Media Release

Real Estate business drives 13.9% revenue growth

S$15.9 million net loss to shareholders caused by S$11.3 million currency translation losses from USD appreciation

- Yoma Land recorded a 44.9% year-on-year increase in revenue, pointing to signs of a stabilising real estate market
- KFC continued its nationwide expansion, lifting the Yoma F&B revenue by 46.8% year-on-year
- Yoma Fleet expands to 872 vehicles with a total assets of S$41.5 million

FINANCIAL HIGHLIGHTS In S$ million except otherwise stated	1Q2019	1Q2018	Change
Revenue	**29.4**	**25.8**	**13.9%**
Gross Profit	**10.3**	**10.5**	**(1.6%)**
Net (Loss)/Profit	**(20.0)**	**3.9**	**NM**
Net (Loss)/Profit attrib. to Equity Holders	**(15.9)**	**2.8**	**NM**

Singapore, 24 July, 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 first quarter ended 30 June 2018 ("1Q2019").

"*Yoma Land's revenue growth points to a stabilising property market. Whilst Yoma F&B and Yoma Financial Services continue to grow steadily, our results are negatively impacted by the large currency translation losses from our USD borrowings, which are used to finance our businesses tied to USD. Although the accounting currency translation losses are undesirable, we believe the economic value of the business is appropriately hedged.*"

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

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“Myanmar’s economy is expected to continue its growth path supported by recent pro-business reforms like the implementation of the new Myanmar Companies Act. We welcome such measures as a means of encouraging foreign direct investment and further helping to liberalise trade. We remain optimistic with the business prospects ahead and believe Yoma Strategic is well-positioned for long-term growth, in tandem with the wider positive economic developments in the country.”

Mr. Serge Pun, Yoma Strategic’s Executive Chairman

1Q2019 FINANCIAL HIGHLIGHTS

Yoma Strategic’s 1Q2019 revenue increased by 13.9% year-on-year to S$29.4 million, with a balanced revenue contribution from both its Real Estate and Non-Real Estate businesses. The Non-Real Estate businesses contributed 48.4% of 1Q2019 revenue, while Real Estate development and services revenue represented 34.7% and 16.9%, respectively. Three of the Group’s core businesses – Yoma Land, Yoma F&B and Yoma Financial Services – recorded an increase in revenue which helped offset a slower performance in the Yoma Motors business.

Other income amounted to S$5.8 million mainly from the Group’s telecommunications towers investment which contributed a S$5.6 million fair value gain supported by strong operational performance.

Administrative expenses increased by S$4.6 million to S$17.0 million in 1Q2019 as compared to 1Q2018 mainly due to the increase in administrative expenses related to the Yoma Central project and the expansion of the Group’s businesses. Included in administrative expenses are staff costs, rental of premises and land lease expenses and the depreciation of property, plant and equipment in relation to the growing number of KFC stores and New Holland / JCB branches.

Meanwhile, finance expenses rose by S$13.7 million to S$15.6 million in 1Q2019 mainly due to the strengthening of the United States Dollar (“USD”) against the Singapore Dollar and Myanmar Kyat, which resulted in a S$11.3 million currency translation loss due to its USD denominated borrowings. Interest expenses on borrowings also rose to S$4.9 million in 1Q2019 due to a higher amount of borrowings (outlined below) and a rising interest rate environment.

Share of losses of associated companies and joint ventures amounted to S$3.2 million which was primarily attributed to the losses incurred by Memories Group Limited and Access Myanmar Distribution Company Limited.

As a result, the Group recorded a net loss attributable to shareholders of S$15.9 million.

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FINANCIAL POSITION

The Group borrows from local and foreign banks in the form of short-term and long-term loans and limited recourse project loans. Total Group borrowings as at 30 June 2018 was S$307.2 million compared to S$243.5 million as at 31 March 2018, and the increase was substantially due to the first S$46.2 million drawndown under the Yoma Central loan facility with the Asian Development Bank ("ADB"), the International Finance Corporation ("IFC") and other B loan lenders.

As the Group's reporting currency is in SGD, it continues to be exposed to currency fluctuations in its financial reports as the majority of its borrowings are in USD. The USD borrowings are primarily used to fund the expansion of the Group's businesses where economic value is tied to USD, which Management considers appropriate.

The Group's financial gearing ratio currently stands at 23.0%[1] which is below the Group's maximum targeted gearing ratio of 40.0%.

[1] 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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SEGMENT COMMENTARIES

Set out below are the summary 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.

YOMA LAND

Real Estate development

Operational review	1Q2019 S$'000	1Q2018 S$'000
Revenue	10,184	6,215
Gross Profit	3,636	4,668
Core Operating EBITDA	1,746	4,909

Revenue generated from the sale of residences and land development rights ("LDRs") increased by 63.9% year-on-year to S$10.2 million which was mainly attributable to the progressive revenue recognition of the units sold at Pun Hlaing Estate, StarCity Galaxy Towers Two and Four and The Peninsula Residences Yangon and new sales of completed houses and land plots at Pun Hlaing Estate.

Real Estate development revenue is expected to continue to improve in the coming year with the residual revenue recognition from the sold units at StarCity Galaxy Towers Two and Four complemented by the full recognition from additional sales. Sales at The Peninsula Residences Yangon has been encouraging. In 1Q2019, the Group sold seven units and another three units in July 2018. The revenue from the sold units will be recognised progressively with the construction of Yoma Central, which is expected to be completed in FY2021.

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Real Estate services

Operational review	1Q2019 S$'000	1Q2018 S$'000
Revenue	4,970	4,245
Gross Profit	2,591	1,969
Core Operating EBITDA	2,925	8,544

Revenue increased by 17.1% year-on year to S$5.0 million as rental revenue from the Group's two Dulwich international schools and The Campus, a new office building in Pun Hlaing Estate, helped to offset the loss of rental revenue from FMI Centre which was demolished to make way for the development of Yoma Central.

The lower core operating EBITDA for its Real Estate services business was mainly due to the absence of fair value gains recorded in 1Q2019. In 1Q2018, the Group recognised a fair value gain of S$7.4 million from the partial completion of The Campus and Golf Apartments in Pun Hlaing Estate. However, the Group did not complete any investment properties in its rental portfolio in 1Q2019.

YOMA F&B

Operational review	1Q2019 S$'000	1Q2018 S$'000
Revenue	4,490	3,059
Gross Profit	2,192	1,536
Core Operating EBITDA	(345)	(346)

The revenue of Yoma F&B comes exclusively from the KFC business where revenue grew by 46.8% year-on-year, which was generated from new store openings and same store sales growth in June 2018. With the opening of two KFC stores in Yangon in 1Q2019, the total number of KFC stores nationwide stood at 24 as at 30 June 2018.

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The combination of KFC continuing to build its nationwide presence with a target of 32 stores by March 2019, coupled with the opening of the Group's first Little Sheep restaurant in Yangon by the end of FY2019, should help improve economies of scale of the Group's restaurant operations and drive an improvement in financial performance.

YOMA MOTORS

Operational review	1Q2019 S$'000	1Q2018 S$'000
Revenue	7,513	10,267
Gross Profit	845	1,552
Core Operating EBITDA	(544)	(252)

Revenue of Yoma Motors recorded a 26.9% year-on-year decline to S$7.5 million largely due to a lower number of tractor and implements sold in the New Holland business. In 1Q2019, the Group sold 125 tractors and 346 implements as compared to 243 tractors and 443 implements in 1Q2018.

The progressive sales of the remaining 420 out of the 500 New Holland tractors from the 2nd sale organised by the Agriculture Mechanisation Department ("AMD") should help to drive the New Holland business in the coming months. The Group has also started to see some traction with its JCB construction equipment business, and further growth is expected to be supported by an expected upturn in the infrastructure sector, as well as a recovery in the property construction and mining industries.

YOMA FINANCIAL SERVICES

Operational review	1Q2019 S$'000	1Q2018 S$'000
Revenue	1,881	1,677
Gross Profit	794	489
Core Operating EBITDA	1,209	1,107
Total Assets	41,509	21,593

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Revenue generated from the Financial Services business was exclusively from Yoma Fleet, the Group's vehicle leasing business, which grew by 12.2% year-on-year to S$1.9 million. Its fleet size increased to 872 vehicles and its total assets stood at S$41.5 million as at 30 June 2018. There was an increase in administrative cost as the business scaled up to prepare for further expansion in FY2019.

Yoma Fleet's leasing activities are expected to pick up over the rest of the financial year with an organic expansion of the existing leasing and rental activities as well as new initiatives.

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 2017, 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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