

AUDITED FINANCIAL STATEMENTS AND MANAGEMENT DISCUSSION & ANALYSIS

The Board of Directors of First Myanmar Investment Public Company Limited (“the Company”, and with its subsidiaries “the Group”), wishes to announce the release of the Company’s audited financial statements for the year ended 31st March 2024 (“FY 2024”). The Company’s management is pleased to provide a discussion and analysis of the year-end results below.

The annual report containing the audited financial statements can be accessed via the YSX website and is also available at: <https://fmi.com.mm/investors/annual-reports/>

KEY HIGHLIGHTS

Summary of Group Statement of Comprehensive Income (MMK'000)	FY 2024 (Audited)	FY 2023 (Audited)	% Change
Revenue	499,115,107	339,593,407	47.0%
Cost of revenue	(296,522,962)	(219,858,965)	(34.9%)
Gross profit	202,592,145	119,734,442	69.2%
<i>Gross Profit margin</i>	40.6%	35.3%	
Administrative expenses	(158,615,931)	(108,984,574)	(45.5%)
Finance expenses	(3,376,904)	(3,176,266)	(6.3%)
Other losses, net	(20,871,758)	(3,422,077)	(509.9%)
Share of profit of associates and joint venture, net of tax	48,543,531	3,923,976	1,137.1%
Profit before income tax	68,271,083	8,075,501	745.4%
Income tax expense	(10,199,984)	(3,942,497)	(158.7%)
Profit for the year	58,071,099	4,133,004	1,305.1%
Fair value (losses)/ gains of available-for-sale investments	(128,701)	1,267,119	(110.2%)
Net change in fair value of previously held interest in available-for-sale investment reclassified to profit or loss	-	8,009,332	(100.0%)
Share of other comprehensive income of associates	2,613,279	1,799,091	45.3%
Other comprehensive income for the year, net of tax	2,484,578	11,075,542	(77.6%)
Total comprehensive income for the year	60,555,677	15,208,546	298.2%
Profit/(Loss) attributable to:¹			
Owners of the Company	51,594,226	(701,769)	
Non-controlling interests	6,476,873	4,834,773	
	58,071,099	4,133,004	
Earnings/ (Loss) per share			
Basic (MMK)	1,558	(21)	7,519.0%
Diluted (MMK)	1,247	(21) ²	6,038.1%

¹ 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.

² The diluted loss per share computation have not taken into consideration the effects of quasi-equity loan as at March 31, 2023, as they were anti-diluted pursuant to para 41 of MAS 33 Earning per share.

The Group's total revenue for the year FY2024 had gone from strength to strength by 47% to MMK 499.1 billion as compared to MMK 339.6 billion recorded in FY2023. This revenue improvement was mainly generated from 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)	FY 2024 (Audited)	FY 2023 (Audited)	% Change
Financial services	421,450,649	278,994,608	51.1%
Healthcare services	76,978,318	60,524,539	27.2%
Rental income	72,000	72,000	-
Dividend income	614,140	2,260	NM
Total	499,115,107	339,593,407	47.0%

Revenue from Yoma Bank, a main driver of the Group revenue, went up to MMK 421.5 billion in FY2024 which is 51.1% higher than that of MMK 279.0 billion in FY2023. This increase was primarily driven by interest income of the Bank's loan portfolio such as demand loans, overdraft facilities, housing loans as well as the Bank's non-funded income especially facility establishment fees and realized gain on foreign currency transactions.

Revenue from Pun Hlaing Hospitals increased to MMK 77.0 billion in FY2024 which is 27.2% higher than that of MMK 60.5 billion in FY2023. This was mainly caused by revenue growth from ancillary services as a consequence of increase in patient volume from enhanced clinical services and Medical Check-Up (MCU) discount package.

Revenue from dividend income enhanced to MMK 0.6 billion in FY2024 in which mostly included the Bank's dividend income received from its equity share investment in Digital Money Myanmar Limited.

The Group's gross profit has improved by 69.2% to MMK 202.6 billion in FY2024, as compared to MMK 119.7 billion in FY2023. This increase was due to the fact that better revenue contribution from Yoma Bank outweighed its cost of fund increase relevant to higher deposit from customers.

The Group's administrative expenses increased from MMK 109.0 billion in FY 2023 to MMK 158.6 billion in FY 2024. The majority of this increase was made up of the additional recognition of general provision on loans and advances following CBM guideline and specific provision based on growing bank loan portfolio balance, the increase in renovation and maintenance charges on the Bank's branch expansion and larger depreciation charges on the Bank's head office acquisition and the additional facilities upgrade in healthcare segment as well as the higher operating expenses across all entities.

The Group's finance expenses on borrowings were slightly increased from MMK 3.2 billion in FY2023 to MMK 3.4 billion in FY2024 which was mainly caused by the initial facility fees as a result of restructuring loan by the Company.

The Group's other losses during the year increased to MMK 20.9 billion as compared to losses MMK 3.4 billion in FY2023. This was mainly caused by unrealized currency translation losses in Yoma Bank which was partially offset by fair value gains from the Company's investment properties.

Below is the detailed breakdown of other losses of the Group:

(MMK'000)	FY 2024 (Audited)	FY 2023 (Audited)
(Loss)/Gain on foreign currency exchange, net	(22,266,672)	5,095,538
Gain on fair value of investment properties	1,406,450	268,450
Gain on disposal of property, plant and equipment	120,091	399,824
Loss on derecognition of available-for-sale investment	-	(8,009,332)
Write-off of investment in associate	(350)	-
Write-back of payable	185,587	-

Write-off of receivable	(7,727)	-
Adjustment for under-recognition of account receivable	165,740	-
Write-off / Provision for impairment of inventories (vaccine and medical supplies)	(138,261)	(894,805)
Write-off of property, plant and equipment	(336,616)	(283,021)
Others	-	1,269
Total Other Losses, net	(20,871,758)	(3,422,077)

The Group recorded share of profit of associates and joint venture in FY2024. A detailed breakdown is as below:

(MMK'000)	Stake	Group Share of Profit/(Loss)	
		FY 2024 (Audited)	FY 2023 (Audited)
Thanlyin Estate Development Limited	30.0%	37,259,764	4,349,678
FMI Garden Development Limited	47.5%	10,272,727	-
Memories (2022) Pte. Limited	16.66%	1,790,328	(316,851)
CLW Development Limited	25.0%	-	(773,509)
Kawthaung Hill Investment Limited	37.5%	(239)	(421)
LSC-FMI Company Limited	50.0%	(1,151)	(299)
FMI Decaux Company Limited	40.0%	(51,224)	51,297
Pun Hlaing Links Services Company Limited	30.0%	(52,866)	(51,416)
Meeyahta International Hotel Limited	20.0%	(673,808)	665,497
Total Share of Profit		48,543,531	3,923,976

The Group's share of profit has surged from MMK 3.9 billion in FY2023 to MMK 48.5 billion in FY2024. This was mostly driven by share of profit of MMK 37.3 billion from Thanlyin Estate Development Limited associated with the sales of City Villa and City Loft units in StarCity, and fair value gain on its investment properties. Likewise, the share of profit of MMK 10.3 billion from FMI Garden Development Limited was achieved from the sales of Padauk Garden residential villas and shophouses. Additionally, the Group recorded a share of profit of MMK 1.8 billion from Memories (2022) Pte. Limited which was mainly caused by unrealized exchange gain on foreign currency translation.

As the above-mentioned reasons, the Group's net profit after tax for the year ended 31 March 2024 was increased to MMK 58.1 billion compared to MMK 4.1 billion for the year ended 31 March 2023.

During the year FY2024, fair value loss of MMK 0.1 billion resulted from the Company's investment in Myanmar Thilawa SEZ Holdings Public Co., Ltd ("MTSH") which is listed on Yangon Stock Exchange ("YSX"). Furthermore, the Group has recorded MMK 2.6 billion of other comprehensive income on account of foreign currency translation from its associates, especially the Group's dormant entity, Meeyahta International Hotel Limited. In consequence of this cause and the absence of one-time adjustment on derecognition of available-for-sale investment recorded in previous financial year, the Group's total share of other comprehensive income for the year FY2024 has decreased by 77.6% to MMK 2.5 billion as compared with MMK 11.1 billion in FY2023.

As the result of the above, the Group reported a net profit attributable to equity holders of the Company of MMK 51.6 billion in FY 2024 as compared to a net loss of MMK 0.7 billion in FY 2023.

With this above result, the basic earnings per share ("EPS") was MMK 1,558 and the diluted EPS was MMK 1,247 in FY2024 which was well-ahead of the basic loss per share of MMK 21 in FY2023. 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 31 March 2024.

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 31-Mar-2024	As at 31-Mar-2023	%
	(Audited)	(Audited)	Change
ASSETS			
Total current assets	4,521,370,949	3,419,798,328	32.2%
Total non-current assets	952,791,760	766,462,538	24.3%
Total assets	5,474,162,709	4,186,260,866	30.8%
LIABILITIES			
Total current liabilities	4,853,490,957	3,666,799,256	(32.4%)
Total non-current liabilities	23,232,245	7,522,848	(208.8%)
Total liabilities	4,876,723,202	3,674,322,104	(32.7%)
NET ASSETS	597,439,507	511,938,762	16.7%
EQUITY			
Equity attributable to the equity owners of the Company	484,481,538	413,733,642	
Non-controlling interest	112,957,969	98,205,120	
TOTAL EQUITY	597,439,507	511,938,762	16.7%

Total current assets increased to MMK 4,521.4 billion as at 31 March 2024 as compared to MMK 3419.8 billion as at 31 March 2023. This increase was commonly due to the increase in loan portfolio at Yoma Bank.

Total non-current assets increased as at 31 March 2024 to MMK 952.8 billion as compared to MMK 766.5 billion as at 31 March 2023. This increase was principally due to the additional investment in government securities with regard to Treasury bonds, and the achievement of greater profit sharing from associates predominantly from Thanlyin Estate Development Limited leading to increase the balance of investment in associates as well as the additional capital investment in new branches of Yoma Bank and new clinics of Pun Hlaing Hospitals.

Total current liabilities increased from MMK 3666.8 billion as at 31 March 2023 to MMK 4,853.5 billion as at 31 March 2024 which is typically due to the greater level of deposit from customer held by the Bank mostly in Super Fixed Deposit and Flexi products.

Total non-current liabilities increased from MMK 7.5 billion as at 31 March 2023 to MMK 23.2 billion as at 31 March 2024 which was mainly caused by the reclassification of loan under current liabilities to non-current liabilities due to impact of loan restructuring by the Company.

The Group's equity increased by 16.7% which is due to the favourable financial performance and profits are not distributed in favour for strategic growth of the Group.

As of 31 March 2024, the Group's cash and cash equivalents amounted to approximately MMK 694.1 billion. A summary of the Group Statement of Cash Flows is as follows: -

Summary of Group Cash Flow Statement

(MMK'000)	FY 2024	FY 2023	%
	(Audited)	(Audited)	Change
Net cash (used in)/ provided by operating activities	(22,513,741)	114,233,535	(119.7%)
Net cash provided by/ (used in) investing activities	109,395,603	(241,872,427)	145.2%

Net cash used in financing activities	(10,101,964)	(2,787,518)	(262.4%)
Net increase/ (decrease) in cash and cash equivalents	76,779,898	(130,426,410)	158.9%
Cash and cash equivalents at beginning of the year	617,328,125	747,754,535	(17.4%)
Cash and cash equivalents at the end of the year	694,108,023	617,328,125	12.4%

The Group cash and cash equivalents raised to MMK 694.1 billion as at 31 March 2024 which is 12.4% higher than MMK 617.3 billion as at 31 March 2023 in which major part is contributed from Yoma Bank. As at 31 March 2024, the Group's net cash used in operating activities was MMK 22.5 billion in view of the fact that the Bank enhanced its lending position to valued customers due to liquidity diverted for loan growth and maintain its healthy loan-to-deposit status. The Group's net cash provided by investment activities was MMK 109.4 billion which was particularly due to the redemption of principal upon maturity of government securities by the Bank. And the Group's net cash used by financing activities for the year ended 31 March 2024 amounted to MMK 10.1 billion due to the settlement of borrowings by the Company.

Outlook

The Group businesses are committed to build resilience operations amidst with uncertainty and challenging business operating environment to achieve maintaining sufficient liquidity, persisting positive cash flow and continuing its effort to strengthen its balance sheet while remains focused on strategic growth opportunities of its investment in Financial Services, Healthcare Services and Real Estate Services.

Financial Services

The Group's financial services business, Yoma Bank (YB) continues its balance sheet growth while extending customer reach beyond branches and providing comprehensive financial solutions. To expand customer touchpoints, the Bank opened 5 new branches in Taunggyi, Pyapon, Shwe Nyaung, Tachileik, and Mandalay. Through collaboration with Wave Money, Customer Service Center (CSC) is set up for customers to facilitate improved accessibility for banking services and Retail Center which offers seamless and efficient banking services, including personalized consultations for home loans and hire purchase. In addition to Next App for customers, Business Banking Portal (BBP) is reintroduced for corporate customers. Total 102 billers have been onboarded to Next App and BBP in FY 2024 and preformed transactions more than two hundred thousand. YB's offering of payroll services continues enhancing and benefiting total 366 active payroll companies with 102,047 employees as of March 2024. "Premier Banking" will be launched in Yangon and Mandalay for top tier depositors and corporate credit customers to offer personalized financial advisory services and elevating convenience and service efficiency for our esteemed customers.

Healthcare Services

The Group's healthcare services continue focusing on revenue growth, operational efficiency and expansion through organic growth. With the development of the Heal App, it promotes environmental sustainability by practicing paperless culture using the app as a key tool within the hospital operation. A range of health care services are offered door-to-door by professional healthcare workers from Pun Hlaing Hospitals including Heal Home service initiated for those who have difficulty in accessing hospitals and clinics. The Child Health and Development Clinic (CHDC) is now available in all Pun Hlaing Hospitals starting from 2024 and promotion plan for Taunggyi Hospital will be outreached through social media in May 2024. To fulfill the needs of the community by offering comprehensive one-stop cancer services in Myanmar, Pun Hlaing Comprehensive Cancer Center (PHCCC) marks one of the significant milestones of the Pun Hlaing Hospitals which is targeted to start operations with phase one set to open in 2026.

Real Estate

The Group real estate sector is performing well with the launch of new products that meet the needs of Myanmar community constantly. The recent launch of a new phase "ARA by StarCity", a brand-new home adventure,

reflects the continued market trend for quality projects at accessible prices with room options available to match modern lifestyle. Approximately 1,000 units are included in ARA and above 40% of the units have been sold since opening of sales. The eco-friendly lifestyle housing named “Estella Townhouses” at StarCity which was launched last year is completely sold out almost all units and targeted to handover the units during the financial year. Located at the West of Yangon, Hlaing Tharyar, City Loft West (CLW) launched the sales of its third tower in January 2024 with beyond 60% of 221 units have been sold. The first two towers of CLW which were launched in May 2023 and September 2023 have all been successfully sold with over 90% of total 494 units.

Tourism

The Group’s tourism sector continues to focus on the local recreational market, focusing to achieve best utilization of its resources and positioning toward market tiers. In pursuit of opportunities in the upscale market, Memories Group contracted to manage the Governor’s Residence, a luxurious first-class boutique, offering a relaxing luxury lifestyle with elegant facilities. The Group will continue to support the strategic directions of Memories Group.

By Order of the Board

Tun Tun
Chief Executive Officer
5 November 2024

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