MEDIA RELEASE

Yoma Strategic's 2Q2019 Net Profit Attributable to Shareholders Rises Sharply to S$26.2 million

- Much improved Real Estate performance driving strong revenue and net profit growth
- Revenue from Real Estate sales more than doubled compared to 2Q2018. Additionally, Real Estate Services' profit was boosted by an S$58.5 million fair value gain in its investment properties
- City Loft, focusing on a sizeable new market opportunity by combining accessible price points with long term mortgages, received very strong and positive response for its pre-launch phase with half of its 250 units sold within a week
- KFC enjoyed a 40.3% revenue increase driven by new store openings alongside 6% same-store sales and 9% same-store transactions growth
- Yoma F&B to expand further with the opening of Little Sheep, one of the world's largest hotpot chains, and Auntie Anne's, the world's largest soft pretzel franchise[1], in Yangon in the coming months
- Wave Money achieved cash-flow breakeven in September 2018 on the back of continuing growth in revenue and transactions

FINANCIAL HIGHLIGHTS In S$ million except otherwise stated	2Q2019	2Q2018	Change	1H2019	1H2018	Change
Revenue	41.9	33.1	26.5%	71.3	59.0	20.8%
Gross Profit	14.7	14.8	(0.6%)	25.0	25.3	(0.9%)
Net Profit	41.2	6.6	519.9%	21.1	10.5	101.8%
Net Profit attrib. to Equity Holders	26.2	3.7	611.0%	10.3	6.4	59.4%

Singapore, 8 November, 2018 – 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 2018 ("2Q2019").

[1] Auntie Anne's internal data

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In 2Q2019, net profit attributable to equity holders of the Company increased by 611.0% to S$26.2 million, up from S$3.7 million for the three months ended 30 September 2017 ("2Q2018") led by the Group's Real Estate business.

Revenue for 2Q2019 increased by 26.5% year-on-year to S$41.9 million. The increase in revenue was a result of the robust performance of the Yoma Land, Yoma F&B and Yoma Financial Services businesses, which helped offset a slower performance in the Yoma Motors business.

"I'm encouraged by the turnaround in real estate. In particular, the overwhelmingly positive response for City Loft, our new mass market housing offering, provides a springboard for a very important line of business that has huge potential to solve the housing shortage in Yangon. Meanwhile, Wave Money is building on its leadership position in mobile financial services in Myanmar, reached its cash-flow breakeven point and expanded its agent network to 34,000 locations in this quarter. Elsewhere, the Consumer business has been growing rapidly, with KFC enjoying same store sales growth and a successful expansion outside of Myanmar's two major cities, Little Sheep's upcoming launch and the addition of Auntie Anne's to our F&B franchise portfolio."

Mr. Melvyn Pun, Yoma Strategic's Chief Executive Officer

"The launch of City Loft represents a major milestone not only for Yoma Land but for Myanmar's real estate sector as a whole. A competitive price point coupled with local banks offering home loan repayment terms of up to 25 years makes City Loft accessible to many who have traditionally been priced out of home ownership. Based on our highly successful pre-launch, we see tremendous potential for this offering. City Loft will broaden our customer base and drive sales volume moving forward. This will be complemented by our growing rental revenue creating a stable and sustainable cash flow for our Real Estate business".

Mr. Serge Pun, Yoma Strategic's Executive Chairman

Turnaround in Yoma Land

Revenue from the Group's Real Estate Development business recorded marked improvement, increasing by 129.8% year-on-year to S$22.6 million in 2Q2019. The increase was mainly driven by new sales of apartments in StarCity Galaxy Tower 2 and Tower 4, which are nearly completed. Furthermore, the residual revenue recognition from the previously sold units in Pun Hlaing Estate, StarCity Zone C and Yoma Central augmented the sales of these additional units.

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As part of the Group's effort to build up its recurring rental income and tap into the more robust serviced apartment sector, the Group transferred 200 units in Galaxy Tower 2 and Tower 4 and the remainder of StarCity Zone C from development properties to investment properties. This resulted in a fair value gain of S$58.5 million recognised in its other income. This strategy allows the Group to earn rental income from these units, which are nearing completion, while reducing the unsold inventory at Galaxy Towers to 24 units.

Focusing on Scaling Up City Loft Platform

The Group expanded its real estate offering with City Loft, a new division of modern affordable housing that targets the underserved middle-income market in Yangon. Until recently, Myanmar banks had provided a limited offering of mortgages for up to 5 years. With the lack of financing options and the high cost of housing, new home ownership has traditionally been out of reach for most of Myanmar's population.

City Loft is designed to bring quality apartments at an accessible price point. City Loft also arranges favourable mortgage repayment terms of up to 25 years with domestic banks which allows for a larger proportion of Myanmar's population to own a new home. This opens up a sizeable new market for Yoma Land that can generate a meaningful profit stream for the future.

Located in StarCity, the first phase of City Loft comprises approximately 250 units ("City Loft @ StarCity"). The pre-launch has received a very strong and positive response, with approximately half of the first phase sold within a week. Additional phases of City Loft @ StarCity are expected to be launched in the coming months, and if successful, the Group aims to introduce City Loft in other locations in the future.

Income Statement Review

- Administrative expenses increased by S$2.6 million to S$16.1 million in 2Q2019 mainly due to the growing number of KFC stores and New Holland / JCB branches as well as the administrative expenses for the Yoma Central project.

- Interest expenses on borrowings rose by S$1.9 million to S$5.3 million in 2Q2019 due to a higher amount of borrowings. The Group also recorded a S$2.0 million currency translation loss due to its USD denominated borrowings. Management considers it appropriate to raise funds in USD as more than 80% of the Group's USD borrowings are tied to businesses where economic value is derived in USD.

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- Share of losses of associated companies and joint ventures amounted to S$3.3 million, and this was primarily attributed to the losses incurred by Memories Group Limited and Access Myanmar Distribution Company Limited ("AMDC"). As April to September is Myanmar's rainy season, there is a lull in tourism activities during this period for Memories Group Limited. AMDC is in the process of restructuring its High Class whisky business as a result of the joint venture with Pernod Ricard.

Balance Statement Review

- The Group borrows from local and foreign financial institutions in the form of short-term and long-term loans and limited recourse project loans. Total Group borrowings as at 30 September 2018 was S$313.3 million compared to S$307.2 million as at 30 June 2018.

- For the first half of FY2019, the Company entered into perpetual bond agreements with an investor for an aggregate amount of US$30.0 million (equivalent to S$40.5 million), where the whole instrument is presented within equity and distributions are treated as dividends.

- The Group's financial gearing ratio currently stands at 23.8%[2], which is below the Group's maximum targeted gearing ratio of 40.0%.

Segment Commentaries of the Group's Four Core Businesses

Set out below are the summarised financial performance of the Group's core businesses. For the purpose of this section, core operating EBITDA refers to earnings before interest, taxes, depreciation and amortisation of operating subsidiaries excluding currency translations differences. In the case of Real Estate Development, core operating EBITDA excludes EBITDA of the Yoma Central project as administrative expenses form part of the overall project budget and have been funded according to the shareholders' agreement.

[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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YOMA LAND

Real Estate Development

Operational Review	2Q2019 S$'000	2Q2018 S$'000
Revenue	22,593	9,833
Gross Profit	7,984	7,945
Core Operating EBITDA	6,436	8,233

Revenue generated from the sale of residences and land development rights ("LDRs") increased by 129.8% year-on-year to S$22.6 million. Besides the stronger sales performance recorded for StarCity Galaxy Tower 2 and Tower 4, the Group also sold additional completed houses and land plots at Pun Hlaing Estate. At The Peninsula Residences Yangon, the Group sold 10 units out of the 30 units launched with another 4 units being reserved as at 30 September 2018.

The gross profit margin declined to 35.3% in 2Q2019 from 80.8% in 2Q2018 mainly due to a change in the recognition of revenue and profits following the buyback of StarCity Galaxy Towers in August 2017. At the time of the buyback, the Group's revenue was derived mainly from the additional share of profits from sales of residences (i.e. sales revenues minus construction cost multiplied by the percentage completion). Hence, there was a minimal cost of sales relating to the revenue line item, and therefore, resulted in a high gross profit margin for that quarter. Following the buyback, progressive recognition of the units sold in StarCity's Galaxy Tower 2 and Tower 4 was reflected in the Group's revenue, cost of sales and gross profit which resulted in a lower gross profit margin, which reflects a better representation of the actual gross profit margin of StarCity Galaxy Towers.

Real Estate Services

Operational Review	2Q2019 S$'000	2Q2018 S$'000
Revenue	4,654	5,085
Gross Profit	2,723	2,988
Core Operating EBITDA	60,148	7,301

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Despite the increase in leasing revenue generated from the Group's two Dulwich International Schools and The Campus, a new office building in Pun Hlaing Estate, revenue from this segment had decreased slightly in absence of leasing income from FMI Centre which was demolished in December 2017.

The occupancy for Star Residence and The Residence at Pun Hlaing remains healthy. According to Collier International Myanmar, demand for serviced apartments in Yangon remains strong with improving occupancy rates citywide of 83.7% and it is expected to continue to hover between 80% and 90%[3].

The higher core operating EBITDA for the Real Estate Services business was mainly due to the fair value gains recorded from the 200 units in Galaxy Tower 2 and Tower 4 and the remainder of StarCity Zone C which have been transferred from development properties to investment properties. Additional fair value gains were also recognised for the Group's Dulwich International School at StarCity as the construction of Phase Two progresses.

YOMA F&B

Operational Review	**2Q2019 S$'000**	**2Q2018 S$'000**
Revenue	4,605	3,283
Gross Profit	2,296	1,499
Core Operating EBITDA	(356)	(416)

In 2Q2019, the revenue of Yoma F&B came exclusively from the KFC business where revenue grew by 40.3% year-on-year to S$4.6 million, which was generated from new store openings and same-store sales growth. Comparable store sales grew by 6% while comparable store transactions increased by 9% in 2Q2019.

The gross profit margin has also improved to 49.9% in 2Q2019 from 45.7% in 2Q2018 through greater store efficiencies.

[3] http://www.colliers.com/-/media/files/marketresearch/apac/myanmar/q2_2018/colliers_myanmar_serviced_apartment_quarterly_report_q2_2018.pdf

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YOMA MOTORS

Operational Review	2Q2019 S$'000	2Q2018 S$'000
Revenue	7,661	12,917
Gross Profit	618	1,671
Core Operating EBITDA	(946)	(61)

Revenue of Yoma Motors recorded a 40.7% year-on-year decline to S$7.7 million mainly due to the effect of the strong monsoon at the beginning of the quarter in certain parts of Myanmar that affected farmers and caused delays in delivering the second 500-tractor order secured under the Ministry of Agriculture and Irrigation's nationwide mechanisation programme. In 2Q2019, the Group sold 209 tractors and 165 implements.

The lower core operating EBITDA in 2Q2019 was mainly due to the startup cost of the Volkswagen showrooms in Yangon and Mandalay, which are expected to be fully operational in the coming months.

YOMA FINANCIAL SERVICES

Operational Review	2Q2019 S$'000	2Q2018 S$'000
Revenue	2,088	1,711
Gross Profit	889	459
Core Operating EBITDA	1,368	955

Revenue generated from the Financial Services business was exclusively from Yoma Fleet, the Group's vehicle leasing business, which grew by 22.0% year-on-year to S$2.1 million. Its fleet size increased to 919 vehicles and its total assets stood at S$36.8 million as at 30 September 2018.

Meanwhile, core operating EBITDA increased by 43.2% year-on year and the Group expects the growth to continue with the fast expansion of Yoma Fleet. The Group believes that new initiatives, like Yoma Fleet's partnership with Myan Shwe Pyi Tractors Limited, the authorised dealer of Caterpillar-branded heavy equipment in Myanmar, will help to accelerate its expansion.

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Wave Money is not included in core operating EBITDA in the Operational Review above as it is an associated company of the Group. However, Wave Money has expanded its nationwide network of agents to 34,000 from 26,000 a quarter ago. In 2Q2019, revenue and transaction numbers grew strongly by over 60.1% and 74.7% quarter-on-quarter, respectively, and the business achieved a cash-flow breakeven point in September 2018.

End.

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, Financial Services 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 2018, ranked 26th out of top 100 largest Singapore companies in the ASEAN Corporate Governance Scorecard 2017 and won the Best Managed Board (Gold) Award at the Singapore Corporate Awards in 2016.

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