

Media Release

Yoma Strategic continues growth path with 1QFY13 net profit rising 88.5% to S\$2.16 million and announces its intention to join hands with Parkson in its move into the retail sector in Myanmar

- **1QFY13 revenue increased 130.7% to S\$13.62 million (1QFY12: S\$5.91 million)**
- **All units in Yoma Strategic's first building in Star City fully sold – launching next phase of sales in 2QFY13**
- **Yoma Strategic, along with First Myanmar Investment Company Limited ("FMI"), to establish a joint venture to operate department stores in Myanmar with the Parkson group**
- **Serge Pun & Associates (Myanmar) Limited ("SPA") indicates it may be close to taking control of site in central Yangon which will be offered to Yoma Strategic**

Singapore, 14 August 2012 –Yoma Strategic Holdings Limited's ("**Yoma Strategic**", "祐玛战略控股有限公司", or together with its subsidiaries, the "**Group**") net profit attributable to shareholders for the three months ended 30 June 2012 ("**1QFY13**") jumped 88.5% to S\$2.16 million, on the back of a 130.7% increase in revenue to S\$13.62 million as compared to the previous corresponding quarter ("**1QFY12**").

Also today the Group announces that it has signed a Memorandum of Agreement ("**MOA**") with Parkson Retail Asia Limited ("**PRA**"), Parkson Myanmar Co. Pte Ltd ("**Parkson Myanmar**"), a wholly owned subsidiary of PRA, and FMI, a company within the SPA group, to establish a joint venture company ("**JVCo**") to operate department stores in the name and style of "Parkson Department Store" in Myanmar.

The Board of Directors of Yoma also wishes to announce that SPA has indicated to the Company that SPA is finalising the acquisition of approximately 10 acres of land in central Yangon. SPA intends to serve the Company a formal notice under the First Right of Refusal Deed dated 17 August 2006 upon finalisation of this acquisition. This could potentially lead to discussions involving the participation by the Company in a new development project on this land. The Company will make the relevant announcements as and when there are any material developments.

Financial Highlights

<i>In S\$ million except otherwise stated</i>	1QFY13	1QFY12	Change
Revenue	13.62	5.91	130.7%
Gross Profit	5.06	1.58	220.4%
Gross Profit Margin (%)	37.1	26.7	10.4%pts
Net Profit attributable to shareholders	2.16	1.15	88.5%
Earnings Per Share (Singapore cents)	0.32	0.22	45.5%

Property development continues to be main driver

The bulk of the Group’s revenue for the current quarter came mainly from the sales of housing and land development rights (LDRs) generating a revenue of S\$11.71 million (approximately 86% of total revenue) compared to S\$5.63 million in 1QFY12 (approximately 95.3% of total revenue).

For 1QFY13, the Group observed that the selling prices of LDRs and housing in Myanmar have increased by approximately 20 - 25%, resulting in an improvement of 10.4 percentage points to the Group’s gross profit margin, from 26.7% in 1QFY12 to 37.1% in 1QFY13.

Yoma Strategic refined its real estate strategy by emphasising more on the sale of housing instead of focusing on both the sale of LDRs and housing. As a result, 24 plots of LDRs (with total revenue of S\$4.50 million) were sold in 1QFY13 compared to the 44 plots of LDRs sold in 1QFY12 (with total revenue of S\$3.05 million). Revenue derived from the sale of housing on a percentage-of-completion basis, also increased significantly from S\$2.58 million in 1QFY12 to S\$7.21 million in 1QFY13.

The net assets attributable to shareholders of the Company increased to S\$239.04 million as at 30 June 2012 from S\$135.76 million as at 31 March 2012. This was due to the completion of the rights exercise on 29 June 2012 and the net profit for the current quarter. Cash and bank balances stood at S\$80.15 million as at 30 June 2012 with S\$40.16 million reserved for paying the balance consideration for the Star City acquisition, compared to S\$20.08 million as at 31 March 2012.

Cash from operating activities improved significantly to S\$10.91 million in the current quarter due to advance receipts from the sales of housing and sales proceeds from the sales of LDRs. As at 30 June 2012, net asset value per share¹ was 25.2 Singapore cents remained relatively unchanged compared to 25.7 Singapore cents as at 31 March 2012.

All the units of first building in Star City sold

Following the successful acquisition of the Star City project on 1 June 2012, the Group has sold all 264 apartment units of its first building in Star City and has plans to launch the next phase of sales in the second quarter of the financial year ending 31 March 2013 (“**2QFY13**”), i.e. July to September 2012.

Although the sales of the apartment units in Star City have been strong, Yoma Strategic has yet to account for any revenue and associated costs derived from these sales as sales are recognised on a percentage-of-completion basis. The revenue and the associated costs from the sale of apartment units of Yoma Strategic’s first building are expected to start being recorded this financial year (“**FY2013**”).

“As Myanmar’s leading property developer we have a reputation for bringing to market properties of compelling value and quality. The success of the sale of apartments in the Star City project shows that we are able to leverage that reputation with new development projects and satisfy the demand from home buyers who want a higher quality than is generally available in the local market”, Yoma Strategic’s Chief Executive Officer, Mr Andrew Rickards commented.

¹The net asset value per ordinary share was calculated based on the number of ordinary shares in issue being 949,765,215 (31 March 2012: 527,647,342).

Mr Rickards added ***“In addition to focusing on the development of the existing projects within the Company, Yoma Strategic continues to look for new opportunities in real estate. We will therefore follow with interest any new developments such as the possibility to partner with the SPA Group in the 10 acres site in a central location in downtown Yangon mentioned at the beginning of this media release. We will inform shareholders of any further developments as they occur.”***

Building up the other existing businesses

Agriculture

The Group’s agricultural division is continuing the planting of black pepper. Additionally, the Group continues to explore potential partnerships with international companies for other crops that are suitable for growth at its Maw Tin estate in the Ayerwaddy Division as well as agricultural opportunities in other parts of Myanmar. However, given the long gestation period required, it is unlikely that Yoma Strategic’s agricultural business will have a material impact on the Group’s revenue for the next couple of years.

Automobile Dealership

In the last few months, the Group has experienced an increased level of interest in the Myanmar automobile market from a number of the world’s larger automotive companies. The Group has recently restructured the management of its Dongfeng trucks business to sharpen its focus in this area. It is also considering the possibility of widening its activities in this division. For 1QFY13, the Group’s automobile dealership business recognised revenue of S\$1.48 million of which S\$1.43 million was sales made to a related party.

“While property development continues to be our main growth engine, we are still committed to developing our other business arms. We are taking steps to grow our agriculture and automobile dealership businesses and in time look forward to their contribution.” Mr Rickards added.

Retail

Yoma Strategic has today signed an MOA with PRA, Parkson Myanmar and FMI to establish a joint venture company to operate department stores in the name and style of “Parkson Department Store” in Myanmar.

Under the MOA, Myanmar’s first Parkson Department Store is expected to be located in FMI Centre in the Pabedan Township of Yangon, and is likely to comprise four storeys with a built-up area of approximately 43,000 square feet. It is targeted to be open for business by 31 March 2013 or such other date to be agreed upon by all parties.

It is expected that Parkson Myanmar will hold 70% of the JVCo while Yoma Strategic and FMI will hold 20% and 10% respectively. The JVCo is expected to have an initial paid up capital of USD3 million. Yoma Strategic’s share of the capital for the JVCo, at USD600,000, will be sourced from internally generated funds.

The Board of Yoma Strategic believes that the proposed JVCo with Parkson Myanmar and FMI will present an opportunity to gain exposure to the retail sector in Myanmar. This is at a time when consumer spending in Myanmar is expected to rise in tandem with increased economic activity.

Parkson Retail Asia Limited is a Southeast Asia based departmental store operator with extensive network of 54 stores (including one supermarket) as at 30 June 2012, spanning approximately 553,695 sqm of retail space across cities in Malaysia, Vietnam and Indonesia.²

“Consumer spending is on the rise in Myanmar given the increasing level of economic activity and the increased level of confidence for the future. This partnership with one of Asia’s leading department store operators is a great opportunity for Yoma Strategic to gain exposure to the retail sector in Myanmar. The Parkson brand is well recognised in Southeast Asia and having them as our partner will ensure that our departmental stores in Myanmar are run professionally. We look forward to working together with them towards an exciting future.” Mr Rickards commented.

² Source: Press Release of Parkson Retail Asia Limited dated 8 August 2012

Once the detailed and definitive terms of the joint venture are agreed upon and a binding joint venture agreement is signed between the parties, details of the same will be announced. The proposed JVCo will be an interested party transaction as FMI is a subsidiary of SPA, where Mr Serge Pun, the Executive Chairman and a controlling shareholder of Yoma Strategic, is also the Chairman of SPA and owns a 95% interest in it.

Political and economic outlook

At the political level, there continues to be great progress such as the appointment of United States' ("US") first ambassador to Myanmar since 1990, the easing of sanctions on Myanmar by the US Government and Aung San Suu Kyi's election into the Myanmar parliament. These positive developments continue to pave the way for a continued opening of the Myanmar economy to the benefit of the people of Myanmar and the business community, including Yoma Strategic and SPA Group, its affiliate in Myanmar.

“Over the last few months, we have observed a high level of interest from international organisations looking to enter the Myanmar market. We are in talks with a number of potential partners in areas relating to our existing business activities as well as new potential areas of business. Our entry into the retail business with Parkson is an example. Myanmar is a country that needs huge investment in virtually all sectors and being on the ground today we can truly feel the pulse of this country.” Mr Rickards concluded.

-End-

Note to media: This media release is to be read in conjunction with the Group's announcements dated 14 August 2012 released on the SGXnet.

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

Listed on the Mainboard of the Singapore Exchange, Yoma Strategic Holdings Ltd., is a leading business corporation with real estate, agriculture and automobile dealership businesses in Myanmar and the People's Republic of China. Together with its partner, the SPA Group, the Group is taking a conglomerate approach to build a diversified portfolio of businesses in Myanmar.

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