

MYANMAR THILAWA SEZ HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

Currency – Myanmar Kyat (In Thousands)

MYANMAR THILAWA SEZ HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2024

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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 condensed consolidated statement of financial position of **Myanmar Thilawa SEZ Holdings Public Company Limited (the Company) and its subsidiary (the Group)** as at 30 September 2024, the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial statements. In preparing these condensed consolidated interim 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.

19 December 2024



ဝင်းသင်နှင့်အဖွဲ့လီမိတက်

WIN THIN & ASSOCIATES LTD

CERTIFIED PUBLIC ACCOUNTANTS

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Ref: 546/ M-255/ September 2024

Report on Review of Condensed Consolidated Interim Financial Statements

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

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of **Myanmar Thilawa SEZ Holdings Public Company Limited (the “Company”)** and its subsidiary (“the Group”) as of 30 September 2024 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the condensed interim financial statements (“the condensed consolidated interim financial statements”). Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting. Our responsibility is to express a conclusion on these condensed consolidated interim 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 consolidated interim financial statements 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 condensed consolidated interim financial statements does not give a true and fair view of the consolidated financial position of the Group as at 30 September 2024, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.

Kyi Win (PAPP-493)
Partner
Win Thin & Associates Ltd
Certified Public Accountants
Firm Registration No. ACC 008



19 December 2024

MYANMAR THILAWA SEZ HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024

Currency – Myanmar Kyat (In Thousands)



	Note	30 September 2024	31 March 2024
Assets			
Non-current assets			
Property, plant and equipment	9	2,923,364	3,054,531
Intangible asset		421	522
Investment in associate	10	47,575,198	46,327,725
Other investment		10,000	10,000
Investment property	11	4,250,337	3,837,837
Deferred tax assets		50,583	50,583
Net receivable under installment sales	12	230,668	297,100
Other assets	13	354,116	351,716
		55,394,687	53,930,014
Current assets			
Cash and cash equivalents	14	17,931,386	11,280,884
Trade and other receivables	15	1,294,214	1,334,828
Inventories	16	25,391,599	25,774,896
		44,617,199	38,390,608
		100,011,886	92,320,622
Equity and liabilities			
Equity			
Issued and paid-up share capital	17	38,929,150	38,929,150
Retained profits		49,241,013	43,430,288
		88,170,163	82,359,438
Non-controlling interest		8,112,809	7,784,637
		96,282,972	90,144,075
Non-current liabilities			
Advance from customers		57,188	34,154
		57,188	34,154
Current liabilities			
Trade and other payables	18	3,511,728	1,662,363
Borrowing	19	90,000	440,000
Current tax liability		69,998	40,030
		3,671,726	2,142,393
		100,011,886	92,320,622

The notes on pages 7 to 21 are an integral part of these condensed consolidated interim financial statements.

Authenticated by:

WIN AUNG
Chairman

MYANMAR THILAWA SEZ HOLDINGS PUBLIC CO., LTD.

TUN LWIN
Vice-Chairman

MYANMAR THILAWA SEZ HOLDINGS PUBLIC CO., LTD.

MYINT ZAW
Chief Executive Officer
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
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2024
 Currency – Myanmar Kyat (In Thousands)

	Note	30 September 2024	30 September 2023
Revenue	20	1,819,556	1,047,058
Cost of sales	21	(670,728)	(440,440)
Gross profit		1,148,828	606,618
Other income		20,674	4,666
Realised exchange losses		(433)	(54,417)
Unrealised exchange gains	22	6,967,776	–
Selling, marketing and business development expenses	21	(6,185)	(2,305)
Administrative expenses	21	(1,240,912)	(1,088,876)
Finance income		38,844	82,814
Finance costs		(10,220)	(7,687)
Profit/ (loss) for the period		6,918,372	(459,187)
Share of profit of associate	10	1,242,863	1,715,374
Profit before tax		8,161,235	1,256,187
Income tax expense	23	(75,880)	31,781
Net profit for the period		8,085,355	1,287,968
Other comprehensive income for the period		–	–
Total comprehensive income for the period		8,085,355	1,287,968
Profit attributable to:			
Equity holders of the Group		7,757,183	1,330,707
Non-controlling interests		328,172	(42,739)
Total comprehensive income attributable to:			
Equity holders of the Group		7,757,183	1,330,707
Non-controlling interests		328,172	(42,739)
Earnings per share (K per share)			
Basic earnings per share	24	199	34
Diluted earnings per share	24	199	34

The notes on pages 7 to 21 are an integral part of these condensed consolidated interim financial statements.

MYANMAR THILAWA SEZ HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2024

Currency – Myanmar Kyat (In Thousands)

	Issued and paid-up share capital	Retained profits	Non-controlling interest	Total equity
Balance at 1 April 2024	38,929,150	43,430,288	7,784,637	90,144,075
Comprehensive income				
Profit for the period	–	7,757,183	328,172	8,085,355
Other comprehensive income for the period	–	–	–	–
Total comprehensive income for the period	–	7,757,183	328,172	8,085,355
Contributions from and distributions to owners				
Issue of share capital	–	–	–	–
Dividend	–	(1,946,458)	–	(1,946,458)
Total contributions from and distributions to owners	–	(1,946,458)	–	(1,946,458)
Balance at 30 September 2024	38,929,150	49,241,013	8,112,809	96,282,972
Balance at 1 April 2023	38,929,150	44,061,874	7,712,738	90,703,762
Comprehensive income				
Profit for the period	–	1,330,707	(42,739)	1,287,968
Other comprehensive income for the period	–	–	–	–
Total comprehensive income for the period	–	1,330,707	(42,739)	1,287,968
Contributions from and distributions to owners				
Issue of share capital	–	–	–	–
Dividend	–	(1,946,458)	–	(1,946,458)
Total contributions from and distributions to owners	–	(1,946,458)	–	(1,946,458)
Balance at 30 September 2023	38,929,150	43,446,123	7,669,999	90,045,272

The notes on pages 7 to 21 are an integral part of these condensed consolidated interim financial statements.

MYANMAR THILAWA SEZ HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2024
Currency – Myanmar Kyat (In Thousands)

	30 September 2024	30 September 2023
Cash flows from operating activities		
Profit before tax	8,161,235	1,256,187
Adjustments for non-cash items:		
Depreciation	202,903	169,975
Amortisation	101	220
Write-off	–	69
Unrealised profit adjustment	(6,167)	(6,509)
Share of profit of associate	(1,242,863)	(1,715,374)
Unrealised exchange gains	(6,967,776)	–
Finance costs	10,220	7,687
Finance income	(38,844)	(82,814)
Operating profit/ (loss) before working capital changes	118,809	(370,559)
Changes in working capital		
Trade and other receivables	4,838	454,580
Inventories	(90,898)	(138,133)
Trade and other payables	(64,316)	(504,995)
	(31,567)	(559,107)
Income tax paid	(10,000)	–
Net cash used in operating activities	(41,567)	(559,107)
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,484)	(15,051)
Other assets	(2,400)	(6,434)
Net receivable under installment sales	66,432	63,877
Interest received	38,844	82,814
Net cash provided by investing activities	94,392	125,206
Cash flows from financing activities		
Dividend paid to shareholders	(25,607)	(1,839,933)
Interest paid	(23,549)	–
Proceed from borrowing	385,000	150,000
Repayment of borrowing	(735,000)	–
Advance from customers	22,677	(1,715)
Net cash used in financing activities	(376,479)	(1,691,648)
Net decrease in cash and cash equivalents	(323,654)	(2,125,549)
Cash and cash equivalents at beginning of period	11,280,884	12,954,628
Effect of foreign exchange rate changes	6,974,156	–
Cash and cash equivalents at end of period	17,931,386	10,829,079

The notes on pages 7 to 21 are an integral part of these condensed consolidated interim financial statements.

MYANMAR THILAWA SEZ HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2024

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 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 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 Company was listed in Yangon Stock Exchange on 20 May 2016.

The principle business activities of its subsidiary are:

- To invest in the development of Residential and Commercial Area within the Thilawa Special Economic Zone carry out by constructing, selling and leasing of commercial center, residences, office towers and other related development
- To carry out preliminary engineering works
- To engage in importing, purchasing, leasing and the activities that are required for the development of said construction work
- To enter into partnership or into any arrangement of sharing profits, unions of interests, cooperation, joint venture or reciprocal concession or otherwise with any persons, or company carrying on or engaged in or about to carry on or engage in any business or

- transaction which this company is authorized to carry on, or engage in any business or transactions capable of being conducted so as directly or indirectly to benefit the company
- To purchase or otherwise acquire for other means ownerships, rights, franchises, licenses, grants, trademarks, patent rights including land and buildings and to utilize beneficially those properties and rights for development thereof.

These condensed consolidated interim financial statements (“interim financial statements”) as at and for the six-month ended 30 September 2024 comprise the Company and its subsidiary (“the Group”).

2. Basis of preparation

The accompanying interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The Group has prepared the interim financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

Interim financial statements do not include all the information and disclosures required in the annual financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the consolidated financial statements for the year ended 31 March 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

3. Accounting policies

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2024.

3.1 New standards, interpretations and amendments

There are no accounting pronouncements which have become effective from 1 April 2024 that have a significant impact on the Group’s interim financial statements. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

4. Use of judgments and estimates

When preparing the interim financial statements, management has made 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 period affected.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group’s last annual financial statements for the year ended 31 March 2024.

5. Significant changes in the current reporting period

The financial position and performance of the Group was particularly affected by the following events and transactions during the six-month to 30 September 2024:

- Increased in revenue from management fees due to higher service fees charged in foreign currencies and the strengthening of those currencies against the functional currency.
- Increased in unrealized exchange gain due to translation at period-end exchange rates (change from Central Bank of Myanmar's reference exchange rate to Central Bank of Myanmar's FX Market Online Trading Platform Data's exchange rate) of monetary items denominated in foreign currencies at the end of reporting period.
- Increased in cost of sales due to repair work for Dormitory B and C, and materials and installation charges for electricity meters, meter boxes, and cable lines in rental rooms, as well as underground cable maintenance and strengthening foreign currency against functional currency.
- Decreased in the share of profit of associate due to a fall in the profit of the investee company.
- Increased in investment in associates due to share of profit of associate for the six-month period.
- Increased in investment property due to transfer (change in use) of two units of shop house from inventories.
- Decreased in inventories due to transfer (change in use) of two shop house units to investment properties.
- Increased in cash and cash equivalents due to translation at period-end exchange rates (change from Central Bank of Myanmar's reference exchange rate to Central Bank of Myanmar's FX Market Online Trading Platform Data's exchange rate) of monetary items denominated in foreign currencies at the end of reporting period.
- Decreased in borrowing due to repayment of overdraft.

6. Segment information

Management determines operating segments based on the reports reviewed by the key management team that are used to make strategic decisions. The key management team comprises of the Chairman, the Chief Executive Officer, the Chief Financial Officer and the heads of each business who directly report to the Chairman on their respective entity's business.

The Group's reportable segments under IFRS 8 are as follows:

1. Investment holding segment is in the business of investing in subsidiary company and associate company and participating in the management of the associate company
2. Residential real estate segment is in the business of property development, sale of development properties, providing estate management services as well as property leasing

The following tables present revenue and profit information for the Group's operating segments for the six months ended 30 September 2024 and 2023, respectively:

Six-month ended 30 September 2024	Reportable Segments		Total reportable segments	Adjustments and eliminations	Total
	Investment holding	Residential real estate			
	Myanmar Kyat (In thousands)				
Revenue					
External customer	1,560,050	259,506	1,819,556	–	1,819,556
Inter-segment	–	–	–	–	–
Total revenue	1,560,050	259,506	1,819,556	–	1,819,556

Result					
Segment profit/					
(loss) before tax	6,508,328	1,646,740	8,155,068	6,167	8,161,235

Six-month ended 30 September 2023	Investment holding	Residential real estate	Total reportable segments	Adjustments and eliminations	Total
Myanmar Kyat (In thousands)					
Revenue					
External customer	803,688	243,370	1,047,058	–	1,047,058
Inter-segment	–	–	–	–	–
Total revenue	803,688	243,370	1,047,058	–	1,047,058

Result					
Segment profit/					
(loss) before tax	1,495,154	(245,476)	1,249,678	6,509	1,256,187

The following tables present assets and liabilities information for the Group's operating segments as at 30 September 2024 and 31 March 2024, respectively:

	Reportable Segments		Total	Adjustments and eliminations	Total
	Investment holding	Residential real estate	reportable segments		
Myanmar Kyat (In thousands)					
Assets					
30 September 2024	86,246,185	40,776,321	127,022,506	(27,010,620)	100,011,886
31 March 2024	80,181,630	39,155,915	119,337,545	(27,016,923)	92,320,622
Liabilities					
30 September 2024	3,511,717	217,197	3,728,914	–	3,728,914
31 March 2024	1,939,034	237,649	2,176,683	(136)	2,176,547

Reconciliation of reportable segment profit/ (loss)

Myanmar Kyat (In Thousands)	30 September 2024	30 September 2023
Total profit/ (loss) before tax for reportable segments	8,155,068	1,249,678
Adjustments and eliminations		
- Unrealised profit adjustment	6,167	6,509
Profit before tax	8,161,235	1,256,187

7. Financial instruments and financial risks

Overview

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
- Credit risk
- Market risk
- Liquidity and cash flows risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

Foreign exchange risk

The Group is exposed to foreign exchange risk due to assets and liabilities denominated in foreign currencies. There is a significant financial risk arising from the fluctuation of foreign exchange rate, which accounted for the highest proportion of the Group's realised exchange gains/ (losses) transaction in the income statement.

The Group's exposures to foreign currency risk based on notional amount as follows:

Myanmar Kyat (In Thousands)	30 September 2024	31 March 2024
Cash and cash equivalents	17,223,094	10,248,935
Trade and other receivables	–	17,640
Trade and other payables	(14,875)	(8,851)
Net financial assets	17,208,219	10,257,724

Foreign currency sensitivity

The following analysis details the sensitivity to a 10% increase/ decrease in the Myanmar Kyat against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk exposures internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates, which is the change in foreign exchange rate that management deems reasonably possible which will affect outstanding foreign currency denominated monetary items at period end. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period-end for a 10% change in foreign currency rates.

If the United States Dollars were to strengthen by 10% against the functional currency, profit before tax for the periods will be increased by:

Myanmar Kyat (In Thousands)	Profit before tax
30 September 2024	
USD 10% strengthening	1,720,734
31 March 2024	
USD 10% strengthening	1,025,776

If the United States Dollars were to weaken by 10% against the functional currency, there will be opposite impact on profit before tax for the periods.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group and Group's receivables from third party customers. The internal audit group always reviews on the current consolidated financial statements on this aspect of credit risk.

Trade receivables

The Group has a credit policy in place which establishes credit limits for customers and management monitors their balances on an ongoing basis. Credit evaluations are performed on all customers requiring credit, taking into account their credit worthiness and past payment experience with the Group.

Summarize below is the information about the credit risk exposure on the Group's trade receivables.

30 September 2024	Current	1-30 days past due	31-90 days past due	91-180 days past due	More than 180 days past due	Total
Carrying amount	1,738	19,337	4,998	1,811	5,783	33,667
Myanmar Kyat (In thousands)						
31 March 2024	Current	1-30 days past due	31-90 days past due	91-180 days past due	More than 180 days past due	Total
Carrying amount	667	33,340	45,948	–	6,301	86,256
Myanmar Kyat (In thousands)						

Market risk

Market risk is the risk that changes in market prices and the uncertainty of the value of the property. The objective of the market risk management is to manage and control market exposures within acceptable parameters, while optimizing the returns.

The Group's investment property and land are located in Thilawa Special Economic Zone, from which a substantial amount of the Group's revenue is derived. The challenging and highly downward trend of investment property market condition in Myanmar affected the Group's property rental performance and financial condition in the period. The default risk of tenants and the risk of tenants' relocation were also inevitably higher under unstable economic outlook and also had an adverse impact on the revenue and results of the Group. However, the Group had proactively reviewed and taken mitigation action to reduce the impact on its property leasing business arising from the risks mentioned above, by maintaining a good quality of tenant mix, offering a competitive rental package for tenants' retention, improved property management services and refining its business strategies. These proactive and responsive measures enable our group to benefit from mitigating the impact resulting from the risks mentioned above.

Liquidity and cash flows risk

Liquidity risk is the risk of incurring losses resulting from the inability to meet payment obligations in a timely manner when they become due or from being unable to do so at a sustainable cost.

The Group monitors the liquidity risk through conscious financial planning and analysis and by forecasting cash flows regularly, monitoring and optimizing net working capital and ability of the Group to meet its financial obligations. The Group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities.

8. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Expansions of new projects are analytically screened by possibility studies including financial projection with discounted cash flows method.

9. Property, plant and equipment												
	Leasehold land	Plant	Transformers	Building	Waste storage house	Machinery and equipment	Motor vehicle	Computer equipment	Furniture and equipment	Office renovation	Solar Power System	Total
Myanmar Kyat (In Thousands)												
Cost												
At 1 April 2023	404,367	1,320,512	270,557	1,143,940	4,342	74,834	428,761	110,729	530,054	555,540	—	4,843,636
Addition	—	—	—	—	—	3,864	—	16,885	5,157	—	123,559	149,465
Write off	—	—	—	—	—	(4,877)	—	(3,015)	(4,896)	—	—	(12,788)
At 31 March 2024	404,367	1,320,512	270,557	1,143,940	4,342	73,821	428,761	124,599	530,315	555,540	123,559	4,980,313
At 1 April 2024	404,367	1,320,512	270,557	1,143,940	4,342	73,821	428,761	124,599	530,315	555,540	123,559	4,980,313
Addition	—	—	—	—	—	314	—	—	8,170	—	—	8,484
Write off	—	—	—	—	—	—	—	—	(25)	—	—	(25)
At 30 September 2024	404,367	1,320,512	270,557	1,143,940	4,342	74,135	428,761	124,599	538,460	555,540	123,559	4,988,772
Accumulated depreciation and impairment losses												
At 1 April 2023	(40,511)	(345,608)	(29,300)	(91,543)	(941)	(52,712)	(393,938)	(88,401)	(424,573)	(218,503)	—	(1,686,030)
Depreciation	(8,839)	(66,026)	(5,860)	(23,242)	(217)	(8,144)	(21,123)	(12,086)	(48,230)	(24,060)	(33,788)	(251,615)
Write off	—	—	—	—	—	4,011	—	3,015	4,837	—	—	11,863
Impairment loss	—	—	—	—	—	—	—	—	—	—	—	—
At 31 March 2024	(49,350)	(411,634)	(35,160)	(114,785)	(1,158)	(56,845)	(415,061)	(97,472)	(467,966)	(242,563)	(33,788)	(1,925,782)
At 1 April 2024	(49,350)	(411,634)	(35,160)	(114,785)	(1,158)	(56,845)	(415,061)	(97,472)	(467,966)	(242,563)	(33,788)	(1,925,782)
Depreciation	(4,419)	(33,013)	(2,930)	(11,621)	(109)	(4,007)	(10,505)	(5,228)	(17,873)	(10,407)	(39,539)	(139,651)
Write off	—	—	—	—	—	—	—	—	25	—	—	25
Impairment loss	—	—	—	—	—	—	—	—	—	—	—	—
At 30 September 2024	(53,769)	(444,647)	(38,090)	(126,406)	(1,267)	(60,852)	(425,566)	(102,700)	(485,814)	(252,970)	(73,327)	(2,065,408)
Net book value												
At 1 April 2023	363,856	974,904	241,257	1,052,397	3,401	22,122	34,823	22,328	105,481	337,037	—	3,157,606
At 31 March 2024	355,017	908,878	235,397	1,029,155	3,184	16,976	13,700	27,127	62,349	312,977	89,771	3,054,531
At 30 September 2024	350,598	875,865	232,467	1,017,534	3,075	13,283	3,195	21,899	52,646	302,570	50,232	2,923,364

Bank borrowing is secured on building of the Company with net book value Kyats 829,416,666.46 (31 March 2024: Kyats 838,666,666.48).

10. Investment in associate

Myanmar Kyat (In Thousands)	30 September 2024	31 March 2024
Opening balance	46,327,725	45,043,553
Proportionate net profit for the period/ year	1,242,863	1,274,953
Unrealised profit adjustment	4,610	9,219
Carrying value	47,575,198	46,327,725

The Group's share of profit in its equity-accounted investee (i.e, Myanmar Japan Thilawa Development Limited) for the periods was Kyats 1,242,863,370.59 (USD 352,185.71 @ Kyats 3,529) (30 September 2023: Profit Kyats 1,715,374,311.00 (USD 816,844.91 @ Kyats 2,100)). 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 2024	31 March 2024
Owner-ship	41%	41%
Current assets	74,497	75,244
Non-current assets	18,768	16,499
Total assets	93,265	91,743
Current liabilities	6,523	5,860
Non-current liabilities	1,964	1,963
Total liabilities	8,487	7,823
Net assets	84,778	83,920

USD (In Thousands)	30 September 2024	30 September 2023
Income	5,547	5,500
Expenses	(4,689)	(3,508)
Profit	858	1,992
Share of profit	352	817

11. Investment property

Myanmar Kyat (In Thousands)	Land and building
Cost	
At 1 April 2023	4,741,334
Transferred from inventories	249,197
Transferred to inventories	(249,197)
At 31 March 2024	4,741,334
At 1 April 2024	4,741,334
Transferred from inventories	476,872
At 30 September 2024	5,218,206
Accumulated depreciation and impairment losses	
At 1 April 2023	(673,722)
Depreciation	(121,834)
Transferred to inventories	1,535
Impairment loss	—
At 31 March 2024	(794,021)
At 1 April 2024	(794,021)
Depreciation	(63,252)
Impairment loss	—
At 30 September 2024	(857,273)
Unrealised profit adjustment	
At 1 April 2023	(113,273)
At 31 March 2024	(109,476)
At 30 September 2024	(110,596)
Net book value	
At 1 April 2023	3,954,339
At 31 March 2024	3,837,837
At 30 September 2024	4,250,337

The Group's investment property at 30 September 2024 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 2024. 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 2024.

As of 30 September 2024, the Group's investment property includes:

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

Details of the Group's investment property and information about the fair value hierarchy as at 30 September 2024 are as follows:

Myanmar Kyat (In Thousands)	Level 1	Level 2	Level 3	Fair value as at 30 September 2024
Investment property				
Workers accommodation	–	–	3,728,408	3,728,408
Unit A – Main road	1,620,000	–	–	1,620,000

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 property 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.

Three units of type A facing main road were transferred from Level 2 to Level 1 and two units of shop houses were transferred during the period.

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

The property rental income from the Group's investment property all of which are leased out under operating lease amounted to Kyat 95,000 (In Thousands). Direct operating expenses (including repairs and maintenance) arising from the rental – generating investment property amounted to Kyat 136,204 (In Thousands).

12. Net receivable under installment sales

The Group sold its shop houses under installment plan. There is no sale of shop house during the period ended 30 September 2024. Net present value of installment payments to be received are recognised as revenue and receivable. The Group 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 Group recognise the finance income and allocate over the installment term.

(a) Receivable under installment sales

Myanmar Kyat (In Thousands)	30 September 2024	31 March 2024
Gross receivable under installment sales	392,898	488,146
Less: Unearned finance income	(18,737)	(26,296)
	374,161	461,850
Less: current portion (Note 15)	(143,493)	(164,750)
	230,668	297,100

(b) Undiscounted installment payments to be received

Myanmar Kyat (In Thousands)	30 September 2024	31 March 2024
Within one year	154,778	178,590
Second to third years	238,120	309,556
	392,898	488,146

13. Other assets

Myanmar Kyat (In Thousands)	30 September 2024	31 March 2024
Logistics Dependent Industrial Area	86,706	86,706
Gyo Gone Redevelopment Project	220,660	218,260
AGRO-Industrial Park	46,750	46,750
	354,116	351,716

14. Cash and cash equivalents

Myanmar Kyat (In Thousands)	30 September 2024	31 March 2024
Cash in hand	24,276	16,010
Cash at bank	17,907,110	11,264,874
	17,931,386	11,280,884

15. Trade and other receivables

Myanmar Kyat (In Thousands)	30 September 2024	31 March 2024
Trade receivables from		
- Related parties* (Note 25-b)	2,045	1,785
- Non-related parties	19,716	48,753
Other receivable from non-related parties	249,333	231,642
Net receivable under installment sales (Note 12-a)	143,493	164,750
Accrued income from non-related parties	42,820	21,846
Deposit	221,880	218,880
Prepayments and advance	41,293	30,200
Advance income tax	45,970	81,881
Advance commercial tax	527,664	535,091
	1,294,214	1,334,828

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

16. Inventories

Inventories include cost of leasehold land acquired from MJTD for the development of residential and commercial area of Thilawa Special Economic Zone. It also includes the cost of land scraping, infrastructure development, twelve units of shop houses, shop houses construction and MSME Project.

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 2024	31 March 2024	30 September 2024	31 March 2024
At the beginning and end of the financial period/ year	38,929,150	38,929,150	38,929,150	38,929,150

18. Trade and other payables

Myanmar Kyat (In Thousands)	30 September 2024	31 March 2024
Trade payables to non-related parties	50,079	63,776
Other payables to non-related parties	24,701	42,704
Deposit from suppliers	8,139	8,139
Accrued expenses	89,193	135,848
Unpaid dividend	3,284,257	1,363,406
Deferred rental income to non-related parties	43,122	30,388
Advance receipt	1,307	–
Commercial tax	10,930	18,102
	3,511,728	1,662,363

19. Borrowing

Myanmar Kyat (In Thousands)	30 September 2024	31 March 2024
Beginning of the financial period/ year	440,000	–
Overdraft facilities during the period/ year	385,000	740,000
Repayment of overdraft facilities during the period/ year	(735,000)	(300,000)
	90,000	440,000

The bank overdraft facility shall be used for working capital requirements and the amount shall be classified as current liabilities. The facility has been fully secured by immovable property (Building). Interest 11.5% p.a. shall be calculated on the outstanding balance and shall be recognized as expenses in the condensed consolidated statement of comprehensive income using the effective interest rate method. The facility agreement has been entered into on 25 August 2023 and the amount shall be available for drawing during the first 12 months of the facility agreement date and yearly renewals up to 3 years.

20. Revenue

Myanmar Kyat (In Thousands)	30 September 2024	30 September 2023
Management fees (Note 25-a)	1,560,050	803,688
Rental income	95,000	90,225
Telecommunication	1,451	1,302
Utilities income	163,055	151,843
	1,819,556	1,047,058

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 billboard and rooms in dormitory, food court and shop house.

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.

21. Expenses by nature

Myanmar Kyat (In Thousands)	30 September 2024	30 September 2023
Cost of rental and dormitory	136,204	75,835
Utilities cost	121,329	107,654
Cost of management fees	312,014	146,125
Building cost – shop house	–	6,701
Write off – property, plant and equipment	–	69
Depreciation of property, plant and equipment	139,651	109,825
Depreciation of investment property	63,252	60,150
Amortisation of intangible asset	101	220
Employee benefit expenses (Note 21-a)	296,695	254,376
Key management personnel and director compensations (Note 25-c)	601,506	478,341
Selling, marketing and business development expenses	6,185	2,305
Transportation expense	28,837	26,780
Listing expense	620	647
Other expenses	217,598	269,102
Unrealised profit adjustment	(6,167)	(6,509)
Total cost of sales, selling, marketing and business development expenses and administrative expenses	1,917,825	1,531,621

21-a. Employee benefit expenses

Myanmar Kyat (In Thousands)	30 September 2024	30 September 2023
Wages and salaries	241,735	212,347
Other benefits	54,960	42,029
	296,695	254,376

22. Unrealised exchange gains

The above represents the unrealised exchange gains of Kyats 6,967,775,838.25 (30 September 2023: Kyats Nil) arising from the translation of monetary items denominated in foreign currency using the exchange rate at the end of reporting periods.

23. Income tax expense

Myanmar Kyat (In Thousands)	30 September 2024	30 September 2023
Current tax on profit for the period	69,998	–
Adjustment in respect of prior period	5,882	(31,781)
	75,880	(31,781)

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 Group by the weighted average number of ordinary shares outstanding during the financial periods.

Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Group by the sum of the weighted average number of shares outstanding and dilutive shares.

Myanmar Kyat (In Thousands)	30 September 2024	30 September 2023
Net profit attributable to equity holders of the Group (Myanmar Kyat in thousands)	7,757,183	1,330,707
Weighted average number of ordinary shares outstanding (shares in thousands)	38,929	38,929
Weighted average number of ordinary shares outstanding and dilutive shares (shares in thousands)	38,929	38,929
Basic earnings per share	199	34
Diluted earnings per share	199	34
Per value of share (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 2024	30 September 2023
Associate (Note 20)	1,560,050	803,688
Other related parties	2,243	4,271

Other related parties comprise of directors of the Company.

(b) Period/ year-end balances

Myanmar Kyat (In Thousands)	30 September 2024	31 March 2024
Trade receivables from related parties (Note 15)		
Associate	2,045	1,785

(c) Key management personnel and director compensation

Myanmar Kyat (In Thousands)	30 September 2024	30 September 2023
Director remuneration	48,000	48,000
Key management personnel remuneration	505,512	391,863
Key management personnel bonus	47,994	38,478
	601,506	478,341

(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 2025.

26. Authorisation of financial statements

The interim financial statements of the Group for the six-month period ended 30 September 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 19 December 2024.