

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

31 MARCH 2025

Currency – Myanmar Kyat (In Thousands)

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED.

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED

It is the responsibility of the management to prepare the financial statements which give a true and fair view of the financial position of **Myanmar Agro Exchange Public Company Limited** (the "Company") as at 31 March 2025 and the statements of comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes. In preparing these financial statements, the management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent.

The management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. We have general responsibility for taking such steps as are reasonably open to us to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of Management

U Win Aung
Chairman
Myanmar Agro Exchange Public Company Limited



24 June 2025



ဝင်းသင်နှင့်အဖွဲ့လီမိတက်

WIN THIN & ASSOCIATES LTD

CERTIFIED PUBLIC ACCOUNTANTS

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Ref: 183 / M-283 / March 2025

INDEPENDENT AUDITOR'S REPORT

To the members of Myanmar Agro Exchange Public Company Limited

Report on the Financial Statements

Opinion

We have audited the financial statements of **Myanmar Agro Exchange Public Company Limited** (the "Company"), which comprise the statement of financial position as at 31 March 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2025, and of its financial performance and its cash flows for the year then ended in accordance with Myanmar Financial Reporting Standards (MFRSs) and the provisions of the Myanmar Companies Law (the "Law").

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Myanmar, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters**Revenue – Sale of buildings**

Refer to Notes 2(O) and 21 of the financial statements.

During the financial year, the Company's income from sales of buildings (shop house and medium wholesale) was MMK 15,617,600,000 which represents 58% of total revenue. The Company adopted accounting policies with two different options regarding recognition of revenue from sales of buildings (shop house and medium wholesale) depending on the type of buildings.

Based on the facts above, we considered this as a key audit matter.

How our audit addressed the key audit matters

Our audit procedures to assess the revenue recognized for sales of buildings, amongst other, included the followings:

Carried out analytical procedures to review the significant items, or those which are otherwise unusual.

Reviewed that the accounting policies adopted for the recognition and measurement of revenue comply with MFRSs.

Evaluated the Company's procedures for determining the percentage of completion, including the reliability of cost and revenue estimates, progress measurements, and the recognition of variations and change orders.

Reviewed the Company's accounting policies, disclosures, and internal controls related to contracts to ensure compliance with MFRSs.

Reviewed the contracts with buyers to make sure that those were executed properly.

Checked that cost incurred or to be incurred can be measured reliably.

Checked that the stage of completion was reliably measured.

Recalculated the revenue amount recognized in the financial statements.

Considered the adequacy of related disclosures in the financial statements in terms of MFRSs.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with MFRSs and the provisions of the Law, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the provisions of the Law, we also report that:

- (i) we have obtained all the information and explanations we have required and
- (ii) financial records have been maintained by the Company as required by Section 258 of the Law.


Soe Soe Htay (PAPP - 600)
Engagement Partner
WIN THIN & ASSOCIATES LTD
CERTIFIED PUBLIC ACCOUNTANTS
Firm Registration No. ACC 008



24 June 2025

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Note	2025 MMK'000	2024 MMK'000
ASSETS			
Non-current assets			
Investment properties - Buildings	6	19,129,360	11,564,730
Property, plant and equipment	7	21,410,554	17,203,390
Intangible asset	8	1,537	19,400
		<u>40,541,451</u>	<u>28,787,520</u>
Current assets			
Cash and cash equivalents	9	5,644,677	2,552,432
Trade and other receivables	10	3,140,344	7,122,052
Advances and prepayments	11	2,476,925	2,707,896
Inventories	12	453,135	79,913
Work-in-progress	13	20,523,579	16,104,329
Deferred tax asset	14(b)	120,730	71,616
		<u>32,359,390</u>	<u>28,638,238</u>
		<u>72,900,841</u>	<u>57,425,758</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	15	24,999,130	24,999,130
Retained earnings		7,982,413	5,788,578
		<u>32,981,543</u>	<u>30,787,708</u>
Non-current liabilities			
Borrowing	16	6,596,800	4,638,592
Current liabilities			
Trade and other payables	17	12,650,406	5,925,623
Deposit and advances	18	15,439,500	8,326,783
Provisions	19	4,008,190	3,658,392
Accrued expenses	20	1,224,402	4,088,660
		<u>33,322,498</u>	<u>21,999,458</u>
		<u>72,900,841</u>	<u>57,425,758</u>

The accompanying notes form an integral part of the Financial Statements.

Authenticated by:

(1)

 Director
 Myanmar Agro Exchange Public Limited

(2)

 Director
 Myanmar Agro Exchange Public Limited

(3)

 Director
 Myanmar Agro Exchange Public Limited

(4)

 Aung Gyi
 Chief Executive Officer
 Myanmar Agro Exchange Public Limited

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 MMK'000	2024 MMK'000
Revenue - net	21	26,693,809	24,395,753
Cost of sales	23(a)	(13,082,446)	(12,020,684)
Gross profit		13,611,363	12,375,069
Other income	22	275,407	261,675
Expenses			
- General and administrative	23(b)	(3,190,640)	(2,805,958)
- Marketing	23(c)	(30,131)	(125,233)
- Finance	23(d)	(435,763)	(475,838)
		10,230,236	9,229,715
Share of profit to YCDC	19	(2,559,521)	(2,309,013)
Profit before income tax		7,670,715	6,920,702
Income tax expense	14(a)	(715,891)	(1,172,207)
Profit for the year		6,954,824	5,748,495
Other comprehensive income for the year		—	—
Total comprehensive income for the year		6,954,824	5,748,495
Earnings per share (Kyat per share)			
Basic earnings per share	26	292	241
Diluted earnings per share	26	292	245

The accompanying notes form an integral part of the Financial Statements.

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	Share capital	Advance receive for right issue	Retained earnings	Total
	MMK'000	MMK'000	MMK'000	MMK'000
At 1 April 2024	24,999,130	—	5,788,578	30,787,708
Profit for the year	—	—	6,954,824	6,954,824
Other comprehensive income for the year	—	—	—	—
Total comprehensive income for the year	24,999,130	—	12,743,402	37,742,532
Contribution from and distributions to owners				
Dividend (Note 24)	—	—	(4,760,989)	(4,760,989)
	—	—	(4,760,989)	(4,760,989)
At 31 March 2025	24,999,130	—	7,982,413	32,981,543
At 1 April 2023	21,753,001	1,559,002	2,896,676	26,208,679
Addition during the year	1,687,127	—	—	1,687,127
Transfer from/(to)	1,559,002	(1,559,002)	—	—
Profit for the year	—	—	5,748,495	5,748,495
Other comprehensive income for the year	—	—	—	—
Total comprehensive income for the year	24,999,130	—	8,645,171	33,644,301
Contribution from and distributions to owners				
Dividend (Note 24)	—	—	(2,856,593)	(2,856,593)
	—	—	(2,856,593)	(2,856,593)
At 31 March 2024	24,999,130	—	5,788,578	30,787,708

The accompanying notes form an integral part of the Financial Statements.

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 MMK'000	2024 MMK'000
Cash flows from operating activities			
Profit before tax		7,670,715	6,920,702
<i>Adjustments for:</i>			
- Depreciation and amortization		1,373,683	1,002,553
- Interest income		(132,463)	(121,647)
- Gain on disposal of fixed assets		—	(1,617)
Operating profit before working capital changes		8,911,935	7,799,991
Changes in working capital			
- Trade and other receivables		3,981,708	(5,298,484)
- Advances and prepayments		940,971	(428,815)
- Inventories		(373,222)	1,972,436
- Work-in-progress		(4,419,250)	(12,308,060)
- Trade and other payables		6,691,603	4,283,586
- Deposit and advance		7,112,717	8,083,782
- Provisions		(415,207)	1,239,413
- Accrued expenses		(2,864,258)	—
Cash generated from operation		19,566,997	5,343,849
Interest received		132,463	121,647
Income taxes paid		(710,000)	(1,450,000)
Net cash provided by operating activities		18,989,460	4,015,496
Cash flows from investing activities			
Sale proceeds from disposal of fixed assets		—	2,325
Additions to investment properties- Buildings		(7,899,916)	(21,197)
Additions to property, plant and equipment		(5,227,698)	(5,745,869)
Additions to intangible assets		—	(1,700)
Net cash used in investing activities		(13,127,614)	(5,766,441)
Cash flows from financing activities			
Proceed from advance receive for right issue		—	1,687,127
Proceed from borrowing		3,500,000	2,500,000
Repayment of borrowing		(1,541,792)	(361,408)
Dividend paid to shareholders		(4,727,809)	(2,778,238)
Net cash provided by / (used in) financing activities		(2,769,601)	1,047,481
Net increase/(decrease) in cash and cash equivalents		3,092,245	(703,464)
Cash and cash equivalents at beginning of year		2,552,432	3,255,896
Cash and cash equivalents at end of year	9	5,644,677	2,552,432

The accompanying notes form an integral part of the Financial Statements.

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Myanmar Agro Exchange Public Company Limited (the “Company”) was incorporated as a public company in the Republic of the Union of Myanmar under The Myanmar Companies Law on September 14, 2015. The Company’s registration certificate issued by the Ministry of National Planning and Economic Development was 1789/2015-2016 dated 14 September 2015. As per certificate of registration number 112387595, the Company has been re-registered with the new Myanmar Companies Law.

The Company was established by eleven promoters for the purpose of developing and managing Danyingone Wholesale Market. Danyingone Wholesale Market is located at the Corner of Shwe Pyi Thar Bridge Road and Palae Road in Insein Township. In early 2015, Dagon International Limited (DIL) participates in submitting the tender for construction and management of Danyingone Wholesale Market along with other bidders. DIL was awarded the tender on 31 March 2015 by Yangon Regional Government and Yangon City Development Committee (YCDC). One of the tender conditions and commitments given by DIL was that the project will be carried out through a project company which is a public company in nature and will hold 45% interest in such Public company as a promoter/founder, hence the creation of Myanmar Agro Exchange Public Company Limited. After incorporation, DIL was appointed as the main construction contractor for the Danyingone Wholesale Market construction to meet the tender condition clause 5(a), 16 of Yangon Regional Government.

The Company has leased a plot of land of 82.78 acres from Yangon Region Government, YCDC, for 50 years initially with an extended period of 20 years for constructing of Danyingone Wholesale Market. After the completion of the main market building, the Wholesale Market shall be opened and the Company will manage the overall administration of the Market according to the terms of the land lease agreement.

The registered office of the Company is No. 262-264, Pyay Road, Dagon Centre, Block (A), 4th Floor, Myaynigone, Sanchaung Township, Yangon Region, Myanmar.

The Company obtained permit from Myanmar Investment Commission on 25 June 2018 and accordingly entitled to receive income tax exemption starting by that date and it was expired on June 2021.

The Company has been approved to be listed with the Yangon Stock Exchange (Main Board) on 12 June 2023. The listing date of the Company was 3 July 2023. After that, the Company needs to pay corporate income tax of 17% only.

2. Summary of significant accounting policies

The principal accounting policies which have been applied consistently throughout the financial years are summarized below:

A Basis of preparation

The accompanying financial statements of the Company have been prepared in accordance with Myanmar Financial Reporting Standards (MFRSs) and have been prepared under the historical cost convention.

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 MARCH 2025

2. Summary of significant accounting policies (continued)

B Foreign currency translation

(1) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in Kyat, which is also the functional currency of the Company.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

C Investment properties

Investment properties are properties held to earn rental and/or capital appreciation (or both). Investment properties are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in profit or loss when the changes arise.

The cost of major renovations and improvements is capitalized and the carrying amounts of the replaced components are recognized in profit or loss. The cost of maintenance, repair and minor improvements is recognized in profit or loss when incurred.

Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of fifty years.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognized in profit or loss.

D Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost includes the cost of replacing part of property, plant and equipment. The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Summary of significant accounting policies (continued)

D Property, plant and equipment (continued)

Depreciation on property, plant and equipment is calculated using the straight-line methods to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives (years)</u>
Furniture and fittings	3
Office equipment	2 - 3
Motor vehicle	5
MPT phone line	5
Office building	45.25
Car parking control system	3
Steel lamp & accessories	5
Modular house	3
Site equipment	3
Solar power system	16
Development cost	50

E Intangible asset

An item of intangible asset is stated at cost less any amortization and allowance for value (if any) except for goodwill which is considered to have an indefinite life.

The amortization method is on the straight-line basis.

	<u>Estimated useful lives</u>
Market operation system	3 years
E commerce system	3 years

F Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand and deposits with various local banks.

G Inventories

Inventories are carried at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. The costs of finished goods and work-in-progress comprise raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) and borrowing costs. Cost also includes any gains or losses on qualifying cash flow hedges of foreign currency purchases of inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

H Trade and other receivables

Trade and other receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired.

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Summary of significant accounting policies (continued)

I Deferred tax assets

Deferred tax is calculated by applying income tax on deductible temporary difference, arrived at upon deducting the carrying value from tax base amount of property, plant and equipment and investment properties.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax relate to the same fiscal authority.

J Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

K Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made.

L Share capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

M Dividends

Dividends to the Company's shareholders are recognized when they become legally payable.

N Income taxes

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

O Revenue

The recognition of revenue is as follows:

- (i) For the sale of Shop Houses, revenue is recognized when the construction is 80% and above completed or more than 80% of the sales value has been received from the buyer.
- (ii) For the medium-sized wholesale units, revenue is recognized using the percentage of completion method.
- (iii) For the rest, revenue is recorded on an accrual basis. Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Company's activities.

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Summary of significant accounting policies (continued)

P Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3. Significant accounting judgments and estimates

The preparation of the Company's financial statements in conformity with MFRSs requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses) assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

4. Financial risk management

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's business whilst managing its risks. The main areas of financial risks faced by the Company and the policy in respect of these risks are set out as follows:

(a) Foreign exchange risk

There is no foreign exchange risk during the reporting period. The Company had minimized the foreign currency balance in bank to avoid from unexpected losses for the foreign exchange rate fluctuations.

(b) Credit risk

There are carrying amount of bank deposits, other receivables, prepayment and deposits included in the financial statements of the company. However, the Company had made necessary arrangement by laying down policy so that risk is at a minimum.

(c) Market risk

The Company is operating in Yangon and there is no impact of movement in foreign market risk.

(d) Liquidity and cash flow risks

The Company monitors and maintains a level of bank balances deemed adequate by the directors to finance the operation and mitigate the effects of fluctuation in cash flow.

5. Capital management

The Company's capital management major objective is to ensure that it maintains a strong credit rating and working capital ratios to support its business developments and maximize shareholder value.

The Company manages its capital structures and ensures that it meets its financial obligations as they fall due.

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

6. Investment properties - Buildings

	2025 MMK'000	2024 MMK'000
<i>Cost</i>		
Balance at beginning of the year	13,023,372	13,002,175
Additions	7,899,916	21,197
Balance at end of the year	<u>20,923,288</u>	<u>13,023,372</u>
<i>Accumulated depreciation and impairment losses</i>		
Balance at beginning of the year	1,458,642	1,183,034
Depreciation for the year	335,286	275,608
Balance at end of the year	<u>1,793,928</u>	<u>1,458,642</u>
<i>Net book value</i>	<u>19,129,360</u>	<u>11,564,730</u>

Investment properties are rented to non-related parties.

Bank borrowing is secured on investment properties (buildings) of the Company (Note 16).

The following amounts are recognized in the income statement:

	2025 MMK'000	2024 MMK'000
Rental income (Note 21)	7,474,949	5,495,329
Direct operating expense assigning from:		
- investment properties that generate rental income (Note 23)	576,413	427,332
- investment properties that do not generate rental income	—	—

The term of the contract between the Company and YCDC is fifty years, first extension period is ten years and second is ten years, and the buildings are to be transferred to YCDC at the expired date. Therefore, investment property is measured at cost less accumulated depreciation and amortization.

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

7. Property, plant and equipment

	Land	Furniture and fittings	Office equipment	Motor vehicle	MPT phone line	Office building	Car parking control system	Steel lamp & accessories	Modular house	Site equipment	Solar Power System	Development cost*	Total
	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000
<i>Cost</i>													
At 1 April 2024	2,654,531	118,404	583,252	352,082	27,078	562,761	291,465	26,599	42,032	1,252,220	304,983	13,385,247	19,600,654
Additions	-	10,203	28,196	453,600	-	-	52,084	5,639	-	438,554	-	4,239,422	5,227,698
At 31 March 2025	2,654,531	128,607	611,448	805,682	27,078	562,761	343,549	32,238	42,032	1,690,774	304,983	17,624,669	24,828,352
<i>Accumulated depreciation and impairment losses</i>													
At 1 April 2024	-	41,993	105,293	97,330	26,772	18,601	102,182	4,493	12,394	832,499	9,483	1,146,224	2,397,264
Depreciation	-	34,551	75,794	130,234	72	12,438	107,674	5,959	14,011	295,772	19,061	324,968	1,020,534
At 31 March 2025	-	76,544	181,087	227,564	26,844	31,039	209,856	10,452	26,405	1,128,271	28,544	1,471,192	3,417,798
<i>Net book value</i>													
At 31 March 2025	2,654,531	52,063	430,361	578,118	234	531,722	133,693	21,786	15,627	562,503	276,439	16,153,477	21,410,554
<i>Cost</i>													
At 1 April 2023	-	31,091	88,293	185,311	26,718	560,000	228,818	14,617	24,332	911,855	-	11,809,837	13,880,872
Adjustment	-	-	-	-	-	-	-	-	-	-	-	(14,473)	(14,473)
At 1 April 2023	-	31,091	88,293	185,311	26,718	560,000	228,818	14,617	24,332	911,855	-	11,795,364	13,866,399
Additions	2,654,531	87,313	494,959	166,771	360	2,761	62,647	11,982	17,700	351,979	304,983	1,589,883	5,745,869
Disposal	-	-	-	-	-	-	-	-	-	(11,614)	-	-	(11,614)
At 31 March 2024	2,654,531	118,404	583,252	352,082	27,078	562,761	291,465	26,599	42,032	1,252,220	304,983	13,385,247	19,600,654
<i>Accumulated depreciation and impairment losses</i>													
At 1 April 2023	-	19,442	59,558	65,337	26,718	6,189	22,394	543	2,119	641,000	-	866,487	1,709,787
Depreciation	-	22,551	45,735	31,993	54	12,412	79,788	3,950	10,275	202,405	9,483	279,737	698,383
Disposal	-	-	-	-	-	-	-	-	-	(10,906)	-	-	(10,906)
At 31 March 2024	-	41,993	105,293	97,330	26,772	18,601	102,182	4,493	12,394	832,499	9,483	1,146,224	2,397,264
<i>Net book value</i>													
At 31 March 2024	2,654,531	76,411	477,959	254,752	306	544,160	189,283	22,106	29,638	419,721	295,500	12,239,023	17,203,390

* Development cost included cost of shop house which was transferred to YCDC during 2019-2020 financial year.

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8. Intangible asset

	Market operation system MMK'000	E commerce system MMK'000	Total MMK'000
<i>Cost</i>			
At 1 April 2024	115,418	3,139	118,557
Additions	—	—	—
At 31 March 2025	115,418	3,139	118,557
<i>Accumulated amortization and impairment losses</i>			
At 1 April 2024	96,018	3,139	99,157
Amortization	17,863	—	17,863
At 31 March 2025	113,881	3,139	117,020
<i>Net book value</i>			
At 31 March 2025	1,537	—	1,537
<i>Cost</i>			
At 1 April 2023	113,718	3,139	116,857
Additions	1,700	—	1,700
At 31 March 2024	115,418	3,139	118,557
<i>Accumulated amortization and impairment losses</i>			
At 1 April 2023	67,826	2,769	70,595
Amortization	28,192	370	28,562
At 31 March 2024	96,018	3,139	99,157
<i>Net book value</i>			
At 31 March 2024	19,400	—	19,400

9. Cash and cash equivalents

	2025 MMK'000	2024 MMK'000
Cash in hand	31,393	293,922
Cash at banks*	5,613,284	2,258,510
	<u>5,644,677</u>	<u>2,552,432</u>

* Cash at banks include bank guarantee amounting to MMK 150,000,000 at United Amara Bank (March 2024: MMK 150,000,000 at United Amara Bank).

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10. Trade and other receivables

	2025 MMK'000	2024 MMK'000
Trade receivables		
- Related parties {Note 27 (a)}	76,100	—
- Non-related parties	2,901,531	7,027,767
Other receivables		
- Related parties {Note 27 (b)}	71,912	4,445
- Non-related parties	88,123	81,035
Accrued interest income	2,678	8,805
	<u>3,140,344</u>	<u>7,122,052</u>

11. Advances and prepayments

	2025 MMK'000	2024 MMK'000
Prepayments	32,808	18,451
Other advances & project cost	419,552	868,049
Advance income tax	1,342,856	1,221,245
Advance commercial tax	681,709	600,151
	<u>2,476,925</u>	<u>2,707,896</u>

12. Inventories

	2025 MMK'000	2024 MMK'000
Consumable inventories	<u>453,135</u>	<u>79,913</u>
	<u>453,135</u>	<u>79,913</u>

13. Work-in-progress

	2025 MMK'000	2024 MMK'000
Infrastructure and others	1,518,548	4,366,813
Construction contract {Note 27 (a & b)}	13,443,282	11,735,516
Advance steel structure		
- Related parties {Note 27 (a)}	5,561,749	—
- Non-related parties	—	2,000
	<u>20,523,579</u>	<u>16,104,329</u>

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14. Income taxes

(a) Income tax expense

	2025 MMK'000	2024 MMK'000
Tax provision for the year	1,353,135	1,214,735
Adjustments in respect of prior year	—	(4,312)
Tax relief from reinvestment	(588,130)	—
Deferred income tax {Note 14(b)}	(49,114)	(38,216)
	<u>715,891</u>	<u>1,172,207</u>

(b) Deferred income tax

Deferred tax assets, determined after appropriate offsetting, are shown on the financial position as follows:

	Property, plant and equipment MMK'000	Total MMK'000
Balance at 1 April 2024	71,616	71,616
(Charge)/credit to profit or loss	49,114	49,114
Balance at 31 March 2025	<u>120,730</u>	<u>120,730</u>
Balance at 31 March 2024	<u>71,616</u>	<u>71,616</u>

15. Share capital

	Number of shares	MMK'000
At 1 April 2024	23,804,946	24,999,130
Additions	—	—
At 31 March 2025	<u>23,804,946</u>	<u>24,999,130</u>
At 1 April 2023	21,640,860	21,753,001
Additions	2,164,086	3,246,129
At 31 March 2024	<u>23,804,946</u>	<u>24,999,130</u>

Additional shares were allotted on 5 June 2023. Yangon Stock Exchange permitted the Company to be a listed company on 3 July 2023. The market price of the share as at 31.3.2025 was Kyat 3,250 per share.

16. Borrowing

	2025 MMK'000	2024 MMK'000
Beginning of the financial year	4,638,592	2,500,000
Borrowing during the year	3,500,000	2,500,000
Repayment during the year	(1,541,792)	(361,408)
End of the financial year	<u>6,596,800</u>	<u>4,638,592</u>

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16. Borrowing (continued)

The loan shall be used for working capital requirements and the amount shall be classified as non-current liabilities. The loan has been fully secured by investment property (Buildings). Interest rate per annum was 10% from April 2024 to August 2024 and was 13% starting from March 2025. shall be calculated on the outstanding balance and shall be recognized as expenses in the statement of comprehensive income. The loan agreement has been entered into on 20 January 2023 and the repayment period is until 5 November 2026. (Note 6)

17. Trade and other payables

	2025 MMK'000	2024 MMK'000
Trade payables		
- Related parties {Note 27 (a)}	10,381,049	3,962,459
Other payables		
- Related parties {Note 27 (c)}	4,800	9,600
- Non-related parties	1,967,819	1,690,006
Dividend payables {Note 24 (b)}	296,738	263,558
	<u>12,650,406</u>	<u>5,925,623</u>

18. Deposit and advances

	2025 MMK'000	2024 MMK'000
Deposit	—	854,933
Advances from contract with customer		
- Related parties {Note 27 (a)}	—	226,550
- Non-related parties	15,439,500	7,245,300
	<u>15,439,500</u>	<u>8,326,783</u>

The prior notification has been received stating that the Yangon City Development Committee has designated 20 acres of the 82.78 acres of land for the High-end Wholesale Market (Danyingone) project as State Land, and the remaining land area owned by the Yangon City Development Committee will be re-measured and the work will be continued. Therefore, the construction work as that area has been suspended.

19. Provisions/Share of profit to YCDC

	2025 MMK'000	2024 MMK'000
Provision for commercial tax	23,918	101,244
Provision for income tax	1,424,751	1,248,135
Provision for YCDC *	2,559,521	2,309,013
	<u>4,008,190</u>	<u>3,658,392</u>

* Provision is made in accordance with the agreement between the Company and YCDC which describes that YCDC is entitled to receive 25% of net profit before income tax from rents and sales of the remaining 80% of shop houses.

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19. Provisions/Share of profit to YCDC (continued)

The details are as follows:

	2025 MMK'000	2024 MMK'000
Revenue - net		
Sale of shop house	15,162,718	18,848,244
Rental income	7,213,093	5,312,055
Sale of plot	4,071,109	—
Cost of sales	(12,857,088)	(11,808,410)
Gross profit	13,589,832	12,351,889
Other income	275,407	261,645
Expenses		
- General and administrative	(3,162,213)	(2,777,605)
- Marketing	(29,177)	(124,040)
- Finance	(435,763)	(475,838)
Net profit before income tax *	10,238,086	9,236,051
Share of YCDC (25%)	2,559,521	2,309,013

* Net profit before income tax excludes revenue, cost of sales and related expenses from online sales of meat, fish and vegetables which are shown in details as follows:

	2025 MMK'000	2024 MMK'000
Revenue-net		
Income from e-commerce (Note 21)	246,889	235,454
Cost of sales	(225,358)	(212,274)
Gross profit	21,531	23,180
Other income	—	30
Expenses		
- General and administrative	(28,427)	(28,352)
- Marketing	(954)	(1,193)
Net loss	(7,850)	(6,335)

20. Accrued expenses

	2025 MMK'000	2024 MMK'000
Accrued construction cost	290,395	3,523,334
Accrued infrastructure cost	711,809	365,326
Accrued earth and sand filling	222,198	200,000
	1,224,402	4,088,660

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21. Revenue - net

	2025 MMK'000	2024 MMK'000
<i>Revenue</i>		
Sale of shop house and medium wholesale		
- Non related parties	15,225,650	18,934,641
- Related parties {Note 27 (a)}	391,950	479,050
	15,617,600	19,413,691
Less: Commercial tax (3%)	(454,882)	(565,447)
	15,162,718	18,848,244
 Sale of plot	4,274,664	-
Less: Commercial tax (5%)	(203,555)	-
	4,071,109	-
 Rental income (Note 6)	7,474,949	5,495,329
Less: Commercial tax (5%)	(261,856)	(183,274)
	7,213,093	5,312,055
 E commerce (Note 19)	246,889	235,454
	246,889	235,454
	26,693,809	24,395,753

22. Other income

	2025 MMK'000	2024 MMK'000
Interest income	132,463	121,647
Miscellaneous receipt from market	144,337	140,028
Less: Commercial tax (5%)	(1,393)	-
	275,407	261,675

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
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23. Expenses by nature

The total of cost of sales, general and administrative expenses, marketing expenses and finance expenses are as follows:

	2025 MMK'000	2024 MMK'000
(a) Cost of sales		
Construction cost	10,161,830	10,569,568
Service charges for rental (Note 6)	576,413	426,892
E commerce charges	225,358	212,274
COS for plot	1,060,502	—
Depreciation and amortization	412,935	319,183
Insurance	65,527	47,750
Salary & benefit	579,881	445,017
	<u>13,082,446</u>	<u>12,020,684</u>
(b) General and administrative		
Depreciation and amortization	960,748	683,370
Professional fees	54,300	60,453
Audit fees	31,940	30,200
Miscellaneous	1,037,676	647,835
Salary & benefit	488,524	458,168
Key management personnel and director remuneration {Note 27 (c)}	195,423	177,339
Honorarium fees {Note 27 (c)}	72,000	66,000
Director bonus {Note 27 (c)}	86,000	40,000
Securities service fee	121,135	195,613
Utilities	127,148	125,908
Insurance	12,591	2,693
Listing cost	5,157	321,809
Exchange (gain)/loss	13	(2,253)
Tax adjustment	(2,015)	—
Service charges for rental	—	440
Gain on disposal	—	(1,617)
	<u>3,190,640</u>	<u>2,805,958</u>
(c) Marketing		
Marketing & promotion	<u>30,131</u>	<u>125,233</u>
(d) Finance		
Finance expenses	<u>435,763</u>	<u>475,838</u>
	<u>16,738,980</u>	<u>15,427,713</u>

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
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24. Dividend

(a)

	2025	2024
Number of shares	23,804,946	23,804,946
Dividend per share (MMK)	200	120
Total (Kyat in thousands) {Note 24 (b)}	4,760,989	2,856,593

(b)

	2025 MMK'000	2024 MMK'000
At 1 April 2024	263,558	185,203
Dividend declared during the year {Note 24 (a)}	4,760,989	2,856,593
Withdrawal of dividend during the year	(4,727,809)	(2,778,238)
At 31 March 2025 (Note 17)	296,738	263,558

The Company declared a dividend of 200 kyat per share for the 2023-2024 financial year at the 8th Annual General Meeting.

25. Significant commitments and obligations

The Company has appointed DIL as its main construction- contractor in order that the terms and conditions of tender para 5(A) 16 could be fulfilled. The Company has signed a contract of land lease on 22 March 2016 to pay the following benefits:

1. Contract with YCDC

The Company has executed land lease agreement with the following rights:

- To give to YCDC 20% of 200 shop house to which 40 (shop house including large broker house, living quarters, offices);
- After the business has started, to pay an amount equal to 25% of profit before tax from rents and sales of the remaining 80% of shop houses, shops, medium-sized wholesale shops and gasoline shops.

2. Contract with DIL

- (a) The Company has contracted DIL to construct of Danyingone Wholesale Market in order to fulfill the terms and conditions of tender para 5(A) 16;
- (b) The Company has signed agreements with DIL to set off its contributions, 45% of second right issue 450,000 shares and 35,000 of public offering 500,000 shares, against cost of Danyingone Wholesale Market construction on 31 October 2016 and 30 March 2017 respectively.

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26. Earnings per share

	2025	2024
Net profit attributable to equity holders of the Company (Kyat in thousands)	6,954,824	5,748,495
Total number of common shares outstanding as on reporting date (in thousands)	23,805	23,805
Basic earnings per share (Kyat per share)	292	241
Net profit attributable to equity holders of the Company (Kyat in thousands)	6,954,824	5,748,495
The sum of the weighted average number of shares outstanding and dilutive shares (in thousands)	23,805	23,444
Diluted earnings per share (Kyat per share)	292	245

27. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and the related parties at terms agreed between the parties;

(a) Sales and purchases of goods and services

	Transactions value for 1 April 2024 to 31 March 2025 MMK'000	Balance outstanding as at 31 March 2025 MMK'000
Advance construction contract – DIL (Note 13)	1,707,766	13,438,282
Advance steel structure – DIL (Note 13)	5,561,749	5,561,749
Payable construction contract - DIL (Note 17)	6,418,590	10,381,049
Sale of Medium wholesale (Note 10 & 21)	391,950	76,100
	Transactions value for 1 April 2023 to 31 March 2024 MMK'000	Balance outstanding as at 31 March 2024 MMK'000
Advance construction contract – DIL (Note 13)	9,907,231	11,730,516
Advance steel structure – DCL (Note 13)	895,500	–
Payable construction contract - DIL (Note 17)	3,327,931	3,962,459
Advance received (Note 18 & 21)	479,050	226,550

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27. Related party transactions (continued)

(b) Other

	Transactions value for 1 April 2024 to 31 March 2025 MMK'000	Balance outstanding as at 31 March 2025 MMK'000
Meter bill paid on behalf of DIL (Note 10)	67,467	71,912
Insurance for shop house (Note 13)	—	5,000
	Transactions value for 1 April 2023 to 31 March 2024 MMK'000	Balance outstanding as at 31 March 2024 MMK'000
Meter bill paid on behalf of DIL (Note 10)	1,586	4,445
Insurance for shop house (Note 13)	10,000	5,000

(c) Key management personnel and director remuneration

	Transactions value for 1 April 2024 to 31 March 2025 MMK'000	Balance outstanding as at 31 March 2025 MMK'000
Remuneration (Note 23)	195,423	—
Honorarium fees (Note 23 & 17)	72,000	4,800
Director bonus (Note 23)	86,000	—
	Transactions value for 1 April 2023 to 31 March 2024 MMK'000	Balance outstanding as at 31 March 2024 MMK'000
Remuneration (Note 23)	177,339	—
Honorarium fees (Note 23 & 17)	66,000	9,600
Director bonus (Note 23)	40,000	—

(d) Agreement between related parties (Note 25.2)

DIL was selected as the major contractor as it was awarded the winner by Tender Selection Committee of Yangon Region Government among other tender bidders' participants to develop and manage Danyingone project.

28. Authorization of financial statements

The financial statements of the Company for the year ended 31 March 2025 were authorized for issue, in accordance with a resolution of the Board of Directors, on 24 June 2025.