

Media Release

Yoma Strategic's 1Q2018 Net Profit attributable to Shareholders grows by 54%

- Healthy operational performance across core businesses with revenue growth of 47%
- Improved gross profit margins to 41% from 39%
- Recorded S\$7.4 million fair value gain in investment properties
- Continued strong growth of New Holland tractor sales
- First KFC store in Mandalay opened on 30 June 2017

FINANCIAL HIGHLIGHTS In S\$ million except otherwise stated	1Q2018	1Q2017	Change
Revenue	25.8	17.6	46.8%
Gross Profit	10.5	6.8	53.6%
Net Profit	3.9	2.3	71.7%
Net Profit attrib. to Equity Holders	2.8	1.8	54.0%

Singapore, 26 July 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 first quarter ended 30 June 2017 (“1Q2018”).

1Q2018 Results Highlights

In 1Q2018, the Group saw better operational performance across all of its businesses as revenue grew 46.8% year-on-year to S\$25.8 million from S\$17.6 million for the three months ended 30 June 2016 (“1Q2017”). Revenue from the Group’s Automotive & Heavy Equipment and Consumer businesses continued to deliver strong growth, increasing by 54.5% to S\$15.0 million, contributing 58.2% to the Group’s 1Q2018 revenue. Gross profit margins improved to 40.6% from 38.8% in 1Q2017, mainly due to the higher margins achieved for the Real Estate business.

Revenue generated from the Group’s Automotive & Heavy Equipment business grew by 61.3% year-on-year to S\$11.9 million in 1Q2018. Demand for its New Holland tractors remained healthy, recording a 75.5% year-on-year jump in

revenue to S\$9.8 million, while revenue from Yoma Fleet saw a 41.8% year-on-year increase to S\$1.7 million as the number of vehicles leased out increased.

In 1Q2018, the Group's Consumer business' revenue grew by 42.1% year-on-year to S\$3.1 million, primarily due to the expansion of its KFC business. The Group has 13 KFC stores in operation, including the first KFC store in Mandalay, as at 30 June 2017 with plans to increase the store count to 22 nationwide by 31 March 2018.

Meanwhile, for the Group's Real Estate business, revenue generated from the sale of residences and land development rights doubled year-on-year to S\$6.2 million from S\$3.1 million in 1Q2017, mainly due to the share of profits from the sales of residences in Galaxy Towers (StarCity Zone C) and the additional share of profits in StarCity Zone B following its completion. Real Estate rental and services revenue decreased by 7.9% to S\$4.6 million mainly due to the reduction in the number of tenants in FMI Centre in anticipation of its demolition to make way for the development of the Group's Yoma Central project.

As the Group works towards its 2020 target to increase recurring revenue for its Real Estate business, it has transferred a block of residential apartments and part of an office development in Pun Hlaing Estate from development properties to investment properties which has resulted in a fair value gain of S\$7.4 million recognised in its other income.

The weakening of the United States Dollar ("USD") against Singapore Dollar and Kyats in 1Q2018 resulted in a S\$0.2 million gain in other income in addition to a S\$1.4 million currency translation gain on its borrowings. Meanwhile, interest expense on borrowings increased by S\$1.4 million to S\$3.0 million in 1Q2018 due to the increase in total borrowings and a rising interest rate environment.

Administrative expenses rose slightly by 4.2% to S\$13.1 million in 1Q2018 mainly 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.

As a result of the above, net profit attributable to equity holders of the Company increased significantly by 54.0% to S\$2.8 million in 1Q2018.

Commenting on the 1Q2018 financial results, Mr Melvyn Pun, Yoma Strategic's Chief Executive Officer said, "We are pleased to deliver healthy growth with improved gross profit margins across all of our core businesses. As the economy continues to grow, we will focus on strong execution to maintain our leadership position and to deliver high quality products and services for customers."

Financial Position

Borrowings for the Group increased to S\$195.5 million as at 30 June 2017, as compared to S\$165.9 million as at 31 March 2017, with the Group's net financial gearing ratio currently standing at 18.6%¹ as at 30 June 2017.

Outlook

The Group is optimistic that the Myanmar's government's progressive economic reforms will help to drive economic development and investment in the country and is hopeful that this in turn, will help to bolster the Yangon property market.

The Myanmar Investment Commission has reiterated that agriculture and construction remain as top priority sectors, which will likely be positive for the Group's Automotive & Heavy Equipment business. The Group will deliver the remaining 312 tractors under the sale organised by the Ministry of Agriculture and Irrigation's nationwide mechanisation programme, and is expected to record approximately S\$8 million in further revenue in the coming months. The Group is also seeing healthy interest in its JCB construction equipment business, and its Volkswagen showroom is expected to commence operations in the third quarter of the current financial year.

Consumer sentiment in Myanmar continues to be positive, as evident in the successful opening of the first KFC store in Mandalay in June 2017 and, as the consumer market continues to show healthy growth, the Group intends to explore more opportunities in this space.

Mr Serge Pun, Yoma Strategic's Executive Chairman commented, "We are hopeful that the pick-up in economic development and urbanisation will help to boost the Yangon property market as we see signs of a mild recovery. With the government looking to boost the economy and with agriculture and construction being two top priority sectors, we expect to see growth in our New Holland tractor and JCB construction equipment businesses. On the consumer front, positive sentiment continues to boost our KFC business in the country as we expand to our target of 22 stores by the end of the financial year."

End.

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



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, 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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