

## AUDITED FINANCIAL STATEMENTS AND MANAGEMENT DISCUSSION & ANALYSIS

The Board of Directors of First Myanmar Investment Public Co., Ltd (“the Company”, and with its subsidiaries “the Group”), wishes to announce the release of the Company’s audited financial statements for the year ended 31<sup>st</sup> March 2023 (“FY 2023”).

For the purpose of providing a more meaningful comparison and a better understanding of the financial results of the Group, the Company’s management uses its financial report for the 12-month combined period covering from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022 (“FY 2022”). The comparative financial year (“FY 2022”) is the combination of 2<sup>nd</sup> half year period of FY 2021 (April 2021 – September 2021) and 6 months financial year period of FY 2022 (October 2021 – March 2022) as the new financial year end was changed from September 30 to March 31. The Company’s management is pleased to provide a discussion and analysis of the year-end results below.

The annual report containing the audited financial statements can be accessed via the YSX website and is also available at: <https://fmi.com.mm/investors/annual-reports/>

### KEY HIGHLIGHTS

#### Summary of Group Statement of Comprehensive Income

(MMK'000)	FY 2023	FY 2022	% Change
Revenue	<b>339,593,407</b>	283,093,569	20.0%
Cost of revenue	<b>(219,858,965)</b>	(156,697,386)	(40.3%)
Gross profit	<b>119,734,442</b>	126,396,183	(5.3%)
<i>Gross Profit margin</i>	<b>35.3%</b>	44.6%	
Administrative expenses	<b>(108,984,574)</b>	(132,663,730)	17.8%
Finance expenses	<b>(3,176,266)</b>	(3,362,026)	5.5%
Other losses, net	<b>(3,422,077)</b>	(1,806,275)	(89.5%)
Share of profit of associates and joint venture, net of tax	<b>3,923,976</b>	9,140,505	(57.1%)
Profit/ (loss) before income tax	<b>8,075,501</b>	(2,295,343)	451.8%
Income tax (expense)/credit	<b>(3,942,497)</b>	2,531,846	(255.7%)
<b>Profit for the year</b>	<b>4,133,004</b>	236,503	1647.5%
Fair value gains/(losses) of available-for-sale investments	<b>1,267,119</b>	(2,774,537)	145.7%
Net change in fair value of previously held interest in available-for-sale investment reclassified to profit or loss	<b>8,009,332</b>	-	0.0%
Share of other comprehensive income/(losses) of associates	<b>1,799,091</b>	(5,107,851)	135.2%
<b>Other comprehensive income/(losses) for the year, net of tax</b>	<b>11,075,542</b>	(7,882,388)	240.5%
<b>Total comprehensive income/ (losses) for the year</b>	<b>15,208,546</b>	(7,645,885)	298.9%
<b>Profit/(Loss) attributable to:<sup>1</sup></b>			
Owners of the Company	<b>(701,769)</b>	2,169,433	
Non-controlling interests	<b>4,834,773</b>	(1,932,930)	
	<b>4,133,004</b>	236,503	

<sup>1</sup> Net profit attributable to equity holders of the Company used for the computation of basic/diluted EPS has been adjusted for the distribution to the holders of perpetual securities.

### (Loss)/Earnings per share

Basic (MMK)	<b>(21)</b>	66	(131.8%)
Diluted (MMK)	<b>(21)<sup>2</sup></b>	52	(140.4%)

The Group is continuously persevering and improving its business performance despite facing several impacts and challenges in disrupted business operation environment. The Group's total revenue for the year FY 2023 increased by 20.0% to MMK 339.6 billion as compared to MMK 283.1 billion in FY 2022 which was mainly due to the revenue improvement from the Group's financial services segment ("Yoma Bank") and healthcare segment ("Pun Hlaing Hospitals"). Below is the breakdown of revenue by business segment: -

(MMK'000)	FY 2023	FY 2022	% Change
Financial services	<b>278,994,608</b>	229,057,633	21.8%
Healthcare services	<b>60,524,539</b>	53,894,044	12.3%
Rental income	<b>72,000</b>	70,762	1.7%
Dividend income	<b>2,260</b>	71,130	(96.8%)
<b>Total</b>	<b>339,593,407</b>	283,093,569	<b>20.0%</b>

Revenue generated from Yoma Bank increased by 21.8% from MMK 229.1 billion in FY 2022, as compared to MMK 279.0 billion in FY 2023 which was principally due to higher revenue contribution from interest income, treasury income and non-funded income. In addition, revenue from Pun Hlaing Hospitals increased by 12.3% from MMK 53.9 billion in FY 2022 to MMK 60.5 billion in FY2023. This revenue increase was mainly driven by 95% from its organic revenue stream made up with clinical function and ancillary services, and 5% from its Covid-19 related revenue.

The gross profit was decreased by 5.3% to MMK 119.7 billion in FY 2023, as compared to MMK 126.4 billion in FY 2022. This decrease was mainly due to lower gross profit margin contributed by Yoma Bank resulting from increase of interest expenses on higher customer deposit balance and higher mixed interest rate in comparison with FY 2022. The bank's customer deposit balance was boosted by 26%, which was mainly driven by the success of Flexi products. The drop in profit margin was partially compensated by a slight growth of profit margin in Pun Hlaing Hospitals.

The Group's administrative expenses were declined from MMK 132.7 billion in FY 2022 to MMK 109.0 billion in FY 2023. This was mainly caused by being reversal of previous loan loss provisions on non-performing loans ("NPLs") with the support of excellent recovery from the NPL customers at Yoma Bank though higher personnel and other expenses incurred across all entities reflecting cost-of-living allowances and inflationary impacts.

The Group's finance expenses on borrowings decreased by 5.5% in FY 2023 as compared to FY 2022 due to the decrease in interest expenses by reason of partial repayment of borrowing by the Company and healthcare segment.

The Group's other losses during the year increased to MMK 3.4 billion as compared to losses MMK 1.8 billion in FY2022. This was mainly caused by the reclassification of available-for-sales investment in Memories Group as an associate entity due to the increase of shareholding by the Company. This loss was partly offset by the translation gain from at Yoma Bank and reduction in asset write-off expenses at Pun Hlaing Hospitals.

<sup>2</sup> The diluted loss per share computations have not taken into consideration the effects of quasi-equity loan as at September 30,2022, as they were anti-dilutive pursuant to para 41 of MAS 33 Earnings per share.

Below is the detailed breakdown:

(MMK'000)	FY 2023	FY 2022
Gain on foreign currency exchange, net	5,095,538	353,419
Gain on disposal of property, plant and equipment	399,824	42,739
Gain on disposal of investment properties	-	156,771
Gain on fair value of investment properties	268,450	-
Loss on derecognition of available-for-sale investment	(8,009,332)	-
Write-off of non-current assets and prepayment	-	(26,337)
Provision for impairment/Write-off of inventories (vaccine and medical supplies)	(894,805)	(981,636)
Write-off of property, plant and equipment	(283,021)	(1,331,402)
Others	1,269	(19,829)
<b>Total Other Losses, net</b>	<b>(3,422,077)</b>	<b>(1,806,275)</b>

The Group recorded a share of profit of associates and joint venture in FY 2023. A detailed breakdown is as below:

(MMK'000)	Stake	Group Share of Profit/(Loss)	
		FY 2023	FY 2022
Thanlyin Estate Development Limited	30.0%	4,349,678	11,402,157
Meeyahta International Hotel Limited	20.0%	665,497	28,068
FMI Decaux Company Limited	40.0%	51,297	(452,161)
Chindwin Holdings Pte. Ltd.	30.0%	-	(57,488)
FMI Garden Development Limited	47.5%	-	(35,968)
LSC-FMI Company Limited	50.0%	(299)	(618)
Kawthaung Hill Investment Limited	37.5%	(421)	(234)
Pun Hlaing Links Services Company Limited	30.0%	(51,416)	(30,351)
Memories (2022) Pte. Limited	16.66%	(316,851)	-
CLW Development Limited	25.0%	(773,509)	(1,712,900)
<b>Total Share of Profit</b>		<b>3,923,976</b>	<b>9,140,505</b>

The Group's share of profit decreased by 57.1% from MMK 9.1 billion in FY2022 to MMK 3.9 billion in FY 2023. This reduction was mainly due to the decrease in share of profit from Thanlyin Estate Development Limited as a consequence of decline in its overall impairment gains from investment properties compared against comparative year and increase in foreign currency translation losses. In addition, the Group recorded the share of loss of MMK 0.3 billion in FY 2023 from the Group's associated company, Memories (2022) Pte. Limited, resulted from unrealized foreign exchange losses on currency translation, its administrative expenses and finance expenses. And the share of loss from CLW Development Limited, amount of MMK 0.8 billion as compared to MMK 1.7 billion in FY 2022 which was mainly due to currency translation loss on its shareholders' loan which was partially offset by currency translation gain of MMK 0.67 billion from Meeyahta International Hotel Limited in FY 2023 as compared to MMK 0.03 billion in FY 2022. Furthermore, the profit or loss sharing from FMI Decaux improved from loss MMK 0.5 billion in FY 2022 to gain MMK 0.05 billion in FY 2023.

As a result of the above, the Group achieved a net profit after tax of MMK 4.1 billion for the year ended 31 March 2023 as compared to MMK 0.2 billion for the year ended 31 March 2022.

In FY 2023, the Group recognized fair value gains of MMK 1.3 billion from its available-for-sale investments as compared to the losses of MMK 2.8 billion in FY 2022. Shown below are the details of the Group's fair value adjustment for those investments.

Investments (MMK'000)	Carrying Value Before Adjustment	Fair Value Adjustment	Transfer Adjustment	Carrying Value after Adjustment
MTSH	1,769,633	225,226	-	1,994,859
Memories Group	1,046,703	2,097,493	(3,144,196)	-
5% shareholding in Wave Money by Yoma Bank Limited	9,245,600	(1,055,600)	-	8,190,000
<b>Total</b>	<b>12,061,936</b>	<b>1,267,119</b>	<b>(3,144,196)</b>	<b>10,184,859</b>

The gain was due to the fair value gains of the Company's available-for-sale investments in Myanmar Thilawa SEZ Holdings Public Co., Ltd ("MTSH") which is listed on Yangon Stock Exchange ("YSX") and Memories Group Limited ("Memories Group"). It was partly offset by the fair value loss of 5% shareholding in Digital Money Myanmar ("Wave Money") held by Yoma Bank.

The Group's share of other comprehensive income from its associates was increased from losses of MMK 7.9 billion in FY2022 to profit of MMK 11.1 billion in FY2023. This increase was mostly due to the derecognition of available-for-sale investment in Memories Group and foreign currency translation gain of the Group's dormant entity, Meeyahta International Hotel Limited.

As the above-mentioned reasons, the Group recorded a net loss attributable to equity holders of the Company of MMK 0.7 billion in FY 2023 as compared to a net profit of MMK 2.2 billion in FY 2022.

For these reasons, the Group obtains the basic loss per share ("EPS") of MMK 21 and the diluted EPS of MMK 21 in FY 2023, which is reduced by 131.8% and 140.4% respectively. For the purpose of calculating diluted earnings per share, the weighted average number of shares issued has been adjusted assuming that any dilutive convertible securities were duly exercised as of 31 March 2023.

Amidst challenges in the business operation environment remain, the Group continues focus on prudent measures for maintaining liquidity position and balance sheet stability. A summary statement of the financial position of the Group, together with a comparative statement as of the end of the immediately preceding financial year, 31 March 2022 is shown below.

**Summary of Group Balance Sheet**  
(MMK'000)

	As at 31-Mar-2023	As at 31-Mar-2022	% Change
<b>ASSETS</b>			
Total current assets	<b>3,419,798,328</b>	2,871,155,456	19.1%
Total non-current assets	<b>766,462,538</b>	548,818,501	39.7%
Total assets	<b>4,186,260,866</b>	3,419,973,957	22.4%
<b>LIABILITIES</b>			
Total current liabilities	<b>3,666,799,256</b>	2,904,006,944	(26.3%)
Total non-current liabilities	<b>7,522,848</b>	11,843,133	36.5%
Total liabilities	<b>3,674,322,104</b>	2,915,850,077	(26.0%)
<b>NET ASSETS</b>	<b>511,938,762</b>	504,123,880	1.6%
<b>EQUITY</b>			
Equity attributable to the equity owners of the Company	<b>413,733,642</b>	397,938,660	
Non-controlling interest	<b>98,205,120</b>	106,185,220	
<b>TOTAL EQUITY</b>	<b>511,938,762</b>	504,123,880	1.6%

Total current assets increased from MMK 2,871.2 billion as at 31 March 2022 to MMK 3,419.8 billion as at 31 March 2023. This increase was primarily due to the increase in the Bank's loan portfolio and the additional investment in the Bank's treasury portfolio (Government T-bills and T-bonds).

Total non-current assets increased from MMK 548.8 billion as at 31 March 2022 to MMK 766.5 billion as at 31 March 2023. This increase was mainly due to the additional investment in acquisition of the bank's property (Headquarters land & buildings) and in its treasury portfolio (Government securities).

Total current liabilities increased to MMK 3,666.8 billion as at 31 March 2023 as compared with MMK 2,904.0 billion as at 31 March 2022 which was principally due to the greater deposit contribution from customers especially in the Bank's Flexi products.

Total non-current liabilities decreased from MMK 11.8 billion as at 31 March 2022 to MMK 7.5 billion as at 31 March 2023 which was due to the classification of borrowings from non-current into current in healthcare segment.

The Group's equity increased slightly at a rate of 1.6% which is mainly due to the increase in equity reserve and decrease in non-controlling interest.

As of 31 March 2023, the Group's cash and cash equivalents amounted to approximately MMK 617.3 billion. A summary of the Group Statement of Cash Flows is as follows: -

### Summary of Group Cash Flow Statement

(MMK'000)	FY 2023	FY 2022	% Change
Net cash provided by operating activities	<b>114,233,535</b>	86,387,750	32.2%
Net cash (used in)/ provided by investing activities	<b>(241,872,427)</b>	119,701,635	(302.1%)
Net cash used in financing activities	<b>(2,787,518)</b>	(6,222,488)	55.2%
Net (decrease)/ increase in cash and cash equivalents	<b>(130,426,410)</b>	199,866,897	(165.3%)
Cash and cash equivalents at beginning of the year	<b>747,754,535</b>	547,887,638	36.5%
Cash and cash equivalents at the end of the year	<b>617,328,125</b>	747,754,535	(17.4%)

The Group cash and cash equivalents decreased by 17.4% to MMK 617.3 billion as at 31 March 2023 as compared to MMK 747.8 billion as at 31 March 2022. Yoma Bank represents the majority of cash reported on the Group cash flow statement and its faster increase in deposits from customers leads to achieve a positive cash flow from operating activities amounted to MMK 114.2 billion. Net cash used in investing activities for MMK 241.9 billion was primarily due to the additional purchase of government securities by Yoma Bank and acquisition of its headquarter buildings. The Group's net cash used by financing activities for the year ended 31 March 2023 amounted to MMK 2.8 billion due to the settlement of interest of the Company and Pun Hlaing Hospitals.

### Outlook

Domestic business environment has gradually turned into positive outlook upon recovery from the surge Covid-19. Although some challenges in foreign exchange market and international trade remains, along with disruption on key services such as electricity and logistics remain, the business activities are re-emerging back to normal operations ranges. The Group continues to keep its primary focus on operational improvements, capturing business opportunities in terms of geographic and business segment perspective, and business sustainability.

The Group's Financial Service business, Yoma Bank ("YB") proved momentous recovery from the disruptions of 2021 and achieved balance sheet growth, increased cash position and expanding customer base. The tremendous expansion in customer deposit balance, mainly contributed by Flexi products reveals trust earned and confidence attained from the customers on YB products. As of March 2023, overall Flexi accounts reflect 57% of the total Yoma Bank's deposit portfolio. The successful integration of the Wave Money ecosystem into flexi supported a very convenient digital payment solution for both its customers and Merchants. A new business venture has also been formed for the establishment of a POS terminal merchant system for national wide merchant and retails customer base. YB's offering of payroll services continues enhancing whereas new

companies and factories clients were onboarded and benefiting more than 60,000 of its employees. The payroll ecosystem has also increased the awareness of the Bank's branding and services.

The Group's healthcare business, Pun Hlaing Hospitals ("PHHs") continues to demonstrate growth in both its organic hospital operations and emerging healthcare segment. Along with the opening of PHHs community clinics program "Heal @ Pun Hlaing" in urban location of Yangon such as San Chaung, Star City and Thingangyun to get a close touch with the community, a new digital platform "HEAL App" has been as well developed to provide medical service via online platform which is targeted to launch in mid of 2023. "HEAL laboratory" is added to the clinic in Thingangyun in which partnership with referral clinics and doctors is being developed. The Group recognizes the commitment and effort made by PHHs team throughout the difficult periods and will continue to support PHHs in pursuing its healthcare strategy to provide better healthcare services to its customers and people of Myanmar.

The Group Real Estate segment attracts massive demand over its products which meet the trend and lifestyle of Myanmar community constantly. The Group range of product offerings at different price range allows a wider group of customers to attain property ownership. The Group Real Estate team establish midrange affordable housing products under the brand named "City" in which CityLoft @ Star City was first product launched in December 2018 to provide the first home for young professionals. "City" brand follows with "City Villas" @ Star City which was launched in August 2022 comprised with (207) residential units. Continuing the development strategy, the Group has launched a new project named "City Loft West" ("CLW") in riverside land located next to Hlaing River in Seikkanthar Road, Hlaing Thar Yar Township in the west of Yangon. Phase 1 development of CLW is started in May 2023 which comprises of a total of (1814) units of apartments in 7 tower buildings. CLW immediately gains popularity in its launch with more than 70% of Tower 1 (TC 1) units has been sold out in its first week of opening of sale. The Group's another real estate development project, the Yoma Central Project is set to resume in the second half of 2023, commencing with the residential apartments.

The Group's investment in the Tourism business, Memories Group, set its strategic direction to attain greater utilization and deployment of its available resources, facilitate the long-term turnaround initiatives and operational changes to protect long term competitiveness of the business. The Company will continue to support the strategic development of this investment.

## **By Order of the Board**

Tun Tun  
Executive Director  
26 June 2023

First Myanmar Investment Public Co., Ltd.  
YSX Code 00001  
The Campus  
1 Office Park, Rain Tree Drive  
Pun Hlaing Estate, Hlaing Thayar Township,  
Yangon 11401, Myanmar  
Tel: (01) 3687766