

MEDIA RELEASE

Yoma Strategic's 1Q2016 net profit to shareholders up 77.7% to S\$2.6 million

- Real estate revenue contributed by sales at Pun Hlaing Golf Estate and strong rental income in both Star City and Pun Hlaing Golf Estate
- Automotive segment's revenue jumped significantly to S\$7.0 million from S\$0.2 million
- Gross profit margin improved to 44% from 28%

FINANCIAL HIGHLIGHTS			
In S\$ million except otherwise stated	1Q2016	1Q2015	Change
Revenue	22.6	17.3	30.7%
Gross Profit	10.0	4.9	103.9%
Gross Margin	44%	28%	16%
Net Profit	2.6	2.9	(11.8%)
Net Profit attributable to Equity Holders	2.6	1.4	77.7%

Singapore, 27 July 2015 – 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”) is pleased to announce its financial results for the three months ended 30 June 2015 (“1Q2016”).

Strong Set of First Quarter Results

The Group's 1Q2016 net profits attributable to shareholders rose by a strong 77.7% year-on-year to S\$2.6 million; supported by a 30.7% year-on-year increase in revenue to S\$22.6 million. This increase was largely due to the continued growth momentum in the Group's Automotive and Real Estate rental businesses.

The Group's property leasing portfolio continued to enjoy healthy demand from a growing number of expatriates. Rental income from the Group's 16-unit apartment block in Pun Hlaing Golf Estate (“PHGE”) and 150 units in Building A5 of Star City Zone A recorded a significant year-on-year increase to S\$2.5 million in 1Q2016. As at 30 June 2015, rental income accounted for approximately 11% of the Group's total revenue.

Revenue from sales of residences and land development rights (“LDRs”) declined from S\$15.6 million in the three months ended 30 June 2014 (“1Q2015”) to S\$12.3 million in 1Q2016. This was mainly due to the absence of revenue recognition upon the completion of Star City Building A3 in 4Q2015 but was partially offset by stronger sales recorded in PHGE and performance fees from Star City Zone C.

The Group’s Case New Holland agricultural equipment business, acquired in February 2015, continued to record strong sales thus lifting its automotive revenue significantly from S\$0.2 million in 1Q2015 to S\$7.0 million in 1Q2016. The Group’s gross profit margin jumped to 44% in 1Q2016 compared to 28% in 1Q2015 due to higher gross profit recorded for its real estate business despite the automotive segment posting lower profit margins.

Administrative and other operating expenses increased to S\$8.4 million in 1Q2016 from S\$6.5 million in 1Q2015 largely due to the acquisition of new subsidiaries and the pre-opening expenses of the Group’s first KFC store which was opened on 30 June 2015.

As a result of the above, the Group’s net profit attributable to equity holders of the Company increased by 77.7% to S\$2.6 million in 1Q2016 as compared to S\$1.4 million in 1Q2015.

Commenting on the financial results, Mr Melvyn Pun, CEO designate of Yoma Strategic said, “We are pleased to see steady revenue growth from real estate rental and non-real estate segments and expect the trend to continue. The Group is also expecting a strong demand from the growing consumer market with the launch of its first KFC store in Yangon. We are committed to growing our portfolio of businesses which will contribute to the Group’s sustainable growth.”

Financial Position

Retained profit increased by S\$2.6 million to S\$67.3 million as at 30 June 2015. However, the net assets attributable to the equity holders of the Company decreased by 4.1% quarter-on-quarter to S\$635.5 million as at 30 June 2015, largely due to currency translation as a result of the depreciation of the Kyat.

Borrowings for the Group remains low at S\$35.4 million as at 30 June 2015 despite an additional S\$10 million bank loan which was secured in the review quarter.

Mr. Melvyn Pun added, “At the right opportunities, we intend to further utilise the debt markets which includes the Asian Development Bank’s US\$100 million loan’s facility which we have yet to draw down to fund our business expansion. ”

Outlook

Myanmar's business environment continues to improve as a result of recent structural reforms and progress in the country's integration with neighbouring economies. Continued foreign direct investment into telecommunications and power infrastructure and the increased budget allocation by the Myanmar government in the areas of agriculture, health and education will also help to promote the country's sustainable growth.

Positive momentum from the Group's non-real estate business is expected to continue in the next quarter driven by the Group's consumer and automotive segments. The Group's opening of its first KFC outlet on 30 June 2015 has received strong consumer interest and positive media publicity.

The Group's Case New Holland agriculture equipment business is expected to continue to see good sales from demand which is supported by increased mechanisation of the country's agriculture sector. Apart from that, Yoma Fleet, the Group's commercial vehicle operating and rental business, is expected to start contributing to the Group's revenue in the coming quarters with the successful leasing of its 170 vehicles.

The Group also believes that with the completion of the first phase of Myanmar's Thilawa Special Economic Zone ("SEZ") in 2016, which comprises 400 hectares, will contribute to the continued success of its Star City flagship residential project, which is the only large scale residential project in the SEZ's vicinity. Star City is expected to become an increasingly attractive location for families, and its resident population is expected to double to 1,000 by end of 2015.

Mr. Serge Pun, Yoma Strategic's Executive Chairman concluded, "We believe that Yoma Strategic is well-positioned to continue its growth trajectory as the multiple business engines we have built are sustainable and scalable. The Group intends to open additional KFC stores in Yangon before the end of the year and expects it to be a significant revenue contributor as we ramp up the number of stores throughout the country over the years to come. Our automotive business, in particular our Yoma Fleet business, will continue to see strong growth supported by incoming MNCs setting up operations in Myanmar. This is in line with our 2020 vision to build our non-real estate businesses to match our real estate operations. As for our real estate business, prices remain firm even though sales transactions have softened as buyers take a longer time to make purchase decisions. The rental market continues to see strong sustainable demand resulting in upward trend on rental income. On the whole, we remain positive on our real estate business."

End.

Note: This media release should be read in conjunction with the results announcement released on the SGX-Net on the same date.

About Yoma Strategic Holdings Ltd. (www.yomastrategic.com)

Listed on the Mainboard of the Singapore Securities Exchange Trading Limited (SGX-ST), Yoma Strategic Holdings Ltd. is a leading business corporation with real estate, agriculture, automotive, luxury tourism and retail/F&B businesses in Myanmar. Yoma Strategic is taking a conglomerate approach to build a diversified portfolio of businesses in Myanmar, together with its partner, the SPA Group.

Issued on behalf of Yoma Strategic Holdings Ltd. by Cogent Communications Pte Ltd.

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