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## Yoma Strategic records S\$100 million revenue milestone

- FY2014 revenue increased over 66% year-on-year to S\$100.5 million
- FY2014 net profit up 67.8% to S\$23.9 million and FY2014 net profit attributable to shareholders rose 13.5% year-on-year to S\$16.4 million
- Strong revenue growth driven by Real Estate Division contributing 91% of the Group's turnover in FY2014

FINANCIAL HIGHLIGHTS						
In S\$ million except otherwise stated	4Q2014	4Q2013	Change	FY2014	FY2013	Change
Revenue	27.5	20.5	34.4%	100.5	60.5	66.2%
Gross Profit	12.8	8.6	49.0%	44.7	26.2	70.4%
Gross Margin	46.4%	41.9%	4.5%pt	44.4%	43.3%	7.5%pt
Net Profit	8.1	11.4	(29.4%)	23.9	14.3	67.8%
Net Profit attrib. to Shareholders	6.4	11.5	(44.9%)	16.4	14.4	13.5%
Earnings per Share (Singapore cents)	0.55	1.00	45.0%	1.42	1.45	-2.1%

Singapore, 21 May 2014 – 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 that, for the first time since its listing in 2006, revenue for the full year ended 31 March 2014 (“FY2014”) exceeded S\$100 million with a strong 66.2% year-on-year growth, resulting in a record net profit of S\$23.9 million for the year.

### Strong full year results

The Group achieved a record net profit of S\$23.9 million in FY2014 and a net profit of S\$8.1 million in the fourth quarter ended 31 March 2014 (“4Q2014”). The robust performance was achieved on the back of strong revenue growth, recording an impressive 66.2% increase to S\$100.5 million from S\$60.5 million in the previous financial year (“FY2013”). The strong revenue growth was largely attributed to the Group's Real Estate Division and the maiden revenue contribution from its ‘Balloons Over Bagan’ tourism business.

Revenue from the Real Estate Division in FY2014 jumped 64.6% to S\$91.0 million from S\$55.3 million in FY2013. This was driven by sustained sales of land development rights and residences in its key flagship projects - Star City and Pun Hlaing Golf Estate. Overall, this segment contributed 91% of the Group's turnover in FY2014.

In line with the Group's strategy to build a base for recurring earnings for the future, a 16-unit apartment block in Pun Hlaing Golf Estate has been retained as an investment property. As a result, a fair value gain of S\$5.2 million was recorded in 4Q2014.

The Group's 'Balloons Over Bagan' tourism business also benefitted from the growing tourism market in Myanmar. The 'Balloons Over Bagan' business operating season, which runs from October to March every year, contributed its second quarterly revenue contribution of S\$3.3 million in 4Q2014. This business segment contributed 5.2% of the Group's turnover in FY2014.

Staff costs in FY2014 rose to S\$13.1 million as compared to S\$6.6 million in FY2013 reflecting the Group's continuous investment in its people and the expansion of its employee base as the Group continues to grow and build capacity.

Gross profit margin increased marginally to 44.4% in FY2014 as compared to 43.3% in FY2013. After stripping out the significant non-operating items, net profit attributable to shareholders increased by 13.4% to S\$13.9 million in FY2014 from S\$12.3 million for the same period last year. Earnings per share declined marginally to 1.42 cents in FY2014 as a result of a slightly increased shareholder base.

Commenting on the financial results, Andrew Rickards, CEO of Yoma Strategic said, "Our continued strong performance is testament to the soundness of our business strategy, the positive macroeconomic environment in Myanmar and the dedication and commitment of our people. Our Real Estate Division in particular has continued to thrive by delivering some of the best homes in the country helping to sustain strong earnings growth."

### **Strong take up at Star City**

Capitalising on the continued demand and limited supply of upper-mid market residential properties, Star City sales have remained robust. As at 31 March 2014, the Group has sold 528 units in Star City's Zone A Buildings A3 and A4, which amounted to approximately S\$61.1 million in revenue. Based on the percentage-of-completion revenue recognition, the Group recognised S\$10.03 million in 4Q2014 for Buildings A3 and A4, significant progress compared

to the S\$14.8 million recognised in the previous six periods combined. The balance of unrecognised revenue of approximately S\$36.3 million is expected to be recognised within the next 9 to 15 months as construction progresses.

Demand for the apartments in Star City Zone B, which was developed as a collaboration between the Group and a third party investor, has been strong. As a result, the Group received an additional S\$3.0 million incentive fee relating to Buildings B2 and B5 as the Group achieved the stipulated sales target. The incentive fees relating to the Buildings B3 and B4 are expected to be recognised in the coming quarters as and when the sale targets are met.

Out of 1,043 units in Star City Zone B, the Group sold during the current financial year 622 units, of which 148 units were sold in 4Q2014. Furthermore, the Group has received booking deposits for an additional 111 units as at 31 March 2014.

### **Net Asset Value per Share rose steadily**

The net assets attributable to the equity holders of the Group increased by S\$14.1 million to S\$371.5 million as at 31 March 2014 compared to S\$357.45 million as at 31 March 2013.

The Group's cash and bank balances decreased to S\$16.7 million as at 31 March 2014 as compared to S\$106.2 million as at 31 March 2013. The cash outflow is largely used for new investments including the purchase of new land sites and to support the Group's expanding operations.

Borrowings for the Group halved to S\$14.3 million as at 31 March 2014 and related to a loan attributed to the Group's wholly-owned subsidiary, Xun Xiang (Dalian) Enterprise Co Ltd ("Xun Xiang") which is secured by an investment property (retail mall) in Dalian, China.

The Group's net asset value per share as at 31 March 2014 was 32.1 cents as compared to 30.9 cents as at 31 March 2013.

### **Outlook**

As the Myanmar Government maintains its momentum on policy reform while engaging the international community, the Group foresees stronger investment flows from foreign companies which will contribute to further develop the country's economy. These foreign investors, across various sectors, will seek out local partners, create economic spin-off for other businesses, as well as create employment that will raise the wealth of the people.

“As the positive economic momentum continues, the Group expects the sale of residences in its key projects to pick up. We are continuously looking at ways to enhance the attractiveness of the communities that we are developing such as the proposed establishment on-site of international and local schools,” said Andrew Rickards. He added, “The first phase of the Thilawa SEZ is expected to be completed next year and Star City, which is located in its vicinity, is likely to see stronger take-up rates as a result. The Group is actively looking for new projects to build up its land bank including projects likely to be targeted at the more affordable end of the market.”

The Group's strategic initiatives in the Agriculture and Logistics space together with strong international partners like IFC, ED&F Man and Kokubu and its experienced management team will help to build a solid foundation for the development of these two key sectors of Myanmar's economy with strong potential for future growth. For example, the dairy project to locally manufacture UHT milk will allow the Group to be involved at an early stage in the Myanmar milk consumption culture which will give it a significant first mover advantage in this business.

Commenting on these developments, Yoma Strategic's Executive Chairman, Serge Pun concluded, "Looking ahead, we are optimistic about both our medium and long-term growth prospects, as we continue our focus on employing a prudent and disciplined approach to business development. Being one of the largest developers in Myanmar, we believe our real estate developments will continue to benefit from ongoing urbanisation as well as the mismatch in supply and demand in the residential market which has been built up over many years. In addition, we are also optimistic that a number of our more recent investments will help us build new growth engines for the future that will help achieve greater long-term sustainable growth for our shareholders.”

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*\*This press release should be read in conjunction with Yoma Strategic's FY2014 results announcement released on 21May 2014 on the SGX-Net.*

**About Yoma Strategic Holdings Ltd. ([www.yomastrategic.com](http://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 real estate, agriculture, automotive and luxury tourism 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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