

## Media Release

# Yoma Strategic delivers healthy revenue growth with FY2017 net profit of S\$35.9 million

- FY2017 revenue grew 11.0% to S\$124.2 million
- Consumer and Automotive & Heavy Equipment businesses recorded a strong revenue growth of 42%
- Non-real estate businesses contributed 46.6% of total revenue, ahead of the Group's 2020 target to have at least half of its revenue coming from its non-real estate businesses
- Proposed first and final cash dividend of 0.25 cents per ordinary share

<b>FINANCIAL HIGHLIGHTS</b> In S\$ million except otherwise stated	<b>4Q2017</b>	<b>4Q2016</b>	<b>Change</b>	<b>FY2017</b>	<b>FY2016</b>	<b>Change</b>
<b>Revenue</b>	<b>53.8</b>	<b>45.7</b>	<b>17.6%</b>	<b>124.2</b>	<b>111.9</b>	<b>11.0%</b>
<b>Gross Profit</b>	<b>21.6</b>	<b>13.4</b>	<b>61.4%</b>	<b>50.1</b>	<b>40.7</b>	<b>23.1%</b>
<b>Net Profit</b>	<b>30.2</b>	<b>14.5</b>	<b>108.0%</b>	<b>42.6</b>	<b>44.0</b>	<b>(3.2%)</b>
<b>Net Profit attrib. to Equity Holders</b>	<b>24.1</b>	<b>8.9</b>	<b>170.9%</b>	<b>35.9</b>	<b>37.2</b>	<b>(3.5%)</b>

Singapore, 24 May 2017 – 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 full year and fourth quarter ended 31 March 2017 (“FY2017” and “4Q2017” respectively).

### Results Highlights

Yoma Strategic's FY2017 financial results recorded a healthy revenue growth of 11.0% to S\$124.2 million from S\$111.9 million for the preceding financial year ending 31 March 2016 (“FY2016”) underpinned by the strong performance of the Group's non-real estate businesses.

Out of the total FY2017 revenue, 46.6% was contributed by the Group's non-real estate businesses, indicating that the Group is ahead of its 2020 target to have at least half of its revenue coming from its non-real estate businesses.

Revenue from the Group's Automotive & Heavy Equipment business increased by 27.2% to S\$38.1 million in FY2017. This significant growth was largely attributed by its New Holland tractor business where the sale of 164 out of the 600 units secured as part of the Ministry of Agriculture and Irrigation's nationwide mechanisation programme helped to lift the Group's 4Q2017 revenue. Revenue from Yoma Fleet also grew by 61.1% year-on-year to S\$5.8 million with an increase in its fleet size to 540 vehicles as at 31 March 2017.

Meanwhile, revenue generated from the Group's Consumer business which comprises its KFC operations more than doubled to S\$10.9 million in FY2017 from S\$4.6 million in FY2016. This was the result of incremental revenue from new store openings as the Group achieved its target of 12 stores as at 31 March 2017. The Group is expected to open its first KFC store in Mandalay in June 2017 and is planning to increase its store count to 22 nationwide by the end of FY2018.

The property market in Myanmar continued to see softness during the year and revenue generated from the sales of residences and land development rights ("LDRs") saw a slight decrease of S\$4.0 million to S\$46.5 million in FY2017. The decline was partially offset by the S\$1.5 million increase in its real estate rental and services revenue which is also in line with the Group's 2020 strategy to increase the recurring revenues of its Real Estate business.

The Group's gross profit margin improved to 40.4% in FY2017 as compared to 36.4% in FY2016 largely due the higher margins in the Real Estate and Consumer segments.

Other income recorded an increase of 20.4% to S\$66.9 million in FY2017 mainly driven by the fair value gains recognised from the Group's investment properties and telecommunications towers investment. The Group recorded a S\$25.6 million fair value gain on its investment properties supported primarily by the progressive completion of Phase One of the Group's Dulwich International Schools which are scheduled to be opened by end of second quarter of the current financial year.

In December 2016, the Group sold half of its stake (12.5%) in the telecommunications towers investment for US\$35.0 million. The Group originally invested US\$10.4 million in relation to this 12.5% stake. Over the course of FY2017, this investment contributed a S\$32.2 million gain comprising S\$28.8 million of fair value gain and S\$3.4 million of disposal gain.

During FY2017, the strengthening of the United States Dollar ("USD") against both Singapore Dollar and Kyats resulted in a S\$3.6 million gain in other income offset by a S\$6.3 million currency translation loss on its borrowings.

Interest expenses on borrowings rose to S\$8.9 million in FY2017 due to a higher amount of borrowings and a rising interest rate environment, whilst administrative expenses rose by 12.1% to S\$51.8 million due to the increase in staff costs, rental and lease expenses and depreciation in relation to the growing number of KFC stores and New Holland branches. Administrative expenses in relation to the Group's head office functions decreased during FY2017.

As a result, net profit attributable to shareholders saw a slight 3.5% decrease to S\$42.6 million in FY2017. This translates into an earnings per share of 2.07 Singapore cents as at 31 March 2017.

Commenting on the FY2017 financial results, Mr Melvyn Pun, Yoma Strategic's Chief Executive Officer said, "We are pleased to report a solid set of results for the financial year during this year of transition. Our journey of business diversification has driven our non-real estate revenue meaningfully higher, and we are pleased to maintain our profitability while reducing the reliance on our higher margin real estate businesses. Looking forward, our balanced mix of businesses and the strong foundation that we have built should propel our growth in the years to come."

## **Financial Position**

Net assets attributable to equity holders of the Company decreased slightly to S\$664.2 million as at 31 March 2017 as compared to S\$669.4 million as at 31 March 2016. Correspondingly, the Group's net asset value per share as at 31 March 2017 declined to 38.2 cents as compared to 38.6 cents as at 31 March 2016.

Borrowings for the Group increased slightly to S\$165.9 million as at 31 March 2017 as compared to S\$156.9 million as at 31 December 2016. The Group's net gearing ratio currently stands at 27.3%<sup>1</sup> as at 31 March 2017.

During FY2017, the Group significantly increased the net cash provided by operating activities as compared to FY2016. Positive operating cashflow, along with the net cash provided by financing activities, in both 4Q2017 and FY2017 were used to fund the Group's investing activities in both periods.

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<sup>1</sup> The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings (excluding loans from non-controlling interest) plus trade and other payables less cash and cash equivalent. The total capital is calculated as total equity plus net debt.

## **Proposed First and Final Dividend for FY2017**

The Board of Directors of the Group has proposed a final cash dividend of 0.25 cents per ordinary share for FY2017, which is subject to shareholders' approval.

## **Outlook**

Mr Serge Pun, Yoma Strategic's Executive Chairman commented, "The recent government announcement relating to the new investment rules mark a major turning point in Myanmar's efforts to spur economic growth. We remain optimistic with the business prospects ahead, which will likely translate to a gradual recovering real estate market in Yangon and a pick up on investment activities. Yoma Strategic is well poised to benefit from these developments, and we expect the Company to continue our path to grow our core business segments while assessing other opportunities as they arises."

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](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 a diversified portfolio of businesses in Real Estate, Consumer, Automotive & Equipment, 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 10% of the Governance and Transparency index for three consecutive years (2014 – 2016), ranked 17th out of top 100 largest Singapore companies in the Asean Corporate Governance Scorecard 2015 and won the Best Managed Board (Gold) Award at the Singapore Corporate Awards in 2016.



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