

Date: June 29, 2022

Notice of Financial Results for Financial Year 2021-2022

Myanmar Thilawa SEZ Holdings Public Company Limited (“MTSH”) hereby releases its consolidated financial statements for the period of the financial year ended March 31, 2022 which is prepared in accordance with the Myanmar Financial Reporting Standards (MFRS) and audited by the Independent Auditors.

Such financial statements and its notes have been approved by the Board of Directors at the meeting held on June 10, 2022.



Tun Lwin

Board Secretary

MYANMAR THILAWA SEZ HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

Currency – Myanmar Kyat (In Thousands)

MYANMAR THILAWA SEZ HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE PERIOD ENDED 31 MARCH 2022

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR MYANMAR THILAWA SEZ HOLDINGS PUBLIC COMPANY LIMITED

It is the responsibility of the management to prepare the consolidated statements of financial position of **Myanmar Thilawa SEZ Holdings Public Company Limited (the Company) and its subsidiary (the Group)** as at 31 March 2022, the consolidated statement of comprehensive income of the Group, consolidated statement of changes in equity of the Group, consolidated statement of cash flows of the Group for the period then ended, and a summary of significant accounting policies and other explanatory notes. In preparing these consolidated financial statements, the management is required to:

- Select suitable accounting policies and then apply them consistently; and
- Make judgments and estimates that are reasonable and prudent.

The management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group. We have general responsibility for taking such steps as are reasonably open to us to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

On behalf of Management



WIN AUNG
Chairman

MYANMAR THILAWA SEZ HOLDINGS PUBLIC CO., LTD.



10 June 2022



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WIN THIN & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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Ref: 178/ M-255/ March 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of the Group of Myanmar Thilawa SEZ Holdings Public Company Limited

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **Myanmar Thilawa SEZ Holdings Public Company Limited (“the Company”)** and its subsidiary (“the Group”) set out on pages 4 to 26 which comprise the consolidated statement of financial position of the Group as at 31 March 2022, the consolidated statement of comprehensive income of the Group, the consolidated statement of changes in equity of the Group, consolidated statement of cash flows of the Group for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Myanmar Financial Reporting Standards and the provisions of the Myanmar Companies Law. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Myanmar Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

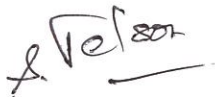
Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2022 and of its consolidated financial performance and its consolidated cash flows for the period then ended in accordance with Myanmar Financial Reporting Standards and the provision of the Myanmar Companies Law.

Report on Other Legal and Regulatory Requirements

In accordance with the provisions of the Myanmar Companies Law, we also report that:

- (i) we have obtained all the information and explanations we have required; and
- (ii) financial records have been maintained by the Company and by its subsidiary as required by Section 258 of the Law.



Saw Nelson (PAPP-400)
Engagement Partner
WIN THIN & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

10 June 2022



MYANMAR THILAWA SEZ HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

Currency – Myanmar Kyat (In Thousands)

	Note	31 March 2022	30 September 2021
Assets			
Non-current assets			
Property, plant and equipment	6	3,363,717	3,475,266
Intangible asset	7	1,438	1,746
Investment in associate	8	42,498,088	40,547,919
Other investment	9	10,000	10,000
Investment property	10	4,315,612	4,129,093
Deferred tax assets	11	47,207	36,866
Net receivable under installment sales	12	–	41,535
Other assets	13	341,059	289,856
		50,577,121	48,532,281
Current assets			
Cash and cash equivalents	14	10,983,428	16,103,556
Trade and other receivables	15	1,771,560	1,546,377
Inventories	16	26,377,365	26,582,421
		39,132,353	44,232,354
		89,709,474	92,764,635
Equity and liabilities			
Equity			
Issued and paid-up share capital	17	38,929,150	38,929,150
Retained profits		39,663,611	42,384,699
		78,592,761	81,313,849
Non-controlling interest		7,806,009	7,893,642
		86,398,770	89,207,491
Non-current liabilities			
Advance from customers		1,232,402	1,235,224
		1,232,402	1,235,224
Current liabilities			
Trade and other payables	18	1,833,767	2,118,946
Current tax liability		244,535	202,974
		2,078,302	2,321,920
		89,709,474	92,764,635

The notes on pages 8 to 26 are an integral part of these consolidated financial statements.

Authenticated by:

WIN AUNG
Chairman

TUN LWIN
Vice-Chairman

MYINT ZAW
Managing Director
Myanmar Thilawa SEZ Holdings Public Co., Ltd.

Yu War Tun
Head Of Finance

MYANMAR THILAWA SEZ HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2022

Currency – Myanmar Kyat (In Thousands)

	Note	1 October 2021 to 31 March 2022	1 October 2020 to 30 September 2021
Revenue	19	3,367,739	2,947,812
Cost of sales	20	(2,811,618)	(962,195)
Gross Profit		556,121	1,985,617
Other income	21	153,958	128,812
Realised exchange gains		109,321	1,457,836
Unrealised exchange (losses)/ gains	22	(839,479)	4,638,754
Selling, marketing and business development expenses	20	(174)	(29,236)
Administrative expenses	20	(809,891)	(1,738,974)
(Loss)/profit for the period/year		(830,144)	6,442,809
Share of profit of associate	8	1,945,559	2,581,204
Profit before tax		1,115,415	9,024,013
Income tax expense	23	(31,221)	(177,561)
Net profit for the period/year		1,084,194	8,846,452
Other comprehensive income for the period/year		–	–
Total comprehensive income for the period/year		1,084,194	8,846,452
Profit attributable to:			
Equity holders of the Company		1,171,827	8,486,919
Non-controlling interests		(87,633)	359,533
Total comprehensive income attributable to:			
Equity holders of the Company		1,171,827	8,486,919
Non-controlling interests		(87,633)	359,533
Earnings per share (K per share)			
Basic earnings per share	24	30	218

The notes on pages 8 to 26 are an integral part of these consolidated financial statements.

MYANMAR THILAWA SEZ HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2022

Currency – Myanmar Kyat (In Thousands)

	Issued and paid-up share capital	Retained profits	Non-controlling interest	Total equity
Balance at 1 October 2021	38,929,150	42,384,699	7,893,642	89,207,491
Comprehensive income				
Profit for the period	–	1,171,827	(87,633)	1,084,194
Other comprehensive income for the period	–	–	–	–
Total comprehensive income for the period	–	1,171,827	(87,633)	1,084,194
Contributions from and distributions to owners				
Issue of share capital	–	–	–	–
Dividend	–	(3,892,915)	–	(3,892,915)
Total contributions from and distributions to owners	–	(3,892,915)	–	(3,892,915)
Balance at 31 March 2022	38,929,150	39,663,611	7,806,009	86,398,770
Balance at 1 October 2020	38,929,150	40,905,027	7,534,109	87,368,286
Comprehensive income				
Profit for the year	–	8,486,919	359,533	8,846,452
Other comprehensive income for the year	–	–	–	–
Total comprehensive income for the year	–	8,486,919	359,533	8,846,452
Contributions from and distributions to owners				
Issue of share capital	–	–	–	–
Dividend	–	(7,007,247)	–	(7,007,247)
Total contributions from and distributions to owners	–	(7,007,247)	–	(7,007,247)
Balance at 30 September 2021	38,929,150	42,384,699	7,893,642	89,207,491

The notes on pages 8 to 26 are an integral part of these consolidated financial statements.

MYANMAR THILAWA SEZ HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2022

Currency – Myanmar Kyat (In Thousands)

	Note	1 October 2021 to 31 March 2022	1 October 2020 to 30 September 2021
Cash flows from operating activities			
Profit before tax		1,115,415	9,024,013
Adjustment for non-cash items:			
Depreciation		184,178	390,914
Amortisation		411	1,350
Write-off		1,259	1,397
Unrealised profit adjustment		(6,529)	(63,434)
Share of profit of associate		(1,945,559)	(2,581,204)
Operating (loss)/profit before working capital changes		(650,825)	6,773,036
Changes in working capital			
Trade and other receivables		24,816	(31,168)
Inventories		(42,032)	329,923
Trade and other payables		(285,179)	268,876
Advance from customers		(2,822)	(1,050,481)
		(956,042)	6,290,186
Income tax paid		(250,000)	–
Net cash (used in)/ provided by operating activities		(1,206,042)	6,290,186
Cash flows from investing activities			
Purchase of property, plant and equipment		(10,496)	(211,827)
Purchase of intangible asset		(1,007)	–
Proceeds from sale of property, plant and equipment		–	399
Other assets		(51,203)	(90,945)
Net receivable under installment sales		41,535	240,403
Net cash used in investing activities		(21,171)	(61,970)
Cash flows from financing activities			
Dividend paid to shareholders		(3,892,915)	(7,007,247)
Net cash used in financing activities		(3,892,915)	(7,007,247)
Net decrease in cash and cash equivalents		(5,120,128)	(779,031)
Cash and cash equivalents at beginning of period/year		16,103,556	16,882,587
Cash and cash equivalents at end of period/year	14	10,983,428	16,103,556

The notes on pages 8 to 26 are an integral part of these consolidated financial statements.

MYANMAR THILAWA SEZ HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

1. General information

Myanmar Thilawa SEZ Holdings Public Company Limited (the Company) was incorporated in the Republic of the Union of Myanmar on 3 May 2013 under the Myanmar Companies Act. The Act has been replaced by the Myanmar Companies Law 2017. As such, the Company has been re-registered and issued Company Registration No. 151830293 according to the new Law.

On 26 May 2013, pursuant to the Cooperation Memorandum, the Company signed a Memorandum of Understanding with MMST LLP (MMS Thilawa Limited Liability Partnership) for the purpose of establishing the Joint Venture Company for the development, marketing, sales and operation of the Class A Project.

On 29 October 2013, pursuant to the Memorandum of Understanding mentioned above, the Company, the Thilawa SMC (Thilawa SEZ Management Committee) and MMSTD (MMS Thilawa Development Co., Ltd) entered into the Joint Venture Agreement in connection with the establishment of the JV Company to undertake the development, construction, marketing, sales and operation of the Class A project. The Joint Venture Company was established as Myanmar Japan Thilawa Development Ltd. (MJTD).

Under the Joint Venture Agreement, subject to the satisfaction of certain prescribed conditions precedent, the Company will collectively subscribe for JV Company Shares of an initial aggregate amount of US\$50,000,000 in the proportions of 41%.

The principle business activities of the Company are to:

- invest in and participate in the management of the JV Company, which will engage in the development, construction, marketing, sales and operation of the Class A Project;
- market and sell the Class A Properties to Myanmar Related Entities as exclusive agent, and market and sell the Class A Properties to parties which are not Myanmar Related Entities or Japanese Related Entities jointly with the Japanese consortium members; and
- engage in the development of Thilawa SEZ (other than the Class A Area) or any part thereof as may be determined by our Directors in their discretion.

For additional information about the Company, please refer to the Company's Prospectus dated 27 February 2014.

The registered office of the Company is Shwe Zabu River View Complex 23G-1, No. 3B, Tower (A), Penthouse - 01 & 02, Strand Road, Ahlone Township, Yangon Region, Myanmar.

The Company is listed in Yangon Stock Exchange on 20 May 2016.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The accompanying financial statements of the Company have been prepared in accordance with Myanmar Financial Reporting Standards (MFRS) and have been based on historical cost convention.

In preparing these financial statements, certain reclassifications and rearrangements have been made in comparative financial statements to conform to the classification used in current financial statement.

2.2 Change in reporting period

During the period ended 31 March 2022, the Company changed its financial year end from September (i.e. former financial year end) to March (i.e. current financial period end). Accordingly, the financial statements presented are as at and for the six months ended 31 March 2022 and the twelve months ended 30 September 2021. As a result, the comparative figures presented in statements of comprehensive income, changes in equity and cash flows and the related notes are not comparable.

The change in financial year was due to change of financial year enacted by the government.

2.3 Foreign currency translation

(1) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of primary economic environment in which the Company operates (the “functional currency”). The financial statements are presented in Myanmar Kyat, which is the presentation currency as well as functional currency of the Company. All amounts have been rounded to the nearest thousands, unless otherwise indicated.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency at the exchange rate prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

2.4 Group Accounting

(a) Subsidiaries

Consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and recognized gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are

considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(b) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses.

(c) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognized in profit or loss and its share of post-acquisition other comprehensive income is recognized in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognize further losses, unless it has obligations to make or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

2.5 Investment in associate

Investment in associate is initially recognized at the transaction price (including transaction costs) under the equity method of accounting and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the profit or loss of the investee is recognized in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment.

2.6 Investment properties

Investment properties are properties held to earn rental and/or capital appreciation (or both). Investment properties are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of fifty years or the balance of land use right.

The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are included in profit or loss when the changes arise.

2.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognized. All other repairs and maintenance are charged to the profit or loss during the period in which they are incurred.

Depreciation on assets under construction commences when the assets are ready items of property, plant and equipment less their estimated residuals values using the straight-line method over their estimated useful lives. The estimated depreciation rates are as follows:

Leasehold land	2.19%
Plant	5%
Transformers	2.17%
Building	2%-2.17%
Waste storage house	5%
Machinery and equipment	20%
Motor vehicle	20%
Computer equipment	20%
Furniture and equipment	10% - 40%
Office renovation	5% - 20%

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of the reporting period. The effects of any revision are recognized in profit or loss when the changes arise.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'other gains/(losses) – net' in the statement of comprehensive income.

2.8 Intangible assets

Accounting software

Accounting software license is initially capitalized at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures are added to the original cost of the software. Costs associated with maintaining the accounting software license are expensed off when incurred.

Computer software license is subsequently carried at cost less accumulated amortization and accumulated impairment losses. These costs are amortized to profit or loss using the straight-line method over their estimated useful lives of five years equivalent to 20%.

The amortization period and amortization method of intangible assets are reviewed at least at each statement of financial position date. The effects of any revision are recognized in profit or loss when the changes arise.

2.9 Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognized as revenue and expenses respectively by reference to the stage of completion of the contract activity at the statement of financial position date (“percentage-of-completion method”). When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that are likely to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Variations in contract work, claims and incentive payments are included in contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim and they are capable of being reliably measured.

The stage of completion is measured by reference to the proportion of contract costs incurred to date to the estimated total costs for the contract. Costs incurred during the financial period in connection with future activity on a contract are excluded from the costs incurred to date when determining the stage of completion of a contract. Such costs are shown as construction contract work-in-progress on the statement of financial position unless it is not probable that such contract costs are recoverable from the customers, in which case, such costs are recognized as an expense immediately.

At the statement of financial position date, the cumulative costs incurred plus recognized profits (less recognized losses) on each contract is compared against the progress billings. Where the cumulative costs incurred plus the recognized profits (less recognized losses) exceed progress billings, the balance is presented as due from customers on construction contracts within “trade and other receivables”. Where progress billings exceed the cumulative costs incurred plus recognized profits (less recognized losses), the balance is presented as due to customers on construction contracts within “trade and other payables”.

Progress billings not yet paid by customers and retentions by customers are included within “trade and other receivables”. Advances received are included within “trade and other payables”.

2.10 Inventories

Inventories are carried at the lower of cost and net realizable value. The cost comprises cost of land scraping cost, infrastructure development cost, direct labour and other direct cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits with various local banks.

2.12 Trade and other receivables

Trade and other receivables are initially measured at fair value, and subsequently measured at amortized cost using the effective interest method, less provision for impairment. Trade and other receivables are reduced by appropriate allowance for estimated irrecoverable amount.

2.13 Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortized cost using the effective interest method.

2.14 Issued and paid-up share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

2.15 Dividends

Dividends to the Company's shareholders are recognized when the dividends are approved for payment.

2.16 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees. Employee benefits are recognized as payable in the period in which the benefits is earned by employee. Past-service costs are recognized immediately in profit or loss.

2.17 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is a probable that an outflow of resources will be required to settle the obligations; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

2.18 Revenue

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue is shown net of sales (after deducting commercial tax)

(a) Rendering of services

Revenue for rendering services is recognized over time as the services are provided. The related costs are recognized in statement of profit or loss and comprehensive income when they are incurred.

(b) Sale of goods

Revenue from sales of goods is recognized when the goods are delivered and title has passed to the customer.

(c) Interest income

Interest income arising from deposit at financial institution is recognized when the effective interest method.

(d) Dividend income

Dividend income is recognized when the right to receive payment is established.

(e) Revenue from construction contracts

Please refer to the paragraph "construction contracts" for the accounting policy for the revenue from construction contracts.

(f) Rental income

Rental income is recognized when earned on a straight-line basis over the lease term.

2.19 Income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The current income tax is calculated on the basis of the tax rate and tax law enacted or substantially enacted at the end of the reporting period. Current income tax is recognized in profit or loss.

Deferred tax is recognized on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognized as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognized outside profit or loss (either in other comprehensive income or directly in equity, respectively).

3. Significant accounting judgments and estimates

The preparation of the Company's financial statements in conformity with MFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities. Actual results may differ from these estimates.

Estimate and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future year affected.

Infrastructure development costs

Infrastructure development costs of land are recorded as inventories during the construction stage and an apportionment of these costs will be recognized in the statement of comprehensive income upon the recognition of the revenue of the land under development.

These infrastructure costs comprise of awarded contracts and an estimation of future ones. The total costs were estimated by a third-party professional Quantity Surveyor and periodically re-validated internally.

Before the final settlement of the development costs and other costs relating to the land under development, these costs are based on management's best estimate. Where the final settlement of costs and the related cost allocation is different from the initial estimates, any increase or decrease in the development costs and other costs would affect the profit or loss in future years.

4. Financial risk management

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its risks. The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows:

Foreign exchange risk

The Group has exposure to foreign exchange risk due to assets and liabilities denominated in foreign currencies. However, the Group does not hedge its exposures to foreign exchange risk as the risk is not expected to be significant.

Credit risk

The maximum credit risk associated with recognized financial assets is the carrying amount shown in the statement of financial position. However, policies had been established by the Group to minimize such risks.

Market risk

The Group is not exposed to any market risk.

Liquidity and cash flow risks

The Group monitors and maintains a level of bank balances deemed adequate by the directors to finance the operation and mitigate the effects of fluctuation in cash flow.

5. Capital management

The Group's objectives, when managing its capital, are to safeguard and maintain adequate working capital to continue as a going concern.

6. Property, plant and equipment

Myanmar Kyat (In Thousands)	Leasehold land	Plant	Transformers	Building	Waste storage house	Machinery and equipment	Motor vehicle	Computer equipment	Furniture and equipment	Office renovation	Asset in construction	Total
Cost												
Balance at 1 October 2021	404,367	1,320,512	270,557	1,143,940	4,342	67,875	423,013	111,354	539,648	549,347	-	4,834,955
Addition	-	-	-	-	-	115	-	-	4,188	6,193	-	10,496
Write off (Note 20)	-	-	-	-	-	(803)	-	(544)	(161)	-	-	(1,508)
Balance at 31 March 2022	404,367	1,320,512	270,557	1,143,940	4,342	67,187	423,013	110,810	543,675	555,540	-	4,843,943
Accumulated depreciation and impairment losses												
Balance at 1 October 2021	(27,253)	(246,569)	(20,510)	(56,680)	(615)	(42,287)	(357,846)	(72,263)	(353,216)	(182,450)	-	(1,359,689)
Depreciation (Note 20)	(4,419)	(33,013)	(2,930)	(11,621)	(109)	(3,397)	(14,479)	(7,263)	(32,466)	(11,993)	-	(121,690)
Impairment loss	-	-	-	-	-	-	-	-	-	-	-	-
Write off (Note 20)	-	-	-	-	-	488	-	544	121	-	-	-
Balance at 31 March 2022	(31,672)	(279,582)	(23,440)	(68,301)	(724)	(45,196)	(372,325)	(78,982)	(385,561)	(194,443)	-	(1,480,226)
Net book value												
At 31 March 2022	372,695	1,040,930	247,117	1,075,639	3,618	21,991	50,688	31,828	158,114	361,097	-	3,363,717
Cost												
Balance at 1 October 2020	404,367	1,320,512	270,557	1,143,940	4,342	81,499	423,523	108,599	425,660	191,691	276,943	4,651,633
Addition	-	-	-	-	-	2,209	680	12,096	11,021	58,093	127,728	211,827
Reclassification	-	-	-	-	-	-	-	-	103,327	301,344	(404,671)	-
Disposal	-	-	-	-	-	(15,701)	-	(6,284)	-	-	-	(21,985)
Write off (Note 20)	-	-	-	-	-	(132)	(1,190)	(3,057)	(360)	(1,781)	-	(6,520)
Balance at 30 September 2021	404,367	1,320,512	270,557	1,143,940	4,342	67,875	423,013	111,354	539,648	549,347	-	4,834,955
Accumulated depreciation and impairment losses												
Balance at 1 October 2020	(18,414)	(180,543)	(14,650)	(33,438)	(398)	(50,355)	(321,343)	(65,626)	(282,229)	(157,399)	-	(1,124,395)
Depreciation (Note 20)	(8,839)	(66,026)	(5,860)	(23,242)	(217)	(7,256)	(37,138)	(15,326)	(71,275)	(26,824)	-	(262,003)
Reclassification	-	-	-	-	-	-	-	-	-	-	-	-
Impairment loss	-	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	15,302	-	6,284	-	-	-	-
Write off (Note 20)	-	-	-	-	-	22	635	2,405	288	1,773	-	21,586
Balance at 30 September 2021	(27,253)	(246,569)	(20,510)	(56,680)	(615)	(42,287)	(357,846)	(72,263)	(353,216)	(182,450)	-	(1,359,689)
Net book value												
At 30 September 2021	377,114	1,073,943	250,047	1,087,260	3,727	25,588	65,167	39,091	186,432	366,897	-	3,475,266

7. Intangible asset

Myanmar Kyat (In Thousands)	Software
Cost	
Balance at 1 October 2021	11,495
Addition	1,007
Write Off (Note 20)	(3,107)
Balance at 31 March 2022	9,395
Accumulated amortization and impairment losses	
Balance at 1 October 2021	(9,749)
Amortisation (Note 20)	(411)
Impairment loss	–
Write Off (Note 20)	2,203
Balance at 31 March 2022	(7,957)
Net book value	
At 31 March 2022	1,438
Cost	
Balance at 1 October 2020	11,495
Addition	–
Balance at 30 September 2021	11,495
Accumulated amortization and impairment losses	
Balance at 1 October 2020	(8,399)
Amortisation (Note 20)	(1,350)
Impairment loss	–
Balance at 30 September 2021	(9,749)
Net book value	
At 30 September 2021	1,746

8. Investment in associate

Myanmar Kyat (In Thousands)	31 March 2022	30 September 2021
Opening balance	40,547,919	37,941,370
Proportionate net profit for the period/year	1,945,559	2,581,204
Unrealised profit adjustment	4,610	25,345
Carrying value	42,498,088	40,547,919

The Company's share of profit in its equity-accounted investee (i.e, Myanmar Japan Thilawa Development Limited) for the period was Kyats 1,945,559,484.54 (USD 1,094,240.43@ Kyats 1778) (30 September 2021: Profit Kyats 2,581,204,221.65 (USD 1,339,424.12@ Kyats 1927.1)). The equity accounted investee is not publicly listed entity and consequentially does not have published price quotations.

The following amounts represent the assets and the liabilities and income and expenses of the associate.

USD (In Thousands)	31 March 2022	30 September 2021
Owner-ship	41%	41%
Current assets	69,887	69,041
Non-current assets	18,778	19,492
Total assets	88,665	88,533
Current liabilities	79,492	9,521
Non-current liabilities	2,240	2,189
Total liabilities	81,732	11,710
Net assets	6,933	76,823
Income	5,215	13,465
Expenses	(2,546)	(10,198)
Profit	2,669	3,267
Share of profit	1,094	1,339

9. Other investment (MMK 10,000,000)

The above amount represents investment in Myanmar Kyauk Phyu SEZ Holding Consortium Public Co., Ltd by the Company.

10. Investment property

Myanmar Kyat (In Thousands)	Land and building
Cost	
Balance at 1 October 2021	4,738,529
Transferred from inventories	249,197
Balance at 31 March 2022	4,987,726
Accumulated depreciation and impairment losses	
Balance at 1 October 2021	(490,468)
Depreciation (Note 20)	(62,488)
Impairment loss	–
Balance at 31 March 2022	(552,956)
Unrealised profit adjustment	(119,158)
Net book value	
At 31 March 2022	4,315,612
Cost	
Balance at 1 October 2020	5,487,548
Transferred to inventories	(749,019)
Balance at 30 September 2021	4,738,529
Accumulated depreciation and impairment losses	
Balance at 1 October 2020	(400,232)
Depreciation (Note 20)	(128,911)
Transferred to inventories	38,675
Impairment loss	–
Balance at 30 September 2021	(490,468)
Unrealised profit adjustment	(118,968)
Net book value	
At 30 September 2021	4,129,093

The Company's investment property at 31 March 2022 includes three buildings of workers accommodation at recreational and commercial area of Thilawa SEZ. The Directors are of the view that a fair value of the property cannot be ascertained at 31 March 2022. The opinion is based on the following facts:

1. There is no such asset of this specification in Thilawa;
2. There is no history of such similar property transacted in Thilawa; and
3. No sales of any asset type have been recorded in the Thilawa SEZ.

As such, it is not possible for a valuation to be done on a willing-buyer/willing-seller basis. As such, the market comparable approach cannot be adopted. To value the property using the income capitalization approach, the property has to be given sufficient time for leasing, and stabilization of that yield, for the capitalization rate to be applied. Since occupation permit was only quite recently obtained, the rental process is only in the beginning stage. Hence, the income capitalization approach cannot be adopted.

Given that the first two valuation methods cannot be applied, the third would be the cost approach. This assumes that a reasonable buyer would have to pay equal or more than the cost of constructing a comparable building. The cost approach is probably the most prudent in estimating the book/reinstatement value of such an asset at 31 March 2022.

During the period from 1 October 2021 to 31 March 2022, one unit of shop house has been transferred from inventory to investment property at its cost. The property held for rent in the ordinary course of business.

As of 31 March 2022, the Company's investment property includes:

1. Three buildings of workers accommodation
2. Two units of type A shop house facing main road

Details of the group's investment properties and information about the fair value hierarchy as at 31 March 2022 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair value as at 31 March 2022</u>
Investment property				
Workers accommodation	–	–	10,236,840	10,236,840
Unit A – Main road	<u>450,000</u>	<u>–</u>	<u>–</u>	<u>450,000</u>

For unit A – Main road, the fair value was derived using the market comparable approach based on recent market price of similar property with adjustment made for frontage.

For investment properties categorized into Level 3 of the fair value hierarchy, the following information is relevant:

Investment property	Valuation technique	Significant unobservable input(s)	Sensitivity
Workers accommodation	Income capitalization approach	Capitalization rate	Increase in the capitalization rate used would result decrease in fair value, and vice versa.
		Occupancy rate	Decrease in the occupancy rate used would result decrease in fair value, and vice versa.
		Monthly rental	Decrease in the monthly rental used would result decrease in fair value, and vice versa.

One unit of type A facing main road was transferred from Level 2 to Level 1 and there were no other transfer during the period.

The fair value of investment properties is not based on valuation by an independent valuer.

The property rental income from the group's investment properties all of which are leased out under operating lease amounted to MMK 113,131 (thousand). Direct operating expenses (including repairs and maintenance) arising from the rental – generating investment properties amounted to MMK 77,269 (thousand).

11. Deferred tax

Deferred tax is calculated by applying income tax rate on deductible temporary difference, arrived at upon deducting the carrying value from tax base amount of property, plant and equipment.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the financial position as follows:

Myanmar Kyat (In Thousands)	Accelerated tax depreciation on property, plant and equipment
Balance at 1 October 2021	36,866
(Charge)/ credit to profit or loss (Note-23)	10,341
Balance at 31 March 2022	47,207
Balance at 1 October 2020	11,453
(Charge)/ credit to profit or loss (Note-23)	25,413
Balance at 30 September 2021	36,866

12. Net receivable under installment sales

The Company sold its shop houses under installment plan. Net present value of installment payments to be received are recognized as revenue and receivable. The Company use interest rate implicit in the contract as discount rate to measure the net present value. These properties are de-recognized from the inventory and carrying amount is recognized under cost of sales. The selling profit is the difference between revenue and cost of sales.

The Company recognize the finance income and allocate over the installment term.

(a) Receivable under installment sales

Myanmar Kyat (In Thousands)	31 March 2022	30 September 2021
Gross receivable under installment sales	191,005	254,674
Less: Unearned finance income	(4,923)	(11,969)
	186,082	242,705
Less: current portion (Note 15)	(186,082)	(201,170)
	-	41,535

(b) Undiscounted installment payments to be received

Myanmar Kyat (In Thousands)	31 March 2022	30 September 2021
Within one year	191,005	212,228
Second to third years	-	42,446
	191,005	254,674

13. Other assets

Myanmar Kyat (In Thousands)	31 March 2022	30 September 2021
Logistics Dependent Industrial Area	86,706	86,706
Myit Kyi Nar Economic Development Zone	7,005	7,005
Gyo Gone Redevelopment Project	204,623	175,645
AGRO-Industrial Park	42,725	20,500
	341,059	289,856

14. Cash and cash equivalents

Myanmar Kyat (In Thousands)	31 March 2022	30 September 2021
Cash in hand	75,477	63,035
Cash at bank	10,907,951	16,040,521
	10,983,428	16,103,556

15. Trade and other receivables

Myanmar Kyat (In Thousands)	31 March 2022	30 September 2021
Trade receivables from		
- Related parties*	322,040	332,267
- Non-related parties	69,131	52,140
Other receivable from non-related parties	6,112	7,534
Net receivable under installment sales (Note 12)	186,082	201,170
Accrued income from non-related parties	21,479	21,512
Deposit	218,387	219,054
Prepayments and advance	21,540	30,681
Advance income tax	280,207	30,207
Advance commercial tax	646,582	651,812
	1,771,560	1,546,377

* It comprises management services fees receivable from Myanmar Japan Thilawa Development Limited (MJTD).

16. Inventories

Inventories include cost of leasehold land acquired from Myanmar Japan Thilawa Development Limited (MJTD) for the development of residential and commercial area of Thilawa Special Economic Zone. It also includes the cost of land scraping, infrastructure development, sixteen units of shop houses and shop houses construction.

17. Issued and paid-up share capital

Myanmar Kyat (In Thousands)	No. of ordinary shares issued		Issued and fully paid-up share capital	
	31 March 2022	30 September 2021	31 March 2022	30 September 2021
Beginning of financial period/year	38,929,150	38,929,150	38,929,150	38,929,150
Issued of shares	-	-	-	-
End of financial period/year	38,929,150	38,929,150	38,929,150	38,929,150

18. Trade and other payables

Myanmar Kyat (In Thousands)	31 March 2022	30 September 2021
Trade payables to non-related parties	22,582	26,208
Construction contract-due to supplier	120,397	120,417
Other payables to		
- Related parties	6,811	91,764
- Non-related parties	257,833	159,009
Deposit from suppliers	8,138	13,697
Accrued expenses	86,399	217,007
Unpaid dividend	1,293,237	1,458,970
Deferred rental income		
- Related parties	-	213
- Non-related parties	29,870	17,538
Commercial tax	8,500	14,123
	1,833,767	2,118,946

19. Revenue

Myanmar Kyat (In Thousands)	1 October 2021 to 31 March 2022	1 October 2020 to 30 September 2021
Management fees	603,335	1,037,579
Sale of goods	2,498,980	–
Rental income	113,131	254,288
Sale of land	–	1,370,200
Telecommunication	19,424	17,226
Utilities income	132,869	268,519
	3,367,739	2,947,812

Management fees

Management fees are received from Myanmar Japan Thilawa Development Limited (MJTD) in consideration of management services provided by the Company for the following personnel;

- (1) Chairman
- (2) Vice President (Myanmar Desk)
- (3) Head of Finance & Accounting
- (4) Head of Administration & Human Resources
- (5) Head of Community Relationship

Sale of goods

The above represents the sale of beans to a local customer.

Rental income

The above comprises of rental of rooms in dormitory, food court and shop house.

Sale of land

The above comprises of sale of land to Max Energy Company Limited.

Telecommunication

The above represents the fixed element and revenue sharing variable element for granting access of fiber optic cable to telecommunication service provider.

Utilities income

The above comprises of water, electricity and common area maintenance fees from the banks, shop house, rented shops and food court.

20. Expenses by nature

Myanmar Kyat (In Thousands)	1 October 2021 to 31 March 2022	1 October 2020 to 30 September 2021
Land cost	–	413,943
Cost of rental and dormitory	77,269	168,061
Utilities cost	87,949	186,016
Cost of management fee	81,788	–
Cost of inventories sold	2,451,450	–
Write off - property, plant and equipment (Note 6)	355	1,397
Write off – intangible asset (Note 7)	904	–
Depreciation of property, plant and equipment (Note 6)	121,690	262,003
Depreciation of investment property (Note 10)	62,488	128,911
Amortisation of intangible asset (Note 7)	411	1,350
Employee benefit expenses (Note 20-a)	255,586	586,307
Key management personnel and director compensations (Note 25-b)	280,012	608,571
Selling, marketing and business development expenses	174	29,236
Rental expense	–	13,010
Transportation expense	17,897	18,975
Listing expense	3,311	9,475
Other expense	186,928	366,584
Unrealised profit adjustment	(6,529)	(63,434)
	3,621,683	2,730,405

20-a. Employee benefit expenses

Myanmar Kyat (In Thousands)	1 October 2021 to 31 March 2022	1 October 2020 to 30 September 2021
Wages and salaries	226,096	488,453
Other benefits	29,490	97,854
	255,586	586,307

21. Other income

Myanmar Kyat (In Thousands)	1 October 2021 to 31 March 2022	1 October 2020 to 30 September 2021
Interest income	135,156	61,887
Miscellaneous income	11,757	19,359
Finance income under lease	7,045	47,566
	153,958	128,812

22. Unrealised exchange (losses)/ gains

The above mainly include the foreign exchange (losses)/ gains arising from revaluation of US Dollar cash balances at the end of reporting period/year.

23. Income tax expense

Myanmar Kyat (In Thousands)	1 October 2021 to 31 March 2022	1 October 2020 to 30 September 2021
Current tax expenses	41,562	202,974
Deferred income tax (Note 11)	(10,341)	(25,413)
	31,221	177,561

24. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period/ year.

Myanmar Kyat (In Thousands)	1 October 2021 to 31 March 2022	1 October 2020 to 30 September 2021
Net profit attributable to equity holders of the Company (Myanmar Kyat in thousands)	1,171,827	8,486,919
Weighted average number of ordinary shares outstanding for basic earnings per share (shares in thousands)	38,929	38,929
Basic earnings per share	30	218
Per value of shares (Myanmar Kyat)	1,000	1,000

25. Related party transactions

In addition to the information disclosed elsewhere in the consolidated financial statements, the following transactions took place between the holding company and the related parties at terms agreed between the parties:

(a) Sales and purchase of goods and services

Myanmar Kyat (In Thousands)	1 October 2021 to 31 March 2022	1 October 2020 to 30 September 2021
Management fees from MJTD	603,335	1,037,579
Rental revenue from MJTD	–	420

Other related parties comprise mainly companies which are controlled or significantly influenced by the holding company's key management personnel which are as follows:

No.	Company Name	Related	Position Executives	1 October 2021 to 31 March 2022 Kyats '000	1 October 2021 to 30 September 2021 Kyats '000
1	CB Securities	U Thaung Han	Director	2,500	–
2	Shwe Me	U Tun Lwin	Director	–	13,052
3	Yoma Fleet	U Theim Wai	Vice Chairman	–	1,250,000
4	Dagon International Limited	U Win Aung	Chairman	–	9,309

Outstanding balances of related parties are disclosed in Notes 15 and 18 respectively.

(b) Key management personnel and director compensation

Myanmar Kyat (In Thousands)	1 October 2021 to 31 March 2022	1 October 2020 to 30 September 2021
Director remuneration	36,000	70,000
Director bonus	–	91,764
Key management personnel remuneration	234,216	406,102
Key management bonus	9,796	40,705
	280,012	608,571

(c) Significant agreements with related parties

Management fees

The Company entered into management memorandums with MJTD for which to provide management services. Under the term of these memorandums, the Company is entitled to receive management fees as stipulated in the memorandum and will expire in January 2024.

26. Events occurring after the reporting date

Directors' Bonus and Dividends to the shareholders will be discussed prior to the upcoming Annual General Meeting.

27. Authorization of financial statements

The financial statements of the Company for the period ended 31 March 2022 were authorized for issue on 10 June 2022.