



Management Discussion and Analysis

For the Period Ended September 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 period ended **30th September 2023 (“HY 2023-2024”)**. 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 6-month (“HY 2023”) combined period covering from 1st April 2023 to 30th September 2023. The comparative financial period is the combination of 1st April 2022 to 30th September 2022 which is 6 months (“HY 2022”).

HY Sep-2022 Revenue

MMK 25,326 million

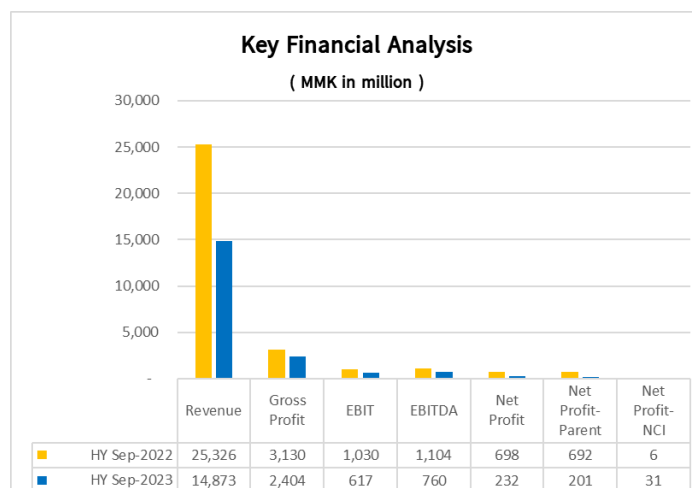
HY Sep-2023 Revenue

MMK 14,872 million

1.1 KEY FINANCIAL ANALYSIS

Performance Analysis	Units	HY Sep-2022	HY Sep-2023	Changes %
Revenue	MMK	25,326,008,438	14,872,765,499	-41.3%
Gross Profit	MMK	3,130,254,856	2,403,579,277	-23.2%
% of Revenue	%	12.4%	16.2%	30.8%
EBIT	MMK	1,029,615,316	617,025,457	-40.1%
% of Revenue	%	4.1%	4.1%	2.0%
EBITDA	MMK	1,104,435,878	760,412,073	-31.1%
% of Revenue	%	4.4%	5.1%	17.2%
Net Profit	MMK	697,893,375	232,157,987	-66.7%
% of Revenue	%	2.8%	1.6%	-43.4%
Net Profit-Parent	MMK	692,163,016	201,107,799	-70.9%
Net Profit- NCI	MMK	5,730,359	31,050,189	441.9%

The Revenue decreased 41.3% from MMK 25,326 million to MMK 14,872 million in HY Sep-2023; Gross Profit Margin also increased from 12.4% (amounted MMK 3,130 million) in HY Sep-2022 to 16.2% (amounted to MMK 2,403 million) in HY Sep-2023. Compared with HY Sep-2022, EBIT Margin was almost the same and EBITDA Margin was slightly increased 4.4% to 5.1% in HY Sep-2023. But, Net Profit has decreased to MMK 232 million from MMK 697 million decreasing by 43.4%. As half year Net Profit result, it was MMK 201 million.



The Management of the Company was able to manage the operating expenses efficiently even during the difficult period. Total operating expenditure was 7.8% less than that of last year. 8.3% of Revenue (amounted to MMK 2,107 million) in the HY Sep-2022 and 7.7% of Revenue (amounted to 1,942 million) in HY Sep-2023 was total operating cost for the whole group.

Operating Expenditure	Units	HY Sep-2022	HY Sep-2023	Changes %
Staff Expenses	MMK	1,207,242,990	1,433,606,871	18.8%
Administrative Expenses	MMK	825,539,796	365,182,564	-55.8%
Depreciation & Amortisation Expenses	MMK	74,820,562	143,386,616	91.6%
Total Operating Expenditure	MMK	2,107,603,348	1,942,176,052	-7.8%

1.2 BREAKDOWN OF SUBSIDIARY BUSINESS UNITS' REVENUE

REVENUE	HY Sep-2022		HY Sep-2023		% Changes
	(Apr'2022-Sep'2022) (Audited)	Of Total	(Apr'2023-Sep'2023) (Audited)	Of Total	
EFR (Stand Alone)	283,637,783	1.1%	525,907,071	3.4%	85.4%
MRTW Logistics	4,010,693,919	15.6%	2,711,551,466	17.6%	-32.4%
MULTIPACK	83,766,273	0.3%	1,006,949,433	6.6%	1102.1%
UCS	3,387,558,513	13.2%	1,080,471,084	7.0%	-68.1%
EFR GLE	8,515,301,328	33.1%	2,840,385,878	18.5%	-66.6%
MRTW Manufacturing	464,042,086	1.8%	716,691,289	4.7%	54.4%
Gold Shipping	1,924,812,236	7.5%	193,149,096	1.3%	-90.0%
EFR Trading	3,392,142,581	13.2%	225,216,873	1.5%	-93.4%
LDC Mandalay	3,266,215,305	12.7%	1,397,573,239	9.1%	-57.2%
A Logistics	390,803,915	1.5%	388,888,390	2.5%	-0.5%
ERAVATI			2,368,008,785	15.4%	
MEL			1,910,480,658	12.4%	
Total Revenue	25,718,973,939		15,365,273,264		-40.3%
Intercompany transaction	(392,965,501)		(492,507,764)		
Total Revenue	25,326,008,438		14,872,765,499		-41.3%



In HY Sep-2023 under review, the most significant change in revenue was in MULTIPACK because new business operation could create especially for port management and logistics engineering development in HY Sep-2023. And MRTW Manufacturing can also effort more 54.4% than last half year performance.

The rest of all logistics business units, UCS, EFR GLE, and MRTW Logistics of revenue decreased 68.1%, 66.6%, and 32.4% respectively in this HY Sep-2023. In this period, all logistics businesses were facing difficult situation in line with trade flow which was decreased for the whole country.

During HY Sep-2023, based on restructuring for trading sector in the whole group, EFR Trading business transferred to ERAVAT and the changes effect was in the whole group contribution from 13.2% to 1.5% in HY Sep-2023. But, ERAVATI performed for trading business by contributing 15.4% of group revenue. In HY Sep-2023, MEL operate specially for cross border trade by land mode. The unit's contribution in the whole group was 12.4%.

1.3 BREAKDOWN OF GROSS PROFITS

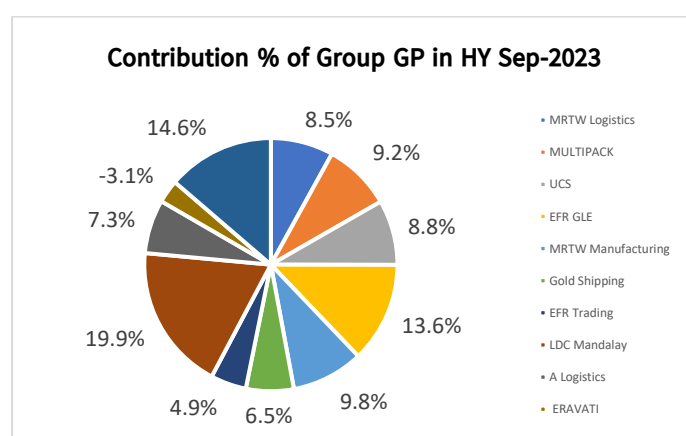
DESCRIPTION	HY Sep-2022		HY Sep-2023		% Changes
	(Apr'2022-Sep'2022) (Audited)	Of Total	(Apr'2023-Sep'2023) (Audited)	Of Total	
EFR (Stand Alone)	283,637,783		525,907,071		85.4%
MRTW Logistics	166,483,600	4.9%	201,923,632	7.0%	21.3%
MULTIPACK	30,141,773	0.9%	218,899,069	7.6%	626.2%
UCS	217,234,201	6.4%	209,681,136	7.2%	-3.5%
EFR GLE	823,454,668	24.2%	323,231,337	11.2%	-60.7%
MRTW Manufacturing	112,268,714	3.3%	232,029,555	8.0%	106.7%
Gold Shipping	918,947,652	27.0%	153,872,397	5.3%	-83.3%
EFR Trading	413,343,083	12.1%	114,984,726	4.0%	-72.2%
LDC Mandalay	367,981,166	10.8%	471,499,782	16.3%	28.1%
A Logistics	75,070,224	2.2%	173,430,597	6.0%	131.0%
ERAVATI	-	0.0%	(74,391,127)	-2.6%	0.0%
MEL			345,018,865	11.9%	0.0%
Total Gross Profit	3,408,562,864		2,896,087,041		-15.0%
Intercompany transaction	(278,308,008)		(492,507,764)		
Total Gross Profit	3,130,254,856		2,403,579,277		-23.2%

As the group as a whole, in the logistics sector, as gross profit, the best contribution unit in the group was LDC Mandalay with 16.3% (amounted to MMK 471 million) which is 28.1% more than last year. The unit can effort more business not only warehouse business in Mandalay distribution center but also for transportation business by using trucks and rail. Total package services providing to existing customers and new customers could be organized and



accomplished in this HY Sep-2023. One of Logistics units, EFR GLE also can effort 11.2% of group total, as amounted MMK 323 million in this HY Sep-2023.

The Gross Profit of MULTIPACK was able to contribute 7.6% in the group (amounted to MMK 218 million). To be highlight that MRTW Manufacturing could effort pointedly changes increased 106.7% than last HY Sep-2022. The new business MEL also can contribute in this HY 2023-2024 with 11.9% of the group total, as amounted MMK 345 million. A Logistics unit also can effort from break even status to profit making in this HY Sep-2023. The contribution was 6.0% in the whole group and changes increased 131.0% than last HY Sep-2022. As a group total gross profit was decreased 23.2% from MMK 3,130 million in HY Sep-2022 to MMK 2,403 in HY Sep-2023.



1.4 BREAKDOWN OF OPERATING EXPENDITURE

DESCRIPTION	HY Sep-2022		HY Sep-2023		%
	(Apr'2022-Sep'2022)	Of Total	(Apr'2023-Sep'2023)	Of Total	
	(Audited)		(Audited)		Changes
EFR (Stand Alone)	523,875,946	22.0%	782,003,246	32.1%	49.3%
MRTW Logistics	169,619,977	7.1%	77,674,358	3.2%	-54.2%
MULTIPACK	25,724,362	1.1%	293,631,805	12.1%	1041.5%
UCS	146,760,733	6.2%	125,663,055	5.2%	-14.4%
EFR GLE	333,157,950	14.0%	69,112,899	2.8%	-79.3%
MRTW Manufacturing	80,865,809	3.4%	32,214,794	1.3%	-60.2%
Gold Shipping	467,742,610	19.6%	43,219,764	1.8%	-90.8%
EFR Trading	330,009,227	13.8%	114,915,902	4.7%	-65.2%
LDC Mandalay	235,094,010	9.9%	331,926,443	13.6%	41.2%
A Logistics	73,060,734	3.1%	91,090,808	3.7%	24.7%
ERAVATI			184,668,027	7.6%	0.0%
MEL			288,562,714	11.9%	0.0%
Total Operating Expenditure	2,385,911,356		2,434,683,816		
Intercompany transaction	(278,308,008.00)		(492,507,764)		
Total Operating Expenditure	2,107,603,348		1,942,176,052		-7.8%

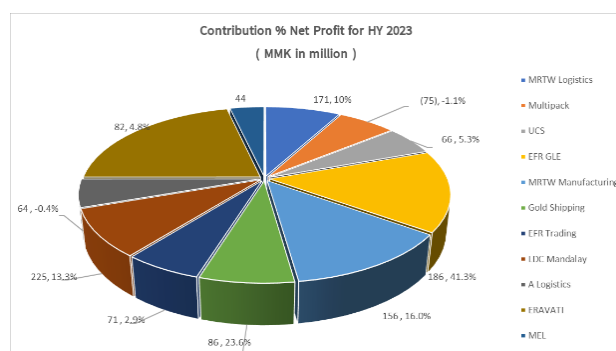


Operating expenses of the whole units’ combination decreased 7.8% than last year. Most of the subsidiary business units, except three units, increased in line with revenue increase. The three units, namely Multipack, LDC Mandalay and A Logistics, the changes increase more than last year were 1041.5%, 41.2%, and 24.7%, respectively. However, operating cost of the rest of all logistics units could be controlled than last year. Our group executive management could control for those operating expenses to minimise to be in line with revenue decreased in these units.

1.5 BREAKDOWN OF NET INCOME

DESCRIPTION	HY Sep-2022 (Apr'2022-Sep'2022) (Audited)		HY Sep-2023 (Apr'2023-Sep'2023) (Audited)		% Changes
		Of Total		Of Total	
EFR (Stand Alone)	(240,238,163)		(256,096,175)		
MRTW Logistics	(2,446,374)	-0.2%	96,914,434	41.7%	-4061.6%
Multipack	2,141,373	0.2%	(74,732,737)	-32.2%	-3589.9%
UCS	54,969,279	5.1%	65,534,103	28.2%	19.2%
EFR GLE	369,336,539	34.6%	185,602,461	79.9%	-49.7%
MRTW Manufacturing	24,494,266	2.3%	155,855,514	67.1%	536.3%
Gold Shipping	351,939,910	32.9%	86,309,076	37.2%	-75.5%
EFR Trading	76,091,305	7.1%	71,012,269	30.6%	-6.7%
LDC Mandalay	103,651,982	9.7%	108,867,205	46.9%	5.0%
A Logistics	1,567,402	0.1%	64,225,036	27.7%	3997.5%
ERAVATI	-	0.0%	(259,059,154)	-111.6%	
MEL	-	0.0%	44,035,797	19.0%	
Share of Profit / (Loss) from Associates	(43,614,141)	-4.1%	(56,309,842)	-24.3%	29.1%
Total net income for the year	697,893,375		232,157,987		-66.7%
Intercompany transaction	-		-		
Total net income for the year	697,893,375		232,157,987		-66.7%
Foreign currency translation	370,308,373		(30)		
Total comprehensive income for the year	1,068,201,749		232,157,957		-78.3%

The group’s total comprehensive income, in HY Sep-2023 decreased to MMK 232 million, by comparing with HY Sep-2022, the change was 78.3% less than last year. As we discussed, these numbers were highly impacted by not only foreign currency exchange rates, but also profit making is significantly difficult in logistics business in HY Sep-2023.





1.6 SHARE OF PROFIT / (LOSS) FROM ASSOCIATES

Shares of Profit / (Loss) from	HY Sep-2022		HY Sep-2023		% Changes
	(Apr'2022-Sep'2022) (Audited)	Of Total	(Apr'2023-Sep'2023) (Audited)	Of Total	
KEFR (30%)	(26,766,082)	61.4%	(36,836,025)	65%	37.6%
HITLC (49%)	(16,848,060)	38.6%	(19,473,817)	35%	15.6%
Shares of Profit / (Loss) from	(43,614,141)		(56,309,842)		29.1%

All associated units' profit after tax contribution to our consolidated HY Sep-2023 report was still negative, 29.1% was increased in loss. The associated loss of HITLC was MMK 19.47 million and KEFR loss was MMK 36.83 million in HY Sep-2023.

1.7 FINANCIAL CONDITION SUMMARY

DESCRIPTION	As of 30th Sep 2022 (Audited)	As of 30th Sep 2023 (Audited)	% Change
ASSETS			
Total Non-Current Assets	5,469,877,056	7,315,098,993	33.7%
Total Current Assets	22,203,547,129	26,921,848,571	21.3%
Total Assets	27,673,424,184	34,236,947,564	23.7%
LIABILITIES			
Total Non-Current Liabilities	130,042,580	3,075,818,913	2265.2%
Total Current Liabilities	9,459,517,464	12,959,205,852	37.0%
Total Liabilities	9,589,560,043	16,035,024,765	67.2%
EQUITY			
Total Equity	18,083,864,141	18,201,922,799	0.7%
Total Equity and Liabilities	27,673,424,184	34,236,947,564	23.7%

Assets

A certain investment amount added in a project under development made total non-current assets as of 30th September 2023 increased by 33.7%, reached to MMK 7,315 million from MMK 5,469 million. The Current Assets also have increased by 21.3%, to MMK 26,921 million from MMK 22,203 million. Overall total assets increased by 23.7%, from MMK 27,673 million to MMK 34,236 million.

Liabilities

Total Current Liabilities as of 30th September 2023 increased by 37.0% from MMK 9,459 million to MMK 12,959 million, while the amount of Non-Current Liabilities also increased from



MMK 130 million to MMK 3,075 million in HY Sep-2023. Overall total liabilities were increased by 67.2%, from MMK 9,589 million to MMK 16,035 million.

Equity Attributable to Equity Holders

Our group equity has slightly increased as of 30th September 2023 by 0.7%, from MMK 18,083 million to MMK 18,201 million during HY Sep-2023.

1.8 REVIEW AND FUTURE PROSPECT OF E.F.R

All business units under our E.F.R Group are now working at full speed in this period of HY Sep-2023. The result decreased in the income of the Shipping and Logistics unit, compared with the income of previous financial years. Related with the whole country trade, the Shipping and Logistics sector is directly affected on earnings for this period. To cover for the normal income, we, EFR Group, have been expanding new units providing the services for cross border trade as well as increase in trading for Rubber products in this period.

In accordance with the guidance of BOD, we have been implementing strategies during the period of difficulties, 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.

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

We, all executives, the directors in charge, and all the employees, of all units of EFR Group, 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.

By order of the Board

Daw Khin Sone

Executive Director

29th December 2023



Ever Flow River Group Public Company Limited
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No.941, Corner of Shukhintha Myopat Road &
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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