



MYANMAR THILAWA SEZ HOLDINGS PUBLIC CO. LTD.

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ရက်စွဲ။ ၂၀၂၂ ခုနှစ် ၊ ဒီဇင်ဘာလ ၂၈ ရက်

၂၀၂၂-၂၀၂၃ ဘဏ္ဍာရေးနှစ်ဝက်ကာလအတွက် ဘဏ္ဍာရေးရှင်းတမ်းများအား အသိပေးကြေညာခြင်း

မြန်မာသီလဝါ အက်(စ်)အီးဇက်ဟိုးဒင်း ပတ်ဘလစ် အများနှင့်သက်ဆိုင်သော ကုမ္ပဏီလီမိတက်မှ ၂၀၂၂ ခုနှစ်၊ စက်တင်ဘာလ (၃၀) ရက်နေ့တွင် ကုန်ဆုံးသည့်ဘဏ္ဍာရေးနှစ်ဝက်ကာလအတွက် နိုင်ငံတကာဘဏ္ဍာရေး အစီရင်ခံခြင်းဆိုင်ရာ စံများ (International Financial Reporting Standards)နှင့်အညီ ပြုစုထားသော ဘဏ္ဍာရေးရှင်းတမ်းပေါင်းချုပ်များကို ပြင်ပစာရင်းစစ်အဖွဲ့မှ သုံးသပ်မှုပြီးစီးပြီးဖြစ်ပါသဖြင့် အစုရှယ်ယာရှင်များ သိရှိနိုင်ပါရန်အတွက် ဤထုတ်ပြန်ချက်ဖြင့် အသိပေးကြေညာအပ်ပါသည်။

ဤဘဏ္ဍာရေးရှင်းတမ်းပေါင်းချုပ်နှင့်အတူ နောက်ဆက်တွဲ ရှင်းလင်းချက်အပြည့်အစုံကို ၂၀၂၂ ခုနှစ်၊ ဒီဇင်ဘာလ (၁၄) ရက်နေ့တွင် ကျင်းပပြုလုပ်သည့် ဒါရိုက်တာအဖွဲ့အစည်းအဝေးမှ အတည်ပြုထားရှိပြီးဖြစ်ပါကြောင်း ဖော်ပြအပ်ပါသည်။



ထွန်းလွင်

Board Secretary

MYANMAR THILAWA SEZ HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022**

Currency – Myanmar Kyat (In Thousands)

MYANMAR THILAWA SEZ HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 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 interim consolidated statement of financial position of **Myanmar Thilawa SEZ Holdings Public Company Limited (the Company) and its subsidiary (the Group)** as at 30 September 2022, the interim consolidated statement of comprehensive income of the Group, interim consolidated statement of changes in equity of the Group, interim consolidated statement of cash flow of the Group for the period then ended, and a summary of significant accounting policies and other explanatory notes. In preparing these interim 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.

14 December 2022



ဝင်းသင်းနှင့်အဖွဲ့၊ စာရင်းစစ်များ။

WIN THIN & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

HEAD OFFICE:- Room (2B/2C) 1st Floor, Rose Condominium, No. 182/194, Botahtaung Pagoda Road, Pazundaung Township, Yangon Region, Myanmar. Tel: 95-1-8201798, 8296164, Fax: 95-1-8245671 Email: info@winthinassociates.com

MANDALAY BRANCH:- Room (9/10), East Wing of Bahtoo Stadium, 70th Street (Between 29th & 30th Street),
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Ref: 731/ M-255/ September 2022

Report on Review of Interim Financial Information

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

Introduction

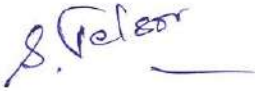
We have reviewed the accompanying interim consolidated statement of financial position of **Myanmar Thilawa SEZ Holdings Public Company Limited (the "Company")** and its subsidiary (the **"Group"**) as of 30 September 2022 and the related interim consolidated statement of comprehensive income, changes in equity and cash flow for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim consolidated financial information in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.


Saw Nelson (PAPP-400)
Engagement Partner
Win Thin & Associates
Certified Public Accountants



14 December 2022

MYANMAR THILAWA SEZ HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

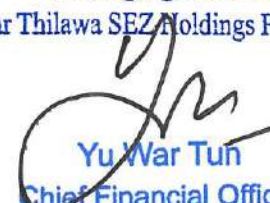
Currency – Myanmar Kyat (In Thousands)

	Note	30 September 2022	31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	6	3,267,501	3,363,717
Intangible asset	7	1,140	1,438
Investment in associate	8	43,890,092	42,498,088
Other investment	9	10,000	10,000
Investment property	10	4,256,410	4,315,612
Deferred tax assets	11	42,674	47,207
Net receivable under installment sales	12	488,731	–
Other assets	13	338,854	341,059
		52,295,402	50,577,121
Current assets			
Cash and cash equivalents	14	12,721,449	10,983,428
Trade and other receivables	15	1,682,033	1,771,560
Inventories	16	25,918,842	26,377,365
		40,322,324	39,132,353
		92,617,726	89,709,474
Equity and liabilities			
Equity			
Issued and paid-up share capital	17	38,929,150	38,929,150
Retained profits		42,593,718	39,663,611
		81,522,868	78,592,761
Non-controlling interest		7,936,136	7,806,009
		89,459,004	86,398,770
Non-current liabilities			
Advance from customers		1,185,084	1,232,402
		1,185,084	1,232,402
Current liabilities			
Trade and other payables	18	1,926,471	1,833,767
Current tax liability		47,167	244,535
		1,973,638	2,078,302
		92,617,726	89,709,474

The notes on pages 7 to 24 are an integral part of these consolidated financial statements.

Authenticated by:


WIN AUNG
Chairman
TUN LWI
Vice Chairman
MYANMAR THILAWA SEZ HOLDINGS PUBLIC CO., LTD.


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

Yu War Tun
Chief Financial Officer
MYANMAR THILAWA SEZ HOLDINGS PUBLIC CO., LTD.

MYANMAR THILAWA SEZ HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022
Currency – Myanmar Kyat (In Thousands)

	Note	30 September 2022	30 September 2021
Revenue	19	1,555,365	853,097
Cost of sales	20	(881,041)	(287,466)
Gross Profit		674,324	565,631
Other income	21	44,150	74,648
Realised exchange gains		12,487	1,334,366
Unrealised exchange gains	22	1,701,516	2,946,678
Loss on disposal of property, plant and equipment		(103)	–
Selling, marketing and business development expenses	20	(7,155)	(752)
Administrative expenses	20	(742,241)	(906,177)
Profit for the period		1,682,978	4,014,394
Share of profit of associate	8	1,387,394	986,409
Profit before tax		3,070,372	5,000,803
Income tax expense	23	(10,138)	(177,561)
Net profit for the period		3,060,234	4,823,242
Other comprehensive income for the period		–	–
Total comprehensive income for the period		3,060,234	4,823,242
Profit attributable to:			
Equity holders of the Company		2,930,107	4,675,171
Non-controlling interests		130,127	148,071
Total comprehensive income attributable to:			
Equity holders of the Company		2,930,107	4,675,171
Non-controlling interests		130,127	148,071
Earnings per share (K per share)			
Basic earnings per share	24	75	120

The notes on pages 7 to 24 are an integral part of these consolidated financial statements.

MYANMAR THILAWA SEZ HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022

Currency – Myanmar Kyat (In Thousands)

	Issued and paid-up share capital	Retained profits	Non-controlling interest	Total equity
Balance at 1 April 2022	38,929,150	39,663,611	7,806,009	86,398,770
Comprehensive income				
Profit for the period	–	2,930,107	130,127	3,060,234
Other comprehensive income for the period	–	–	–	–
Total comprehensive income for the period	–	2,930,107	130,127	3,060,234
Contributions from and distributions to owners				
Issue of share capital	–	–	–	–
Dividend	–	–	–	–
Total contributions from and distributions to owners	–	–	–	–
Balance at 30 September 2022	38,929,150	42,593,718	7,936,136	89,459,004
Balance at 1 April 2021	38,929,150	37,709,530	7,745,571	84,384,251
Comprehensive income				
Profit for the period	–	4,675,171	148,071	4,823,242
Other comprehensive income for the period	–	–	–	–
Total comprehensive income for the period	–	4,675,171	148,071	4,823,242
Contributions from and distributions to owners				
Issue of share capital	–	–	–	–
Dividend	–	–	–	–
Total contributions from and distributions to owners	–	–	–	–
Balance at 30 September 2021	38,929,150	42,384,701	7,893,642	89,207,493

The notes on pages 7 to 24 are an integral part of these consolidated financial statements.

MYANMAR THILAWA SEZ HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
INTERIM CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022
Currency – Myanmar Kyat (In Thousands)

	30 September 2022	30 September 2021
Cash flow from operating activities		
Profit before tax	3,070,372	5,000,803
Adjustment for non-cash items:		
Depreciation	174,817	181,279
Amortisation	298	675
Profit on disposal	103	–
Write-off	21	696
Unrealised profit adjustment	(10,734)	(6,536)
Share of profit of associate	(1,387,394)	(986,409)
Operating profit before working capital changes	1,847,483	4,190,508
Changes in working capital		
Trade and other receivables	(585,360)	167,579
Inventories	462,740	(55,374)
Trade and other payables	92,704	(29,923)
Advance from customers	(47,318)	(6,433)
	1,770,249	4,266,357
Income tax paid	(16,817)	–
Net cash provided by operating activities	1,753,432	4,266,357
Cash flow from investing activities		
Purchase of property, plant and equipment	(19,590)	(138,800)
Proceed from disposal of property, plant and equipment	1,974	–
Other assets	2,205	(43,085)
Net cash used in investing activities	(15,411)	(181,885)
Cash flow from financing activities		
Dividend paid to shareholders	–	–
Net cash provided by financing activities	–	–
Net increase in cash and cash equivalents	1,738,021	4,084,472
Cash and cash equivalents at beginning of period	10,983,428	12,019,084
Cash and cash equivalents at end of period	12,721,449	16,103,556

The notes on pages 7 to 24 are an integral part of these consolidated financial statements.

MYANMAR THILAWA SEZ HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
INTERIM NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 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 International Financial Reporting Standards (IFRS) 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

The Company had changed the financial year end from September to March, in accordance with the legislation enacted by the government.

The current financial year ("FY2022-2023") covered the period from 1 April 2022 to 31 March 2023. The preceding financial year ("FY2022") covered the period from 1 October 2021 to 31 March 2022.

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 recognised 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 recognised 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 recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised 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 recognise 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 recognised at the transaction price (including transaction costs) under the equity method of accounting and the carrying amount is increased or decreased to recognise 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 recognised 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 recognised 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 recognised 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-recognised. 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 for their intended use. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residuals values using the straight-line method over their estimated useful lives. The estimated useful rates are as follow:

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 recognised 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 recognised within 'other gains/(losses) – net' in the statement of comprehensive income.

2.8 Intangible assets

Accounting and payroll software

Accounting and payroll software license is initially capitalised 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 amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of five years equivalent to 20%.

The amortisation period and amortisation method of intangible assets are reviewed at least at each statement of financial position date. The effects of any revision are recognised 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 recognised 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 recognised 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 recognised 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 recognised as an expense immediately.

At the statement of financial position, the cumulative costs incurred plus recognised profits (less recognised losses) on each contract is compared against the progress billings. Where the cumulative costs incurred plus the recognised profits (less recognised 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 recognised profits (less recognised 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 realisable value. The cost comprises cost of land scraping cost, infrastructure development cost, direct labour and other direct cost. Net realisable 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 amortised 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 amortised 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 recognised as a deduction from equity, net of any tax effects.

2.15 Dividends

Dividends to the Company's shareholders are recognised 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 recognised as payable in the period in which the benefits is earned by employee. Past-service costs are recognised immediately in profit or loss.

2.17 Provisions

Provisions are recognised 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 recognised for future operating losses.

2.18 Revenue

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

(b) Sale of goods

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

(c) Interest income

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

(d) Dividend income

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

(e) Rental income

Rental income is recognised 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 recognised in profit or loss.

Deferred tax is recognised 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 recognised 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 recognised 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 IFRS 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 recognised 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 recognised 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 recognised 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											
	Leasehold land	Plant	Transformers	Building	Waste storage house	Machinery and equipment	Motor vehicle	Computer equipment	Furniture and equipment	Office renovation	Total
Myanmar Kyat (In Thousands)											
Cost											
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	-	-	-	-	-	(803)	-	(544)	(161)	-	(1,508)
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
At 1 April 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
Addition	-	-	-	-	-	7,519	5,208	5,874	989	-	19,590
Disposal	-	-	-	-	-	-	-	(4,153)	-	-	(4,153)
Write off	-	-	-	-	-	-	-	(269)	(621)	-	(890)
At 30 September 2022	404,367	1,320,512	270,557	1,143,940	4,342	74,706	428,221	112,262	544,043	555,540	4,858,490
Accumulated depreciation and impairment losses											
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	(4,419)	(33,013)	(2,930)	(11,621)	(109)	(3,397)	(14,479)	(7,263)	(32,466)	(11,993)	(121,690)
Write off	-	-	-	-	-	488	-	544	121	-	1,153
Impairment loss	-	-	-	-	-	-	-	-	-	-	-
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)
At 1 April 2022	(31,672)	(279,582)	(23,440)	(68,301)	(724)	(45,196)	(372,325)	(78,982)	(385,561)	(194,443)	(1,480,226)
Depreciation	(4,419)	(33,013)	(2,930)	(11,621)	(109)	(4,057)	(10,789)	(6,668)	(28,072)	(12,030)	(113,708)
Disposal	-	-	-	-	-	-	-	2,076	-	-	2,076
Write off	-	-	-	-	-	-	-	266	603	-	869
Impairment loss	-	-	-	-	-	-	-	-	-	-	-
At 30 September 2022	(36,091)	(312,595)	(26,370)	(79,922)	(833)	(49,253)	(383,114)	(83,308)	(413,030)	(206,473)	(1,590,989)
Net book value											
At 1 October 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
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
At 30 September 2022	368,276	1,007,917	244,187	1,064,018	3,509	25,453	45,107	28,954	131,013	349,067	3,267,501

7. Intangible asset

Myanmar Kyat (In Thousands)	Software
Cost	
At 1 October 2021	11,495
Addition	1,007
Write Off	(3,107)
At 31 March 2022	9,395
At 1 April 2022	9,395
Addition	—
At 30 September 2022	9,395
Accumulated amortisation and impairment losses	
At 1 October 2021	(9,749)
Amortisation	(411)
Write Off	2,203
Impairment loss	—
At 31 March 2022	(7,957)
At 1 April 2022	(7,957)
Amortisation	(298)
Impairment loss	—
At 30 September 2022	(8,255)
Net book value	
At 1 October 2021	1,746
At 31 March 2022	1,438
At 30 September 2022	1,140

8. Investment in associate

Myanmar Kyat (In Thousands)	30 September 2022	31 March 2022
Opening balance	42,498,088	40,547,919
Proportionate net profit for the period	1,387,394	1,945,559
Unrealised profit adjustment	4,610	4,610
Carrying value	43,890,092	42,498,088

The Company's share of profit in its equity-accounted investee (i.e, Myanmar Japan Thilawa Development Limited) for the period was Kyats 1,387,394,400.00 (USD 660,664.00 @ Kyats 2,100) (31 March 2022: Profit Kyats 1,945,559,484.54 (USD 1,094,240.43 @ Kyats 1,778). 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)	30 September 2022	31 March 2022
Owner-ship	41%	41%
Current assets	70,641	69,887
Non-current assets	18,987	18,778
Total assets	89,628	88,665
Current liabilities	81,103	79,492
Non-current liabilities	2,169	2,240
Total liabilities	83,272	81,732
Net assets	6,356	6,933
Income	4,872	5,215
Expenses	(3,261)	(2,546)
Profit	1,611	2,669
Share of profit	661	1,094

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	
At 1 October 2021	4,738,529
Transferred from inventories	249,197
At 31 March 2022	4,987,726
At 1 April 2022	4,987,726
Transferred from inventories	—
At 30 September 2022	4,987,726
Accumulated depreciation and impairment losses	
At 1 October 2021	(490,468)
Depreciation	(62,488)
Impairment loss	—
At 31 March 2022	(552,956)
At 1 April 2022	(552,956)
Depreciation	(61,109)
Impairment loss	—
At 30 September 2022	(614,065)
Unrealised profit adjustment	
At 1 October 2021	(118,968)
At 31 March 2022	(119,158)
At 30 September 2022	(117,251)
Net book value	
At 1 October 2021	4,129,093
At 31 March 2022	4,315,612
At 30 September 2022	4,256,410

The Company's investment property at 30 September 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 30 September 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 capitalisation approach, the property has to be given sufficient time for leasing, and stabilisation of that yield, for the capitalisation rate to be applied. Since occupation permit was only quite recently obtained, the rental process is only in the beginning stage. Hence, the income capitalisation 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 30 September 2022.

As of 30 September 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 30 September 2022 are as follows:

	Level 1	Level 2	Level 3	Fair value as at 30 September 2022
Investment property				
Workers accommodation	–	–	11,869,242	11,869,242
Unit A – Main road	450,000	–	–	450,000

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 categorised 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 capitalisation approach	Capitalisation rate	Increase in the capitalisation 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 103,654 (thousand). Direct operating expenses (including repairs and maintenance) arising from the rental – generating investment properties amounted to MMK 77,843 (thousand).

11. Deferred tax assets

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 April 2022	47,207
(Charge)/ debit to profit or loss	(4,533)
Balance at 30 September 2022	42,674
Balance at 1 October 2021	36,866
(Charge)/ credit to profit or loss	10,341
Balance at 31 March 2022	47,207

12. Net receivable under installment sales

The Company sold its shop houses under installment plan during the period ended 30 September 2022. Net present value of installment payments to be received are recognised 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-recognised from the inventory and carrying amount is recognised under cost of sales. The selling profit is the difference between revenue and cost of sales.

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

(a) Profit from installment sales

Myanmar Kyat (In Thousands)	30 September 2022	31 March 2022
Profit	253,749	–

(b) Receivable under installment sales

Myanmar Kyat (In Thousands)	30 September 2022	31 March 2022
Gross receivable under installment sales	852,309	191,005
Less: Unearned finance income	(57,549)	(4,923)
	794,760	186,082
Less: current portion (Note 15)	(306,029)	(186,082)
	488,731	–

(c) Undiscounted installment payments to be received

Myanmar Kyat (In Thousands)	30 September 2022	31 March 2022
Within one year	328,445	191,005
Second to fifth years	523,864	—
	852,309	191,005

13. Other assets

Myanmar Kyat (In Thousands)	30 September 2022	31 March 2022
Logistics Dependent Industrial Area	86,706	86,706
Myit Kyi Nar Economic Development Zone	—	7,005
Gyo Gone Redevelopment Project	209,423	204,623
AGRO-Industrial Park	42,725	42,725
	338,854	341,059

14. Cash and cash equivalents

Myanmar Kyat (In Thousands)	30 September 2022	31 March 2022
Cash in hand	16,941	75,477
Cash at bank	12,704,508	10,907,951
	12,721,449	10,983,428

15. Trade and other receivables

Myanmar Kyat (In Thousands)	30 September 2022	31 March 2022
Trade receivables from		
- Related parties*	303,187	322,040
- Non-related parties	75,086	69,131
Other receivable from non-related parties	19,344	6,112
Net receivable under installment sales (Note 12)	306,029	186,082
Accrued income from non-related parties	20,171	21,479
Deposit	219,090	218,387
Prepayments and advance	25,040	21,540
Advance income tax	94,051	280,207
Advance commercial tax	620,035	646,582
	1,682,033	1,771,560

* 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, fourteen 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	
	30 September 2022	31 March 2022	30 September 2022	31 March 2022
Beginning of financial period	38,929,150	38,929,150	38,929,150	38,929,150
Issued of shares	—	—	—	—
End of financial period	38,929,150	38,929,150	38,929,150	38,929,150

18. Trade and other payables

Myanmar Kyat (In Thousands)	30 September 2022	31 March 2022
Trade payables to non-related parties	43,446	22,582
Construction contract-due to supplier	99,485	120,397
Other payables to		
- Related parties	—	6,811
- Non-related parties	286,811	257,833
Deposit from suppliers	8,138	8,138
Accrued expenses	61,345	86,399
Unpaid dividend	1,394,723	1,293,237
Deferred rental income to non-related parties	21,945	29,870
Commercial tax	10,578	8,500
	1,926,471	1,833,767

19. Revenue

Myanmar Kyat (In Thousands)	30 September 2022	30 September 2021
Management fees	548,879	581,380
Sale of building	764,022	—
Rental income	103,654	130,912
Telecommunication	1,723	1,427
Utilities income	137,087	139,378
	1,555,365	853,097

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

Rental income

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

Sale of building

The above represents the sale of building to U Han Soe Kyaw.

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)	30 September 2022	30 September 2021
Cost of rental and dormitory	77,843	77,087
Utilities cost	91,000	91,587
Cost of management fee	98,750	—
Building cost – shop house	510,273	—
Write off – property, plant and equipment	21	696
Depreciation of property, plant and equipment	113,708	117,956
Depreciation of investment property	61,109	63,323
Amortisation of intangible asset	298	675
Employee benefit expenses (Note 20-a)	249,989	305,482
Key management personnel and director compensations (Note 25-c)	285,976	385,425
Selling, marketing and business development expenses	7,155	752
Transportation expense	28,037	14,120
Listing expense	658	6,849
Other expense	116,354	136,979
Unrealised profit adjustment	(10,734)	(6,536)
	1,630,437	1,194,395

20-a. Employee benefit expenses

Myanmar Kyat (In Thousands)	30 September 2022	30 September 2021
Wages and salaries	210,558	247,577
Other benefits	39,431	57,905
	249,989	305,482

21. Other income

Myanmar Kyat (In Thousands)	30 September 2022	30 September 2021
Interest income	27,136	32,479
Miscellaneous income	4,697	14,698
Finance income under lease	12,317	27,471
	44,150	74,648

22. Unrealised exchange gains

The above mainly include the foreign exchange gains arising from revaluation of US Dollar cash balances at the end of reporting periods.

23. Income tax expense

Myanmar Kyat (In Thousands)	30 September 2022	30 September 2021
Current tax expenses	5,605	202,973
Deferred income tax	4,533	(25,412)
	10,138	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 periods.

Myanmar Kyat (In Thousands)	30 September 2022	30 September 2021
Net profit attributable to equity holders of the Company (Myanmar Kyat in thousands)	2,930,107	4,675,171
Weighted average number of ordinary shares outstanding for basic earnings per share (shares in thousands)	38,929	38,929
Basic earnings per share	75	120
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)	30 September 2022	30 September 2021
Associate	548,879	581,380

(b) Period-end balances

Myanmar Kyat (In Thousands)	30 September 2022	30 September 2021
Entity controlled by key management personnel	—	2,500

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

(c) Key management personnel and director compensation

Myanmar Kyat (In Thousands)	30 September 2022	30 September 2021
Director remuneration	36,000	36,000
Director bonus	—	91,764
Key management personnel remuneration	233,326	222,099
Key management bonus	16,650	35,562
	285,976	385,425

(d) 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. Authorisation of financial statements

The financial statements of the Group for the period ended 30 September 2022 were authorised for issue on 14 December 2022.