



MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED.

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AUDITED FINANCIAL STATEMENTS AND MANAGEMENT DISCUSSION & ANALYSIS

Myanmar Agro Exchange Public Company Limited (the "Company") has demonstrated substantial growth and resilience in the period ending September 30, 2024. Despite challenging market conditions, the Company has significantly increased its revenue, enhanced its asset base, and maintained robust financial health. The Company's successful listing on the Yangon Stock Exchange on July 3, 2023, increased public awareness of the company, increased investment appetite, and further boosted its stock price.

The Board of Directors of Myanmar Agro Exchange Public Company Limited ("MAEX") wishes to announce the release of the Company's audited financial statements and Management Discussion and Analysis ("MD&A") for the period ending September 30, 2024 (first half of the financial year 2024-2025). Unless otherwise specified, all currency amounts in the MD&A are expressed in Myanmar Kyats (MMK).

The current reported period covers the six months from April 1 to September 30, 2024. We are illustrating a comparison of the six months same period from the last financial year. It is from April 1 to September 30, 2023.

The financial statements are prepared under Myanmar Financial Reporting Standards (MFRS) and audited by the Independent Auditor, Win Thin and Associates.

The Board of Directors approved this document on 20th December 2024. The discussion and analysis are provided below:

KEY HIGHLIGHTS

Summary of the Statements of Comprehensive Income

	From 1 st April 2024 to 30 th September 2024	From 1 st April 2023 to 30 th September 2023	% Change
	MMK'000	MMK'000	
Revenue – net	16,710,655	7,598,080	120%
Cost of sales	(8,344,971)	(3,426,667)	144%

Gross profit	8,365,684	4,171,413	101%
Other income	182,140	138,692	31%
Expenses			
- General and administrative	(1,503,500)	(1,486,674)	1%
- Marketing	(23,041)	(72,604)	-69%
- Finance charges	(217,933)	(479)	45397%
Profit before Share of profit to YCDC	6,803,350	2,750,348	147%
Share of profit to YCDC	(1,701,570)	(688,637)	147%
Profit before tax	5,101,780	2,061,711	147%
Income tax expense	(867,303)	(350,491)	147%
Comprehensive income for the period	4,234,477	1,711,220	147%
Earnings per share (Kyat)	178	72	147%
Diluted earnings per share	178	74	140%

The total revenue for the reporting period is 16.71 billion kyats, a 120% increase from the total income of 7.598 billion kyats in the previous year. This growth was primarily driven by the sales of shophouses, medium wholesale units, and land use right for fuel Station, which accounted for 79.3% of total revenue. Additionally, rental income from market buildings contributed substantially to the total revenue.

A breakdown of income is set forth below:

	From 1st April 2024 to 30th September 2024 MMK'000	From 1st April 2023 to 30th September 2023 MMK'000	% Change
Revenues			
Income from Sales of Shop House	6,153,204	5,012,621	23%
Income from Sales of Medium Wholesales	3,026,990	-	N/A
Income from Land Use Right for Fuel Station	4,071,109		N/A
Total Sales Income	13,251,303	5,012,621	164%
Market Operating Income			
Rental Income from Market Buildings	2,463,949	1,718,842	43%
Cars, Trucks & Cycles Entrance	602,080	541,714	11%
Revenue from Cold Storage	24,544	-	N/A
Other Operation Income	239,230	210,169	19%
Total Market Operating Income	3,329,803	2,470,725	35%
Revenue from E-Commerce	129,549	114,734	13%
Total Revenues	16,710,655	7,598,080	120%

During the reporting period, sales revenue for shop house was Kyat 6.15 billion kyat, a 23% increase from the total revenue of Kyat 5.01 billion kyats in last year same period. Sales Revenue from medium wholesale units was Kyat 3.03 billion, and income from land use right for fuel station were 4.07 billion during the reporting period.

Revenues from the market operating income were 3.33 billion kyats but the previous year same period were 2.47 billion kyats. It is 35% more than last year. This growth is a testament to the company's effective property management and the high demand for market rental spaces.

Gross profit more than doubled to Kyats 8.37 billion from MMK 4.17 billion in the prior year same period, reflecting a 101% increase, indicating better operational efficiency and cost control.

The net profit for the year was MMK 4.23 billion, up from MMK 1.71 billion in the previous year same period, marking a 147% increase. This impressive growth in net profit can be attributed to the increased revenue, controlled administrative expenses, and effective financial management. The net profit margin also showed considerable improvement, rising from 22.52% to 25.34%.

The summary of the financial position of the Company for the year ended 31 March 2024 and the previous fiscal year ended 31 March 2023 are compared as follows:

Summarized Statement of Financial Position as at 31st March 2024

	30-Sep-2024	31-Mar-2024	Change
	MMK'000	MMK'000	%
Assets			
Current assets	28,757,544	28,638,238	▲ 0.42%
Non-current assets	33,935,837	28,787,520	▲ 18%
Total assets	62,693,381	57,425,758	▲ 9%
Less: Liabilities			
Current liabilities	28,546,573	21,999,458	▲ 30%
Non-current liabilities	3,885,612	4,638,592	▼ -16%
			▲

Total liabilities	32,432,185	26,638,050	▼ 22%
Net Assets	30,261,196	30,787,708	-2%
Equity			
Issued Share Capital	24,999,130	24,999,130	0%
Retained Earnings	5,262,066	5,788,578	▼ -9%
Total Equity	30,261,196	30,787,708	▼ -2%

The Company's total assets grew to MMK 62.69 billion from MMK 57.43 billion, driven by increases in fixed assets, as well as Work-in-progress for investment properties. This growth reflects the Company's strategic investments in revenue making assets and expansion projects.

Non-current assets increased to MMK 33.94 billion from MMK 28.79 billion, primarily due to additions in investment property of Market Building (5), motor vehicle, equipment and shop house for transfer to Yangon City Development Committee, which included significant investments in construction and market development projects.

Current assets surged to MMK 28.76 billion from MMK 28.64 billion, mainly due to higher Work-in-progress for investment properties. The increase in current assets indicates improved liquidity and the ability to meet short-term obligations.

Total liabilities increased to MMK 32.43 billion from MMK 26.64 billion, primarily due to payable for construction cost of shop house and medium wholesale building and advance received from sales for shop house and medium wholesale rooms.

Non-current liabilities reduced to MMK 3.89 billion from MMK 4.64 billion, reflecting the long-term borrowings were settled as per schedule.

Current liabilities increased to MMK 28.55 billion from MMK 22 billion, due to higher trade payables and advance sales for shop house and medium wholesale rooms. The increase in current liabilities indicates the Company's active engagement in its projects and the corresponding need for working capital.

Equity decreased to MMK 30.26 billion from MMK 30.79 billion, for issuing the dividend for last financial year to shareholders.

The summary of the Company's cash flow statement is as follows:

Summary Cash Flow Statement for the year ended 31st March 2024

	1st April 2024 to 30th September 2024 MMK'000	1st April 2023 to 30th September 2023 MMK'000
Cash flows from operating activities		
Profit before tax	5,101,780	2,061,711
<i>Adjustments for items not involving the movement of fund</i>	544,059	377,238
Operating profit before working capital changes	5,645,839	2,438,949
Changes in working capital	4,467,925	(5,907,666)
Cash generated from the operation	10,113,764	(3,468,717)
Interest received	94,887	87,267
Income tax paid	(100,000)	(270,000)
Net cash provided by operating activities	10,108,651	(3,651,450)
Net cash used in investing activities	(5,787,263)	(2,403,205)
Net cash used in financing activities	(5,393,815)	4,139,232
Net decrease in cash and cash equivalents	(1,072,427)	(1,915,423)
Cash and cash equivalents at the beginning of the period	2,552,432	3,255,896
Cash and cash equivalents at the end of the period	1,480,005	1,340,473

The net cash provided by operating activities was MMK 10.109 billion, indicating strong operational performance and effective working capital management. The positive cash flow from operations reflects the Company's ability to generate sufficient cash from its core activities to fund its operations and growth.

The Company invested MMK 5.787 billion in property, plant, and equipment, demonstrating its commitment to long-term growth and expansion. These investments were primarily directed towards the construction and development of market infrastructure, which is expected to generate future revenue streams.

Net cash used by financing activities was MMK 5.394 billion, which schedule payment to borrowings and dividend paid to shareholders. This use of funds increases the company's credit score and improves the trust of shareholders.

Key Financial Ratios

Earnings per Share (EPS)

Basic EPS increased to MMK 178 from MMK 72, a 147% rise, and diluted EPS rose to MMK 178 from MMK 74, reflecting the strong profit growth. This increase in EPS demonstrates the Company's ability to generate higher earnings per share, enhancing shareholder value.

Return on Equity (ROE): ROE improved to 16.71% from 7.23%, reflecting the Company's ability to generate significant returns on shareholders' equity. It reflects the company's ability to generate significant returns on shareholders' equity.

Return on Assets (ROA): ROA increased to 8.49% from 4.39%, indicating efficient utilization of the Company's assets to generate profit.

Gross Profit Margin: The gross profit margin decreased to 50.06% from 54.9% due to increase in construction cost.

Net Profit Margin: The net profit margin increased to 25.34% from 22.52%, showcasing the Company's enhanced profitability.

Current Ratio: The current ratio decreased to 1.01 from 1.30, indicating a robust liquidity position. This ratio demonstrates the Company's ability to meet its short-term obligations with its current assets.

Debt to Equity Ratio: The debt to equity ratio decreased to 0.13 from 0.15, reflecting the Company's better cash flow for loan repayment as per schedule. Despite the decrease, the ratio remains at a manageable level, indicating prudent cash management.

Quick Ratio: The quick ratio stands at 0.27, down from 0.57, indicating that the Company has maintained sufficient liquid assets to cover its current liabilities, excluding inventories.

Interest Coverage Ratio: The interest coverage ratio was 24.66, demonstrating the Company's ability to meet its interest obligations comfortably from its operating earnings.

Operating Cash Flow Ratio: The operating cash flow ratio increased to 0.35 from -0.17, reflecting better cash flow generation from operations relative to current liabilities.

Asset Turnover Ratio: The asset turnover ratio although slightly increased to 0.28 from 0.16, indicating the efficiency with which the Company uses its assets to generate revenue.

These ratios highlight the Company's strong liquidity position, efficient asset utilization, and effective cash flow management, underscoring its robust financial health.

Forward Outlook

Myanmar Agro Exchange Public Company Limited (MAEX) is poised for sustained growth, driven by its strategic initiatives and robust financial performance. The successful completion of the Danyingone Wholesale Market and the Company's listing on the Yangon Stock Exchange establish a strong foundation for future expansion. MAEX is committed to leveraging these milestones to enhance operational capabilities, expand its market presence, and deliver long-term value to shareholders.

Key strategic initiatives include:

- 1. Market Expansion:** MAEX will focus on developing new wholesale markets and upgrading existing facilities to strengthen its revenue streams and market dominance.
- 2. Technological Integration:** To streamline operations and improve customer experiences, the Company plans to adopt cutting-edge technology solutions, invest in e-commerce platforms, and enhance its digital marketing strategies.
- 3. Sustainability Focus:** The Company remains committed to environmental, social, and governance (ESG) principles. Initiatives such as green building practices, energy-efficient operations, and community development will be central to its strategy, ensuring sustainable growth and long-term success.
- 4. Community Collaboration:** Through its partnership with Yangon City Development Committee (YCDC), MAEX contributes significantly to local economic development by allocating 25% of net profits from rents and property sales. This collaboration underscores the Company's dedication to fostering community development while achieving its growth objectives.

Conclusion

The first half of the 2024-2025 financial year has been a defining period for Myanmar Agro Exchange Public Company Limited, marked by exceptional financial performance, successful strategic investments, and a landmark public listing. These achievements reflect the Company's resilience, operational efficiency, and vision for sustainable growth.

As MAEX looks ahead, its focus on market expansion, technological integration, and sustainability positions it as a leader in the agro-industrial sector. The management's commitment to transparency, corporate governance, and value creation ensures continued trust among shareholders and stakeholders alike.

Furthermore, the active partnership with YCDC exemplifies the Company's alignment with regional development goals, reinforcing its dual commitment to business excellence and community welfare. Through strategic collaborations and prudent financial management, MAEX is well-prepared to navigate future challenges, capitalize on emerging opportunities, and deliver sustainable growth.