



Management Discussion and Analysis

For the Financial Year 2022-2023





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1. E.F.R_MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)

Ever Flow River Group Public Company Limited is delighted to release the Management Discussion and Analysis (“MD&A”) for the year ended **31st March 2023 (“FY 2022-2023”)**. All currency amounts are expressed in Myanmar Kyats unless otherwise specified.

For the discussion and analytical purposes, the comparison of financial information of the subsidiaries of the whole Group reflected the financial report for the 12-month combined period covering from 1st April 2021 to 31st March 2022 (“FY 2022”). The comparative financial year (“FY 2022”) is the combination of 2nd 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. And the most recent audited year consolidated financial report of Financial Year 2022-2023 (1st April 2022 to 31st March 2023).

FY 2021-2022 Revenue
MMK 45,813 million

FY 2022-23 Revenue
MMK 51,992 million

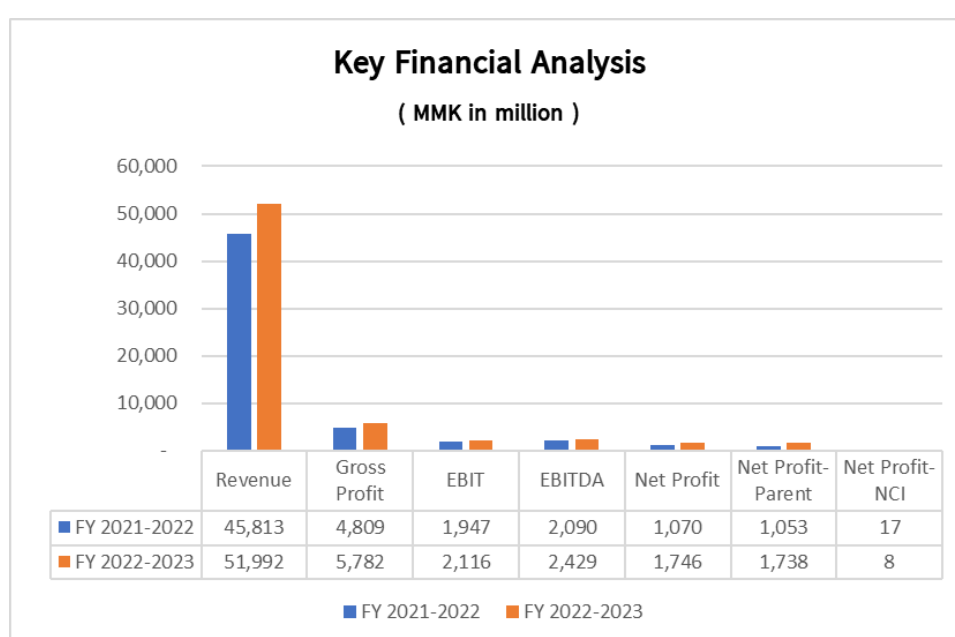
1.1 KEY FINANCIAL ANALYSIS

Performance Analysis	Units	FY 2021-2022	FY 2022-2023	Changes %
Revenue	MMK	45,813,410,764	51,992,447,735	13.5%
Gross Profit	MMK	4,809,233,297	5,782,438,683	20.2%
% of Revenue	%	10.5%	11.1%	5.9%
EBIT	MMK	1,946,861,378	2,115,955,487	8.7%
% of Revenue	%	4.2%	4.1%	-4.2%
EBITDA	MMK	2,090,399,562	2,428,835,728	16.2%
% of Revenue	%	4.6%	4.7%	2.4%
Net Profit	MMK	1,070,238,156	1,746,425,960	63.2%
% of Revenue	%	2.3%	3.4%	43.8%
Net Profit-Parent	MMK	1,052,843,277	1,738,271,111	65.1%
Net Profit- NCI	MMK	17,394,879	8,154,850	-53.1%



The Revenue increased 13.5% from MMK 45,813.41 million to MMK 51,992.45 million in FY 2022-2023; Gross Profit Margin also increased from 10.5% (amounted MMK 4,809.23 million) in FY 2021-2022 to 11.1% (amounted to MMK 5,782.44 million) in FY 2022-2023. Compared with two-year, EBIT and EBITDA Margins were almost the same that were not significantly changed.

But Net Profit has increased to MMK 1,746.43 million from MMK 1,070.24 million growing by 43.8%. As annualized Net Profit result, it was MMK 1,738.27 million. This Net Profit improvement is in all group units that perform well and include realized foreign currency exchange gain/(loss).



The Management of the Company was able to manage the operating expenses efficiently even during the inflationary period; it was 6.3% of Revenue (amounted to MMK 2,866.90 million) in the FY 2021-2022 and 8% of Revenue (amounted to 3,680.77 million) in FY 2022-2023.

Operating Expenditure	Units	FY 2021-2022	FY 2022-2023	Changes %
Staff Expenses	MMK	1,995,176,770	2,480,967,589	24.3%
Administrative Expenses	MMK	728,187,108	1,036,312,447	42.3%
Depreciation & Amortisation Expenses	MMK	143,538,185	163,487,205	13.9%
Total Operating Expenditure	MMK	2,866,902,062	3,680,767,241	28.4%



1.2 BREAKDOWN OF SUBSIDIARY BUSINESS UNITS' REVENUE

Revenue	FY 2021-2022		FY 2022-2023		% Changes
	Apr2021-Mar2022	Of Total	Apr2022-Mar2023	Of Total	
EFR (Stand Alone)	247,080,770	0.5%	920,052,181	1.7%	272.4%
MRTW Logistics	5,310,316,874	11.1%	6,250,770,169	11.8%	17.7%
MULTIPACK	15,992,559	0.0%	399,971,436	0.8%	2401.0%
UCS	4,585,475,860	9.6%	4,579,394,697	8.6%	-0.1%
EFR GLE	10,880,726,863	22.8%	11,857,633,326	22.4%	9.0%
MRTW Manufacturing	886,032,754	1.9%	1,107,349,140	2.1%	25.0%
Gold Shipping	2,361,605,830	4.9%	2,383,101,641	4.5%	0.9%
EFR Trading	18,335,501,433	38.4%	4,434,280,127	8.4%	-75.8%
LDC Mandalay	4,300,077,687	9.0%	5,217,333,960	9.8%	21.3%
A Logistics	844,071,172	1.8%	625,012,746	1.2%	-26.0%
ERAVATI			15,259,106,855	28.8%	
Total Revenue	47,766,881,802		53,034,006,279		11.0%
Intercompany transaction	(1,953,471,037)		(1,041,558,545)		
Total Revenue	45,813,410,764		51,992,447,735		13.5%

In FY 2022-2023 under review, the most significant change in revenue was in MULTIPACK because of restructuring for a business pattern not only generating Garment on Hangers (GOH) installation but also for logistics engineering business development in FY 2022-2023. And all logistics business units, LDC Mandalay, MRTW Logistics, EFR GLE, and Gold Shipping, revenue increased 21.3%, 17.7%, 9.0%, and 0.9%, respectively. In this FY 2022-2023, MRTW Manufacturing also can effort more 25.0% than last year.

During FY 2022-2023, EFR Trading was restructuring its business operation, forming a 100% own company, ERAVATI, due to its commodity nature of products and expected to have a good result during upcoming financial years; among the peers, ERAVATI is the most performing business unit stands as top by contributing 28.8% of group revenue. If the combination of two trading units, the revenue increased slightly in FY 2022-2023 , amounted to MMK 19,693.3 million.



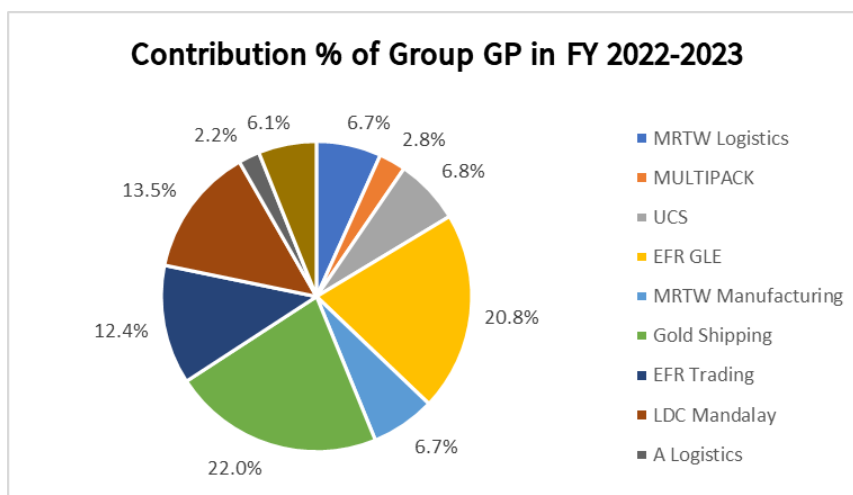
1.3 BREAKDOWN OF GROSS PROFITS

Description	FY 2021-2022 Apr2021-Mar2022	Of Total	FY 2022-2023 Apr2022-Mar2023	Of Total	% Changes
EFR (Stand Alone)	247,080,770		920,052,181		272.4%
MRTW Logistics	399,476,186	8.0%	388,970,912	6.7%	-2.6%
MULTIPACK	4,617,059	0.1%	161,489,056	2.8%	3397.7%
UCS	415,709,544	8.3%	393,711,922	6.8%	-5.3%
EFR GLE	958,703,818	19.1%	1,198,095,395	20.7%	25.0%
MRTW Manufacturing	286,394,324	5.7%	385,718,204	6.7%	34.7%
Gold Shipping	1,230,090,919	24.5%	1,269,233,616	21.9%	3.2%
EFR Trading	844,637,539	16.9%	717,054,300	12.4%	-15.1%
LDC Mandalay	522,270,346	10.4%	778,208,955	13.5%	49.0%
A Logistics	102,104,972	2.0%	127,467,874	2.2%	24.8%
ERAVATI	-	0.0%	349,952,195	6.1%	0.0%
Total Gross Profit	5,011,085,478		6,689,954,610		33.5%
Intercompany transaction	(201,852,181)		(907,515,927)		
Total Gross Profit	4,809,233,297		5,782,438,683		20.2%

As the group as a whole, the Gross Profit of MULTIPACK was the best-performing business unit with an increase in gross profit of 3397.7% (amounted to MMK 161.49 million). Still, the contribution in the whole group is only 2.8% of the total, among others, as it had additional service incomes from the port management business cluster in addition to existing engineering services.

In the logistics sector, as gross profit, the best contribution unit in the group was Gold Shipping with 21.9% (amounted to MMK 1,269.23 million) which is more 3.2% than last year. And LDC Mandalay also could effort more 49% (amounted to MMK 778.21 million) than last year. It can contribute 13.5% of the group gross profits in FY 2022-2023.

It is highlighted that MRTW Manufacturing's gross profit is 34.7% more than last year (amounted to MMK 385.72 million). Goodwill of our inspection service quality could attain orders from new customers in FY 2022-2023.



1.4 BREAKDOWN OF OPERATING EXPENDITURE

Description	FY 2021-2022 Apr2021-Mar2022	Of Total	FY 2022-2023 Apr2022-Mar2023	Of Total	% Changes
EFR (Stand Alone)	511,285,982	16.7%	1,156,768,967	25.2%	126.2%
MRTW Logistics	187,852,282	6.1%	179,081,285	3.9%	-4.7%
MULTIPACK	5,357,909	0.2%	180,442,858	3.9%	3267.8%
UCS	172,096,561	5.6%	277,591,657	6.1%	61.3%
EFR GLE	494,957,231	16.1%	287,169,381	6.3%	-42.0%
MRTW Manufacturing	330,831,400	10.8%	237,085,553	5.2%	-28.3%
Gold Shipping	512,453,949	16.7%	748,514,007	16.3%	46.1%
EFR Trading	486,477,057	15.9%	650,261,276	14.2%	33.7%
LDC Mandalay	288,310,563	9.4%	490,284,860	10.7%	70.1%
A Logistics	79,131,309	2.6%	136,770,837	3.0%	72.8%
ERAVATI			244,312,494	5.3%	0.0%
Total Operating Expenditure	3,068,754,241		4,588,283,174		
Intercompany transaction	(201,852,181)		(907,515,932)		
Total Operating Expenditure	2,866,902,062		3,680,767,241		28.4%

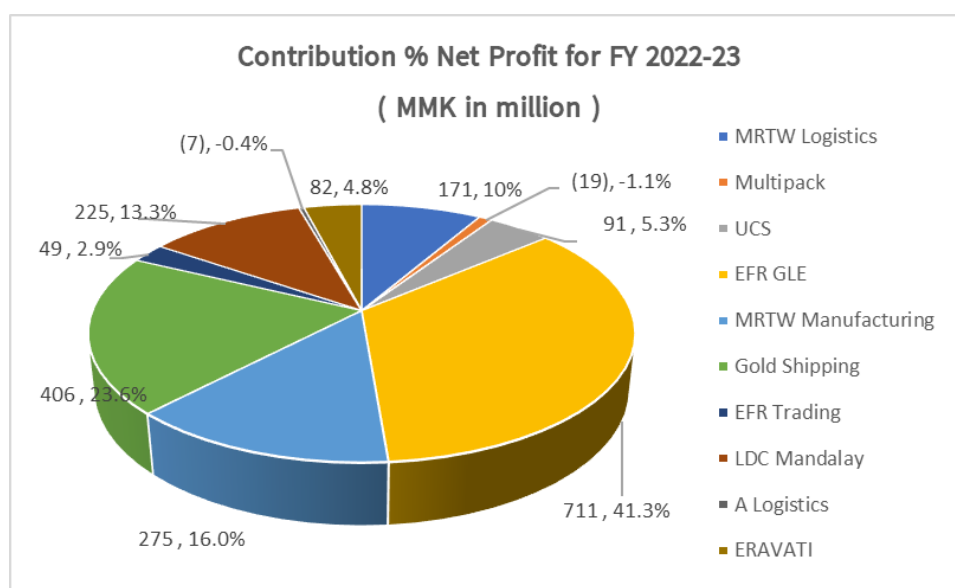
Operating expenses of most of the subsidiary business units, except three units, increased in line with revenue increase. The three units, namely EFR GLE, MRTW Manufacturing, and MRTW Logistics, could reduce their operating expenses by 42.0%, 28.3%, and 4.7%, respectively. Along with an increase in group revenue, group operating expenses increased by 28.4% (MMK 817.87 million).Our group executive management could control for those operating expenses to minimise even though revenue increment in FY 2022-2023.



1.5 BREAKDOWN OF NET INCOME

Description	FY 2021-2022 Apr2021-Mar2022	Of Total	FY 2022-2023 Apr2022-Mar2023	Of Total	% Changes
EFR (Stand Alone)	(264,205,212)		(236,716,786)		
MRTW Logistics	159,624,249	14.9%	171,199,525	10.0%	7.3%
Multipack	(740,850)	-0.1%	(18,953,802)	-1.1%	2458.4%
UCS	185,937,271	17.4%	90,573,813	5.3%	-51.3%
EFR GLE	360,173,804	33.7%	710,731,915	41.3%	97.3%
MRTW Manufacturing	(44,699,984)	-4.2%	275,091,777	16.0%	-715.4%
Gold Shipping	545,755,069	51.0%	406,161,298	23.6%	-25.6%
<i>EFR Trading*</i>	278,393,695	26.0%	49,475,428	2.9%	-82.2%
LDC Mandalay	180,164,993	16.8%	224,579,520	13.1%	24.7%
A Logistics	21,310,735	2.0%	(7,256,312)	-0.4%	-134.1%
ERAVATI	-	0.0%	82,398,967	4.8%	
Share of Profit / (Loss) from Associates	(351,475,615)	-32.8%	(859,383)	0.0%	-99.8%
Total net income for the year	1,070,238,156		1,746,425,960		63.2%
Intercompany transaction	-		-		
Total net income for the year	1,070,238,156		1,746,425,960		63.2%
Foreign Currency Translation	106,211,579		(27,503,250)		
Total comprehensive income for the year	1,176,449,734		1,718,922,711		46.1%

The group’s total comprehensive income, in FY 2022-2023 increased to MMK 1,718.92 million, by MMK 542.47 million (46.1%) compared to MMK 1,176.45 million in FY 2021-2022. As we discussed, these numbers were highly impacted by foreign currency exchange rates. Therefore, the amount and growth rate have increased in terms of Annualized Net Income, as profits as discussed above.





1.6 SHARE OF PROFIT / (LOSS) FROM ASSOCIATES

Shares of Profit / (Loss) from Associates	FY 2021-2022	Of	FY 2022-2023	Of	%
	Apr2021-Mar2022	Total	Apr2022-Mar2023	Total	Changes
KEFR (30%)	(264,942,534)	75.4%	38,758,726	-4510%	-114.6%
HITLC (49%)	(31,342,707)	8.9%	(39,618,109)	4610%	26.4%
UTOE Multipack (40%)	(55,190,374)	15.7%	-	0%	-100.0%
Shares of Profit / (Loss) from Associates	(351,475,615)		(859,383)		

All associated units' profit after tax contribution to our consolidated FY 2022-2023 report was still negative, less than MMK 1 million (the exact amount is MMK 859,383) only. The gain in KEFR was MMK 38.76 million, which decreased by 114.6% from minus MMK 264.94 million in FY 2021-2022. The associated loss of HITLC was MMK 39.62 million, which increased by 26.4% compared to MMK 31.34 million in FY 2021-2022.

1.7 FINANCIAL CONDITION SUMMARY

Description	As of 31st March 2022	As of 31st March 2023	% Change
ASSETS			
Total Non-Current Assets	5,469,010,523	6,130,357,392	12.1%
Total Current Assets	21,746,302,864	24,730,763,983	13.7%
Total Assets	27,215,313,387	30,861,121,375	13.4%
LIABILITIES			
Total Non-Current Liabilities	155,135,241	103,566,193	-33.2%
Total Current Liabilities	10,084,515,753	12,022,970,073	19.2%
Total Liabilities	10,239,650,994	12,126,536,266	18.4%
EQUITY			
Total Equity	16,975,662,393	18,734,585,109	10.4%
Total Equity and Liabilities	27,215,313,387	30,861,121,375	13.4%

Assets

A certain investment amount added in a project under development made total non-current assets as of 31 March 2023 increase by 12.1%, reached to MMK 6,130.36 million from MMK 5,469.01 million. The Current Assets also have increased by 13.7%, to MMK 24,730.76 million from MMK



21,746.30 million. Overall total assets increased by 13.4%, from MMK 27,251.31 million to MMK 30,861.12 million.

Liabilities

Total Current Liabilities as of 31 March 2023 increased by 19.2% from MMK 10,084.52 million to MMK 12,022.97 million, while the amount of Non-Current Liabilities is not material to mention. Overall total liabilities was increased by 18.4%, from MMK 10,239.65 million to MMK 12,126.54 million.

Equity Attributable to Equity Holders

Our group equity has increased as of 31 March 2023 by 10.4%, from MMK 16,975.66 million to MMK 18,734.59 million during FY 2022-2023.

1.8 REVIEW AND FUTURE PROSPECT OF E.F.R

All units under our E.F.R Group are now working at full speed as the infection rate of Covid-19 has dropped significantly. The result is a sharp increase in the income of E.F.R Group's core business group, the Shipping and Logistics unit, compared with the income of previous financial years. The Shipping and Logistics sector is now enjoying a sharp increase in earnings due to the internal and external commodity flow that has regained its normal pace and cargo and passenger airlines and shipping lines that have resumed all their regular operations.

In accordance with the guidance of BOD, we have been adopting strategies during the period of difficulties when the Covid-19 infection rate was high and during the Post Covid-19 period, making preparations to overcome possible challenges, constantly monitoring the situation to lay down and implement flexible business models, getting in touch with Investment and Portfolio Team to start new investments in the new business areas that go well with the Company's policy, and turning ongoing business projects into income generating sectors through fastest possible means.

Thanks to all those efforts, the Company can now start its dividend distribution program in the current financial year. As already stated in the previous report, plans are underway to extend new Logistics Infrastructure projects in Rakhine State, Ayeyawaddy Region, and Mon State, apart from the ongoing projects in Yangon, Mandalay, Myawaddy, and Muse. Due to the



said projects, we believe that the income of E.F.R Group will further increase in the coming financial years.

E.F.R Group is a top-level public company in the logistics sector of Myanmar that is concentrating on sourcing international-level technology and practices and establishing links with expert groups.

To systematically develop its functions and achieve success under the same roof, EVER FLOW RIVER GROUP PUBLIC CO., LTD moved its head office and branches to a new building on Myopat Road in Thakayta Township in October 2022.

All in all, we, the executives, the directors in charge, and all the employees, of all the branches of the company, assure our shareholders that we will enable the EVER FLOW RIVER GROUP PUBLIC CO., LTD to stand as a successful public company not only in local level but also in the regional level and that our ultimate goal is the distribution of dividends annually.

By order of the Board

Daw Khin Sone
Executive Director
30th June 2023

Ever Flow River Group Public Company Limited
YSX Code 00006
7A, 7th Floor, E.F.R Building,
No.941, Corner of Shukhintha Myopat Road &
Myoma 11th Street., North 4th Ward,
Thakayta Township, Yangon, Myanmar



ABBREVIATION

E.F.R	Ever Flow River Group Public Company Limited
EFR GLE	EFR G-Link Express Services Company Limited
EFR Trading	Ever Flow River Trading Company Limited
Gold Shipping	Gold Shipping Agency Services Company Limited
HITLC	Hlaing Inland Terminal and Logistics Company Limited
KEFR	Kamigumi-EFR Logistics (Myanmar) Company Limited
LDC Mandalay	Ever Flow River Logistics & Distribution Center (Mandalay) Company Limited
MRTW Logistics	Myanmar Round the World Logistics Company Limited
MRTW Manufacturing	MRTW Manufacturing & Inspection Company Limited
MULTIPACK	Multipack Engineering Services Company Limited
UCS	Unison Choice Services Company Limited
A Logistics	A Logistics Company Limited
ERAVATI	Eravati Myanmar Company Limited