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Yoma's 2Q results solid as Star City shows impact

- **Revenue increases 59% in 2Q2012 to S$11.6M (2Q2011: S$7.3M)**
- **Gross profit rises 172% in 2Q2012 to S$5.48M in-line with previous quarters**
- **Star City sales strong as impact of acquisition immediately felt**
- **Announcement expected soon on downtown Yangon commercial development**

Singapore, 22 October 2012 – Yoma Strategic Holdings Ltd. ("Yoma", "祐玛战略控股有限公司", or collectively with its subsidiaries, the "Group") is pleased to announce its financial results for the second quarter ("2Q2012") and half year ended 30 September 2012 ("1H2012").

2Q2012 and 1H2012 Results Highlights

FINANCIAL HIGHLIGHTS						
In S$ million except otherwise stated	2Q2012	2Q2011	Change	1H2012	1H2011	Change
Revenue	11.60	7.28	59%	25.21	13.20	91%
Gross profit	5.48	2.01	172%	10.53	3.60	193%
Gross margin	47.2%	27.7%	20% pts[1]	41.77%	27.3%	14% pts[1]
Net profit/(loss) attrib. to s/holders	(4.94)	1.39	NM	(2.44)	4.07	NM
Earnings per share (Singapore cents)	(0.44)	0.26	NM	(0.26)	0.48	NM

[1] % pts: percentage points

The Group's 2Q2012 revenue of S$11.60 million exceeded 2Q2011 revenue by S$4.32 million or 59.4%. Revenue from the sale of residences rose more than three times from S$1.77 million in 2Q2011 to S$7.47 million in 2Q2012 reaffirming the Group's strategy to move towards the sale of completed projects versus the sale of LDRs.

Gross margin increased 20 percentage points from 27.7% in 2Q2011 to 47.2% in 2Q 2012, due to the higher selling prices of Land Development Rights ("LDRs") and houses which climbed 20%-25% year-on-year and a reversal of construction costs of approximately S$1 million. After stripping out the effect of the reversal of these construction costs the gross profit margin is 38.6% for the current quarter, a 10.9 percentage point increase on 2Q2011.

Non-cash charges to the P&L

Administrative expenses in the current quarter increased significantly by S$8.73 million to S$9.28 million as compared to S$0.55 million in 2Q2011. Hence the Group recorded a net loss attributable to shareholders of S$4.12 million, compared to a net profit of S$1.39 million in 2Q2011.

Administrative expenses for 2Q2012 contained two non-cash items which significantly impacted net profit. At the EGM on 25 May 2012, the Group received shareholder approval to implement YSH ESOS 2012 as well as the allotment and issue of 14.5 million new ordinary shares to the CEO, Mr Andrew Rickards, as part of his service agreement. On 2 July 2012, options comprising 15.75 million ordinary shares at an exercise price of S$0.31 were granted to senior employees and Directors of the Group under YSH ESOS 2012 to recognise their contribution to the success and development of the Group, which led to a non-cash fair valuation charge of S$493,000 under administrative expenses. On 20 July 2012, Mr Rickards was allotted and issued 14.5 million new ordinary shares of the Company, resulting in a one-off, non-cash charge of S$5,437,000 (calculated based on the market price on the day of shareholders' approval). If these non-cash items such as share based payment to CEO and Employee Share Option Expenses are stripped out of administrative expenses, the Group would have returned a net profit attributable to shareholders of approximately S$1.69 million for the quarter, an improvement of 21.6% from the previous corresponding quarter.

Yoma's Chief Executive Officer, Mr Andrew Rickards commented: ***"The full benefits of our acquisition of Star City are now beginning to be felt, as demand for high quality apartments in Yangon continues to grow. In addition, our shift in focus from selling LDRs to finished residences, such as Ivory Court II at Pun Hlaing Golf Estate, along with market price increases is helping to improve margins. When several non-cash items are stripped out of the P&L, our operating and net profits are in-line with prior quarters."***

Robust balance sheet

Net assets increased by S$104.32 million to S$240.08 million as at 30 September 2012 as compared to S$135.76 million as at 31 March 2012 due to the completion of the rights issue exercise and the issuance of 14,500,000 new ordinary shares to the CEO pursuant to his service agreement.

LDRs (both current and non-current portions) increased from S$57.82 million as at 31 March 2012 to S$184.74 million as at 30 September 2012 following the successful acquisition of 70% economic interests in the remaining LDRs of the Star City project on 1 June 2012.

The Group's net current assets position has also improved from S$31.69 million as at 31 March 2012 to S$44.08 million as at 30 September 2012 mainly due to an increase in bank balances resulting from the rights issue and cash generated from sales of LDRs, houses and apartments.

Similarly trade and other payables increased to S$22.93 million as compared to S$11.49 million as at 31 March 2012 due to advances received from customers during the current financial period for sales of houses in Ivory Court, Lakeview and Star City Building 3 of S$15.15 million.

Revenue recognition at Star City

The Group's recent acquisition, Star City, is a transformative real estate development. The master-plan currently consists of 28 buildings and a total capacity of approximately 9,000 units which should provide housing for 25,000 to 30,000 residents. Since the acquisition the Group has been marketing units in buildings 3 and 4 (buildings 1 and 2 were sold by the vendor and the economic benefits do not accrue to the Group). As at 30 September 2012 the Group had sold 224 units out of a total 264 units in building 3 and 25 units out of a total 264 units in building 4 (with booking deposits received for an additional 21 units).

Subsequent to 30 September 2012, Star City sales have continued to be strong. Revenue at Star City is recognised on a percentage completion basis and as at 30 September 2012, the Group has received cash deposits of S$9.28 million representing approximately 30% of the total contractual price of these units. The Group has recognised revenue amounting to S$2.44 million (based on 9% of completion) from this cash. The remaining S$6.84 million of cash received is accrued for on the balance sheet and will be recognised as the units are completed.

Mr Rickards commented: ***"The Star City acquisition provides the bedrock of our future growth with a pipeline of sales for the next 8 to 10 years. In addition to actual sales the Group is also considering to retain a number of apartments for rental rather than sale, as the current supply/demand mismatch in the rental market in Yangon suggests that yields will be attractive for the foreseeable future. We are also hopeful that we will soon be able to announce our involvement in the development of 10 acres of land in downtown Yangon currently being discussed with the SPA Group which would herald our entry as a major player in Yangon's commercial real estate market."***

Compelling Outlook

At the political level there continues to be very positive developments in Myanmar. The President of the Republic of the Union of Myanmar, U Thein Sein, and the leader of the National League for Democracy , Daw Aung San Suu Kyi, made historic visits to the United States in September which heralded in a new era of cooperation between Myanmar and the United States. The management believes that this will help spur a greater level of business interest from US organisations which could bode well for the Group as it is not on the prohibited persons list as maintained by the US authorities. There is also an expectation that the new foreign investment law will be passed within the next 12 months, further encouraging economic development.

-End-

Note to media: This media release is to be read in conjunction with the Group's results announcement dated 22 October 2012 released on the SGXnet.

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 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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