

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 year ended 31 March 2026 (“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 12 June 2026.

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 year ended 31 March 2026, MJTD achieved a net profit of USD 4.7 million. Retained earnings were USD 64.6 million, while the cash and bank balance were the equivalent of USD 55.8 million. During the period, MJTD delivered 3.9 hectares of land sales. MJTD maintained a stable income stream from recurring rental and maintenance operations, 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 expended capacity to 5.4 MW by the end of the reporting period. Aligned with the Group’s renewable energy strategy, the project advanced further with the completion of a 2 MW expansion in April 2026. Looking ahead, the total targeted capacity for the solar project is 30 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 achieved a net profit of MMK 603 million for the fiscal year ended 31 March 2026. The Company delivered a robust financial performance, driven primarily by operational successes in the real estate sector. These milestones included the completed sale of four units of shophouses and the successful securing of six units of shophouses reservations, the financial realization of which is anticipated to contribute positively to the revenue stream in the current financial year.

As of 31 March 2026, TPD maintained strong balance sheet stability with retained earnings of MMK 10.9 billion and the cash and bank balance were the equivalent of MMK 6.8 billion (including USD 1.4 million held in foreign currency as a restricted fixed deposit). This solid liquidity position provides the financial flexibility required to support ongoing asset enhancements and strategic infrastructure.

Capitalizing on this financial depth, TPD has successfully completed and energized its 3.3 MW solar energy project as of May 2026. Upon full commercial commissioning, the project is expected to contribute incremental, sustainable revenue in the upcoming quarters. This milestone effectively diversifies the Group’s income streams, drives long-term value creation, and aligns with the Company’s sustainability strategy to promote clean energy generation and reduce its 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 year ended 31 March 2026, MTSH reported a stand-alone net profit of MMK 10.8 billion, including the income from 10th anniversary management fee bonuses, commissions from solar panel sales, management fees and share of profit from investment. The net profit decreased slightly from the prior year primarily because last year included higher trading income and foreign exchange gains.

The increase in non-current assets is the impact of the purchase of lands for future project and the recognition of the Company's share of the associate's profit for the year. As of 31 March 2026, there were MMK 85.4 billion in total non-current assets out of which 68% were related to the investment in MJTD.

The company has MMK 52.6 billion in Retained Earnings and the cash and bank balance were the equivalent of MMK 7.1 billion as of 31 March 2026, 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 year ended

	31-Mar-26	31-Mar-25	Kyat in million Changes
Revenue	10,735	20,096	▼
Cost of Sales	(3,554)	(13,771)	▼
Gross Profit	7,181	6,325	▲
Finance Costs	-	(15)	▼
Selling & administrative expenses	(3,459)	(3,936)	▼
Share of profit from associate	7,060	4,393	▲
Operating profit	10,782	6,767	▲
Income from non-operating activities	1,135	740	▲
Other gain/(losses)	224	7,239	▼
Total profit before tax	12,141	14,746	▼
Income tax expense	(715)	(1,515)	▼
Net Profit	11,426	13,231	▼
Net Profit Margin	106%	66%	▲
Earning Per Share (Kyat)	290	333	▼

For the year ended 31 March 2026, the Group recorded revenue of MMK 10.7 billion, mainly from the receiving of income from 10th anniversary management fee bonuses, commissions on solar panel sales, and the sale of four units of shophouses. Revenue decreased slightly versus with the prior year because trading activity in the previous year was higher.

The gross profit is MMK 7.2 billion and the gross profit margin has increased to 67% from 31%, driven by higher-margin revenue in the current period.

The share of profit from the Group’s investment in associate company, MJTD, increased significantly from MMK 4.4 billion in the prior period to MMK 7.1 billion for the associate generating higher profits during the year.

The Group achieved a net profit of MMK 11.4 billion, with the profit attributable to the equity shareholders of the company is MMK 11.3 billion. The net profit in the previous year was MMK 13.2 billion and it has slightly decreased due to the absence of significant foreign exchange movements during this financial year. Despite the decline in profit, net profit margin increased to 106% from 66%.

Overall, the net impact of the above factors contributes to a contraction in consolidated EPS to MMK 290 per share for the year ended 31 March 2026 from MMK 333 per share for the period in previous financial year ended 31 March 2025.

Summarized Consolidated Statement of Financial Position as at 31 March 2026

	31-Mar-26	31-Mar-25	Kyat in million Changes
Assets			
Current Assets	36,211	46,685	▼
Non-Current Assets	80,628	59,259	▲
Total assets	116,839	105,944	▲
Liabilities			
Current liabilities	3,367	4,452	▼
Non-Current liabilities	8,014	63	▲
Total Liabilities	11,381	4,515	▲
Net assets	105,458	101,429	▲
Equity			
Issued and paid up capital	38,929	38,929	-
Retained earnings	58,340	54,431	▲
Non-controlling interest	8,189	8,069	▲
Total equity	105,458	101,429	▲

During the reporting period, current assets decreased due to the purchase of lands, dividends payment for FY2024-2025, the reclassification of fixed deposit and payments for the solar power project, despite the transfer of shop houses from investment property to inventories. As at 31 March 2026, the Group maintained total current assets amounting to MMK 36.2 billion of which the cash and bank balance were the equivalent of MMK 13.9 billion.

Non-current assets increased during the period, primarily due to the increase of the Group's share of the profit from associate, additions to land held for future project, Construction Costs for Solar Power Project classified under Property, plant and equipment and the reclassification of fixed deposit. As at year-end, non-current assets totaled MMK 80.6 billion, of which MMK 57.8 billion represented the Group's share of net assets in MJTD. This highlights massive capital expenditure or long-term strategic investment commitments.

Current Liabilities decreased from MMK 4.5 billion to MMK 3.4 billion for the reduction of Trade and Other payables of earthquake donations and decreased in Current tax liabilities.

Non-current liabilities increased by MMK 7.9 billion as at 31 March 2026, mainly due to the increase in Borrowings for the project loan MMK 8 billion obtained in October 2025 from the Bank to finance the solar power project.

Group's retained earnings increased by MMK 3.9 billion (increase from MMK 54.4 billion to MMK 58.3 billion) on 31 March 2026, mainly due to the net impact of profit and dividends paid out to the shareholders during this financial year.

Key Financial Ratio

Financial Ratios		For Period/ Year Ended	
		31-Mar-26	31-Mar-25
<u>Profitability Ratios</u>			
Return on Assets	%	10%	12%
Return on Equity	%	11%	13%
<u>Liquidity Ratios</u>			
Current Ratios	Times	10.8	10.5
<u>Per-Share Profitability</u>			
Earning per share	Kyat	290	333

Development and Future Growth Trends

During FY2025–2026, the Group continued to strengthen its position through the advancement of its industrial zone, property development, and renewable energy businesses. The Group's development strategy remained focused on expanding long-term recurring income streams, enhancing operational resilience, and creating sustainable shareholder value. The Group's core investment in industrial zone development maintained stable operational performance, supported by recurring income from leasing, maintenance services, and continued business activities within the Thilawa SEZ ecosystem. The expansion of renewable energy operations further reinforced the Group's strategic direction toward diversified and sustainable business growth.

Within the property development segment, ongoing infrastructure enhancement initiatives and continued commercialization activities contributed to the strengthening of asset value and operational readiness. The integration of renewable energy infrastructure into the property portfolio is expected to support operational efficiency, broaden income sources, and align with the Group's environmental sustainability objectives. Renewable energy remains a key pillar of the Group's future development strategy. The continued implementation and expansion of solar energy projects across the Group's businesses reflect a long-term commitment to clean energy generation, energy security, and sustainable infrastructure investment. As these projects progress toward commercial operation and future expansion, they are expected to contribute additional recurring revenue streams and enhance earnings diversification.

Looking ahead, the Group intends to continue leveraging its strong strategic partnerships, stable capital foundation, and integrated business platforms to capture future growth opportunities. Priority areas will include the expansion of renewable energy capacity, optimization of asset utilization, enhancement of recurring income generation, and

exploration of new long-term infrastructure and development opportunities. The Group remains committed to sustainable growth through disciplined investment, operational excellence, and the creation of long-term value for shareholders and stakeholders.