

Strong property sales drives Group revenue in 1Q2014

- Revenue increased 11.6% year-on-year in 1Q2014 to S\$15.2M driven by continued strong sales of residences
- Strong gross profit margin at 39.3% in 1Q2014
- Net profit affected by increased staff costs, as team is built up in anticipation of future activity, and high proportion of revenue yet to be recognised at Star City
- Cash and bank balances stood at a healthy S\$72.5 million as at 30 June 2013

FINANCIAL HIGHLIGHTS			
In S\$ million except as otherwise stated	1Q2014	1Q2013	Change
Revenue	15.2	13.6	11.6%
Gross Profit	6.0	5.1	18.2%
Gross Margin	39.3%	37.1%	2.2 pts
Net profit attrib. to shareholders	0.4	2.2	-80.6%
Earnings per share (Singapore cents)	0.04	0.32	-87.5%
Net operating profit attrib. to shareholders	1.2	2.2	-44.0%

Singapore, 29 July 2013 – 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 first quarter (“1Q2014”).

1Q2014 review

Yoma reported 11.6% year-on-year increase in revenue to S\$15.2 million, which was driven mainly by the Group’s Real Estate division. Revenue generated by the sales of residences and Land Development Rights (“LDR”) contributed S\$14.4 million or 94.4 % of total revenue in 1Q2014.

Sales of residences continued to attract keen interest recording a revenue growth of 48.8% year-on-year. Gross profit margin remained healthy, rising from 37.1% in 1Q2013 to 39.3% in 1Q2014.

Administrative and other operating expenses increased from S\$2.2 million in 1Q2013 to S\$4.1 million in 1Q2014, primarily due to an increase in the Group’s headcount and staff cost. The Group’s net profit attributable to the shareholders decreased from S\$2.2 million in 1Q2013 to S\$0.4 million in 1Q2014 in part as a result of these increased staff costs.

Operational review

Take-up rate stayed strong for the Group’s largest residential project, Star City. As at 30 June 2013, the Group has sold 513 out of a total of 528 units in Buildings 3 and 4 in Zone A. Based on a percentage-of-completion revenue recognition, the Group has to-date recognised revenue of S\$7.2 million for its



Star City Project with a remaining balance of approximately S\$53.8 million to be recognised within the next 24 months, in tandem with construction progress.

The Group has entered into a conditional agreement with a third party investor for the sale of LDRs for 5 buildings comprising 1,043 units in Zone B of Star City, the completion of which will occur when certain conditions precedent are met. The Group will also earn additional incentive fees when certain sales targets to end buyers are met. Pertaining to the sale of LDRs in Building 1 in Zone B, the Group recognised revenue amounting to S\$5.9 million in 1Q2014.

Commenting on the financial results, CEO Mr Andrew Rickards said, ***“Myanmar is in an extremely exciting developmental stage today, and we’re happy to report that demand for our quality projects stays strong. The slightly moderated growth in revenues this quarter compared to the previous quarter was due mainly to the slower-than-expected pace of construction for Buildings 3 and 4 in Zone A of Star City. We are confident that this should improve and allow us to recognise more of the sales in our results for the remaining periods in FY2014 which we do on a percentage of construction basis.”***

Healthy Balance Sheet

Net assets attributable to the Company’s equity holders recorded an increase to S\$359.9 million as at 30 June 2013 as compared to S\$357.5 million as at 31 March 2013.

Cash and bank balances stood at a healthy S\$72.5 million as at 30 June 2013. The Group’s trade and other receivables increased to S\$45.5 million as at 30 June 2013, compared to S\$35.3 million as at 31 March 2013, the majority of which is not yet due.

As the Group recognises the revenue from the sales of residences on a percentage-of-completion basis, S\$20.8 million of total trade and other payables represents advances received from customers from the sales of houses in PHGE and Star City. These advances are due to be recognised in tandem with construction progress.

The borrowings of the Group amounting to S\$14.4 million are wholly attributable to the Group’s wholly-owned subsidiary in China, Xun Xiang, and the loan is secured by an investment property in Dalian held by Xun Xiang.

Strategic Developments

Myanmar continues to re-engage with the rest of the world and all the signs are that this will continue for the foreseeable future.

As the country’s economic activities increase, demand for high quality housing is likely to outstrip supply at a sustained pace, supporting residential property prices. The Group believes this dynamic will continue in the near to medium term. The same situation is being experienced in the commercial real estate market and the Group seeks to enter this market through the acquisition and development of the Landmark Development, a prime 10-acre site at downtown Yangon. Once it has been acquired,



the Landmark Development, will, along with our existing landbank, cement the Group's position as a leading real estate developer in Myanmar.

Mr. Rickards commented: ***"The continuing opening up of the country is attracting more expatriates and returning Myanmar nationals, increasingly accompanied by their families, which is likely to continue to benefit the Group's residential developments. As of today, the majority of units in Building 1 in Zone B in Star City has been sold. We have also completed the sales of LDRs relating to two additional buildings in Zone B, which alone will result in the Group recognising approximately S\$15 million of revenue in 2Q2014."***

The Group's other businesses also continue to benefit from favourable market conditions. Automotive demand is increasing as tariffs on imports come down and the Group's activities in servicing and spare parts will likely benefit as the number of vehicles increases. Travel and tourism continue to grow rapidly with Myanmar being featured in many international travel agents' plans as one of the new 'hot' destinations, especially in the up-market segment. The Group has begun to operate in this up-market travel area following the acquisition of the business which runs the world renowned Balloons Over Bagan.

In light of the ongoing expansion, the Group has put together a solid team to lead the individual business divisions. In addition, corporate positions for Risk Management, Legal and Compliance, Investor Relations and Business Development have also been filled by experienced executives.

Commenting on the new appointments, Mr Rickards said, ***"I would like to welcome our new team members and I am certain that the wealth of expertise and experience they bring on board will help us grow Yoma into a successful broad-based business."***

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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, automotive dealership and tourism 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.
