Performance Share Plan (the "Yoma PSP") was approved by the Company's shareholders at an extraordinary general meeting held on 27 July 2015. During the three-month period ended 30 June 2016 ("1Q2017"), the Company granted awards comprising a total of 7,255,409 ordinary shares to certain employees of the Group pursuant to the Yoma PSP. The release of these ordinary shares is subject to the achievement of certain pre-determined performance conditions as determined by the Remuneration Committee or otherwise in accordance with the rules of the Yoma PSP.

1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued shares as at 30 September 2016 – 1,737,314,012

Total number of issued shares as at 31 March 2016 – 1,734,816,620

The Company had no treasury shares as at 30 September 2016 and 31 March 2016.

1(d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Nil

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's independent auditor.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter).

NA.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in paragraph 5 below, the Group has consistently applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared to its audited financial statements for the financial year ended 31 March 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In the current financial period, the Group and the Company adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2016:

- Amendments to FRS 1– Presentation of Financial Statements
- Amendments to FRS 16 and FRS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 19– Employee Benefits
- Amendments to FRS 27 – Equity Method in Separate Financial Statements
- Amendments to FRS 16 and FRS 41 Agriculture: Bearer Plants
- Amendments to FRS 111 Accounting for Acquisitions of Interests in Joint Operations
- Amendments to FRS 107 – Financial Instruments: Disclosures
- Amendments to FRS 110, FRS 112 and FRS 28 – Investment Entities: Applying the Consolidation Exception

The adoption of the above FRSs did not result in any substantial change to the Group and the Company's accounting policies nor any material impact on the financial statements of the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group			
	Quarter ended 30.09.2016	Quarter ended 30.09.2015	Period ended 30.09.2016	Period ended 30.09.2015
(a) Basic earnings per ordinary share				
Net profit attributable to equity holders of the Company (S\$'000)	8,513	298	10,093	2,934
Weighted average number of ordinary shares outstanding ('000)	1,736,690	1,731,705	1,735,920	1,730,927
Basic earnings per ordinary share (cents)	0.49	0.02	0.58	0.17

	The Group			
	Quarter ended 30.09.2016	Quarter ended 30.09.2015	Period ended 30.09.2016	Period ended 30.09.2015
(b) Diluted earnings per ordinary share				
Net profit attributable to equity holders of the Company (S\$'000)	8,513	298	10,093	2,934
Weighted average number of ordinary shares outstanding ('000)	1,749,532	1,734,420	1,748,351	1,734,789
Diluted earnings per ordinary share (cents)	0.49	0.02	0.58	0.17

As at 30 September 2016, there were share options for a total of 17.16 million (30 September 2015: 20.60 million) ordinary shares under the YSH ESOS 2012 that were outstanding. The weighted average number of shares in issue for the purpose of calculating diluted earnings per share had been adjusted as if all dilutive share options were exercised as at 30 September 2016 and 30 September 2015 respectively and all performance share awards were issued as at 30 September 2016.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share excluding treasury shares of the issuer at the end of the:

- (a) current financial period reported on; and
 (b) immediately preceding financial year.

	The Group		The Company	
	30.09.2016	31.03.2016	30.09.2016	31.03.2016
Net asset value per share (cents)	37.62	38.59	32.68	33.51

The net asset value per share attributable to equity holders of the Company was calculated based on the number of ordinary shares in issue being 1,737,314,012 as at 30 September 2016 and 1,734,816,620 as at 31 March 2016.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

INCOME STATEMENT

The Group's total revenue for the reporting quarter ended 30 September 2016 ("2Q2017") increased 25.2% to S\$24.94 million as compared to S\$19.92 million in the previous corresponding quarter ended 30 September 2015 ("2Q2016"). Below is the breakdown of revenue:-

	2Q2017		2Q2016	
	S\$'million	As a percentage of total revenue	S\$'million	As a percentage of total revenue
Sale of residences and LDRs	9.89	39.7%	7.84	39.4%
Real estate rental and services	5.35	21.5%	4.30	21.5%
Automotive	6.97	27.9%	6.39	32.1%
Consumers	2.73	10.9%	1.39	7.0%
Total	24.94	100.0%	19.92	100.0%

The revenue generated from the sale of residences and land development rights ("LDRs") increased to S\$9.89 million in 2Q2017 as compared to S\$7.84 million in 2Q2016. In 2Q2017, the Group sold more units of near-completed houses in Pun Hlaing Estate ("PHE") than in 2Q2016. The revenue generated from PHE in 2Q2017 was S\$6.62 million as compared to S\$5.35 million in 2Q2016. The Group continued to record performance fee of US\$1.50 million (approximately S\$2.03 million) in relation to StarCity Zone C in 2Q2017.

The rental revenue generated from the Group's investment properties, which formed part of the real estate rental and services revenue, increased slightly to S\$2.71 million in 2Q2017 as compared to S\$2.54 million in 2Q2016. The rental revenue was mainly generated from the Group's Star Residences (Building A5) in StarCity Zone A and The Residence at Pun Hlaing (Lakeview G) in PHE which the Group maintained steady high occupancy rates throughout the period.

The revenue from the Group's automotive segment increased slightly to S\$6.97 million in 2Q2017 as compared to S\$6.39 million in 2Q2016. Revenue in this segment was mainly contributed by Convenience Prosperity Company Limited ("Convenience Prosperity") which is in the trading business of New Holland tractors and Yoma Fleet which is in the business of vehicle leasing. Yoma Fleet's revenue increased 61.9% from S\$0.84 million in 2Q2016 to S\$1.36 million in 2Q2017 mainly due to increase in number of vehicles leased-out.

The Group also recorded revenue of S\$2.73 million from its KFC stores in 2Q2017 as compared to S\$1.39 million in 2Q2016. The increase was due to a higher number of stores in 2Q2017.

Other income, net recorded in 2Q2017 was mainly made up of:-

- (a) Fair value gains on financial asset at fair value through profit or loss of S\$14.67 million (2Q2016: NIL). On 4 December 2015, the Group signed an agreement with edotco Group Sdn Bhd (“edotco”) whereby it was granted a put option to sell its 25% interest in edotco Investments to edotco at a minimum valuation of US\$40.25 million. Similarly, the Group had also granted a call option to edotco to purchase its 25% interest on the same terms. As at 30 September 2016, the Group re-measured the fair value of this investment and recognised a fair value gain of S\$14.67 million in 2Q2017, being the difference between the fair value of US\$54.28 million as at 30 June 2016 and that of US\$65.12 million as at 30 September 2016; and
- (b) Interest income of S\$0.89 million (2Q2016: S\$0.56 million) was derived from customers of Convenience Prosperity that are under installment payment schemes for the purchase of tractors as well as interest income from the interest charged for a loan to a non-related party.

Included in finance costs, net were the following items:-

	The Group	
	S\$'000	
	Quarter ended	
	30.09.2016	30.09.2015
Interest expense on borrowings ^(a)	2,030	986
Currency translation losses on borrowings, net ^(b)	1,905	2,937
	3,935	3,923

- (a) Interest expense on borrowings increased by S\$1.04 million during 2Q2017 due to the increase in borrowings. The total borrowings as at 30 September 2016 was S\$145.22 million as compared to S\$66.98 million as at 30 September 2015.
- (b) Currency translation losses on borrowings arose as a result of the strengthening of USD, in which majority of the borrowings are denominated, against the functional currencies (i.e. Chinese Yuan and Singapore dollars) of the borrowing entities in 2Q2017.

The Group recorded share of losses of associated companies amounting to S\$0.88 million in 2Q2017 as compared to share of profits of S\$0.44 million in 2Q2016. The share of losses recorded in 2Q2017 came mainly from Access Myanmar Distribution Co., Ltd, which is in the business of the production, branding, marketing and distribution of bottled water, alcoholic beverages and other FMCG products in Myanmar.

Share of losses of joint ventures increased to S\$1.05 million in 2Q2017 as compared to share of profits of S\$0.06 million in 2Q2016. The share of losses came mainly from two joint ventures, which are in the businesses of cold chain storage and trading of Mitsubishi vehicles. Both joint ventures only commenced operations towards the end of FY2016.

Administrative expenses increased S\$0.60 million to S\$13.04 million in 2Q2017 as compared to S\$12.44 million in 2Q2016. Administrative expenses in 2Q2017 were mainly made up of:-

- (a) staff cost of approximately S\$6.47 million (2Q2016: S\$7.00 million);
- (b) rental and land lease of approximately S\$1.41 million (2Q2016: S\$0.95 million); and
- (c) depreciation of property, plant and equipment of S\$1.37 million (2Q2016: S\$0.72 million).

As a result of the above, the Group recorded a higher net profit attributable to equity holders of the Company of S\$8.51 million in 2Q2017 as compared to S\$0.30 million in 2Q2016.

BALANCE SHEET

The net assets attributable to equity holders of the Company decreased to S\$653.53 million as at 30 September 2016 as compared to S\$669.42 million as at 31 March 2016. The decrease was mainly due to the decrease in the retained profits and increase in the currency translation losses of loans between subsidiary corporations within the Group at the consolidation level. Retained profits as at 30 September 2016 decreased to S\$93.55 million as compared to S\$102.70 million as at 31 March 2016, despite recording a net profit attributable to equity holders of the Company of S\$10.09 million for the six-month period ended 2Q2017. The decrease was mainly due to:-

- (a) dividend payment of S\$4.32 million in relation to financial year ended 31 March 2016 as approved by shareholders during the Company's annual general meeting in July 2016; and
- (b) debit adjustment of S\$14.89 million in relation to the effect of acquisition of non-controlling interests, as detailed in the paragraph below.

During 2Q2017, the Group's 70%-owned subsidiary, Chindwin Holdings Pte Ltd ("Chindwin Holdings"), purchased the remaining 25% interest in (a) Shwe Lay Ta Gun Travels and Tours Company Limited ("SLTG") which owns and operates the Balloon over Bagan ("BoB") Business in Myanmar; (b) Chindwin Bagan Company Limited ("Chindwin Bagan") which is to engage in the luxury tourism business in Bagan; and (c) Chindwin Pindaya Company Limited ("Chindwin Pindaya") which is to explore investment opportunities in Myanmar. The purchase consideration for this acquisition amounted to S\$16.36 million, which is the aggregate of US\$1,500,000 in cash, termination of the call option over a plot of land in Bagan to develop a hotel, reimbursement of all expenses incurred for the proposed development of the hotel in Bagan and the transfer of Chindwin Holdings' 75% interest in Eastern Safaris Pte Ltd ("Eastern Safaris"). As a result, the Group effectively holds 70% interest in SLTG, Chindwin Bagan and Chindwin Pindaya through Chindwin Holdings and recognised the effect of this acquisition amounting to S\$14.89 million as debit adjustment to equity attributable to equity holders of the Company in accordance with FRS 110 – "Consolidated Financial Statements" in relation to transaction with non-controlling interests that do not result in a loss of control.

Value of investment properties increased slightly to S\$194.15 million as at 30 September 2016 as compared to S\$192.93 million as at 31 March 2016 mainly due to capitalisation of construction costs incurred during the period ended 30 September 2016. The Group has Star Residences in StarCity Zone A, The Residence at PHE, construction-in-progress Dulwich international school projects in StarCity and PHE and the retail mall in Dalian under its investment properties portfolio.

Intangible assets, net of accumulated amortisation, was S\$29.61 million as at 30 September 2016 and comprised:-

- (a) operating rights in respect of the Pun Hlaing Golf Course and Country Club and the PHE;
- (b) operating rights in respect of the agriculture activities at Maw Tin Estate;
- (c) intangible asset in respect of the air operator certificates for hot air balloon operations; and
- (d) intangible asset in respect of the distributor agreement for the marketing and sale of New Holland agricultural tractors within Myanmar.

The land development rights ("LDRs") of S\$221.36 million as at 30 September 2016 were made up of LDRs in StarCity amounting to S\$94.37 million and LDRs in PHE and FMI City amounting to S\$126.99 million. As at 30 September 2016, the Group held economic interests in 70% of the LDRs of approximately 4.74 million square feet in PHE, 100% of the LDRs of approximately 0.56 million square feet (including the Lakeview project) in PHE and 52.5% of the LDRs of approximately 0.17 million square feet in FMI City.

Development properties increased to S\$197.90 million as at 30 September 2016 as compared to S\$182.89 million as at 31 March 2016, mainly due to the capitalisation of construction costs for existing projects offset by the recognition of costs relating to sold residential units in profit or loss.

Trade and other receivables (current and non-current portions) stood at S\$130.51 million as at 30 September 2016 as compared to S\$119.99 million as at 31 March 2016. The total amount of S\$130.51 million of trade and other receivables was made up mainly of:-

- (a) S\$20.12 million of unbilled trade receivables;
- (b) S\$37.78 million of non-current trade receivables;
- (c) S\$5.62 million of current trade receivables; and
- (d) S\$28.50 million of non-current interest-bearing loan to a non-related party.

As at 30 September 2016, trade and other payables increased to S\$110.84 million as compared to S\$82.01 million as at 31 March 2016. Included in trade and other payables were:-

- (a) current payables for construction works and purchase of tractors of S\$15.37 million;
- (b) accruals, which were mainly made up of uncertified and unbilled construction costs, of S\$29.41 million;
- (c) progress billings and advance receipts from customers of S\$22.07 million; and
- (d) payables to a non-related investor of S\$8.69 million, mainly for the re-purchase of 117 unsold units in StarCity.

The current borrowings as at 30 September 2016 decreased to S\$55.73 million as compared to S\$58.61 million as at 31 March 2016. The decrease was mainly due to the classification of the loan owing by the Group's wholly-owned subsidiary, Xun Xiang to non-current borrowings following an extension of the loan during 1Q2017, and offset by new current borrowings obtained by the Company during the six-month period ended 30 September 2016. Included in current borrowings was a loan of S\$6.47 million from a bank which is secured by a development property in Myanmar.

Non-current borrowings increased from S\$31.05 million as at 31 March 2016 to S\$89.49 million as at 30 September 2016, mainly due to increase in the borrowings from ADB. Included in non-current borrowings as at 30 September 2016 were:-

- (a) a loan of S\$73.79 million (or US\$54.00 million) owing by the Company to ADB. US\$16.00 million of the loan is secured by shares in the Company's wholly-owned subsidiary, YSH Finance Ltd (which holds the Group's 25% interest in edotco Investments), US\$13.00 million is secured by the assignment and/or mortgage of 100% interest in Yoma Fleet Limited and KOSPA Limited and US\$25.00 million is secured by the assignment of 100% in Star City International School Company Limited; and
- (b) a loan of S\$15.71 million that was owing by Xun Xiang. This loan is secured by an investment property (i.e. retail mall in Dalian, China) held by Xun Xiang.

CASHFLOW STATEMENT

Cash and bank balances stood at S\$28.28 million as at 30 September 2016 as compared to S\$18.03 million as at 30 September 2015 due to cash from operating activities of S\$19.33 million and financing activities of S\$29.14 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There is no material variance between the information previously disclosed in the results announcements for the quarter ended 30 June 2016 and the actual results for the quarter ended 30 September 2016.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The economic development in Myanmar remains positive and growth is expected to gather pace on the back of the government's announcement of its policies to tackle the key issues around economic development, national reconciliation and peace. This is buoyed by the recent US decision to lift its remaining sanctions against Myanmar which will further help to spur investments over the medium term.

In September 2016, the government approved a bill on the Myanmar Investment Law that combines the Foreign Investment Law of 2012 and Myanmar Citizens Investment Law of 2013. This is aimed at reducing restrictions and red tape for both foreign and local investors and includes tax breaks to encourage investment. Additionally, over the next few months, the government is expected to revise the Companies Act, as well as the detailed regulations and procedures of the Condominium Law. These are positive signs of the improving legal and regulatory environment in Myanmar which we expect to help businesses to operate with more transparency and clarity.

In Real Estate, the Yangon property market remain slow. As the Yangon regional government puts in place plans to facilitate job creation in the industrial zones and to improve infrastructure development, the Group is hopeful that economic development and urbanisation will pick up, which bodes well for the Yangon property market.

Meanwhile, the Group's automotive & equipment business continues to grow. Agriculture development remain a high priority for Myanmar, and the government is working with development agencies to help farmers gain access to modern equipment, which is positive for our tractor sales. Additionally, the government's priority on infrastructure development will also help the Group's new JCB construction and heavy equipment business, which will commence in 2017.

The KFC business opened its seventh store in early October 2016, and looks on track towards its target of up to 12 stores by March 2017. The consumer market continues to record healthy growth, and the Group will continue to explore opportunities in this space.

Mobile penetration rates in Myanmar has reached approximately 87%, leapfrogging from less than 10% two years ago. The significant take up contributed to the sharp appreciation of our Telecom Tower investment. The Group's original investment of US\$20 million has now grown to US\$70 million, of which half is being sold. This will result in an additional US\$4.8 million gain in 3Q2017 and will help realise the significant fair value gains that were recognised between 3Q2016 and 2Q2017. While the Group continues to expect healthy growth ahead in the telecom infrastructure sector, the decision to dispose half of the Group's stake in edotco Investments and retain the remaining 12.5% interest strikes a balance between its positive outlook of the business and the Group's long term strategy to divest its non-core assets and focus on growing its core businesses.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Nil

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Nil

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

PART II- ADDITION INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

15. A breakdown of sales.

Not applicable

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable

17. Interested Person Transactions

The details of interested person transactions for the six-month period ended 30 September 2016 are set out below.

Name of Interested Person	Aggregate value of all interested person transactions during FY2017 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions during FY2017 which are conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) *
	S\$'000	S\$'000
Associates of Mr. Serge Pun:-		
(a) Purchases	-	792
(b) Sales	-	786
(c) Treasury transactions	-	722
(d) Financial arrangement	3,513	2,936
(e) Land development rights transactions	-	-
(f) Prepayments for projects	-	310

* Shareholders' mandate was renewed and approved at the Annual General Meeting held on 26 July 2016. Accordingly, the aggregate value of all interested person transactions is presented for the six-month period ended 30 September 2016.

18. Negative assurance on Interim Financial Statements

We, Serge Pun and Melvyn Pun, being the Directors of the Company, do hereby confirm for and on behalf of the Board of Directors that, to the best of our knowledge, nothing has come to our attention which may render the financial results for the second quarter ended 30 September 2016 to be false or misleading in any material aspect.

19. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX-ST Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX-ST Listing Manual.

BY ORDER OF THE BOARD

Serge Pun
Executive Chairman

Melvyn Pun
Chief Executive Officer

8 November 2016

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