

UNAUDITED FINANCIAL STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2015

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 2015

	The Group					
	S\$'000		%	S\$'000		%
	Quarter ended		Increase/ (Decrease)	Period ended		Increase/ (Decrease)
	30.09.2015	30.09.2014		30.09.2015	30.09.2014	
Revenue	19,915	41,219	(51.7)	42,599	58,674	(27.4)
Cost of sales	(10,990)	(25,690)	(57.2)	(23,662)	(38,131)	(37.9)
Gross profit	8,925	15,529	(42.5)	18,937	20,543	(7.8)
Other gains, net	6,886	10,587	(35.0)	8,625	16,305	(47.1)
Expenses						
- Finance	(3,905)	(413)	845.5	(4,077)	(610)	568.4
- Administrative	(12,441)	(9,176)	35.6	(20,961)	(15,649)	33.9
(Loss)/Profit from operations	(535)	16,527	(103.2)	2,524	20,589	NM
Share of profits/(losses) of associated companies	439	(435)	NM	788	(435)	NM
Share of profits/(losses) of joint ventures	60	(15)	(500.0)	(191)	(79)	141.8
(Loss)/Profit before income tax	(36)	16,077	(100.2)	3,121	20,075	NM
Income tax (expense)/credit	(220)	397	(155.4)	(710)	(568)	25.0
Net (loss)/profit	(256)	16,474	(101.6)	2,411	19,507	(87.6)
Other comprehensive income/(loss):						
Items that may be reclassified subsequently to profit or loss:						
- Currency translation differences arising from consolidation – gains/(losses)	3,197	1,056	202.7	(26,208)	(363)	NM
- Share of other comprehensive income/(loss) of associated companies	2,377	(1,160)	NM	(477)	(1,160)	(58.9)
Other comprehensive income/(loss), net of tax	5,574	(104)	(NM)	(26,685)	(1,523)	NM
Total comprehensive income/(loss) for the financial period	5,318	16,370	(67.5)	(24,274)	17,984	NM
Net (loss)/profit attributable to:						
Equity holders of the Company	298	10,762	(97.2)	2,934	12,286	(76.1)
Non-controlling interests	(554)	5,712	(109.7)	(523)	7,221	(107.2)
	(256)	16,474	(101.6)	2,411	19,507	(87.6)

The Group						
S\$'000		%	S\$'000		%	
Quarter ended		Increase/ (Decrease)	Period ended		Increase/ (Decrease)	
30.09.2015	30.09.2014		30.09.2015	30.09.2014		
Total comprehensive (loss)/income attributable to:						
Equity holders of the Company						
5,318	10,708	(50.3)	(20,885)	11,099	NM	
Non-controlling interests						
(50)	5,662	(100.9)	(3,389)	6,885	NM	
(5,268)	16,370	(67.8)	(24,274)	17,984	NM	

Notes to the income statement:-

- (1) Included in other gains, net are the following items:-

The Group				
S\$'000				
Quarter ended		Period ended		
30.09.2015	30.09.2014	30.09.2015	30.09.2014	
Fair value gains on investment properties ^(a)	-	8,125	-	14,542
Interest income ^(b)	556	11	1,121	18
Currency translation gains, net	6,318	2,038	6,726	622
Others	12	413	778	1,123
	6,886	10,587	8,625	16,305

- (a) During the previous corresponding period ended 30 September 2014, the Group transferred development properties relating to Star City's Zone A Building A5, which is held for long-term leasing purpose, to investment properties. As a result, the Group recognised a total of S\$14.54 million fair value gain during the previous corresponding period ended 30 September 2014. There was no such fair value gain in the current period.
- (b) Interest income in the current quarter and current period ended 30 September 2015 was higher than the previous corresponding quarter and period ended 30 September 2014. It was derived mainly from customers of Convenience Prosperity Company Limited ("Convenience Prosperity") that are under installment payment schemes for the purchase of tractors. As Convenience Prosperity was acquired in February 2015, there was no such interest income in the previous corresponding quarter and period ended 30 September 2014. Another source of interest income in the current period was from the interest charged for a loan to a third party.

(2) Included in finance cost, net are the following items:-

The Group				
S\$'000				
Quarter ended		Period ended		
30.09.2015	30.09.2014	30.09.2015	30.09.2014	
Interest expense on borrowings ^(a)	986	319	1,408	581
Currency translation losses on borrowings, net ^(b)	2,919	94	2,668	29
	3,905	413	4,077	610

(a) Interest expense on borrowings increased by S\$0.67 million in the current quarter due to the increase in borrowings. The total borrowings as at 30 September 2015 was S\$66.98 million as compared to S\$24.63 million as at 30 September 2014.

(b) Included in finance cost is the currency translation losses that were due to the strengthening of United State dollars, which majority of the borrowings are denominated in, against the functional currencies (i.e. Chinese Yuan and Singapore dollars) of the borrowing entities.

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)
	30.09.2015	30.09.2014		30.09.2015	30.09.2014	
Expenses/(Income)						
Amortisation of intangible assets	431	216	99.5	862	431	100.0
Employee share option expense	1	558	(99.8)	303	1,542	(80.4)
Share-based payment to CEO	910	-	NM	910	-	NM
Depreciation of property, plant and equipment	1,126	631	78.4	1,970	944	108.7
Fair value gains on investment properties	-	(8,125)	NM	-	(14,542)	NM
Interest expense	986	314	214.0	1,408	577	144.0
Interest income	(556)	(11)	N.M	(1,121)	(18)	N.M
Currency translation gains, net	(6,318)	(1,939)	225.8	(6,726)	(622)	981.4

NM – not meaningful

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)	
	30.09.2015	31.03.2015	30.09.2015	31.03.2015
ASSETS				
Current assets				
Cash and cash equivalents	18,030	20,025	3,638	5,658
Trade and other receivables	69,269	89,212	432,935	394,042
Inventories	15,332	14,115	-	-
Development properties	187,392	169,210	-	-
Land development rights	29,914	28,341	-	-
Other current assets	20,610	21,617	1,054	398
	340,547	342,520	437,627	400,098
Non-current assets				
Investments in joint ventures	4,146	4,248	-	-
Investments in associated companies	52,197	40,410	-	-
Investments in subsidiaries	-	-	194,430	194,430
Trade and other receivables	41,984	16,980	-	-
Investment properties	149,399	156,143	-	-
Call option to acquire land	13,161	13,161	-	-
Intangible assets	32,105	32,189	-	-
Land development rights	197,286	198,846	-	-
Available-for-sale financial assets	4,460	4,379	-	-
Prepayments	8,373	8,029	-	-
Property, plant and equipment	26,186	16,588	490	576
Biological assets	459	213	-	-
Other non-current assets	394	394	-	-
	530,150	491,580	194,920	195,006
Total assets	870,697	834,100	632,547	595,104
LIABILITIES				
Current liabilities				
Trade and other payables	60,357	59,550	10,436	11,017
Current income tax liabilities	1,802	1,880	17	26
Deferred income tax liabilities	1,753	1,872	-	-
Borrowings	44,172	10,000	27,805	10,000
	108,084	73,302	38,258	21,043
Non-current liabilities				
Shareholders' loans from non-controlling interests	29,948	12,825	-	-
Borrowings	22,808	15,782	22,808	-
	52,756	28,607	22,808	-
Total liabilities	160,840	101,909	61,066	21,043
NET ASSETS	709,857	732,191	571,481	574,061
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	590,013	587,583	590,013	587,583
Share option reserve	4,670	5,060	4,670	5,060
Currency translation reserve	(19,710)	4,080	-	-
Retained profits/(accumulated losses)	67,619	65,100	(23,202)	(18,582)
	642,592	661,823	571,481	574,061
Non-controlling interests	67,265	70,368	-	-
Total equity	709,857	732,191	571,481	574,061

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

Amount repayable in one year or less, or on demand

As at 30.09.2015		As at 31.03.2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	44,172	-	10,000

Amount repayable after one year

As at 30.09.2015		As at 31.03.2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
22,808	-	15,782	-

The current borrowings as at 30 September 2015 increased to S\$44.17 million as compared to S\$10.00 million as at 31 March 2015. The increase was due to the reclassification of the loan owing by the Group's wholly-owned subsidiary, Xun Xiang (Dalian) Enterprise Co Ltd ("Xun Xiang") from non-current to current as well as additional loans provided by two financial institutions. The loan owing by Xun Xiang is secured by an investment property (i.e. retail mall in Dalian, China) held by Xun Xiang and one of the loans amounting to S\$10.00 million is supported by a personal guarantee given by the Company's Executive Chairman, Mr Serge Pun.

The non-current borrowings of S\$22.81 million (or US\$16.00 million) as at 30 September 2015 was due by the Company. During the current quarter ended 30 September 2015 ("2Q2016"), the Company made a drawdown of US\$16.00 million from the US\$100.00 million loan facility that was given to the Company by the Asian Development Bank. The loan of US\$16.00 million is secured by shares in the Company's wholly-owned subsidiary, YSH Finance Ltd (which holds the Group's 25% interest in Digicel Asian Holdings Pte Limited ("Digicel Asian Holdings")).

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	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Cash flows from operating activities:				
Net (loss)/profit	(256)	16,474	2,411	19,507
Adjustments for:				
Income tax expense/(credit)	219	(397)	710	568
Depreciation of property, plant and equipment	1,126	631	1,970	944
Amortisation of intangible assets	431	216	862	431
Share-based payment to CEO	910	-	910	-
Employee share option expense	1	558	303	1,542
Fair value gains on investment properties	-	(8,125)	-	(14,542)
Write-off of property, plant and equipment	2	-	2	1
Share of (profit)/losses of associated companies	(439)	435	(788)	435
Share of (profit)/losses of joint ventures	(60)	15	191	79
(Gain)/Loss on disposal of property, plant and equipment	(1)	(10)	1	(18)
Interest expenses	986	314	1,408	577
Interest income	(556)	(11)	(1,121)	(18)
Unrealised currency translation losses/(gains)	(2,241)	(1,682)	(16,452)	(2,169)
Operating cash flows before movements in working capital	122	8,418	(9,593)	7,337
Changes in working capital, net of effects from acquisition of subsidiaries:				
Trade and other receivables	(9,626)	(23,234)	(13,267)	(26,686)
Inventories and properties under development	(1,910)	(465)	9,451	(7,271)
Land development rights	(587)	8,296	(13)	10,718
Trade and other payables	6,853	(1,659)	8,336	2,274
Cash used in operations	(5,148)	(8,644)	(5,086)	(13,628)
Income tax paid	(213)	(39)	(260)	(750)
Interest received	329	4	772	11
Net cash used in operating activities	(5,032)	(8,679)	(4,574)	(14,367)

	The Group (S\$'000)			
	Quarter ended		Period ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Cash flows from investing activities:				
Additions to property, plant and equipment	(9,297)	(4,830)	(13,710)	(7,578)
Proceeds from disposal of property, plant and equipment	4	14	34	682
Additions to investments in future projects	(370)	(9,692)	(1,435)	(10,449)
Additions to investment properties	(299)	(3,228)	(356)	(4,370)
Additions to development properties intended for investing activities	(12,209)	-	(17,007)	-
Additions to biological assets	(56)	-	(274)	-
Advance payment for future business acquisition	-	(396)	-	(396)
Investments in joint ventures	-	(266)	-	(266)
Investments in associated companies	(8,125)	(15,266)	(8,125)	(21,410)
Loans to associated companies	(36)	-	(71)	-
Repayment of shareholders' loan to non-controlling interests	-	(4,663)	-	(4,663)
Proceeds from dilution of interests in available-for-sale financial assets	-	-	-	666
Acquisition of subsidiaries, net of cash acquired	-	-	338	-
Net cash used in investing activities	(30,388)	(38,327)	(40,606)	(47,784)
Cash flows from financing activities:				
Proceeds from issuance of shares under private placement	-	94,500	-	94,500
Proceeds from issuance of shares pursuant to exercise of share options	827	-	827	-
Share issue expenses	-	(1,418)	-	(1,418)
Shareholders' loans from non-controlling interests	6,711	2,881	6,711	4,343
Loan to a non-related party	(2,269)	-	(2,340)	-
Proceeds from borrowings	29,266	-	39,265	10,000
Interest paid	(351)	(315)	(699)	(548)
Acquisition of non-controlling interests	(94)	-	(94)	-
Net cash provided by financing activities	34,090	95,648	43,670	106,877
Net (decrease)/increase in cash and cash equivalents	(1,330)	48,642	(1,510)	44,726
Cash and cash equivalents				
Beginning of financial period	19,041	12,765	20,025	16,741
Effect of currency translation on cash and cash equivalents	319	59	(485)	(1)
End of financial period	18,030	61,466	18,030	61,466

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	
	Share Capital	Share Option Reserve	Currency Translation Reserve	Retained Profits	Total	Non-controlling Interest	Total
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 subsidiaries 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
At 1 April 2014	327,204	5,204	1,874	37,250	371,532	46,506	418,038
Issue of new shares	94,500	-	-	-	94,500	-	94,500
Shares issue expenses	(1,418)	-	-	-	(1,418)	-	(1,418)
Employee share option expense	-	1,542	-	-	1,542	-	1,542
Total comprehensive (loss)/income	-	-	(1,187)	12,286	11,099	6,885	17,984
At 30 September 2014	420,286	6,746	687	49,536	477,255	53,391	530,646

S\$'000				
The Company	Share Capital	Share Option Reserves	Retained Profits / (Accumulated Losses)	Total
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	1520	(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
At 1 April 2014	327,204	5,204	(13,399)	319,009
Issue of new shares	94,500	-	-	94,500
Shares issue expenses	(1,418)	-	-	(1,418)
Employee share option expense	-	1,542	-	1,542
Total comprehensive loss	-	-	(6,708)	(6,708)
At 30 September 2014	420,286	6,746	(20,107)	406,925

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.

Following the approval of the shareholders at the Extraordinary General Meeting held on 27 July 2015, the Company allotted and issued 2,000,000 new ordinary shares to its Chief Executive Officer pursuant to his service agreement. In August 2015, the Company also allotted and issued 2,667,000 new ordinary shares pursuant to the exercise of options granted under the Employee Shares Option Scheme (YSH ESOS 2012). As a result of these events, the total number of issued shares of the Company increased from 1,730,149,620 as at 31 March 2015 to 1,734,816,620 as at 30 September 2015 and the share capital increased to S\$590.01 million.

During 2Q2016, the Company granted share options for a total of 6 million ordinary shares under the YSH ESOS 2012. In addition, share options for a total of 2.68 million ordinary shares were exercised and share options for a total of 3 million ordinary shares were forfeited during the current quarter. As a result, the outstanding share options granted as at 30 September 2015 are for a total of 20.60 million (30 September 2014: 22.25 million) ordinary shares.

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 2015 – 1,734,816,620

Total number of issued shares as at 31 March 2015 – 1,730,149,620

The Company had no treasury shares as at 30 September 2015 and 31 March 2015.

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 2015.

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 2015:

- Amendments to FRS 16 – Property, Plant and Equipment
- Amendments to FRS 19 – Defined Benefit Plans: Employee Contributions
- Amendments to FRS 24 – Related Party Disclosures
- Amendments to FRS 38 – Intangible Assets
- Amendments to FRS 40 – Investment Properties
- Amendments to FRS 102 – Share-based Payment
- Amendments to FRS 103 – Business Combinations
- Amendments to FRS 108 – Operating Segments
- Amendments to FRS 113 – Fair Value Measurement

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 30.09.2015	Quarter ended 30.09.2014	Period ended 30.09.2015	Period ended 30.09.2014
(a) Basic earnings per ordinary share				
Net profit attributable to equity holders of the Company (S\$'000)	298	10,762	2,934	12,286
Weighted average number of ordinary shares outstanding ('000)	1,731,705	1,292,118	1,730,927	1,224,618
Basic earnings per ordinary share (cents)	0.02	0.83	0.17	1.00

	The Group			
	Quarter ended 30.09.2015	Quarter ended 30.09.2014	Period ended 30.09.2015	Period ended 30.09.2014
(b) Diluted earnings per ordinary share				
Net profit attributable to equity holders of the Company (S\$'000)	298	10,762	2,934	12,286
Weighted average number of ordinary shares outstanding ('000)	1,734,420	1,301,095	1,734,789	1,234,041
Diluted earnings per ordinary share (cents)	0.02	0.83	0.17	1.00

As at 30 September 2015, there were share options for a total of 20.60 million (30 September 2014: 22.25 million) ordinary shares under the YSH ESOS 2012 that were outstanding. The weighted average number of shares on 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 2015 and 30 September 2014.

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	
	30.09.2015	31.03.2015	30.09.2015	31.03.2015
Net asset value per share (cents)	37.04	38.26	32.98	33.18

The net asset value per ordinary share attributable to equity holders of the Company was calculated based on the number of ordinary shares in issue being 1,734,817,620 as at 30 September 2015 and 31 March 2015.

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 2Q2016 decreased significantly to S\$19.92 million as compared to S\$41.22 million in the previous corresponding quarter ended 30 September 2014 ("2Q2015"). Below is the breakdown of revenue:-

	2Q2016		2Q2015	
	S\$'million	As a percentage of total revenue	S\$'million	As a percentage of total revenue
Sales of residences and LDRs	7.84	39.4%	37.44	90.8%
Rental of properties	2.54	12.7%	0.69	1.7%
Real estate services	1.76	8.8%	2.69	6.5%
Automotive	6.39	32.1%	0.40	1.0%
Food & Beverages	1.39	7.0%	-	-
Total	19.92	100.0%	41.22	100.0%

The revenue generated by the sales of residences and land development rights ("LDRs") reduced significantly in 2Q2016 as compared to 2Q2015. The main reason was due to the recognition of revenue for the sale of LDRs relating to Zone C that amounted to S\$25.24 million in 2Q2015 while there was no such revenue in 2Q2016. Revenue generated by this segment in this current quarter came mainly from Pun Hlaing Golf Estate ("PHGE") which amounted to S\$4.98 million. It consisted of revenue from sales of completed houses in the current quarter and development properties which are recognised based on percentage of completion and share of profits arising from sold and completed houses under a participation agreement with a third party investor. The revenue recognised for Buildings A3 and A4 in Star City had decreased to S\$0.44 million in 2Q2016 as compared to S\$4.81 million in 2Q2015 due to the completion of Building A3 in the quarter ended 31 March 2015. The construction of A4 was at its final stage of construction as at 30 September and certain units have been handed over to the end buyers. The remaining balance of unrecognised revenue relating to the sales of units in Building A4 of approximately S\$3.25 million is expected to be recognised within the next quarter when construction is completed. In 2Q2016, the Group also recognised a performance fee relating to Zone C of Star City of S\$2.41 million.

The rental revenue generated from the Group's investment properties increased to S\$2.54 million in 2Q2016 as compared to S\$0.69 million in 2Q2015. The increase in the rental revenue was mainly generated from the Group's Building A5 in Star City Zone A and Lakeview G in PHGE which recorded higher occupancy.

The revenue from the Group's automotive segment increased significantly to S\$6.39 million in 2Q2016 as compared to S\$0.40 million in 2Q2015, mainly due to the revenue contributed by Convenience Prosperity which was acquired in February 2015.

The Group also recorded revenue of S\$1.39 million from its first KFC store, which was opened on 30 June 2015, in 2Q2016.

Gross profit margin improved to 44.8% in 2Q2016 as compared to 37.7% in 2Q2015. This improvement was largely due to a higher portion of the revenue from the real estate segment in 2Q2016 being derived from PHGE which contributed a higher margin as compared to Star City. The higher rental income from properties and the maiden revenue contribution from the KFC store in 2Q2016 also contributed to the improvement of the gross profit margin.

Included in other gains, net are the following items:-

The Group				
S\$'000				
Quarter ended		Period ended		
30.09.2015	30.09.2014	30.09.2015	30.09.2014	
Fair value gains on investment properties ^(a)	-	8,125	-	14,542
Interest income ^(b)	556	11	1,121	18
Currency translation gains, net	6,318	2,038	6,726	622
Others	12	413	778	1,123
	6,886	10,587	8,625	16,305

- (a) During the previous corresponding period ended 30 September 2014, the Group transferred development properties relating to Star City's Zone A Building A5, which is held for long-term leasing purpose, to investment properties. As a result, the Group recognised a total of S\$14.54 million fair value gain during the previous corresponding period ended 30 September 2014. There was no such fair value gain in the current period.
- (b) Interest income in the current quarter and current period ended 30 September 2015 was higher than the previous corresponding quarter and period ended 30 September 2014. It was derived mainly from customers of Convenience Prosperity that are under installment payment schemes for the purchase of tractors. As Convenience Prosperity was acquired in February 2015, there was no such interest income in the previous corresponding quarter and period ended 30 September 2014. Another source of interest income in the current period was from the interest charged for a loan to a third party.

Included in finance cost, net are the following items:-

The Group			
S\$'000			
Quarter ended		Period ended	
30.09.2015	30.09.2014	30.09.2015	30.09.2014
Interest expense on borrowings ^(a)	986	319	1,408
Currency translation losses on borrowings, net ^(b)	2,919	94	2,668
	3,905	413	4,077
			610

- (a) Interest expense on borrowings increased by S\$0.67 million in the current quarter due to the increase in borrowings. The total borrowings as at 30 September 2015 was S\$66.98 million as compared to S\$24.63 million as at 30 September 2014.
- (b) Included in finance cost is the currency translation losses that were due to the strengthening of United State dollars, which majority of the borrowings are denominated in, against the functional currencies (i.e. Chinese Yuan and Singapore dollars) of the borrowing entities.

Administrative expenses increased to S\$12.44 million in 2Q2016 as compared to S\$9.18 million in 2Q2015. The increase was mainly due to:

- (a) the once-off share-based payment to CEO of S\$0.91 million and
- (b) the administration expenses amounting to S\$2.99 million that were incurred by new subsidiaries relating to the New Holland tractors, Landmark development and the KFC businesses.

As a result of the above, the Group recorded a lower net profit attributable to equity holders of the Company of S\$0.30 million in 2Q2016 as compared to net profit attributable to equity holders of S\$10.76 million in 2Q2015.

BALANCE SHEET

Retained profits as at 30 September 2015 decreased to S\$67.62 million mainly due to the net profit attributable to equity holders of the Company of S\$2.93 million recorded during the current period ended 30 September 2015. The net assets attributable to equity holders of the Company decreased by S\$19.23 million to S\$642.59 million as at 30 September 2015 as compared to S\$661.82 million as at 31 March 2015. The decrease was due to the lower net profit recorded during the current period and the currency translation losses of loans between subsidiaries within the Group at the consolidation level which are in substance, a part of the entity's net investment in those foreign operations as explained in the Group's results announcement for the quarter ended 30 June 2015.

Value of investment properties decreased to S\$149.40 million as at 30 September 2015 as compared to S\$156.14 million as at 31 March 2015. The decrease was mainly due to currency translation differences. The Group has Building A5 in Star City, Lakeview G in PHGE and the retail mall in Dalian under its investment properties portfolio.

Intangible assets, net of accumulated amortisation, was S\$32.11 million as at 30 September 2015 and comprised:-

- (a) operating rights in respect of the PHGE Golf Course and Country Club and the PHGE Estate of S\$15.91 million, (31 March 2015: S\$16.13 million);
- (b) operating rights in respect of the agriculture activities at Maw Tin Estate of S\$10.11 million (31 March 2015: S\$10.37 million);
- (c) intangible asset in respect of the air operator certificates of S\$1.26 million (31 March 2015: S\$1.43 million);

- (d) intangible asset in respect of the distributor agreement that Convenience Prosperity had entered into with CNHI International SA whereby Convenience Prosperity was appointed to market and sell its New Holland agricultural tractors within Myanmar of S\$4.04 million (31 March 2015: S\$4.26 million); and
- (e) provisional goodwill arising from acquisition of new subsidiaries during the current period of S\$0.79 million.

The decrease in intangible assets was due to amortization of S\$0.86 million for the current period ended 30 September 2015.

The LDRs of S\$227.20 million as at 30 September 2015 were made up of LDRs in Star City amounting to S\$94.86 million and LDRs held for sale and development in PHGE and FMI City amounting to S\$132.34 million. As at 30 September 2015, the Group held economic interests in 70% of the LDRs of approximately 4.79 million square feet in PHGE, 100% of the LDRs of approximately 1.16 million square feet (including the Lakeview project) in PHGE and 52.5% of the LDRs of approximately 0.17 million square feet in FMI City.

Investments in associated companies increased from S\$40.41 million as at 31 March 2015 to S\$52.20 million as at 30 September 2015. As at 30 September 2015, the Group's investment in associated companies consisted mainly of its 25% interest in Digicel Asian Holdings, which is in the business of development, construction and leasing of telecommunications towers, amounting to S\$25.96 million and 50% interest in Access Myanmar Distribution Co. Ltd ("AMDC"), which is in the business of the production, branding, marketing and distribution of bottled water, spirits, wines, beers, alcoholic beverages and other FMCG products in Myanmar, amounting to S\$25.98 million. The increase of S\$11.79 million as compared to S\$40.41 million as at 31 March 2015 was mainly attributable to the inclusion of an additional 20% interest in AMDC (which amounted to S\$9.86 million) in the Group's financial statements. This inclusion was the result of a shareholders' arrangement between the Group and PMM Partners Limited (which owns the 20% interest in AMDC) in relation to AMDC's business. Notwithstanding this consolidation, the Group's effective interest in AMDC remains unchanged at 30%.

Development properties increased from S\$169.21 million as at 31 March 2015 to S\$187.39 million as at 30 September 2015, mainly due to the capitalisation of land and construction costs relating to the international school in Star City to development properties.

Trade and other receivables (current and non-current portions) decreased slightly to S\$111.25 million as at 30 September 2015 as compared to S\$106.19 million as at 31 March 2015. The total amount of S\$111.25 million of trade and other receivables were made up mainly of:-

- (a) S\$24.70 million of unbilled trade receivables and S\$32.19 million of non-current trade receivables;
- (b) S\$22.78 million of current trade receivables; and
- (c) S\$9.80 million of interest-bearing loan to a non-related party.

As at 30 September 2015, trade and other payables increased slightly to S\$60.36 million as compared to S\$59.55 million as at 31 March 2015. Included in trade and other payables were:-

- (a) current payables for construction works of S\$10.36 million;
- (b) accruals, which were mainly made up of uncertified and unbilled construction cost, of S\$19.43 million and
- (c) advance receipts from customers, mainly for the sale of houses in PHGE and Star City, of S\$18.15 million.

The current borrowings as at 30 September 2015 increased to S\$44.17 million as compared to S\$10.00 million as at 31 March 2015. The increase was due to the reclassification of the loan owing by the Group's wholly-owned subsidiary, Xun Xiang from non-current to current as well as additional loans provided by two financial institutions. The loan owing by Xun Xiang is secured by an investment property (i.e. retail mall in Dalian, China) held by Xun Xiang and one of the loans amounting to S\$10.00 million is supported by a personal guarantee given by the Company's Executive Chairman, Mr Serge Pun. The non-current borrowings of S\$22.81 million (or US\$16.00 million) as at 30 September 2015 was due by the Company. During 2Q2016, the Company made a drawdown of US\$16.00 million from the US\$100.00 million loan facility that was given to the Company by the Asian Development Bank. The loan of US\$16.00 million is secured by shares in the Company's wholly-owned subsidiary, YSH Finance Ltd (which holds the Company's 25% interest in Digicel Asian Holdings).

CASHFLOW STATEMENT

Cash and bank balances stood at S\$18.03 million as at 30 September 2015 as compared to S\$20.03 million as at 31 March 2015. In 2Q2015, net cash used in operating activities was S\$5.19 million mainly due to the loss recorded in the current quarter. The aggregate amount of cash used in operating activities of S\$5.03 million and investing activities of S\$30.39 million was mainly provided by the aggregate amount of cash from financing activities of S\$34.09 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 2015 and the actual results for the quarter ended 30 September 2015.

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 election held on 8 November 2015 marks an historic milestone in Myanmar. As the new government may not be formed until April 2016, the near term political uncertainty may continue to weigh on business sentiment. The Group is optimistic that the formation of the next administration could provide the catalyst for the next phase of economic development and investment in the country.

The property market has been significantly impacted during the recent months as buyers delay their purchase decision ahead of the election. The near term outlook for the property market will likely be slow until the new government is formed. The Group will phase the development of its projects according to market conditions. In the meantime, the Group will continue to explore opportunities to work with investors to develop properties to increase its leasing income.

The automotive businesses recorded strong growth, in particular in the New Holland tractor and the Yoma Fleet businesses. The growth is expected to continue as the agriculture industry develops and companies further expand in the country.

The KFC business is expected to grow in the near to medium term driven primarily by additional store counts. The second KFC store was opened in October 2015 and the third is expected to be opened in the coming weeks. The Group has plans to open additional KFC outlets in 2016.

As announced by the Company on 2 October 2015, the Company is still in discussions with edotco Group Sdn Bhd regarding its 25% shareholding in Digicel Asian Holdings Pte Limited. The Company expects to make a decision on this investment within 3Q 2016 and will make an announcement when there is material development.

The Group's Balloons over Bagan business which usually runs from October-April each year will likely benefit from the continued interest from tourists visiting the country. Myanmar Ministry of Hotels and Tourism is expecting tourist arrivals in 2015 to reach 4.5 million, surpassing the 3.8 million tourist arrivals in 2014.

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/recommendeded, a statement to that effect.

No dividend has been declared/recommendeded.

PART II- ADDITIONAL 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 period ended 30 September 2015 are set out below.

Name of Interested Person	Aggregate value of all interested person transactions during FY2016 (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 FY2016 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	-	1,401
(b) Sales	-	729
(c) Treasury transactions	-	594
(d) Land development rights transactions	-	334
(e) Prepayments for projects	-	343

* Shareholders' mandate was renewed and approved at the Annual General Meeting held on 27 July 2015. Accordingly, the aggregate value of all interested person transactions is presented for the period ended 30 September 2015.

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 2015 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Melvyn Pun
CEO
12 November 2015

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