YOMA Strategic Holdings Ltd.
Reg. No: 196200185E
78 Shenton Way, #32-00
Singapore 079120
Tel: (65) 6223 2262
Fax: (65) 6223 1990

Yoma Strategic continues its growth path as its 2Q2015 net profit more than doubles to S$16.5 million

- **Strong revenue growth driven by the Group's flagship Star City project**
- **More than 90% of the units launched in Star City have been taken up**
- **Outlook positive as Myanmar continues to push its reform agenda**

FINANCIAL HIGHLIGHTS						
In S$ million except otherwise stated	2Q2015	2Q2014	Change	HY2015	HY2014	Change
Revenue	41.2	27.0	52.9%	58.7	42.4	38.2%
Gross Profit	15.5	12.1	28.2%	20.5	18.2	13.1%
Net Profit	16.5	6.0	177.3%	19.5	7.9	148.4%
Net profit attrib. to equity holders	10.8	3.3	221.8%	12.3	4.4	181.9%

Singapore, 29 October 2014 – Yoma Strategic Holdings ("祐玛战略控股有限公司", "Yoma Strategic" or collectively with its subsidiaries, the "Group") announced that its net profit attributable to shareholders for its second quarter ended 30 September 2014 ("2Q2015") rose by 221.8% to S$10.8 million.

Results Highlights

The Group's revenue increased to S$41.2 million in 2Q2015 from S$27.0 million in the three months ended 30 Sept 2013 ("2Q2014"). The strong growth was driven by the solid performance of the Group's Real Estate Division, particularly its Star City project, which accounted for S$33.0 million or approximately 80% of total revenue.

The strong sales recorded in Star City Zone B, which is a collaboration between the Group and a third party investor, has led to a continued partnership between the parties for Star City Zone C. Consequently, the Group has entered into an agreement to develop and manage the construction and sale of the 950 apartment units[1] in Zone C. As such, the Group recorded S$25.2 million as the consideration for the sale of the LDRs for Star City Zone C in 2Q2015. The performance fees for managing the construction of the project and the share of profit from the sales of units will be recognised in the coming quarters.

[1] Based on the latest development plan and subject to change

The Group has also recognised the incentive fees for Buildings B3 and B4 of Star City Zone B amounting to S$3.0 million in the quarter under review. These incentive fees, along with a fair value gain of S$8.1 million from the remaining completed units in Building A5 in Star City Zone A, which have been retained as investment properties for long term leasing purposes, contributed to the strong growth in the Group's net profit.

The Group's administrative and other operating expenses rose from S$5.3 million in 2Q2014 to S$9.2 million in 2Q2015, primarily due to an increase in the Group's headcount and staff cost and the one-time fee of S$1.53 million relating to the extension of the bank loan owed by the Group's subsidiary, Xun Xiang (Dalian) Enterprise Co. Ltd.

As a result of the different structure in the agreements relating to the sales of LDRs in Zone B and Zone C whereby a higher proportion of the purchase consideration for Zone B was recognised upfront, the gross profit margin was lower at 37.7% in 2Q2015 as compared to 44.9% in 2Q2014.

Net profit attributable to equity holders of the Company jumped by 221% from S$3.3 million in 2Q2014 to S$10.8 million in 2Q2015.

More than 90% of the units launched in Star City have been taken up

The Group expects construction on Building A3 and A4 to continue in the second half of FY2015 such that the balance of unrecognised revenue of approximately S$22.7 million will be recognised within the next 3 to 9 months as construction progresses. Meanwhile, the sales momentum for apartments in Star City Zone B remained healthy. As at 30 September 2014, the Group has sold 856 units and received booking deposits for an additional 106 units out of 1,043 units at Star City Zone B since its launch in April 2013.

"Star City is a flagship project of the Group and we constantly work on improving the design and build quality to create quality homes for buyers at affordable prices. We expect that Star City Zone C's 950 apartment units[1], which have new design and product features, will be well received when sales are launched in the coming months," said Andrew Rickards, CEO of Yoma Strategic.

Financial Position

The net assets attributable to the equity holders of the Company increased to S$477.3 million as at 30 September 2014 as compared to S$371.5 million as at 31 March 2014, mainly due to the increase in share capital of S$93.0 million from the private placement exercise completed in July 2014.

The Group's LDRs (current and non-current portions) decreased from S$158.2 million as at 31 March 2014 to S$145.3 million as at 30 September 2014 due to the sales of LDRS and residences. However, this was offset by the higher value for investment properties, which rose by S$48.9 million to S$153.5 million for the same corresponding period with the transfer of Star City's Zone A Building A5 to investment properties. Investment in associated companies of S$24.7 million refers to the Group's 25% interest in Digicel Asian Holdings Pte Limited, which has been reclassified from available–for-sale financial asset following additional investment in the business.

The Group's net asset value per share as at 31 September 2014 rose to 36.9 cents as compared to 32.1 cents as at 31 March 2014.

Outlook

"Economic and political developments generally bode well for the outlook for the Group. The number of foreign multinational companies coming into Myanmar continues to grow bringing an increase in the number of mid-level and senior executives into the country, often into Yangon," said Andrew Rickards. "This has a direct impact on our property leasing business and supports the Group's decision to hold more residential stock on the balance sheet available for leasing at its two flagship developments, Pun Hlaing Golf Estate and Star City," he added.

Outside of the Group's core business of real estate, the travel and tourism business continues to benefit from the continued interest from tourists to visit the country. The start of the 2014/2015 tourist season, which usually runs from October-April each year, suggests that this will be another strong year for tourist numbers to Myanmar. The Group's recent announcement that it has been selected by the US food giant, Yum!, to be its franchise partner in Myanmar is testament to the Group's ability to attract world class brands into the country and bodes well for the growth of its fast-moving consumer goods/quick service restaurant business division which is set to become an important pillar of the Group's future mix of business.

Serge Pun, Yoma Strategic's Executive Chairman concluded, "We are embarking on a number of exciting initiatives that will create a solid foundation to drive sustainable growth for many years to come. Our plans to open KFC outlets in Myanmar will provide us with a solid platform to tap into Myanmar's growing middle class and the rapid increase in discretionary consumer spending. Meanwhile, the impending acquisition of the Landmark Development site and the additional LDRs in Pun Hlaing Golf Estate will further enlarge our land bank, allowing us to further strengthen our position as one of the largest developers in Myanmar. Given the compelling opportunities we see going forward, we remain confident in our ability to sustain our growth."

-End-

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, luxury tourism and retail/F&B businesses in Myanmar and the People's Republic of China. Yoma Strategic is taking a conglomerate approach to build a diversified portfolio of businesses in Myanmar, together with its partner, the SPA Group.

The media release was issued on behalf of Yoma Strategic Holdings Ltd. by Cogent Communications Pte Ltd. For media enquiries, please contact:

Analyst contact:
Ms Jane Kwa, Tel: (65) 9117 0433 Email: janekwa@yomastrategic.com

Group Media contact:
Ms Sylvia Saw McKaige, Tel: (65) 9476 2581 Email: sylviamckaige@yomastrategic.com

For Singapore and international media, please contact Cogent Communications:
Ms Dianne Tan, Tel: (65) 9836 8589 Email: dianne@cogentcomms.com
Mr Gerald Woon, Tel: (65) 9694 8364 Email: woon@cogentcomms.com

For Myanmar media, please contact TODAY Oglivy Public Relations Myanmar:
Ms Hla Myat Mon, Tel: 95-09-5096881, Email: hla.myatmon@todayoglivy.com
Mr Shane Neubronner, Tel: 95-09-421151418, Email: shane.neubronner@oglivy.com