



# 2Q2016 Results Presentation

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13 November 2015

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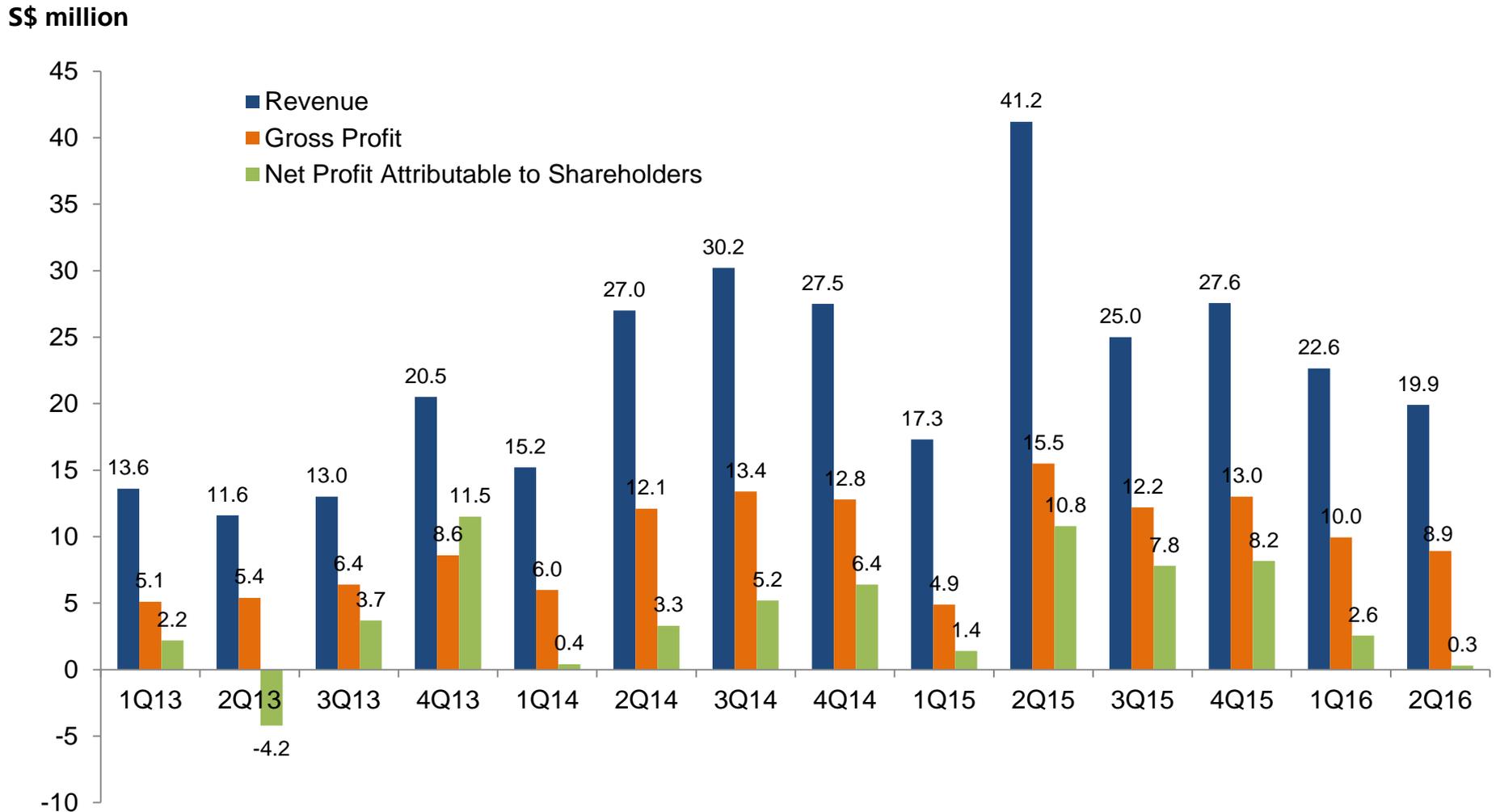
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# Results Highlights

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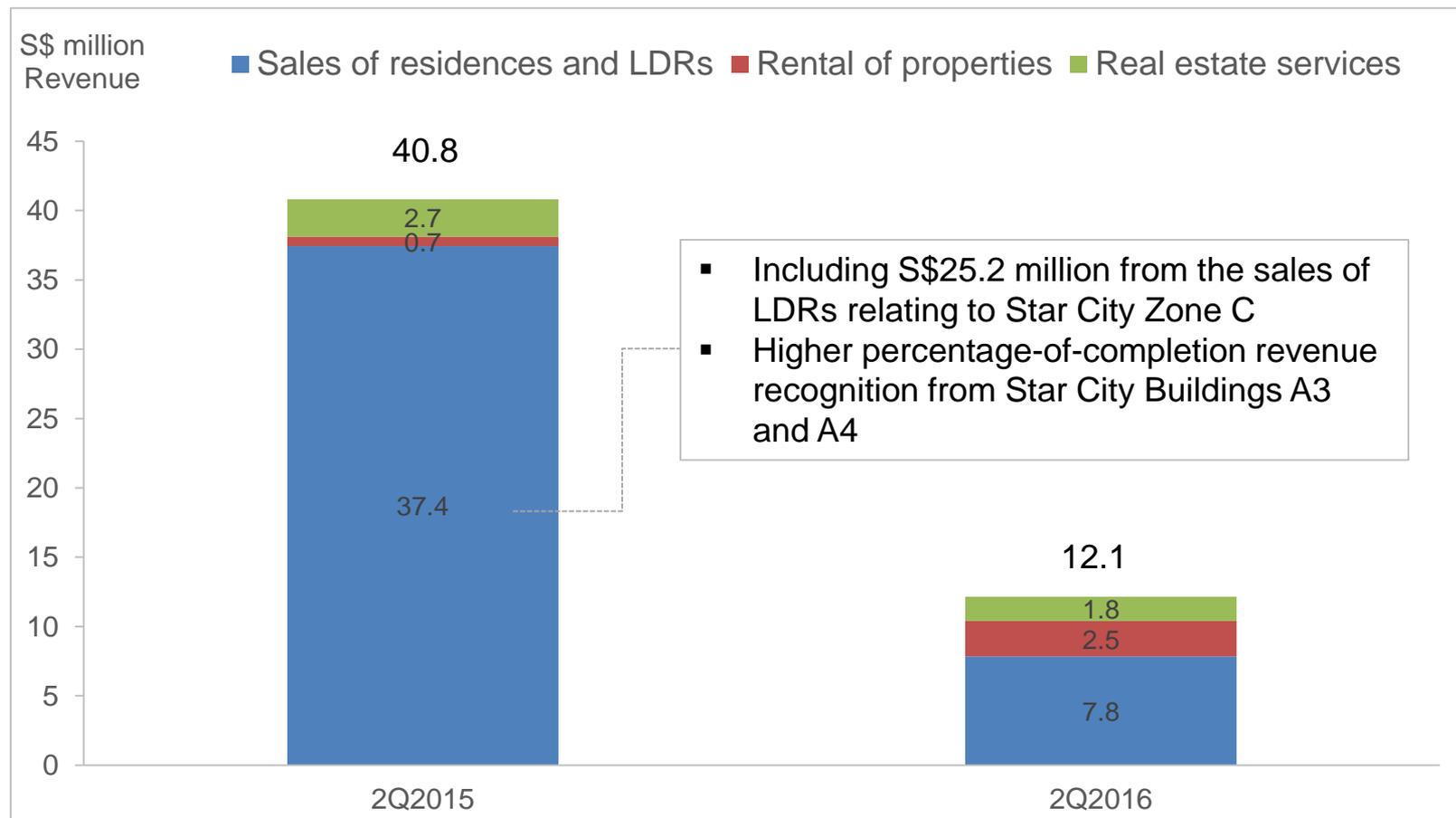
# 2Q2016 Financial Highlights

Pre-election slowdown in property market resulted in lower revenue and net profit



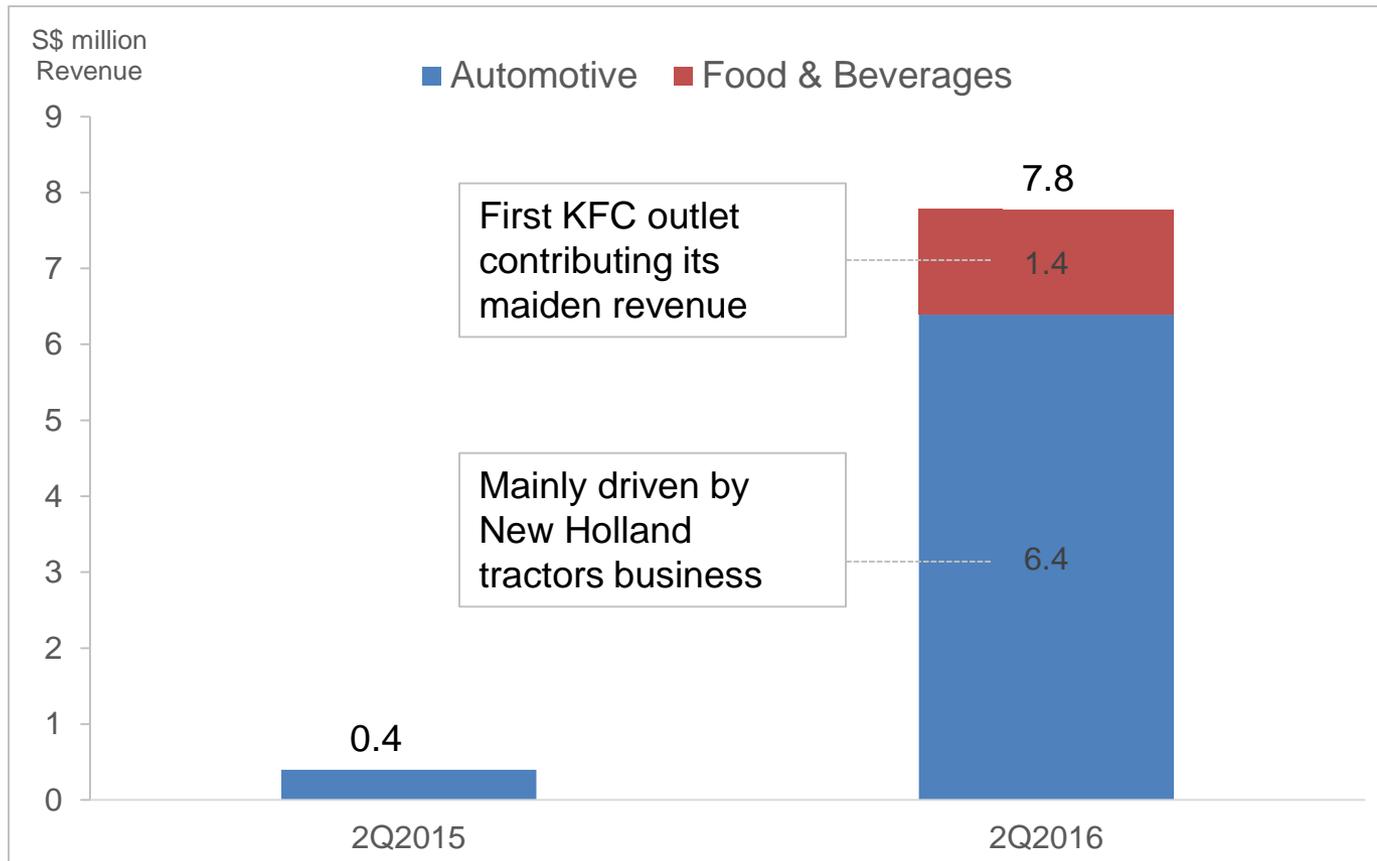
# 2Q2016 Financial Highlights

- Lower sales of residences and LDRs mainly from Star City development
- Rental revenue continues to grow supported by favorable leasing environment



# 2Q2016 Financial Highlights

**Non-real estate revenue grew strongly due to automotive and KFC businesses**



# Profit and Loss Items

S\$ million	2Q2015	2Q2016
Revenue	41.2	19.9
Cost of sales	-25.7	-11.0
Gross profit	15.5	8.9
Other gains, net	10.6	6.9
Expenses	0.0	0.0
- Finance	-0.4	-3.9
- Administrative	-9.2	-12.4
(Loss)/Profit from operations	16.5	-0.5
Share of profits/(losses) of associated companies	-0.4	0.4
Share of profits/(losses) of joint ventures	0.0	0.1
(Loss)/Profit before income tax	16.1	0.0
Income tax (expense)/credit	0.4	-0.2
Net (loss)/profit	16.5	-0.3
Net profit attributable to shareholders	10.8	0.3

Driven by the currency translation gain<sup>1</sup> from the revaluation of US dollar receivables

Driven by the increase in borrowings and currency exchanges losses from the Group's US dollar denominated loans

## <sup>1</sup>Exchange rates movement

Rates	Kyats to USD	USD to SGD
31 Mar 15	1,083	1.38
30 Sept 15	1,287	1.43

# Balance Sheet Key Items

S\$ million	31 Mar 2015	30 Sept 2015	
Cash and cash equivalents	20.0	18.0	Used for operations and investment
Trade and other receivables	89.2	73.8	
Development properties	169.2	187.4	Large land bank in PHGE and Star City
Land development rights	227.2	227.2	Includes Building A5 in Star City, Lakeview G in PHGE and the retail mall in Dalian
Investment in associated companies	40.4	52.2	
Investment properties	156.1	149.4	Net gearing at 13.3%*
Bank borrowings	25.8	67.0	
<b>Net assets attributable to shareholders</b>	<b>661.8</b>	<b>642.6</b>	Lower net profit and the currency translation losses arising at the consolidated Group level
<b>NAV/Share (cents)</b>	<b>38.3</b>	<b>37.0</b>	

\* The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings (excluding loans from non-controlling interest) plus trade and other payables less cash and cash equivalents. The total capital is calculated as net assets attributable to equity holders of the Company ("total equity") plus net debt.

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# **Business Review**

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# Business Review



- **Recurring income from rental is expected to grow**
  - 119 out of 150 units have been furnished and leased out to-date
- **Building A4 is at its final stage of construction**
  - Approximately S\$3.3 million is expected to be recognised within the next quarter



Swimming Pool at A5



Residences at Zone A

## The first phase of Myanmar's Thilawa Special Economic has opened on September 2015 with the first factories starting operation



Myanmar and Japanese officials cut ribbons during the opening ceremony of the Thilawa Special Economic (Reuters photo)

## First section launches at Thilawa special economic zone

By Myat Nyein Aye | Thursday, 24 September 2015

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**The first phase of Thilawa special economic zone launched yesterday, while officials say they are keen to open further parts of the project.**

The 400 hectare Zone A of the joint Japanese and Myanmar zone in Thanlyin township southeast of Yangon opened as home to over 40 companies.

Thilawa is the most advanced of Myanmar's [three special economic zones](#), which also include Dawei in Tanintharyi Region and Kyaukpyu in Rakhine State. Locating on the zones gives companies tax advantages, as well as easing red tape and allowing access to some services banned in the rest of the country, such as foreign insurance.

### Nikkei Asian Review: Thilawa kicks off region's manufacturing transformation – Motokazu Matsui

Tue 29 Sep 2015

Filed under: Business / Trade, International, News

The first modern industrial park in Myanmar has begun partial operations.

Forty seven companies from Japan, the U.S., China and 10 other countries have decided to operate in the Thilawa industrial park on the outskirts of Yangon. Koyo Radiator, based in Nagoya in the central Japan prefecture of Aichi, on Wednesday started running its plant. Nearby, workers were constructing factories for more than 10 other companies.

Japanese speaker maker Foster Electric is one of the 10-odd companies currently waiting for plants to come online. It plans to produce more than 1 million speakers for audio equipment and car stereos per month from later this year.

"There are risks but we will secure first-mover advantages," said Atsushi Narikawa, Foster's senior managing director.

Thilawa is Myanmar's first large-scale industrial park and has its own power generation and industrial water facilities. It is under joint development by Japanese trading houses Mitsubishi Corp., Marubeni and Sumitomo Corp. as well as the Japan International Cooperation Agency, the Myanmar government and other concerns.

Koyo's plant is located in the first-phase development area of 400 hectares in the park.



# Pun Hlaing Golf Estate



**Completion of Pun Hlaing Office and Hotel is expected in 2016 and will generate more rental income**



**Pun Hlaing Hotel – 46 rooms**



**Pun Hlaing Office – Estimated GFA: 10,000 sqm**





# Pun Hlaing Golf Estate



## Rose Garden Villas

1 villa sold in 2Q2016

11 out of 11 houses sold

House Area: 4,153 sq ft

Site Area: 7,800 – 10,782 sq ft

## Lotus Place Villas

1 villa sold in 2Q2016

13 out of 20 houses sold

House Area: 4,565 sq ft

Site Area: 4,124 sq ft



## Remaining landbank in Pun Hlaing Golf Estate

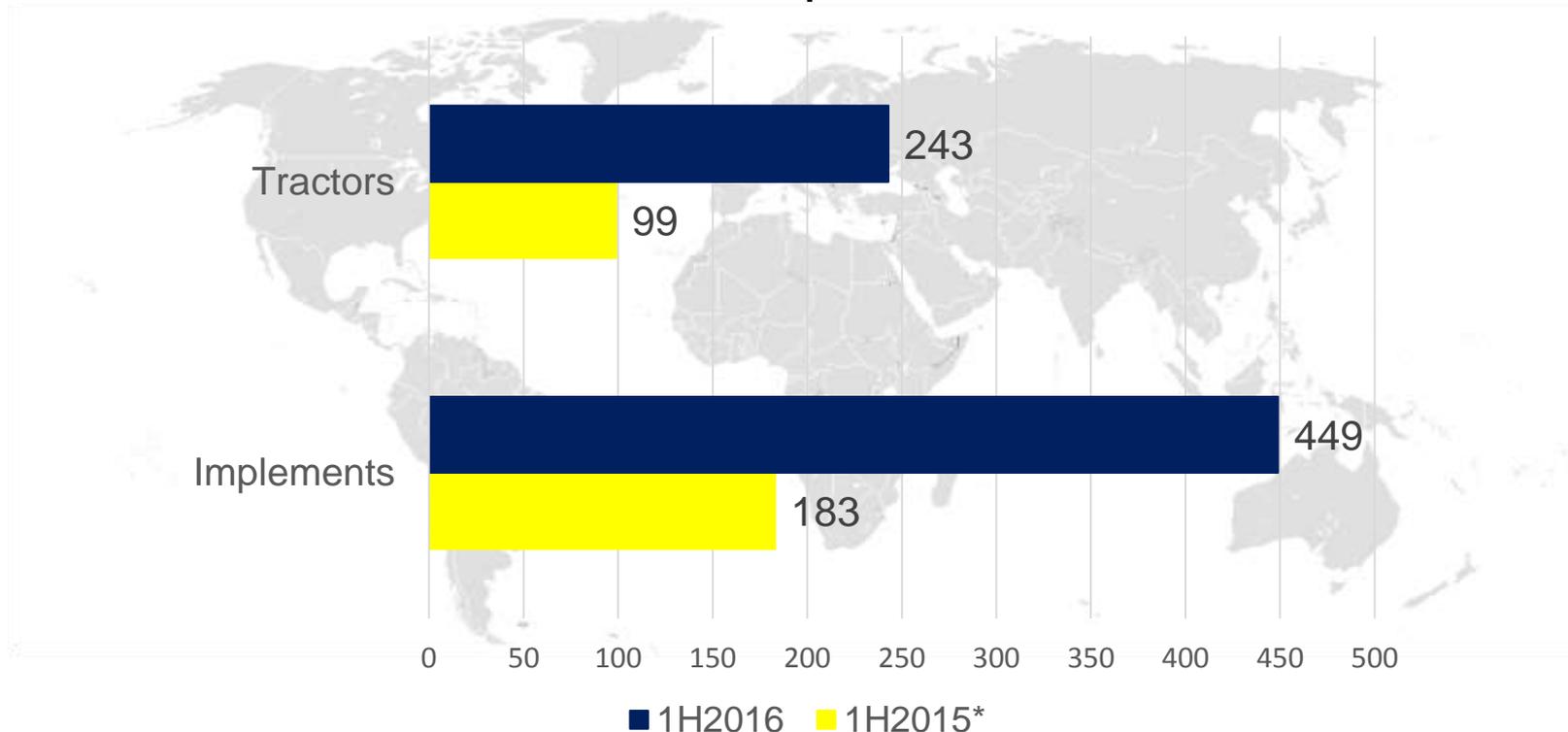
- 70% stake in 4.8 million sq ft
- 100% stake in 1.2 million sq ft

# Business Review



- Continues to see good sales supported by increased mechanisation of the country's agriculture sector
- Expects sales to pick up in 2H2016 which is typically the higher selling season as Myanmar's rainy season ends in early October

Tractors and Implements Sales

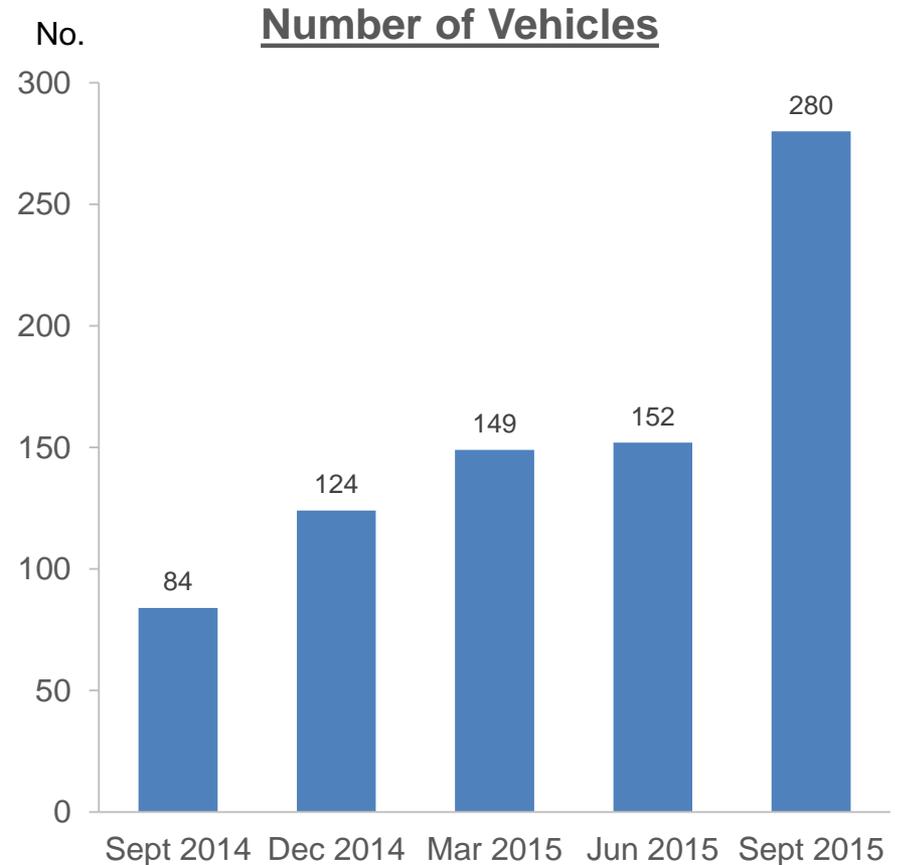


\* Business was not part of Yoma Strategic until Feb 2015

2Q2016 was spent mainly on training due to rainy season



- Vehicle operating lease and rental business for commercial vehicles on medium to long term lease contracts
- Fleet has been expanding quickly driven by incoming MNCs
- Clients include Lafarge, Linfra and Carlsberg
- Expects to start contributing more meaningfully to automotive revenue in the coming quarters



# Business Review





# Outlet Two Opens at Junction Square



Store 2 Opens

Soft opening on 27<sup>th</sup> Oct and Grand Opening on 4<sup>th</sup> Nov



KFC:  
Making Dreams Come True

Invited kids from Grace Homes to have their first taste of KFC





# Outlet Three Opening Soon



Work-in-progress

Renderings of the store opening in the coming weeks





# Recent Marketing Initiatives



- Thadingyut is a time when Burmese people give gifts and our Egg Tarts are the perfect gift.
- Special packaging inspired by local handicraft.
- Promoted through social media and print advertisement



Over 15,000 likes

# Business Review



## Myanmar Towers Company (“MTC”)

- In final stages of discussions with edotco regarding 25% stake in telecom tower business.
- edotco is a wholly-owned subsidiary of Axiata Group Berhad and is the biggest independent communications infrastructure services company in Malaysia.
- MTC has 1,250 telecom towers to-date which are mainly leased out to Ooredoo Myanmar.



## Balloons over Bagan (“BOB”)

- Myanmar expecting 4.5 million tourist arrivals in 2015 vs 3.8 million in 2014.
- BOB which usually runs from October-April each year will continue to attract strong tourist interest.



## Myanmar held its general election on 8<sup>th</sup> November 2015

NIKKEI ASIAN REVIEW

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November 8, 2015 10:27 pm JST

Myanmar election

### Expectations, turnout high in peaceful vote

Nikkei Asian Review reporters



Excited voters queue up on Sunday at a polling station in Kyanayethazan Township in Mandalay on Nov 8. (Photo by Sebastian Strangio)

YANGON -- Vote counting was underway throughout Myanmar on Sunday night after national elections -- the country's first openly contested poll in 25 years -- took place in a relatively peaceful manner amid a mood of restrained excitement in many towns and villages. "We have had no reports of violence or major unrest --

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beauty of Indonesia is only a hop away

### Myanmar election 'better than expected' in terms of transparency, credibility: EU observers

#### 'Vote counting is transparent': EU observers on Myanmar Election

The Myanmar election commission did a "good job overall", said the European Union team. A large majority - 95 per cent - of the more than 500 polling stations observed were rated good or very good.

By Jack Board and Paris Wongcha-um, Channel NewsAsia  
POSTED: 10 Nov 2015, 12:58 | UPDATED: 10 Nov 2015, 13:50



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# Q&A

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