AUDITED FINANCIAL STATEMENTS AND MANAGEMENT DISCUSSION & ANALYSIS

The Board of Directors of First Myanmar Investment Public Co., Ltd. (the "Company", and with its subsidiaries, the "Group") wishes to announce the release of the Company's audited financial statements and annual report for year ended 31 March 2019.

The Company's management is pleased to provide a discussion and analysis of the year-end results below:

KEY HIGHLIGHTS

Summary Group Statement of Comprehensive Income

	FY 2019	FY 2018	% Change
	(Ks. '000s)	*(Ks. '000s)*	
Revenue	**279,735,934**	205,619,926	36.0%
Cost of Sales	**(169,007,085)**	(132,854,017)	27.2%
Gross Profit	**110,728,849**	72,765,909	52.2%
Gross Margin	**39.6%**	35.4%	4.2%
Expenses	**(104,745,269)**	(69,949,015)	49.7%
Other gains or losses	**(5,834,211)**	13,340,197	(143.7%)
Profit from associates and joint venture	**20,576,668**	11,765,504	74.9%
Profit before income tax	**20,726,037**	27,922,595	(25.8%)
Income tax expense	**(6,282,648)**	(3,145,142)	99.8%
Net profit for the year	**14,443,389**	24,777,453	(41.7%)
Fair value adjustment of investments	**(6,015,680)**	2,192,103	(374.4%)
Total comprehensive income for the year	**8,427,709**	26,969,556	(68.8 %)
Earnings per share	**338**	746	(54.7%)

Group revenue of Ks 279.7 billion for the financial year ended 31 March 2019 ("FY2019") was 36% higher than the Ks. 205.6 billion recorded in the previous year ended 31 March 2018 ("FY2018").

The main driver of the Group's revenue increase was a 36.5% increase in financial services from Ks. 186.5 billion in FY 2018 to Ks. 254.5 billion during the year. The increase was mainly due to an increase in interest income from loans, overdrafts, government securities and hire-purchase products, which were mainly driven by its growing loan book, and a gradual raising in fee income from its agriculture financing program, loan facilities and hire-purchase products.

Similarly, the total revenue of Healthcare services had increased by 32.6% from Ks. 18.8 billion in FY 2018 to Ks. 24.9 billion in FY2019. This was driven by the increase of 36% in ancillary services, particularly in radiology, pharmacy, doctor fees and lab areas, along with the increase in direct hospital service revenue by 22% primarily due to increase in patient volume across inpatient and outpatient services.

A breakdown of FY 2019 Group revenues is set forth below.

	FY 2018-19	FY 2017-18	% Change
	(Ks. '000s)	*(Ks. '000s)*	
Financial Services	254,597,729	186,586,355	36.5%
Healthcare Services	24,929,420	18,801,784	32.6%
Dividend Income	154,785	174,090	(11.1)%
Rental	54,000	57,697	(6.4)%
Total	**279,735,934**	**205,619,926**	**36.0%**

Gross profit margin raised by 4.2% to 39.6% during the year, compared to 35.4% in FY 2018. This was mainly due to Yoma Bank having an improvement in gross margin contributed by relatively lesser interest expenses compared to revenue growth, while Pun Hlaing Siloam Hospitals ("PHSH") maintained its margin constant.

Total Group expenses increased by 49.7% from Ks. 69.9 billion in FY 2018 to Ks. 104.7 billion in this year. This was mainly due to higher costs incurred for employee compensation, professional fees, marketing and promotion expenses, finance expenses and specific provision on non-performing loans from bank subsidiary. Higher employee compensation is due to the Group's continuous strategy to hire qualified professionals to accommodate its expanding businesses. Yoma Bank's expansion and its digital initiatives for the organization were the main contributors in increasing professional fees. Total group expenses also include finance expenses which was increased from 3.4 billion in FY2018 to 6.8 billion in FY2019.

Compared to Ks. 13.3 billion other gains recorded in FY 2018, this year shows other losses of 5.8 billion which breakdown are shown as follows:

	(Ks. '000s)
Loss on disposal of available-for-sale investments	(4,151)
Gain on disposal of property, plant and equipment	44,538
Loss on foreign currency exchange, net	(2,378,634)
Write off of unsuccessful business development	(2,524,139)
Write off of investments in available-for-sale investments	(258,941)

Write off of property and equipment	(161,173)
Capital gains tax	(551,168)
Others	(543)
Total	**(5,834,211)**

Both Ks. 44.5 million profit from disposal of property, plant and equipment and Ks. 161.1 million loss from writing off of property and equipment mainly came from Yoma Bank.

Compared to Ks. 1.3 billion gains in FY 2018, the Group had Ks. 2.3 billion loss from foreign currency translation during the year which was one of the main contributors in the overall losses. The foreign currency exchange loss was mainly due to unrealized foreign exchange losses on the Company's borrowing in United States dollars loan.

The written off of unsuccessful business development mainly related to the development costs of Ks. 755 million incurred in unsuccessful projects of Yangon Central Railway Station Project, Yeni Industrial Estate Project, Taunggyi Business Center Project and Kawthaung Airport Upgrade Project at the Company level and the development costs written off of K. 1.769 billion due to the cancellation or postponement of a number of hospital projects at PHSH level which are not viable to pursue in near future.

The written off of available-for-sale investments related to the Company's investment in Myanmar Parkson which is still under winding up process.

Capital gain tax mainly related to additional capital gain tax payment of FY 2014-15 and sale of Digital Money Myanmar happened in FY2018 after finalization of relevant tax year assessment.

Our share of profit of associates and joint ventures increased by 74.9% from Ks. 11.7 billion in FY 2018 to Ks. 20.5 billion during the year. This increase was primarily driven by fair value gains of investment properties from Thanlyin Estate Development and one-time profit gained from Pun Hlaing Link Services Co., Ltd for transfer of investment in financial assets to Yangon Land Co., Ltd.

A breakdown of our share of profit of associates & joint venture in FY 2019 is set forth below:

Associates & Joint Venture	Stake	Group Share of profit/(loss) *(Ks. '000s)*
Chindwin Holdings Pte Ltd	30.0%	(50,642)
Thanlyin Estate Development Co.,Ltd.	30.0%	17,539,469
Meeyahtar International Hotel Ltd.	20.0%	128,287
LSC-FMI Co., Ltd.	50.0%	(1,640)
Pun Hlaing Link Services Co., Ltd	30.0%	3,313,681
FMI Garden Development Co., Ltd.	47.5%	(163,331)
FMIDecaux Co.,Ltd	40.0%	(189,156)
Total		**20,576,668**

On account of relatively lower profit before income tax decreased by 25.8%, total Group net profit dropped by 41.7% to Ks.14.4 billion in FY2019 in comparison to Ks. 24.7 billion in FY2018.

Fair value adjustment of available-for-sale investments during the year was mainly due to the Company's share investments in Memories Group ("MM Group") which has quoted market price. In compliance to Myanmar Financial Reporting Standards, the fair value approach in this context refers to the accounting measurement basis that the Company uses to value its assets periodically to reflect the fluctuations in share prices in established Securities Exchange. Shown below is the details of fair value loss adjustment of Ks. 6 billion:

Investments	Carrying Value before Adjustment	Fair Value Adjustment	Carrying Value after Adjustment
MM Group	9,754,034,968	(6,015,680,363)	3,738,354,605
TOTAL	**9,754,034,968**	**(6,015,680,363)**	**3,738,354,605**

Earnings per share decreased by 54.7% from Ks. 746 in FY 2018 to Ks. 338 in FY2019. The decrease in earnings per share was mainly due to lower in net profit and higher average number of shares outstanding in FY2019.

Summary Group Balance Sheet

	FY 2019	FY 2018	% Change
ASSETS	*(Ks. '000s)*	*(Ks. '000s)*	
Total current assets	**2,105,186,757**	1,734,498,732	21.4%
Total non-current assets	**708,590,477**	558,315,502	26.9%
Total assets	**2,813,777,234**	2,292,814,234	22.7%
Liabilities			
Total current liabilities	**2,439,766,009**	1,952,768,391	24.9%
Total non-current liabilities	**63,140,150**	32,321,163	95.4%
Total liabilities	**2,502,906,159**	1,985,089,554	26.1%
Equity			
Total equity	**310,871,075**	307,724,680	1.0%
Total equity and liabilities	**2,813,777,234**	2,292,814,234	22.7%

Total current assets have risen by 21.4% in FY 2019, driven primarily by increase in loans at Yoma Bank. As at the 31 March 2019, the bank's loan book had grown to Ks. 1,660 billion from Ks. 1,366.3 billion at FY2018.

The increase of 26.9% in non-current assets was primarily due to the purchase of additional Myanmar treasury bonds by Yoma Bank.

The 24.9% rise in the Group's current liabilities was due to significant growth in customers deposits at Yoma Bank. As at 31 Mar 2019, deposits from non-bank customers at Yoma bank was Ks. 2,269.4 billion from Ks. 1,811.5 billion in FY2018.

The increase of 95.4% in non-current liabilities from Ks. 32.3 billion in FY2018 to Ks. 63.1 billion in FY2019 was mainly due to the additional loan taken by the Company and Pun Hlaing International Hospital Limited due to business expansion as well as retranslation of the Company's United States dollars loan balance due to volatile in exchange rate.

Group equity grew marginally at a rate of 1%, which is attributable to the increase in retained earnings and non-controlling interest mainly came from Yoma Bank.

Summary Group Cash Flow Statement

	FY 2019	FY 2018
	(Ks. '000s)	*(Ks. '000s)*
Cash provided by operating activities	**198,579,619**	159,811,380
Cash (used in) investing activities	**(152,385,262)**	(69,513,661)
Cash provided by/(used in) financing activities	**17,483,843**	(6,585,997)
Net increase in cash and cash equivalents	**63,678,200**	83,711,722
Cash and cash equivalents at beginning of financial year	**286,955,946**	203,244,224
Cash and cash equivalents at the end of the financial year	**350,634,146**	286,955,946

Group cash and cash equivalents totaled to Ks. 350.6 billion as at 31 March 2019, as compared to Ks. 286.9 billion as at 31 March 2018. Yoma Bank represents the majority of cash reported on the Group cashflow statement and its deposits from customers increased faster than its loans, resulting in majority of positive cash flow from operations. The Ks. 152.3 billion of cash used in investing activities in FY 2019 was primarily due to additional purchase of government securities by Yoma Bank. The cash provided by financing activities of Ks. 17.4 billion mainly relates to the additional loan taken by the Company and the Hospitals.

Forward Outlook

We continue to focus on our strategy of investing in core businesses namely the financial services, real estate, healthcare sectors and tourism. We expect financial services sector will continue to deliver a remarkable performance while healthcare and real estate will make contributions to the Group in the long term.

In financial services, we expect to see sustained growth in Yoma Bank as it continues its commitment to grow Myanmar's small and medium-sized businesses and drives towards standardizing and simplifying the bank's organizational structure. The new practice of paper-less tablet-based application process, being Myanmar's first digitized Home Loan and Hire Purchase experience allows a faster and efficient loan application experience for both branch employees and customers. With this practice, Yoma Bank is well positioned to be a leading digital bank in Myanmar. The introduction of new digital, unsecured small loan product, 'SMART Credit Business', provides a convenient, private and fast service of funds disbursement to micro and small businesses. Yoma Bank will continue to accelerate the digital banking system which can help to grow its overall performance in the long run.

For the real estate sector, we remain optimistic that demand will increase with improvement of the economy. The Group will continue to promote and launch additional phases of City Loft @ StarCity, a new division of modern affordable housing that targets the underserved middle-income markets in the coming months after receiving positive responses when it was first introduced. From this sizeable new market, the Group expects to generate a meaningful profit stream for the future.

Pun Hlaing Siloam Hospital will continue to execute its expansion plan of the 'Hub and Spoke' service delivery model which is believed to set a strong foundation for sustainable growth in future. With the new partnership with Singapore Stock Exchange listed OUE Lippo Healthcare Limited, it will also add value and accelerate its future strategic alliances.

Our portfolio investments in Tourism is progressing well in terms of its assets base. Memories Group is actively looking to expand its hotel portfolios through acquisitions of well-located hotels and adding more of hotel management contracts, as a result Memories Group has recently entered into shares purchase agreement for the proposed acquisition of 15.28% in Strand Hotel International Limited. Memories Group will continue to execute its sales and marketing strategies targeting towards Western and Asian travellers. Building brand awareness takes time, but Memories Group is positive that it will eventually pay off as the Asian tourists travelling to Myanmar are expected to increase each year.

With the growth of Myanmar economy together with productive competition, we will continue to pursue joint ventures and partnerships with qualified international and local partners should the right opportunity presents itself in the vibrant and modernizing economy of Myanmar.

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