

UNAUDITED FINANCIAL STATEMENT FOR THE HALF YEAR ENDED 30 SEPTEMBER 2014

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2014

| | The Group | | | | | |
|--|---------------|--------------|-------------------------|---------------|--------------|-------------------------|
| | S\$'000 | | % | S\$'000 | | % |
| | Quarter ended | | Increase/ (Decrease) | Period ended | | Increase/ (Decrease) |
| | 30.09.2014 | 30.09.2013 | | 30.09.2014 | 30.09.2013 | |
| Revenue | 41,219 | 26,962 | 52.9 | 58,674 | 42,447 | 38.2 |
| Cost of sales | (25,690) | (14,847) | 73.0 | (38,131) | (24,286) | 57.0 |
| Gross profit | 15,529 | 12,115 | 28.2 | 20,543 | 18,161 | 13.1 |
| Other gains/(losses), net | 10,488 | (671) | N.M. | 16,272 | 169 | N.M. |
| Expenses | | | | | | |
| - Finance | (314) | (197) | 59.4 | (577) | (708) | (18.5) |
| - Administrative and other operating | (9,176) | (5,266) | 74.2 | (15,649) | (9,407) | 66.4 |
| Profit from operations | 16,527 | 5,981 | 176.3 | 20,589 | 8,115 | 153.7 |
| Share of losses of associated companies | (435) | - | N.M. | (435) | - | N.M. |
| Share of losses of joint ventures | (15) | (41) | (63.4) | (79) | (69) | 14.5 |
| Profit before income tax | 16,077 | 5,940 | 170.7 | 20,075 | 8,046 | 149.5 |
| Income tax expense | 397 | - | N.M. | (568) | (193) | 194.3 |
| Net profit | 16,474 | 5,940 | 177.3 | 19,507 | 7,853 | 148.4 |
| Other comprehensive income: | | | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | | | |
| - Currency translation differences arising from consolidation | 1,056 | (264) | N.M. | (363) | 201 | N.M. |
| - Share of other comprehensive income of associated companies | (1,160) | - | N.M. | (1,160) | - | N.M. |
| Other comprehensive income, net of tax | (104) | (264) | (60.6) | (1,523) | 201 | N.M. |
| Total comprehensive income for the financial period | 16,370 | 5,676 | 188.4 | 17,984 | 8,054 | 123.3 |
| Net profit attributable to: | | | | | | |
| Equity holders of the Company | 10,762 | 3,344 | 221.8 | 12,286 | 4,358 | 181.9 |
| Non-controlling interests | 5,712 | 2,596 | 120.0 | 7,221 | 3,495 | 106.6 |
| | 16,474 | 5,940 | 177.3 | 19,507 | 7,853 | 148.4 |

| The Group | | | | | | |
|--|------------|-------------------------|--------------|------------|-------------------------|--|
| S\$'000 | | % | S\$'000 | | % | |
| Quarter ended | | Increase/ (Decrease) | Period ended | | Increase/ (Decrease) | |
| 30.09.2014 | 30.09.2013 | | 30.09.2014 | 30.09.2013 | | |
| Total comprehensive income attributable to: | | | | | | |
| Equity holders of the Company | | | | | | |
| 10,708 | 3,082 | 247.4 | 11,099 | 4,714 | 135.4 | |
| Non-controlling interests | | | | | | |
| 5,662 | 2,594 | 118.3 | 6,885 | 3,340 | 106.1 | |
| 16,370 | 5,676 | 188.4 | 17,984 | 8,054 | 123.3 | |

Notes to the income statement:-

- (1) Included in other gains/(losses), net are the following items:-

| The Group | | | | |
|---|------------|--------------|------------|-------|
| S\$'000 | | | | |
| Quarter ended | | Period ended | | |
| 30.09.2014 | 30.09.2013 | 30.09.2014 | 30.09.2013 | |
| Fair value gain on investment properties ^(a) | 8,125 | - | 14,542 | - |
| Currency translation gain / (loss), net ^(b) | 1,939 | (786) | 622 | (312) |
| Others | 424 | 115 | 1,108 | 381 |
| | 10,488 | (671) | 16,272 | 69 |

- (a) During the previous quarter ended 30 June 2014, the Group transferred development properties relating to Star City's Zone A Building A5, which is held for long-term leasing purpose, to investment properties. As certain units of Building A5 have been completed as at 30 June 2014, the Group had also recognised a fair value gain of S\$6.42 million on those completed units based on the valuation report from an independent valuer. The Group further recognised S\$8.13 million in 2Q2015 as the remaining units have been completed as at 30 September 2014.
- (b) The currency translation gain of S\$1.94 million in the current quarter ended 30 September 2014 comprised mainly of unrealised translation gain of the monetary assets denominated in United States dollars as a result of the appreciation of United States dollars against Singapore dollars during the current quarter.

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:

| | The Group | | | | | |
|---|---------------|------------|-------------------------|--------------|------------|-------------------------|
| | S\$'000 | | % | S\$'000 | | % |
| | Quarter ended | | Increase/ (Decrease) | Period ended | | Increase/ (Decrease) |
| | 30.09.2014 | 30.09.2013 | | 30.09.2014 | 30.09.2013 | |
| <u>Expenses / (Income)</u> | | | | | | |
| Amortisation of intangible assets | 216 | 130 | 66.2 | 431 | 259 | 66.4 |
| Employee share option expense | 558 | 962 | (42.0) | 1,542 | 1,768 | (12.8) |
| Depreciation of property, plant and equipment | 631 | 189 | 233.9 | 944 | 407 | 131.9 |
| Fair value gain on investment properties | 8,125 | - | N.M. | 14,542 | - | N.M. |
| Interest expense | 314 | 197 | 59.4 | 577 | 708 | (18.5) |
| Interest income | (11) | (32) | (65.6) | (18) | (135) | (86.7) |
| Currency translation (gains)/losses, net | (1,939) | 786 | N.M. | (622) | 312 | N.M. |

NM – not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

| | The Group (S\$'000) | | The Company (S\$'000) | |
|---|---------------------|----------------|-----------------------|----------------|
| | 30.09.2014 | 31.03.2014 | 30.09.2014 | 31.03.2014 |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 61,466 | 16,741 | 50,857 | 4,774 |
| Trade and other receivables | 122,411 | 86,074 | 194,651 | 146,384 |
| Inventories | 935 | 671 | - | - |
| Development properties | 28,508 | 39,442 | - | - |
| Land development rights | 8,058 | 9,318 | - | - |
| Other current assets | 16,686 | 23,942 | 7,996 | 7,699 |
| | 238,064 | 176,188 | 253,504 | 158,857 |
| Non-current assets | | | | |
| Investment in joint ventures | 869 | 683 | - | - |
| Investment in associated company | 24,677 | - | - | - |
| Investment in subsidiaries | - | - | 103,430 | 103,430 |
| Trade and other receivables | - | - | 91,000 | 91,000 |
| Investment properties | 153,518 | 104,657 | - | - |
| Call option to acquire land | 13,161 | 13,161 | - | - |
| Intangible assets | 12,235 | 12,666 | - | - |
| Land development rights | 137,229 | 148,877 | - | - |
| Available-for-sale financial assets | 2,981 | 8,442 | - | - |
| Prepayments | 14,304 | 13,390 | - | - |
| Property, plant and equipment | 10,491 | 4,632 | 656 | 647 |
| Other non-current assets | 613 | 580 | - | - |
| | 370,078 | 307,088 | 195,086 | 195,077 |
| Total assets | 608,142 | 483,276 | 448,590 | 353,934 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | 41,568 | 39,358 | 31,552 | 34,812 |
| Current income tax liabilities | 2,406 | 2,586 | 113 | 113 |
| Deferred income tax liabilities | 401 | 444 | - | - |
| Bank borrowing | 10,000 | - | 10,000 | - |
| | 54,375 | 42,388 | 41,665 | 34,925 |
| Non-current liabilities | | | | |
| Shareholder's loans from non-controlling interests | 8,494 | 8,523 | - | - |
| Bank borrowing | 14,627 | 14,327 | - | - |
| | 23,121 | 22,850 | - | - |
| Total liabilities | 77,496 | 65,238 | 41,665 | 34,925 |
| NET ASSETS | 530,646 | 418,038 | 406,925 | 319,009 |
| EQUITY | | | | |
| Capital and reserves attributable to equity holders of the Company | | | | |
| Share capital | 420,286 | 327,204 | 420,286 | 327,204 |
| Share option reserve | 6,746 | 5,204 | 6,746 | 5,204 |
| Currency translation reserve | 687 | 1,874 | - | - |
| Retained profits/(accumulated losses) | 49,536 | 37,250 | (20,107) | (13,399) |
| | 477,255 | 371,532 | 406,925 | 319,009 |
| Non-controlling interests | 53,391 | 46,506 | - | - |
| Total equity | 530,646 | 418,038 | 406,925 | 319,009 |

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

| As at 30.09.2014 | | As at 31.03.2014 | |
|------------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 10,000 | - | - | - |

Amount repayable after one year

| As at 30.09.2014 | | As at 31.03.2014 | |
|------------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 14,627 | - | 14,327 | - |

The current bank borrowing of S\$10.00 million as at 30 September 2014 was due by the Company and is secured by a personal guarantee given by the Company's Executive Chairman, Mr Serge Pun.

The non-current bank borrowing of S\$14.63 million as at 30 September 2014 was due by the Group's wholly-owned subsidiary, Xun Xiang (Dalian) Enterprise Co Ltd ("Xun Xiang"). The loan is secured by an investment property (retail mall in Dalian, China) held by Xun Xiang.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | The Group (S\$'000) | | | |
|--|---------------------|-----------------|-----------------|-----------------|
| | Quarter ended | | Period ended | |
| | 30.09.2014 | 30.09.2013 | 30.09.2014 | 30.09.2013 |
| Cash flows from operating activities: | | | | |
| Net profit | 16,474 | 5,940 | 19,507 | 7,853 |
| Adjustments for: | | | | |
| Income tax (credit) / expense | (397) | - | 568 | 193 |
| Depreciation of property, plant and equipment | 631 | 189 | 944 | 407 |
| Amortisation of intangible assets | 216 | 130 | 431 | 259 |
| Employee share option expense | 558 | 962 | 1,542 | 1,769 |
| Fair value gain on investment properties | (8,125) | - | (14,542) | - |
| Write-off of property, plant and equipment | - | - | 1 | - |
| Gain on disposal of property, plant and equipment | (10) | - | (18) | - |
| Share of losses of associated companies | 435 | - | 435 | - |
| Share of losses of joint ventures | 15 | 41 | 79 | 69 |
| Interest expenses | 314 | 197 | 577 | 708 |
| Interest income | (11) | (32) | (18) | (135) |
| Unrealised currency translation (gains)/losses | (1,682) | 191 | (2,169) | (1,983) |
| Operating cash flows before movements in working capital | 8,418 | 7,618 | 7,337 | 9,140 |
| Changes in working capital, net of effects from acquisition of subsidiaries: | | | | |
| Trade and other receivables | (23,234) | (30,223) | (26,686) | (40,111) |
| Inventories and properties under development | (465) | (5,367) | (7,271) | (4,931) |
| Land development rights | 8,296 | 8,034 | 10,718 | 11,397 |
| Trade and other payables | (1,659) | 17,324 | 2,274 | 11,258 |
| Cash used in operations | (8,644) | (2,614) | (13,628) | (13,247) |
| Income tax paid | (39) | (16) | (750) | (116) |
| Interest received | 4 | 102 | 11 | 228 |
| Interest paid | - | (205) | - | (203) |
| Net cash used in operating activities | (8,679) | (2,733) | (14,367) | (13,338) |
| Cash flows from investing activities: | | | | |
| Additions to property, plant and equipment | (4,830) | (542) | (7,578) | (1,143) |
| Proceeds from disposal of property, plant and equipment | 14 | - | 682 | - |
| Additions to investment in future projects | (9,692) | - | (10,449) | - |
| Additions to investment properties | (3,228) | - | (4,370) | - |
| Advance payment for future business acquisition | (396) | - | (396) | - |
| Investments in joint ventures | (266) | - | (266) | - |
| Investments in associated companies | (15,266) | - | (21,410) | - |
| Repayment of shareholders' loan to non-controlling interests | (4,663) | - | (4,663) | - |
| Proceeds from dilution of interests in available-for-sales financial assets | - | - | 666 | - |
| Additions to available-for-sales financial assets | - | (5,726) | - | (8,430) |
| Acquisition of subsidiary, net of cash acquired | - | (5,890) | - | (11,183) |
| Net cash used in investing activities | (38,327) | (12,158) | (47,784) | (20,756) |

Cash flows from financing activities:

Proceeds from issuance of shares under private placement

Share issue expenses

Shareholder's loans from non-controlling interests

Proceeds from borrowings

Interest paid

Dividends paid

Repayment of borrowings

Net cash provided by / (used in) financing activities

Net increase / (decrease) in cash and cash equivalents

Cash and cash equivalents

Beginning of financial period

Effect of currency translation on cash and cash equivalents

End of financial period

| The Group (S\$'000) | | | |
|---------------------|------------|--------------|------------|
| Quarter ended | | Period ended | |
| 30.09.2014 | 30.09.2013 | 30.09.2014 | 30.09.2013 |
| 94,500 | - | 94,500 | - |
| (1,418) | - | (1,418) | - |
| 2,881 | - | 4,343 | - |
| - | - | 10,000 | - |
| (315) | - | (548) | - |
| - | (5,785) | - | (5,785) |
| - | - | - | (14,354) |
| 95,648 | (5,785) | 106,877 | (20,139) |
| 48,642 | (20,676) | 44,726 | (54,233) |
| 12,765 | 72,492 | 16,741 | 106,179 |
| 59 | 16 | (1) | (114) |
| 61,466 | 51,832 | 61,466 | 51,832 |

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

| S\$'000 | | | | | | | |
|-----------------------------------|---|----------------------|------------------------------|------------------|---------|--------------------------|---------|
| The Group | Attributable to equity holders of the Company | | | | | Non-controlling Interest | Total |
| | Share Capital | Share Option Reserve | Currency Translation Reserve | Retained Profits | Total | | |
| At 1 April 2014 | 327,204 | 5,204 | 1,874 | 37,250 | 371,532 | 46,506 | 418,038 |
| Issue of new shares | 94,500 | - | - | - | 94,500 | - | 94,500 |
| Shares issue expenses | (1,418) | - | - | - | (1,418) | - | (1,418) |
| Employee share option expense | - | 1,542 | - | - | 1,542 | - | 1,542 |
| Total comprehensive income | - | - | (1,187) | 12,286 | 11,099 | 6,885 | 17,984 |
| At 30 September 2014 | 420,286 | 6,746 | 687 | 49,536 | 477,255 | 53,391 | 530,646 |
| At 1 April 2013 | 327,204 | 1,467 | 2,151 | 26,643 | 357,465 | 38,655 | 396,120 |
| Employee share option expense | - | 1,768 | - | - | 1,768 | - | 1,768 |
| Dividends paid | - | - | - | (5,785) | (5,785) | - | (5,785) |
| Acquisition of subsidiary | - | - | - | - | - | (3,795) | (3,795) |
| Total comprehensive income/(loss) | - | - | 357 | 4,357 | 4,714 | 3,340 | 8,054 |
| At 30 September 2013 | 327,204 | 3,235 | 2,508 | 25,215 | 358,162 | 38,200 | 396,362 |

| S\$'000 | | | | |
|-------------------------------|---------------|-----------------------|---|---------|
| The Company | Share Capital | Share Option Reserves | Retained Profits / (Accumulated Losses) | Total |
| At 1 April 2014 | 327,204 | 5,204 | (13,399) | 319,009 |
| Issue of new shares | 94,500 | - | - | 94,500 |
| Shares issue expenses | (1,418) | - | - | (1,418) |
| Employee share option expense | - | 1,542 | - | 1,542 |
| Total comprehensive loss | - | - | (6,708) | (6,708) |
| At 30 September 2014 | 420,286 | 6,746 | (20,107) | 406,925 |
| At 1 April 2013 | 327,204 | 1,467 | 5,936 | 334,607 |
| Employee share option expense | - | 962 | - | 962 |
| Dividends paid | - | - | (5,785) | (5,785) |
| Total comprehensive loss | - | - | (3,716) | (3,716) |
| At 30 September 2013 | 327,204 | 3,235 | (4,038) | 326,401 |

1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Private Placement

In July 2014, the Company allotted and issued 135,000,000 ordinary shares of S\$0.70 each pursuant to a placement. As a result of which, the total number of issued shares increased from 1,157,118,215 to 1,292,118,215 and the issued and paid up capital increased from S\$327.20 million to S\$420.29 million.

In respect of the placement, the Company announced on 7 July 2014, 27 August 2014 and 30 September 2014 that out of the gross proceeds of S\$94.5 million, the Company had disbursed amounts of S\$43.6 million in accordance with the purposes set out in the announcement dated 26 June 2014. As at to-date, the unutilised amount is approximately S\$50.9 million.

Employees Shares Option Scheme

As at 30 September 2014, the Company granted share options for a total of 22.25 million (30 June 2014: 22.25 million) ordinary shares to senior employees and Directors of the Group under the YSH ESOS 2012 which was approved by shareholders at the extraordinary general meeting on 25 May 2012.

1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued shares as at 30 September 2014 – 1,292,118,215

Total number of issued shares as at 31 March 2014 – 1,157,118,215

The Company had no treasury shares as at 30 September 2014 and 31 March 2014.

1(d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Nil

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter).

NA.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in paragraph 5 below, the Group has consistently applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared to its audited financial statements for the financial year ended 31 March 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In the current financial period, the Group and the Company adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2014:

- FRS 27 (revised 2011) - Separate Financial Statements
- FRS 28 (revised 2011) - Investments in Associates and Joint Ventures
- Amendments to FRS 32 - Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 36 - Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to FRS 39 - Novation of Derivatives and Continuation of Hedge Accounting
- FRS 110 - Consolidated Financial Statements
- FRS 111 - Joint Arrangements
- FRS 112 - Disclosure of Interests in Other Entities
- Amendments to FRS 110, FRS 111, FRS 112, FRS 27 (2011) and FRS 28 (2011) - Mandatory Effective Date
- Amendments to FRS 110, FRS 111, FRS 112 and FRS 27 - Transition Guidance
- Amendments to FRS 110, FRS 111, FRS 112 and FRS 27 - Investment Entities

The adoption of the above FRSs did not result in any substantial change to the Group and the Company's accounting policies nor any material impact on the financial statements of the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

| | The Group | | | |
|--|--------------------------|--------------------------|-------------------------|-------------------------|
| | Quarter ended 30.09.2014 | Quarter ended 30.09.2013 | Period ended 30.09.2014 | Period ended 30.09.2013 |
| (a) Basic earnings per share | | | | |
| Net profit attributable to equity holders of the Company (S\$'000) | 10,762 | 3,344 | 12,286 | 4,358 |
| Weighted average number of ordinary shares outstanding ('000) | 1,292,118 | 1,157,118 | 1,224,618 | 1,157,118 |
| Basic earnings per share (cents) | 0.83 | 0.29 | 1.00 | 0.38 |

| | The Group | | | |
|--|--------------------------|--------------------------|-------------------------|-------------------------|
| | Quarter ended 30.09.2014 | Quarter ended 30.09.2013 | Period ended 30.09.2014 | Period ended 30.09.2013 |
| (b) Diluted earnings per share | | | | |
| Net profit attributable to equity holders of the Company (S\$'000) | 10,762 | 3,344 | 12,286 | 4,358 |
| Weighted average number of ordinary shares outstanding ('000) | 1,301,095 | 1,167,816 | 1,234,041 | 1,168,064 |
| Diluted earnings per share (cents) | 0.83 | 0.29 | 1.00 | 0.37 |

As at 30 September 2014, the Company granted share options for a total of 22.25 million (30 September 2013: 22.25 million) ordinary shares under the YSH ESOS 2012. The weighted average number of shares on issue for the purpose of calculating diluted earnings per share had been adjusted as if all dilutive share options were exercised as at 30 September 2014 and 30 September 2013.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share excluding treasury shares of the issuer at the end of the:

- (a) current financial period reported on; and
(b) immediately preceding financial year.

| | The Group | | The Company | |
|--|------------|------------|-------------|------------|
| | 30.09.2014 | 31.03.2014 | 30.09.2014 | 31.03.2014 |
| Net asset value per ordinary share (cents) | 36.9 | 32.1 | 31.5 | 27.6 |

The net asset value per ordinary share attributable to equity holders of the Company was calculated based on the number of ordinary shares in issue being 1,292,118,215 as at 30 September 2014 and 1,157,118,215 as at 31 March 2014.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

INCOME STATEMENT

The Group's revenue for the current quarter ended 30 September 2014 ("2Q2015") was S\$41.22 million, an increase of S\$14.26 million as compared to the revenue of S\$26.96 million in the previous corresponding quarter ended 30 September 2013 ("2Q2014").

The Group's revenue for both the current quarter and the previous corresponding quarter came mainly from sales of residences and land development rights ("LDRs") in Myanmar. Revenue generated from sales of residences and LDRs in 2Q2015 was S\$37.44 million (approximately 90.8% of total revenue) as compared to S\$26.38 million (approximately 97.8% of total revenue) in 2Q2014. In 2Q2015, revenue arising from sales of residences and LDRs was S\$9.24 million (2Q2014: S\$11.03 million) and S\$28.20 million (2Q2014: S\$15.35 million) respectively.

As at 30 September 2014, the Group had fully sold the 528 units in Star City's Zone A Buildings A3 and A4. Total contractual revenue for these sold units in the two buildings at Star City's Zone A amounted to approximately S\$60.53 million (based on the exchange rate as at 30 September 2014). However, only S\$37.83 million of revenue had been recognised for Buildings A3 and A4, with S\$32.98 million recognised in the previous periods and an additional S\$4.81 million in 1Q2015. This is in line with the Group's accounting policy which requires recognition of revenue from the sales of development properties based on the percentage-of-completion method. The balance of unrecognised revenue of approximately S\$22.74 million is expected to be recognised within the next 3 - 9 months as construction progresses. As at 30 September 2014, the Group had received cash deposits and instalments of S\$33.60 million from buyers, representing approximately 55.5% of the total contractual purchase prices of the sold units.

The Group recognized incentive fees of S\$2.97 million in 2Q2015 relating to Star City's Zone B Buildings B3 and B4 as the Group achieved the stipulated sales target.

In 2Q2015, the Group entered into an agreement with a third party investor to (a) sell the LDRs relating to Zone C of Star City to the third party investor for future development and (b) manage the construction and sell the apartment units of Zone C to end buyers. The purchase consideration pursuant to this agreement is segregated into (a) consideration for the sale of the LDRs (b) performance fee relating to the management of the construction of the project based on construction milestones achieved and (c) share of profit based on the results of the sales of units. As such, the Group only recorded S\$25.24 million being the consideration for the sale of the LDRs relating to Zone C in 2Q2015 as the performance fee and the share of profit are not yet due for recognition. In 2Q2014, the Group recorded the sale of LDRs relating to two buildings in Zone B of Star City to the third party investor. 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.

Included in other gains/(losses) net are the following items:-

| | The Group | | |
|---|---------------|-------|----------|
| | S\$'000 | | |
| | Quarter ended | | Variance |
| 30.09.2014 | 30.09.2013 | | |
| Fair value gain on investment properties ^(a) | 8,125 | - | 8,125 |
| Currency translation gain / (loss), net ^(b) | 1,939 | (786) | 2,725 |
| Others | 424 | 115 | 309 |
| | 10,488 | (671) | 11,159 |

- (a) During the previous quarter ended 30 June 2014, the Group transferred development properties relating to Star City's Zone A Building A5, which is held for long-term leasing purpose, to investment properties. As certain units of Building A5 have been completed as at 30 June 2014, the Group had also recognised a fair value gain of S\$6.42 million on those completed units based on the valuation report from an independent valuer. The Group further recognised S\$8.13 million in 2Q2015 as the remaining units have been completed as at 30 September 2014.
- (b) The currency translation gain of S\$1.94 million in the current quarter ended 30 September 2014 comprised mainly of unrealised translation gain of the monetary assets denominated in United States dollars as a result of the appreciation of United States dollars against Singapore dollars during the current quarter.

Administrative expenses increased by S\$3.91 million to S\$9.18 million in 2Q2015 as compared to S\$5.23 million in 2Q2014, mainly due to the following:-

| | The Group | | |
|-------------------|---------------|-------|----------|
| | S\$'000 | | |
| | Quarter ended | | Variance |
| 30.9.2014 | 30.9.2013 | | |
| Staff costs | 3,975 | 2,393 | 1,582 |
| Professional fees | 2,094 | 248 | 1,846 |
| | 6,069 | 2,641 | 3,428 |

The increase in staff costs was mainly due to accrual of bonus of S\$0.64 million which was accrued on a monthly basis based on the estimated amount payable by reference to the historical information with effect from FY2015 instead of taken in as a total amount at the end of a financial year as the assessment of the performance of employees responsible for each business segment is assessed continually throughout the financial year. Included in the professional fees of S\$2.09 million in 2Q2015 was an one-time fee of S\$1.53 million relating to the extension of the bank loan owing by Xun Xiang. There was also an increase in legal fee by S\$0.28 million in 2Q2015 for legal due diligence conducted for potential projects.

Share of losses in associated companies of S\$0.46 million in 2Q2015 comprised mainly the Group's 25% share of losses in Digicel Asian Holdings Pte Limited ("Digicel Asian Holdings").

As a result of the above, the Group's net profit attributable to equity holders of the Company increased to S\$10.76 million in 2Q2014 as compared to net profit of S\$3.34 million in 2Q2014.

BALANCE SHEET

The net assets attributable to equity holders of the Company increased by S\$105.73 million to S\$477.26 million as at 30 September 2014 as compared to S\$371.53 million as at 31 March 2014. The increase was due to the increase in share capital of S\$93.08 million as a result of the issuance of new ordinary shares pursuant to the private placement exercise in July 2014. Retained profits as at 30 September 2014 increased to S\$49.54 million due to the net profit attributable to equity holders of the Company of S\$12.29 million recorded during the six-month period ended 30 September 2014.

Investment properties increased to S\$153.52 million as at 30 September 2014 as compared to S\$104.66 million as at 31 March 2014. The increase was mainly due to the transfer of Star City's Zone A Building A5 to investment properties, as mentioned above. Investment properties as at 30 September 2014 were mainly made up of:-

- (a) a shopping mall in Dalian, China held by Xun Xiang with a fair value of S\$92.02 million;
- (b) a 16-unit apartment block in Pun Hlaing Golf Estate, Yangon with a fair value of S\$10.44 million; and
- (c) Star City's Zone A Building A5 which is a 150-unit apartment block with a fair value of S\$37.74 million.

The fair values of the above investment properties were determined by independent valuers. The above fair values will be assessed at least annually at the end of every financial year based on the properties' highest and best use.

The Group's LDRs (current and non-current portions) decreased to S\$145.29 million as at 30 September 2014 as compared to S\$158.20 million as at 31 March 2014 due to the recognition of the costs of LDRs sold and the capitalisation of the costs of the LDRs transferred to development properties and investment properties during the current quarter. The LDRs of S\$145.29 million were made up of LDRs in Star City of S\$92.93 million and LDRs held for sale and development of S\$52.36 million relating to other projects in Pun Hlaing Golf Estate and FMI City. In August 2014, the Company announced that it has paid S\$5.87 million as its pro-rata portion of compensation determined by the Government in relation to LDRs in PHGE to settle potential claims by individuals who claimed to have had previously occupied land in PHGE and this cost was capitalised as the additional acquisition costs of the LDRs. As at 30 September 2014, the remaining land areas pertain to LDRs in Pun Hlaing Golf Estate (where the Group has a 70% interest) of approximately 4.46 million square feet, in the Evergreen project (where the Group has a 100% interest) of approximately 0.30 million square feet and in FMI City (where the Group has a 52.5% interest) of approximately 0.17 million square feet.

Investment in associated companies of S\$24.68 million refers mainly to the Group's 25% interest in Digicel Asian Holdings which is in the business of development, construction and leasing of telecommunications towers. In May 2014, the Company announced that YSH Finance Limited, a 80%-owned subsidiary of the Company, had entered into a subscription agreement with Digicel Group Limited to subscribe for an additional 17% interest in Digicel Asian Holdings such that YSH Finance Limited would ultimately hold a 25% interest in Digicel Asian Holdings. Following the subscription, the Company's effective interest in Digicel Asian Holdings increased from 6.4% to 20%, therefore resulting in the change in the classification of the investment from available-for-sale financial asset to an associated company of the Group. In August 2014, the Group further announced that the Company had acquired 20% interest in YSH Finance Limited from its related party, First Myanmar Investments Company Limited. Following the acquisition, YSH Finance Limited became a 100%-owned subsidiary of the Group and hence the Company's effective interest in Digicel Asian Holdings increased from 20% to 25%.

Trade and other receivables increased to S\$122.41 million as at 30 September 2014 as compared to S\$86.07 million as at 31 March 2014. The total amount of S\$122.41 million of trade and other receivables were made up mainly of:-

- (a) S\$54.73 million of unbilled trade receivables, of which S\$25.24 million was related to the revenue recognised for the sale of LDRS relating to Zone C in Star City that was explained above;
- (b) S\$8.63 million of current trade receivables;
- (c) S\$19.69 million of costs relating to future projects, of which S\$6.99 million was related to the purchase of land for development into an international school as detailed in the Company's announcement dated 28 August 2014; and
- (d) S\$7.00 million of the Group's contribution of pro-rata preliminary development costs of the Landmark Project as detailed in the Company's announcement dated 20 August 2013.

Other current assets decreased from S\$23.94 million as at 31 March 2014 to S\$16.69 million as at 30 September 2014. The reason for the decrease was due to the transfer of deposits paid for the purchase of 6 plots of land in Bagan amounting to S\$7.67 million, to investment properties as a result of the completion of the acquisition. Other current assets as at 30 September 2014 of S\$16.69 million was mainly made up of:

- (a) deposit of S\$3.02 million for the acquisition of a piece of land in PHGE, as detailed in the Company's announcement dated 10 December 2013;
- (b) advance payment of S\$4.61 million for the acquisition of Asia Beverages Co., Ltd group of companies, as detailed in the Company's press release dated 27 January 2014; and
- (c) advance payment to subcontractors of S\$8.84 million mainly for the purchase of construction materials and equipment.

As at 30 September 2014, trade and other payables increased to S\$41.57 million as compared to S\$39.36 million as at 31 March 2014. Included in trade and other payables was an amount of S\$9.66 million of current payables for construction works and an amount of S\$5.96 million, representing the advance receipts and progress billings for the sale of houses in PHGE and Star City. These amounts will be recognised as revenue throughout the construction of the buildings in the coming financial periods.

The current bank borrowing of S\$10.00 million as at 30 September 2014 was due by the Company and is secured by a personal guarantee given by the Company's Executive Chairman, Mr Serge Pun. The non-current bank borrowing of S\$14.63 million as at 30 September 2014 was due by Xun Xiang and is secured by an investment property (retail mall in Dalian, China) held by Xun Xiang.

CASHFLOW STATEMENT

Cash and bank balances increased to S\$61.47 million as at 30 September 2014 as compared to S\$16.74 million as at 31 March 2014. The increase was due to net cash of S\$106.88 million provided by financing activities as a result of the issuance of new ordinary shares under private placement exercise and proceeds from short-term bank borrowings. This increase was reduced by cash used in operating and investing activities. The net cash used in operating activities of S\$14.37 million was a result of higher working capital requirements and net cash used in investing activities of S\$47.78 million was mainly for the acquisition of new property, plant and equipment (mainly for the Group's expansion in automotive business) amounting to S\$7.58 million, the additional investment in associated company in Digicel Asian Holdings of S\$21.41 million and the additional investment to future projects (such as the purchase of land for development of international school as mentioned above) of S\$10.45 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There is no material variance between the information previously disclosed in the results announcements for the quarter ended 30 June 2014 and the actual results for the quarter ended 30 September 2014.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Union Government of Myanmar continues to push its reform agenda and its engagement with the outside world. It continues to debate and enact laws designed to encourage inward investment, economic growth and greater accountability and transparency. The fruits of these labours are only just beginning to be felt but many observers believe they lay the foundations for stronger economic growth ahead. The International Monetary Fund has recently issued a report predicting that the Myanmar economy will grow at 8.25% per annum in the near term. The Asian Development Bank has recently revised its estimate for the gross domestic product per capita to reach US\$5,000 in 2030 and the Union Government of Myanmar has revised up its estimate for foreign direct investment in the fiscal year 2014-15 from US\$4 billion to US\$5 billion. All these reference points suggest a positive macro-economic outlook in the short to medium term.

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. 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 flag ship developments, Pun Hlaing Golf Estate and Star City.

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 first franchisee 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.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Nil

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Nil

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared/recommendeded.

PART II- ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

15. A breakdown of sales.

Not applicable

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable

17. Interested Person Transactions

The details of interested person transactions for the financial period ended 30 September 2014 are set out below.

| Name of Interested Person | Aggregate value of all interested person transactions during FY2015 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions during FY2015 which are conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) * |
|--|---|--|
| | S\$'000 | S\$'000 |
| Associates of Mr. Serge Pun:- | | |
| (a) Purchases | 11,579 | 2,383 |
| (b) Sales | - | 721 |
| (c) Treasury transactions | - | 405 |
| (d) Land development rights transactions | - | 1,126 |
| (e) Prepayments for projects | - | 157 |

* Shareholders' mandate was renewed and approved at the Annual General Meeting held on 25 July 2014. Accordingly, the aggregate value of all interested person transactions is presented for the 6-months period from 1 April 2013 to 30 September 2014.

18. Negative assurance on Interim Financial Statements

We, Serge Pun and Andrew Rickards, being the Directors of the Company, do hereby confirm for and on behalf of the Board of Directors that, to the best of our knowledge, nothing has come to our attention which may render the financial results for the second quarter ended 30 September 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Andrew Rickards
CEO
29 October 2014

YOMA Strategic Holdings Ltd
Company Registration No. 196200185E
78 Shenton Way #32-00
Singapore 079120
Tel: (65) 6223-2262
Fax: (65) 6223-1990
Website: www.yomastrategic.com