

MANAGEMENT DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (“MD&A”) is based on Myanmar Thilawa SEZ Holdings Public Company Limited (“MTSH”) Consolidated Financial Statements for the period ended 30 September 2025 (“FY2025-2026”) and should be read in conjunction with those financial statements. All currency amounts in the MD&A are expressed in Myanmar Kyats unless otherwise specified.

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) and audited by the Independent Auditor, Win Thin & Associates Ltd.

The Board of Directors approved this document on 22 December 2025.

Myanmar Japan Thilawa Development Limited (“MJTD”)

MJTD was established to undertake the development, marketing, leasing, and operation of the Industrial Area in Thilawa SEZ. MTSH holds a majority share of MJTD’s shareholding, represented four board seats, and dispatched four key officers to support the company’s strategic direction and ensure sustained operational and financial performance of MJTD.

For the period ended 30 September 2025, MJTD achieved a net profit of USD 1.7 million. Retained Earnings were USD 62 million as of 30 September 2025. During the period, MJTD delivered the performance land sales of 2 hectares. MJTD maintained a stable income stream from its recurring operations in the rental and maintenance, complemented by contributions from solar projects of comparable capacity, reflecting consistent growth across its key business segments.

MJTD’s solar energy project commenced commercial power generation and achieved a capacity expansion to 4 MW by the end of the reporting period. The project continues to progress in line with the Group’s renewable energy strategy, with a further 3.5 MW capacity expansion currently under development. Looking ahead, the total targeted capacity of the solar project is 15 MW, reflecting the Company’s long-term commitment to renewable energy growth. The solar business has begun to generate an additional and recurring revenue stream, enhancing earnings diversification and supporting the Group’s sustainable growth objectives.

Thilawa Property Development Limited (“TPD”)

TPD was formed to undertake the development, construction, marketing, leasing, and operation of the Residential and Commercial Area in Thilawa Special Economic Zone (“Thilawa SEZ”). TPD is a joint venture with Thilawa Special Economic Zone Management Committee Company Limited (“TSMCC”) in which TSMCC owns 20% and MTSH owns 80%.

TPD incurred MMK 211 million loss for the period ended 30 September 2025. However, significant infrastructure upgrades resulted in an overall enhancement of the property’s value. TPD successfully completed the sale of three shophouses, which are anticipated to contribute positively to the Company’s financial performance in the current financial year. As at 30 September 2025, the Company maintained retained earnings of MMK 10.1 billion and cash and bank balances of MMK 6.2 billion, including USD 1.4 million held in foreign currency. This strong liquidity position provides the financial flexibility to support ongoing asset enhancements and the solar project.

TPD is currently implementing a 3.3 MW solar energy project, with completion targeted for within this financial year. Upon commissioning, the project is expected to become operational and contribute incremental revenue within the current financial year. This investment is intended to diversify and strengthen the Group’s income streams while supporting long-term value creation. In addition, the solar initiative aligns with the Company’s sustainability strategy by promoting clean energy generation and reducing the Group’s overall carbon footprint.

Myanmar Thilawa SEZ Holdings Public Company Limited (“MTSH”)

Myanmar Thilawa SEZ Holdings Public Company Limited was incorporated on the 3rd of May 2013 in Myanmar under the Companies Act as a public limited company. On 20th May 2016, MTSH became the second company which is listed on the Yangon Stock Exchange.

For the period ended 30 September 2025, MTSH reported a stand-alone net profit of MMK 5.1 billion. This result includes a 10th year anniversary management bonus income from MJTD as well as a share of profit of MMK 2.5 billion from investment in MJTD.

As at 30 September 2025, total non-current assets amounted to MMK 78.9 billion, of which approximately 68% related to the investment in MJTD. The reduction in current assets was mainly due to dividend payments and advance payments made to suppliers in connection with the solar energy initiative. As at 30 September 2025, total current assets stood at MMK 9.2 billion.

As at the same date, the Company maintained retained earnings of MMK 46.8 billion, reflecting a solid capital position to support ongoing operations and strategic initiatives.

Myanmar Thilawa SEZ Holdings Public Company Limited and Its Subsidiary (“MTSH GROUP”)

Summarized Consolidated Income Statement for the period ended

	30-Sep-25	30-Sep-24	Kyat in million Changes
Revenue	5,298	1,820	▲
Cost of Sales	(1,648)	(671)	▲
Gross Profit	3,650	1,149	▲
Finance Costs	-	(10)	▼
Selling & administrative expenses	(1,489)	(1,247)	▲
Share of profit from associate	2,493	1,243	▲
Operating profit	4,654	1,135	▲
Income from non-operating activities	681	59	▲
Other gain/(losses)	51	6,967	▼
Total profit before tax	5,386	8,161	▼
Income tax expense	(529)	(76)	▲
Net Profit	4,857	8,085	▼
Gross Profit Margin	69%	63%	▲
Earning Per Share (Kyat)	126	199	▼

For the period ended 30 September 2025, the Group recorded revenue of MMK 5.3 billion, representing an increase of MMK 3.5 billion compared to the corresponding period of the previous period. This growth was primarily driven by income arising from the 10th year anniversary management bonus.

Gross profit for the financial period amounted to MMK 3.6 billion, reflecting an increase of MMK 2.5 billion period-on-period. The improvement was attributable to higher gross profit, as noted above.

The share of profit from the Group’s investment in associate company, MJTD, increased significantly from MMK 1.2 billion in the prior period to MMK 2.5 billion in the current period.

As a result of the above factors, the Group achieved a net profit of MMK 4.9 billion, with profit attributable to equity shareholders amounting to substantially the same level.

Overall, the net impact of the above factors contributes to the decline in consolidated EPS to MMK 126 per share for the period ended 30 September 2025 from MMK 199 per share for the period ended 30 September 2024.

Summarized Consolidated Statement of Financial Position as at 30 September 2025

	30-Sep-25	31-Mar-25	Kyat in million Changes
Assets			
Current Assets	39,019	46,685	▼
Non-Current Assets	62,588	59,259	▲
Total assets	101,607	105,944	▼
Liabilities			
Current liabilities	2,544	4,452	▼
Non-Current liabilities	174	63	▲
Total Liabilities	2,718	4,515	▼
Net assets	98,889	101,429	▼
Equity			
Issued and paid up capital	38,929	38,929	-
Retained earnings	51,934	54,431	▼
Non-controlling interest	8,026	8,069	▼
Total equity	98,889	101,429	▼

During the reporting period, dividend payments for FY 2024–2025 and expenditures incurred for the installation of the solar project were capitalized, resulting in a reduction in current assets. As at 30 September 2025, the Group maintained cash and bank balances of MMK 7.2 billion, with total current assets amounting to MMK 39.0 billion.

Non-current assets increased during the period, primarily due to the recognition of the Group's share of profit from associate as well as the capitalization of the solar power project under property, plant and equipment. As at period-end, non-current assets totaled MMK 62.6 billion, of which MMK 53.2 billion represented the Group's share of net assets in MJTD.

Total liabilities decreased to MMK 2.7 billion as at 30 September 2025, mainly due to settlement for outstanding payable.

As at 30 September 2025, the Group's retained earnings stood at MMK 51.9 billion decreasing from MMK 54.4 billion mainly due to the net impact of dividend payout and profit during this period.

Key Financial Ratio

Financial Ratios		For Period/Year Ended	
		30-Sep-25	31-Mar-25
Profitability Ratios			
Return on Assets	%	5%	12%
Return on Equity	%	5%	13%
Liquidity Ratios			
Current Ratios	Times	15.3	10.5
Per-Share Profitability			
Earning per share	Kyat	126	333

Development and Future Growth Trends

The MTS Group continues to strengthen its core development platform within Thilawa SEZ by leveraging stable recurring income from industrial, residential, and commercial assets while selectively pursuing value-accretive opportunities. MJTD remains the cornerstone of the Group's industrial development strategy, supported by sustained demand for land, factory leasing, and maintenance services. The continued establishment of new factories within Thilawa SEZ reflects resilient investor confidence in the zone's infrastructure, incentives, and long-term growth prospects, which is expected to support stable occupancy levels and recurring revenue streams over the medium to long term.

A key driver of future growth is the Group's expanding renewable energy portfolio. Building on the successful commissioning and expansion of solar power projects at MJTD and the ongoing implementation at TPD, the Group is steadily developing a diversified and scalable clean energy platform. These projects are expected to generate predictable, long-term cash flows while reducing reliance on traditional income sources. At the same time, the renewable energy initiatives align with national energy objectives and the Group's sustainability strategy, positioning MTS to benefit from increasing demand for reliable and environmentally responsible power solutions.

Looking ahead, the Group will continue to adopt a disciplined and prudent approach to capital allocation, balancing dividend distributions with reinvestment for growth. MTS is actively evaluating additional trading opportunities and potential participation in emerging economic zones that demonstrate long-term development potential. Supported by a solid balance sheet, strong retained earnings, and experienced management, the Group is well positioned to pursue sustainable growth, and deliver long-term value to shareholders despite ongoing macroeconomic uncertainties.