6M-Mar2020
Earnings Results

The Group announced the change of its financial year end from 31 March to 30 September in February 2020

Following this change, the Group's financial statements for the financial period ended 30 September 2020 ("FYSept2020") will cover financial results for the 18-month period from 1 April 2019 to 30 September 2020 and the Group's statement of financial position will be as at 30 September 2020 for FYSept2020.

6M-Mar2020 Result Commentary

"The COVID-19 pandemic has created unprecedented disruptions in every sector of the economy, and this affected our businesses across the Group as the quarter progressed. But despite a slower business environment, the effects on consumer behaviour have created opportunities to better serve our customers and streamline our operations. A great example is the faster digital adoption we are seeing in our Wave Money and our F&B operations. While the path to recovery remains uncertain in its timing and trajectory, we believe our employees' resilience and our ability to adapt and transform will allow us to weather the current business environment and emerge as a stronger organisation."

Mr. Melvyn Pun, Yoma Strategic's Chief Executive Officer

"The COVID-19 crisis continues to have a significant impact on our lives and we would like to thank our people, in particular our frontline workers who have shown extraordinary commitment in keeping our businesses running through this challenging time. Despite the uncertainties, we remain confident in Myanmar's long-term economic prospects and the government's efforts to upgrade infrastructure and foster a pro-business environment. We expect to see continued investor interest in Myanmar and meaningful investment coming into the sectors in which our businesses operate. We believe that underscores the confidence in the future of Myanmar and in the Yoma Group."

Mr. Serge Pun, Yoma Strategic's Executive Chairman

6M-Mar2020 Key Financial Highlights – Profit and Loss

<u>Key Commentaries</u>

There are two main factors that affected the financial results

1) *Revenue, other income and core operating EBITDA are impacted due to the absence of fair value adjustments relating to Investment Properties arising from the change in financial year end from 31 March to 30 September.*

In accordance with the fair value model that the Group has adopted under SFRS(I) 1-40, Investment Properties are remeasured at the end of each financial year end. Historically, an annual valuation exercise was performed on 31 March and fair value adjustments were taken in the 4th quarter of each financial year. Given the change in financial year end to FYSept2020, the Group's annual valuation exercise will only be performed on 30 September 2020 for audit and reporting purposes. As a result, there are no fair value adjustments included in the Group's 6M-Mar2020's other income. Furthermore, the Group's revenue was affected as its operator fee income revenue (which is based on a share of the profit of HRGCCL, the owner of Pun Hlaing Golf and Country Club) also does not reflect the annual valuation exercise in HRGCCL's 6M-Mar2020's income statement. This resulted in the Group's 6M-Mar2020's revenue, other income and core operating EBITDA being not comparable with 6M-Mar2019's.

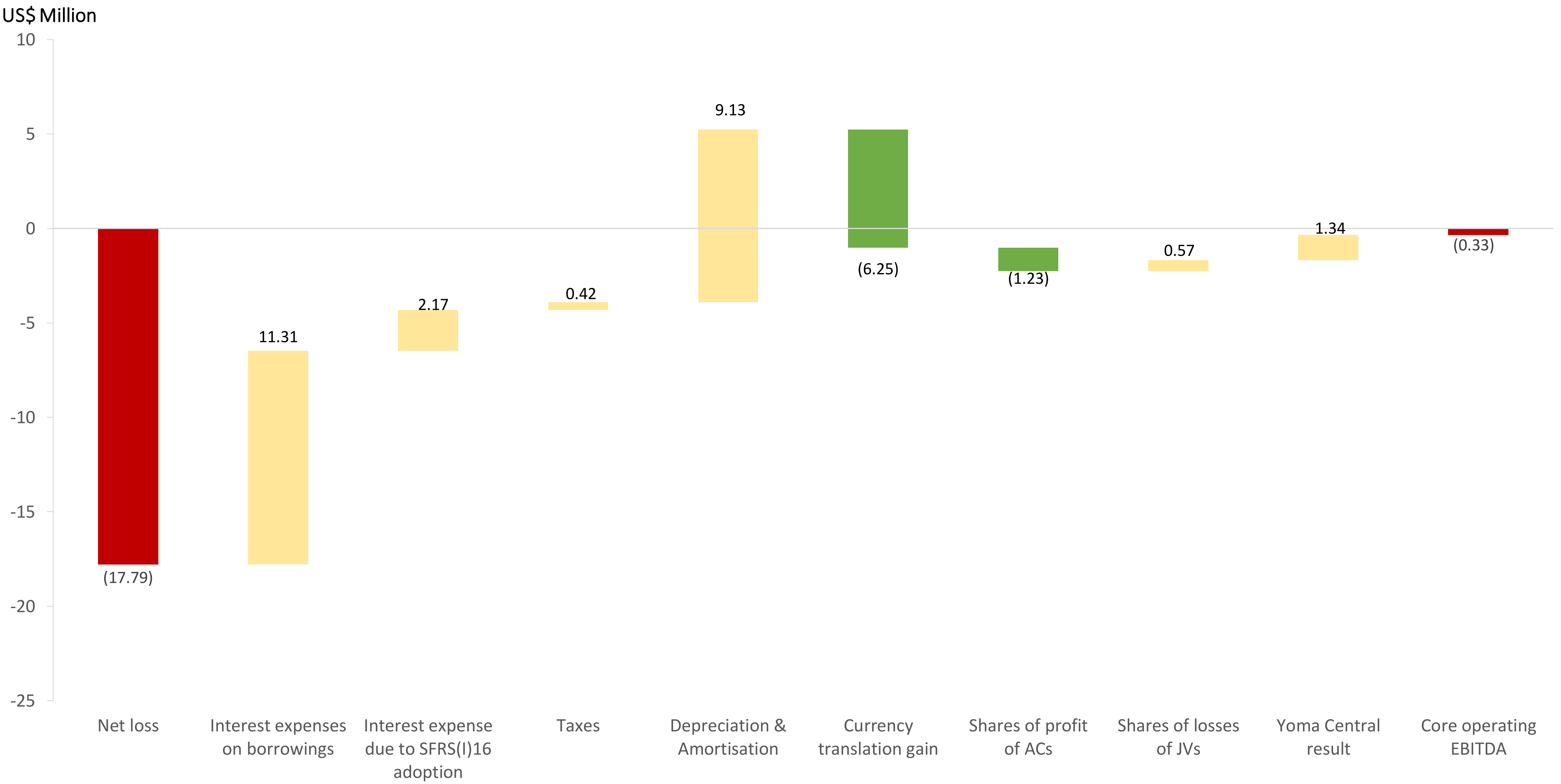
2) *Negative impact of Covid-19 pandemic.*

Although Myanmar only reported its first COVID-19 case at the end of March 2020 and the Myanmar Government had only implemented strict control measures to limit the spread of COVID-19 in late March, economic activities in the country began to slow at the end of January, given the business disruption occurring regionally and the consequential impact on consumer sentiment. China, Thailand and India also closed their borders to Myanmar in February 2020. These factors began to affect several businesses across the Group incrementally as 6M-Mar2020 progressed.

Statement of Income	6M-Mar2019 (US$ million)	6M-Mar2020 (US$ million)
Revenue	50.2	52.2
Cost of sales	(20.1)	(35.7)
Gross profit	**30.1**	**16.5**
Other Income – net	32.5	4.9
Expenses:-		
Administrative	(22.3)	(30.7)
Finance	(11.1)	(8.7)
Share of losses of joint ventures	(1.1)	(0.6)
Share of (losses)/profit of associated companies	(6.3)	1.2
Profit/(loss) before income tax	**21.8**	**(17.4)**
Income tax expense	(1.2)	(0.4)
Net profit/(loss)	**20.6**	**(17.8)**
Core Operating EBITDA	**45.1**	**(0.3)**

Differences in total due to rounding

6M-Mar2020 Key Financial Highlights – Profit and Loss



6M-Mar2020 Key Financial Highlights – Balance Sheet

Key Commentaries

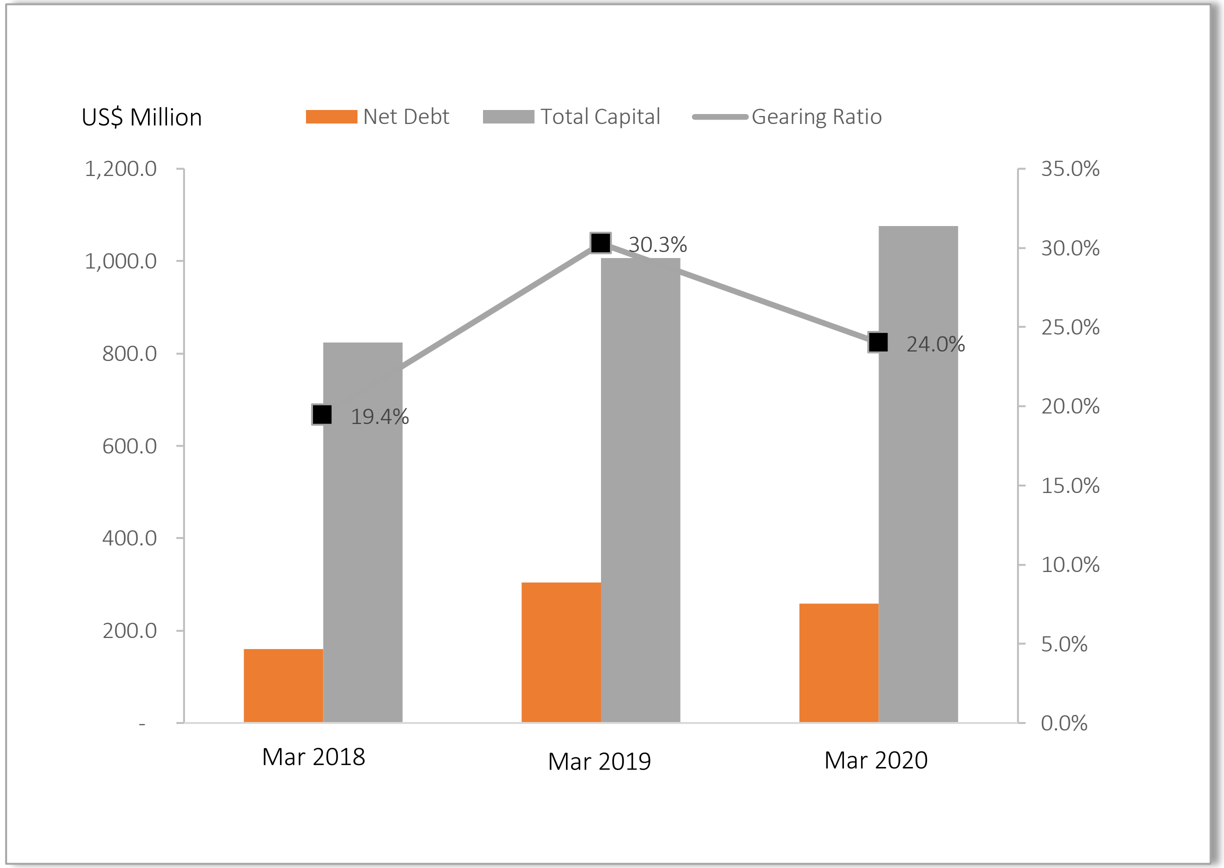
Repayment of certain borrowings from the proceeds of the sale of edotco in November 2019 and the first tranche of Ayala's investment in December 2019.

Amidst the onset of the Covid-19 pandemic, numerous steps are taken to manage costs and preserve cash, including suspending and deferring non-essential operating and capital expenditures.

Targeting to convene a shareholders' meeting to seek approval for the second tranche of Ayala's investment in the next three months.

(US$ Million)	As at 31 Mar 2019	As at 31 Mar 2020
Total Assets	1,201.9	1,310.4
Cash and cash equivalents	15.5	40.6
Net Debt	304.8	258.5
Total Equity	701.6	818.1

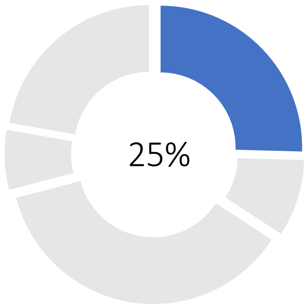
Net Debt & Net Gearing Ratio



[1] The net gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings (excluding loans from non-controlling interests) less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

Segment Results - Yoma Land Development

Revenue Contribution:



Revenue:
US$13.2 million
+71.9% y-o-y

Core operating EBITDA:
(US$1.1 million)
-127.5% y-o-y

Earning Highlights (US$ million)	6M-Mar2019	6M-Mar2020
Revenue	7.7	13.2
Cost of sales	(2.5)	(11.7)
Gross Profit	**5.1**	**1.5**
Other income/(loss) – net	2.0	(2.4)
Expenses:-		
Administrative	(4.5)	(4.6)
Finance	(1.0)	(2.9)
Share of losses of associated companies	N.M	N.M
Profit/(loss) before income tax	**1.6**	**(8.4)**
Core Operating EBITDA	**3.8**	**(1.1)**

Differences in total due to rounding, N.M: Not meaningful

For the purpose of this section, core operating EBITDA refers to earnings before interest, taxes, depreciation and amortisation of operating subsidiaries excluding currency translation differences. In the case of Real Estate Development, core operating EBITDA excludes EBITDA of the Yoma Central project as administrative expenses form part of the overall project budget and have been funded according to the shareholders' agreement.

Key Commentaries

Higher revenue was mainly driven by City Loft @ StarCity:

- 187 additional City Loft units were sold in 6M-Mar2020. 79% of the 791 total launched units in 6 buildings have been sold/booked.
- Construction for initial 5 buildings at percentage of completion of between 13% - 61%.
- Unrecognized revenue amounted to more than US$20.0 million as at 31 March 2020.

Yoma Central continues to be in the construction phase without corresponding operating revenue, except from the sales of Peninsula Residences which is recognized on a percentage of completion basis.

- 3 additional Peninsula Residences units were sold in 6M-Mar2020.
- 63% of the 30 total launched units have been sold/booked.

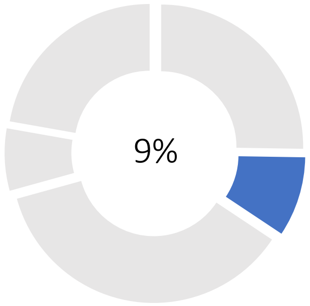
Gross profit margins were lower due to:

- An increase in COGS arising from a final adjustment to the construction costs of Galaxy Towers which were completed in December 2019.
- City Loft @ StarCity forming a larger part of revenue in 6M-Mar2020, whereas revenue last year was mainly from Pun Hlaing Estate and Galaxy Towers which have higher gross profit margins.

Increased in other loss and finance expenses were mainly from currency translation losses and SFRS(I)16 adoption since April 2019.

Segment Results - Yoma Land Services

Revenue Contribution:



Revenue:
US$4.6 million
-76.5% y-o-y

Core operating EBITDA:
US$2.1 million
-95.3% y-o-y

Earning Highlights (US$ million)	6M-Mar2019	6M-Mar2020
Revenue	19.4	4.6
Cost of sales	(1.9)	(2.4)
Gross Profit	**17.5**	**2.1**
Other income - net	26.7	2.3
Expenses:-		
Administrative	(1.4)	(1.4)
Finance	(0.2)	0.6
Share of losses of joint ventures	(0.2)	(0.5)
Profit before income tax	**42.3**	**3.1**
Core Operating EBITDA	**43.9**	**2.1**

Differences in total due to rounding, N.M: Not meaningful

For the purpose of this section, core operating EBITDA refers to earnings before interest, taxes, depreciation and amortisation of operating subsidiaries excluding currency translation differences.

Key Commentaries

Lower revenue in 6M-Mar2020 were due to:

- Reduction in operator fee[1] income from HRGCCL as there was no fair value gain in HRGCCL's 6M-Mar2020's income statement.
- Lower occupancy and rental rates at Pun Hlaing Estate and StarCity due to a more competitive environment.
- Fewer units available for lease in Star Residences at StarCity with the ongoing refurbishment plan to ensure comparable products are offered to the market when the rental units in Galaxy Towers are ready to be occupied.

Gross profit margins in 6M-Mar2019 were higher due to the operator fee[1] income from HRGCCL which carries a minimal corresponding direct cost of sales and therefore a relatively higher gross profit margin.

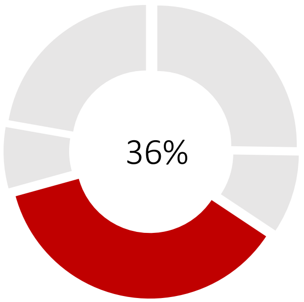
Other income declined significantly as there were no fair value adjustments included in 6M-Mar2020 for investment properties.

Share of losses of JVs was mainly from the Group's BYMA construction joint venture.

[1]The Group's operator fee income is derived from on 70% of HRGCCL's net profits.

Segment Results - Yoma F&B

Revenue Contribution:



Revenue:
US$19.0 million
+141.7% y-o-y

Core operating EBITDA:
US$1.4 million
+345.4% y-o-y

Earning Highlights (US$ million)	6M-Mar2019	6M-Mar2020
Revenue - Restaurants	7.9	15.1
Revenue – Logistics	-	3.9
Total Revenue – F&B	7.9	19.0
Cost of sales	(3.9)	(10.0)
Gross Profit - Restaurants	4.0	8.4
Gross Profit – Logistics	-	0.6
Total Gross Profit – F&B	**4.0**	**9.0**
Other income - net	0.4	0.2
Expenses:-		
Administrative	(6.0)	(12.1)
Finance	N.M	(0.6)
Share of losses of joint ventures	(0.1)	N.M
Share of losses of associated companies	(4.5)	(1.0)
Loss before income tax	**(6.3)**	**(4.5)**
Core Operating EBITDA	**(0.6)**	**1.4**

Differences in total due to rounding, N.M: Not meaningful

- For the purpose of this section, core operating EBITDA refers to earnings before interest, taxes, depreciation and amortisation of operating subsidiaries excluding currency translation differences.

Key Commentaries

Substantial revenue growth despite the negative impact of COVID-19 due to:

- Consolidation of KOSPA as a subsidiary[1], YKKO's contribution[2] and new store openings at KFC.
- A significant increase in delivery sales, from 1.1% of sales in January to 12.4% of sales by the end of March 2020.

Overall gross profit margin declined due to the dilutive effect of KOSPA while improved margins were achieved for the restaurants business through KFC's optimization on COGS and YKKO's generally higher gross profit margins.

Operates 91 restaurants as at 31 Mar 2020 comprising 42 YKKO restaurants, 45 KFC restaurants, 3 Auntie Anne's^{TM} kiosks and 1 Little Sheep Hot Pot restaurant.

Positive core operating EBITDA contributed by:

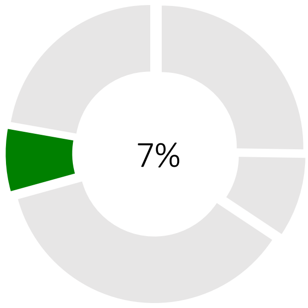
- Enlarged scale of the overall restaurant platform and performance by KFC and YKKO.
- KOSPA benefitted from higher transport and warehouse utilization rates and volume from existing customers.

The reduction in associated companies net losses was mainly due to an improved performance at Seagram MM and no further proportionate losses at Metro Myanmar.

[1]SF Holding acquired a 25% stake in KOSPA in July 2019. Post completion, KOSPA became a 50%-subsidiary of Yoma Strategic with SF Holding and Kokubu each holding a 25% stake.
[2]The Group completed its acquisition of YKKO in March 2019.

Segment Results - Yoma Financial Services

Revenue Contribution:



Revenue:
US$3.5 million
+5.7% y-o-y

Core operating EBITDA:
US$2.3 million
+10.1% y-o-y

Earning Highlights (US$ million)	6M-Mar2019	6M-Mar2020
Revenue	3.3	3.5
Cost of sales	(1.9)	(1.9)
Gross Profit	**1.4**	**1.6**
Other income – net	N.M	0.1
Expenses:-		
Administrative	(0.9)	(1.1)
Finance	(0.6)	(0.4)
Share of profit of associated companies	0.9	4.3
Profit before income tax	**0.8**	**4.5**
Core Operating EBITDA	**2.1**	**2.3**

Differences in total due to rounding N.M: Not meaningful

For the purpose of this section, core operating EBITDA refers to earnings before interest, taxes, depreciation and amortisation of operating subsidiaries excluding currency translation differences.

Key Commentaries

Revenue, gross profit and core operating EBITDA were generated by Yoma Fleet:

- Vehicle numbers grew by 9.5% YoY to 1,269 vehicles and third party assets under management grew by 34.3% YoY to US$46.2 million.
- Growth in revenue no longer linear as shift in portfolio mix towards the finance lease product resulted in better gross profit margins[1].
- Improvements in daily rental passenger utilisation on smaller vehicles at central locations also resulted in further gross profit margin improvements.
- Core operating EBITDA was in line with the improved gross profit margin.

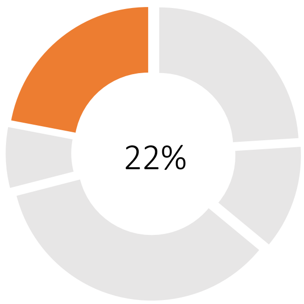
Share of profit of associated companies saw significant improvement due to the performance of Wave Money:

- Revenue and transaction numbers grew by 16.2% and 13.9% respectively from the previous quarter with sustained positive EBITDA.
- OTC business continued to grow consistently through the expansion of distribution reach, while the growth in MAUs accelerated from the investment in marketing and partnerships in the digital business.
- COVID-19 environment is expected to accelerate the transition from cash towards digital payment options.

[1] Finance lease accounting recognises only the interest component of the lease payment as revenue without the corresponding depreciation COGS charges associated with operating leases.

Segment Results - Yoma Motors

Revenue Contribution:



Revenue:
US$11.5 million
-0. 2% y-o-y

Core operating EBITDA:
(US$1.0 million)
+9.9% y-o-y

Earning Highlights (US$ million)	6M-Mar2019	6M-Mar2020
Revenue – Heavy Equipment	10.8	8.0
Revenue – Automotive	0.7	3.5
Revenue – Motors	11.6	11.5
Cost of sales	(9.8)	(9.5)
Gross Profit – Heavy Equipment	1.4	1.1
Gross Profit – Automotive	0.4	0.9
Gross Profit - Motors	**1.8**	**2.0**
Other (loss)/income – net	(0.1)	0.3
Expenses:-		
Administrative	(3.4)	(4.0)
Finance	N.M	(0.1)
Share of (losses)/profit of joint ventures	(0.3)	0.4
Share of losses of associated companies	N.M	N.M
Loss before income tax	**(2.1)**	(1.4)
Core Operating EBITDA	**(1.2)**	(1.0)

Differences in total due to rounding, N.M: Not meaningful

- For the purpose of this section, core operating EBITDA refers to earnings before interest, taxes, depreciation and amortisation of operating subsidiaries excluding currency translation differences.

Key Commentaries

Lower revenue from Heavy Equipment was mitigated by the increase from Automotive:

- Fewer tractors sold as a result of a continued weak agriculture sector due to falling crop prices, persisting export restrictions to India and initial border closures with China and Thailand from COVID-19.
- New Holland's continued focus on driving higher margin products.
- Higher Automotive revenue was driven by the sale of 94 Volkswagen vehicles and 27 Ducati motorbikes.

GP margins improved due to the better margins generated by Automotive forming a larger proportion of the segment.

Core operating EBITDA improved with the increase in gross profit and the scaling up of Automotive operations to approach breakeven.

Positive JV contributions were driven by healthy sales at Mitsubishi which sold 310 vehicles due to the success of the recently introduced Xpander model.

Note: This news release should be read in conjunction with the results announcement released on the SGXNet on the same date.

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