



5 June 2023

To Chairman
Myanmar Agro Exchange Public Co., Ltd

We hereby compiled the Market Value Assessment Report (“the Report”) for Myanmar Agro Exchange Public Co., Ltd (“the Company”) as attached. The Report was prepared as one of the required documents for Yangon Stock Exchange Joint-Venture Company Limited (“YSX”) listing.

All inquiries related to the Report from the Company or YSX will be responded promptly by KBZSC.

A handwritten signature in blue ink, appearing to read 'U Aung Naing Moe', written in a cursive style.

U Aung Naing Moe
Head of Equity Capital Markets



Company Seal



Market Value Assessment Report for Myanmar Agro Exchange Public Limited (“MAEX”)

**For Listing Application
in the Yangon Stock Exchange (“YSX”)**

**KBZ Stirling Coleman Securities (KBZSC)
Listing Manager & Financial Adviser**

June 2023



1. Scope of Work

Myanmar Agro Exchange Public Limited (“MAEX” or “the Company”) has appointed KBZ Stirling Coleman Securities (“KBZSC”) as the listing manager and financial advisor for the listing in Yangon Stock Exchange (“YSX”). KBZSC has prepared the Market Value Assessment as part of the requirements for MAEX’s listing application to determine the initial listing price.

2. Key Assumptions

KBZSC has relied on the information provided by the management of MAEX and the Company’s audited financial statements. KBZSC has made the following key assumptions in deriving the market value of MAEX:

- Regional stock exchange databases and financial data platforms such as Bloomberg, Reuters and Yahoo Finance are used for comparable public listed companies in Asia. All the figures for financial ratios are derived from FY 2021-22 financial statements of respective companies.
- DCF analysis was carried out based on assumptions made by the Company’s management which include projected shop house sales, rental income and some key cost projections such as construction cost for market buildings. Any change in these assumptions may have an impact on the assessment of the valuation.
- This valuation assessment is limited to current land development plans that the Company has started implementing and under assumption that the land use rights for Phase 2 (Phase 1.1) is/will be secured. Any change in development plans or unsecured land use rights may have a significant impact on the assessment of the valuation.
- The entire assessment has accounted for the change in shares outstanding due to the recently fully-subscribed 1-for-10 rights issue by the Company.

3. Market Value Assessment Methodologies

While there are several valuation methods depending on the nature of the Company’s business and industry, KBZSC has used i) Comparable Company Analysis and ii) Discounted Cash Flow (“DCF”) Analysis and iii) Precedent Transaction Analysis to assess an indicative valuation for the Company.

i) Comparable Company Analysis

Based on the nature of the Company’s businesses and industry, we have focused on four key multiples which include Price to Sales Ratio (“PS Ratio”), Price to Earnings Ratio (“PE Ratio”), Price to Book Ratio (“PB Ratio”) and Enterprise Multiple (“EV/EBITDA”) to establish the valuation range of the Company.

Although there are a number of publicly listed wholesale market operators in the region, we have prioritized our comparable company selection on 11 real estate operators that are majorly invested in industrial parks and agricultural products, similar to the MAEX business model.



The comparable companies that we have shortlisted are from China, Hong Kong, Indonesia, Malaysia, Philippines and Thailand.

ii) Discounted Cash Flow Analysis

Discounted Cash Flow (“DCF”) Analysis is an appropriate valuation method used to estimate the value of the Company based on its expected future cash flows, discounted to their present values at a discount rate.

Since the Company will include long-term debt in its capital structure, Free Cash Flow to Equity (“FCFE”) is used to capture the Equity Value for the Company.

iii) Precedent Transaction Analysis

In addition to the two main methodologies mentioned, we have also referred to the latest price data in MAEX OTC market to give further consideration to the indicative valuation for the Company.

However, assuming that local investors may not have taken into consideration the latest development plans by the Company that will generate future value and given that the number of transactions executed in OTC market is insignificant, the recorded price data does not fully reflect the current value of the Company. Therefore, the indicative valuations derived from comparable company analysis and discounted cash flow analysis would be better indicators to capture the current valuation of the Company.

4. Summary

To determine the market value estimation of MAEX, two out of the three selected valuation methods were deployed i) Comparable Company Analysis and ii) Discounted Cash Flow Analysis. After conducting the two valuation methods, KBZSC considered that that slightly more weight should be given to Discounted Cash Flow Analysis in order to derive the fair valuation of the Company. Since selected comparable companies for MAEX are in a more mature development stage compared to MAEX’s early development stage, we relied more on Discounted Cash Flow Analysis that accounts for the Company’s latest development plans and projections. Therefore, KBZSC recommends the initial listing price of MAEX to be **MMK 1,833 per share.**



5. Disclaimer

1. The Market Value Assessment Report (“Report”) was prepared exclusively in connection with the requirement of listing application for Yangon Stock Exchange (“YSX”). The report shall not be distributed, published, reproduced or used without the prior written authorization of KBZ Stirling Coleman (“KBZSC”).
2. The report is in under no circumstances intended for use or be considered as financial or investment advice, a recommendation or an offer to sell, or a solicitation of any offer to buy any securities.
3. KBZSC relied on the information provided by the management of MAEX and the audited financial statements prepared by the company. The scope of work by KBZSC does not render the verification of the data provided by MAEX; therefore, we do not assume any responsibility or liability for independent investigation of any of the information.
4. No guarantee is given as to the accuracy or completeness of the content of this report. We obtained many of the information in preparing the report from MAEX and external sources that we are reliant for the accuracy of the information. We cannot be responsible for errors contained in information we sourced externally.
5. Market value assessment is a highly subjective matter and it varies from one party to another depending on the assumptions considered in deriving the final assessment. As such, KBZSC does not express any opinion with respect to the price in which MAEX shares could be traded on YSX at any time.
6. The value of investment may fall as well as rise from the value shown in the report and the past performance is not a reliable guide to future performance.
7. The management of MAEX confirmed to us that, to the best of their knowledge and belief, the information provided to us constitutes a full and true disclosure of all relevant and material facts and there is no other information or fact, the omission of which would cause any of the information disclosed to us or replied by us or any information contained herein to be untrue, incomplete or misleading in any material respect.
8. KBZSC reserves the right to amend, add, or completely replace the report at any time.
9. There may be changes in matters which affect the company subsequent to the date of this report. Neither the issue nor delivery of this report shall under any circumstance create any implication that the information herein is correct as of any time subsequent to the date hereof or that the affairs of the company have not since changes. KBZSC does not assume any obligation to update or correct the information included in this report.



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