

## INTERIM RESULTS - MANAGEMENT DISCUSSION & ANALYSIS

The Board of Directors of First Myanmar Investment Public Co., Ltd (“the Company”, and with its subsidiaries “the Group”), wishes to announce the release of the Company’s auditor’s report on review of condensed interim financial statements for the six months ended 30<sup>th</sup> September 2023 (“HY Sep-2023”).

For a more meaningful comparison and better understanding of the financial result of the Group, the Company’s management uses its auditor’s report on review of condensed interim financial report covering the period from 1<sup>st</sup> April 2022 to 30<sup>th</sup> September 2022 (“HY Sep-2022”) was presented. The discussion and analysis are provided as below:

### KEY HIGHLIGHTS

#### Summary of Group Statement of Comprehensive Income

(MMK'000)	HY Sep-2023	HY Sep-2022	% Change
Revenue	229,370,541	159,399,557	43.9%
Cost of revenue	(138,464,821)	(105,467,518)	(31.3%)
Gross profit	90,905,720	53,932,039	68.6%
<i>Gross Profit margin</i>	39.6%	33.8%	
Administrative expenses	(53,093,783)	(53,662,457)	1.1%
Finance expenses	(1,674,022)	(1,512,079)	(10.7%)
Other (losses)/ gains, net	(27,439,163)	3,321,418	(926.1%)
Share of profit/ (loss) of associates and joint venture, net of tax	7,642,293	(834,961)	1015.3%
Profit before income tax	16,341,045	1,243,960	1213.6%
Income tax expense	(2,664,456)	(635,819)	(319.1%)
<b>Profit for the period</b>	<b>13,676,589</b>	<b>608,141</b>	<b>2148.9%</b>
Fair value (losses)/ gains of available-for-sale investments	(32,175)	1,271,899	(102.5%)
Share of other comprehensive income of associates	2,623,122	2,044,883	28.3%
<b>Total other comprehensive income for the period, net of tax</b>	<b>2,590,947</b>	<b>3,316,782</b>	<b>(21.9%)</b>
<b>Total comprehensive income for the period</b>	<b>16,267,536</b>	<b>3,924,923</b>	<b>314.5%</b>

#### Profit/(Loss) attributable to:<sup>1</sup>

Owners of the Company	9,186,136	(1,306,444)
Non-controlling interests	4,490,453	1,914,585
	<b>13,676,589</b>	<b>608,141</b>

#### Earnings/ (Loss) per share

Basic (MMK)	277	(39)	810.3%
Diluted (MMK)	222	(39) <sup>2</sup>	669.2%

<sup>1</sup> Net profit attributable to equity holders of the Company used for the computation of basic/diluted EPS has been adjusted for the distribution to the holders of perpetual securities.

<sup>2</sup> The diluted loss per share computations have not taken into consideration the effects of quasi-equity loan as at September 30,2022, as they were anti-dilutive pursuant to para 41 of MAS 33 Earnings per share.

The Group's total revenue for the six months period ended HY Sep-2023 had enhanced to MMK 229.4 billion, which is 43.9% higher than MMK 159.4 billion recorded in the comparative period HY Sep-2022. This revenue growth was chiefly driven by the Group's financial services segment ("Yoma Bank") and healthcare segment ("Pun Hlaing Hospitals"). Below is the breakdown of revenue by business segment:-

(MMK'000)	HY Sep-2023	HY Sep-2022	% Change
Financial services	<b>190,683,145</b>	130,406,523	46.2%
Healthcare services	<b>38,042,341</b>	28,957,034	31.4%
Rental income	<b>36,000</b>	36,000	0 %
Dividend income	<b>609,055</b>	-	0%
<b>Total</b>	<b>229,370,541</b>	159,399,557	<b>43.9%</b>

Revenue generated from Yoma Bank increased by 46.2% from MMK 130.4 billion in HY Sep-2022 to MMK 190.7 billion in HY Sep-2023 which was predominantly occupied the largest portion of revenue improvement resulting from the earnings of the Bank's loan portfolio and non-funded income. Similarly, revenue from Pun Hlaing Hospitals increased by 31.4% from MMK 29.0 billion in HY Sep-2022 to MMK 38.0 billion in HY Sep-2023 which was driven by clinical and ancillary services, such as medical check-up, emergency, inpatient and outpatient care.

The Group's gross profit contribution was notably raised by 68.6% to MMK 90.9 billion in HY Sep-2023, as compared to MMK 53.9 billion in HY Sep-2022. This increase was mostly due to higher gross profit margin contributed by Yoma Bank achieving from its interest income and non-funded income improvement exceeded its cost of fund increase in HY Sep-23.

The Group's administrative expenses were slightly decreased by 1.1% to MMK 53.1 billion in HY Sep-2023. This decrease was mainly conditioned by the reversal of specific loan loss provisions resulting from the recovery of non-performing loans ("NPL") and improved credit ratings of loan customers which outweighed the increase in personnel expenses and operation cost across all segments due to rise of overall commodity prices, higher depreciation charges on the Bank's head office acquisition, and the additional facilities upgrade in healthcare segment.

The Group's finance expenses on borrowing increased from MMK 1.5 billion in HY Sep-2022 to MMK 1.7 billion in HY Sep-2023. This was mainly caused by the increase in exchange rate applied on USD denominated shareholder loans and addition of equipment under hire purchase by healthcare segment.

The Group recorded other losses of MMK 27.4 billion in HY Sep-2023 as compared to other gains of MMK 3.3 billion in HY Sep-2022. This was primarily due to unrealised currency translation losses in Yoma Bank and the realized exchange losses on the discharge of USD loan by the Company which was partly offset by fair value gains from the Company's investment properties.

Below is the detailed breakdown:

(MMK'000)	HY Sep-2023	HY Sep-2022
(Loss)/ Gain on foreign currency exchange, net	<b>(28,955,666)</b>	3,589,761
Gain on fair value of investment properties	<b>1,406,450</b>	268,450
(Loss)/ Gain on disposal of property, plant and equipment	<b>(4,343)</b>	32,107
Write-off of payable	<b>4,462</b>	-
Adjustment for under-recognition of account receivable	<b>66,296</b>	-
Write-back/ (write-off) of vaccine and medical supplies	<b>149,705</b>	(450,021)
Write-off of property and equipment	<b>(106,067)</b>	(112,381)
Capital gains tax	-	(6,498)
<b>Total other (losses)/ gains, net</b>	<b>(27,439,163)</b>	3,321,418

The Group recorded a share of profit of associates and joint venture in HY Sep-2023. A detailed breakdown is as below:

(MMK'000)	Stake	Group Share of Profit/(Loss)	
		HY Sep-2023	HY Sep-2022
FMI Garden Development Limited	47.5%	<b>5,363,145</b>	-
Thanlyin Estate Development Limited	30.0%	<b>4,264,317</b>	(782,829)
FMI Decaux Company Limited	40.0%	<b>21,002</b>	103,511
CLW Development Limited	25.0%	-	(773,509)
Kawthaung Hill Investment Limited	37.5%	<b>(75)</b>	(333)
LSC-FMI Company Limited	50.0%	<b>(332)</b>	(42)
Pun Hlaing Links Services Company Limited	30.0%	<b>(27,027)</b>	(27,578)
Meeyahta International Hotel Limited	20.0%	<b>(673,809)</b>	645,819
Memories (2022) Pte. Limited	16.66%	<b>(1,304,928)</b>	-
<b>Total Share of Profit/(Loss)</b>		<b>7,642,293</b>	<b>(834,961)</b>

The Group's share of profit was increased from loss of MMK 0.8 billion in HY Sep-2022 to share of profit of MMK 7.6 billion in HY Sep-2023. This increase was principally driven by share of profit of MMK 5.4 billion from FMI Garden Development Limited resulted from the profit recognition on sales of Padauk Garden residential villas and shophouses and MMK 4.3 billion from Thanlyin Estate Development Limited derived from the sales of City Villa and City Loft units in StarCity. The share of loss of MMK 1.3 billion from Memories (2022) Pte. Limited was recorded in HY Sep-2023 due to its higher operational and finance expenses while the losses from Meeyahta International Hotel Limited MMK 0.7 billion was caused by accounting adjustment on investment reconciliation.

As a consequence of the above, the Group outperformed a net profit after tax of MMK 13.7 billion for six-month ended 30 September 2023 as compared to MMK 0.6 billion for the six-month ended 30 September 2022.

In HY Sep-2023, the Group recognised fair value loss of MMK 0.03 billion from available-for-sale investments in Myanmar Thilawa SEZ Holdings Public Co., Ltd ("MTSH") which is listed on Yangon Stock Exchange ("YSX").

The Group's share of other comprehensive income from its associates was increased from MMK 2.0 billion in HY Sep-2022 to MMK 2.6 billion in HY Sep-2023 which was mostly due to the foreign currency translation adjustment of the Group's dormant entity, Meeyahta International Hotel Limited.

As the above-mentioned reasons, the Group recorded a net profit attributable to equity holders of the Company of MMK 9.2 billion in HY Sep-2023 as compared to a net loss of MMK 1.3 billion in HY Sep-2022.

For these reasons, the Group obtained the basic earnings per share ("EPS") of MMK 277 and the diluted EPS of MMK 222 in HY Sep-2023, which is increased by 810.3% and 669.2% respectively. For the purpose of calculating diluted earnings per share, the weighted average number of shares issued has been adjusted assuming that any dilutive convertible securities were duly exercised as of 30 September 2023.

A summary statement of the financial position of the Group, together with a comparative statement as of the end of the immediately preceding financial year, 31 March 2023 is shown below.

### Summary of Group Balance Sheet

(MMK'000)	As at 30-Sep-2023	As at 31-Mar-2023	% Change
<b>ASSETS</b>			
Total current assets	3,989,239,918	3,419,798,328	16.7%
Total non-current assets	911,278,123	766,462,538	18.9%
Total assets	4,900,518,041	4,186,260,866	17.1%
<b>LIABILITIES</b>			
Total current liabilities	4,363,805,840	3,666,799,256	(19.0%)
Total non-current liabilities	8,637,293	7,522,848	(14.8%)
Total liabilities	4,372,443,133	3,674,322,104	(19.0%)
<b>NET ASSETS</b>	<b>528,074,908</b>	<b>511,938,762</b>	<b>3.2%</b>
<b>EQUITY</b>			
Equity attributable to the equity owners of the Company	425,510,725	413,733,642	
Non-controlling interests	102,564,183	98,205,120	
<b>TOTAL EQUITY</b>	<b>528,074,908</b>	<b>511,938,762</b>	<b>3.2%</b>

Total current assets increased from MMK 3,419.8 billion as at 31 March 2023 to MMK 3,989.2 billion as at 30 September 2023. This increase was principally due to the increase in the Bank's loan portfolio (demand loans and HP & Mortgage loans) and treasury portfolio (government bonds and bills).

Total non-current assets increased from MMK 766.5 billion as at 31 March 2023 to MMK 911.3 billion as at 30 September 2023. This increase was primarily due to the additional investment in the Bank's treasury portfolio, government bonds.

Total current liabilities increased to MMK 4,363.8 billion as at 30 September 2023 as compared with MMK 3,666.8 billion as at 31 March 2023 which was mainly due to the higher deposit contribution from customers particularly in the Bank's Super Fixed deposits and Flexi products.

Total non-current liabilities increased to MMK 8.6 billion as at 30 September 2023 as compare with MMK 7.5 billion as at 31 March 2023 which was due to the loan portfolio restructuring by the Company whereas borrowing from shareholder by Pun Hlaing Hospitals was reclassified from non-current to current liabilities as of September 2023.

The Group's equity grew at a rate of 3.2%, from MMK 511.9 billion as at 31 March 2023 to MMK 528.1 billion as at 30 September 2023. This increase was mainly due to the improvement in retained earnings mostly attributed by the performance of associates and Yoma Bank.

As of 30 September 2023, the Group's cash and cash equivalents amounted to approximately MMK 519.9 billion. A summary of the Group Statement of Cash Flows is as follows: -

### Summary of Group Cash Flow Statement

(MMK'000)	HY Sep-2023	HY Sep-2022	% Change
Net cash provided by operating activities	<b>121,294,948</b>	131,539,939	(7.8%)
Net cash used in investing activities	<b>(216,925,266)</b>	(352,248,989)	38.4%
Net cash used in financing activities	<b>(1,760,796)</b>	(1,356,509)	(29.8%)
Net decrease in cash and cash equivalents	<b>(97,391,114)</b>	(222,065,559)	56.1%
Cash and cash equivalents at beginning of the period	<b>617,328,125</b>	747,754,535	(17.4%)
Cash and cash equivalents at the end of the period	<b>519,937,011</b>	525,688,976	(1.1%)

The Group's cash and cash equivalents decreased by 1.1% to MMK 519.9 billion as at 30 September 2023 as compared to MMK 525.7 billion as at 30 September 2022. Yoma Bank represents the majority proportion of the Group's cash flow position achieving from the growth in deposit portfolio over the loan & advance balances which leads to the positive cash flow from operating activities. Net cash used in investing activities for MMK 216.9 billion was mostly comprised of investment in government securities by Yoma Bank. The Group's net cash used by financing activities for the period ended 30 September 2023 amounted to MMK 1.8 billion due to the settlement of interest of the Company and Pun Hlaing Hospitals.

### Outlook

The Group business activities are gradually resuming back to normal operation span however there are challenges remain in business operating environment and regulatory controls on trade and foreign exchange market. The Group businesses are robust delivering growth in Financial Service, Health Care and Real Estate segments benefitted from the opportunities in the business environment. The Group remains committed to keep its main focuses on operational efficiency, seizing new business opportunities and business sustainability while strengthening its balance sheet and enhance financial flexibility.

The Group's financial service business, Yoma Bank ("YB") continues to prove performance improvement in terms balance sheet growth and expanding customer base while keeping up increase cash positions and maintain adequate liquidity. YB's strategic alliances with businesses continue proactively to enhance awareness on SME and general business banking services as well as new products have been sought approval which are scheduled to introduce by Mar 2024. The offering of payroll services grows in momentum with a total of 400 business clients onboarded to date while attracting new customers and enhancing customers' satisfaction through seafarers' loans and salary loans as part of YB's payroll services.

The Group's healthcare business, Pun Hlaing Hospitals ("PHHs") enhancing its organic growth and promoting its branding directed by the opening of new HEAL clinic at Phyapon and promotional campaign for cardiac checkups. The HEAL App was successfully launched to public on 6 August 2023, which is available in both Android and IOS. The HEAL App provides first ever online access of medical records for patients of PHHs facilitating doctor appointment, tele medicine and medical advice, as well as medical knowledge sharing platform. As a Heal App, PHHs has a comprehensive plan for development of Heal App as an App going for next level of development.

The Group's real estate segment performed remarkably well over last six month. The opening of the new terrace housing named "Estella Townhouses" at StarCity planned to deliver in early 2025 showcased the new era of Eco-friendly lifestyle. Estella Townhouses will feature solar power and

energy storage solutions in addition to primary grid power and back-up diesel generator power supply. This feature will allow the homeowners to power their homes with environmentally friendly renewable energy and the assurance of without having a black out. Since launched in end of Oct'23, over 600 units have been sold within 2 months from the launch date. The Group's development project in the west of Yangon, "City Loft West" ("CLW"), which is located next to the Hlaing River in Seikkanthar Road, Hlaing Thayar also accelerated in sales with 90% of total 494 units across two towers. The management is currently reviewing its home delivery schedule to plan for the launch of next phases of residential units. The construction of Padauk Garden development project which was launched last year has been progressing well with the target of completion by March 2024.

The Group investment in tourism business, Memories Group has taken steps of expanding its portfolio in domestic lifestyle recreational market. Memories Group have contracted to manage boutique hotel such as The Governor's Residence and the British Club in Yangon. However, Memories Group is still facing acute challenges due to dramatic reduction of international tourist arrivals and slow recovery of local hospitality business environment. The Group will continue to support Memories Group in pursuing its strategy.

By Order of the Board

Tun Tun  
Executive Director  
18<sup>th</sup> December 2023

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