

## MANAGEMENT DISCUSSION AND ANALYSIS

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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 2025 (“FY2024-2025”) 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 (IFRS) and audited by the Independent Auditor, Win Thin and Associates.

The Board of Directors approved this document on 24 June 2025.

### **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 2025, MJTD achieved a net profit of USD 2.9 million. Retained Earnings were USD 59.9 million as of 31 March 2025. Three land subleases have been signed during the reporting period for a total of 4.6 Hectares. On top of that, MJTD has installed solar systems since 2023, with a capacity of 2 MW. The solar energy project is commencing generation during the reporting period and has doubled its capacity to 4 MW by the end of the year. Furthermore, there are further expansions of an additional 3.5 MW capacity in the pipeline, and the total targeted capacity is 15 MW for the project. MJTD is getting benefits from an additional line of revenue with its solar business and continues to grow.

### **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 profit of MMK 1.4 billion for the year ended 31 March 2025. TPD demonstrated resilience by achieving additional five shop houses rentals in a difficult economic environment marked by global recession and local instability. Ongoing major upgrades to the dormitory infrastructure are expected to enhance property value, which may contribute to an increase in rental income in the future.

As of 31 March 2025, the company had MMK 10.3 billion in Retained Earnings and Cash and bank equivalent MMK 5.3 billion, out of which 1.39 million were in USD currency. The strong liquidity position provides flexibility to fund ongoing improvements and future expansion.

TPD will install a capacity of 3.2 MW solar energy project and will be getting benefits not only from additional revenue with its solar business in the sequence year but also supports environmental goals.

## **Myanmar Thilawa SEZ Holdings Public Company Limited (“MTSH”)**

Myanmar Thilawa SEZ Holdings Public Company Limited was incorporated on the 3<sup>rd</sup> of May 2013 in Myanmar under the Companies Act as a public limited company. On 20<sup>th</sup> May 2016, MTSH became the second company which is listed on the Yangon Stock Exchange.

The net profit of MTSH’s stand-alone result for the year ended 31 March 2025 is MMK 11.8 billion. Net profit increased from MMK 0.98 billion in (FY2023- 24) to MMK 11.8 billion in (FY2024- 25) mainly due to increase management fees, sales agent commission, foreign currency revaluation impact, and trading activities during the financial year.

The increase in non-current assets is a result of the share of profit from MJTD. As of 31 March 2025, there were MMK 76.5 billion total non-current assets, out of which 66% were from the share of profit from MJTD. The increase in current assets is a result of an advance payment made to the supplier in relation to the solar energy initiative and foreign currency revaluation impact. Current assets totaled MMK 15.8 billion in (FY2024- 25), and it was increased by MMK 7.7 billion compared to the previous year.

As of 31 March 2025, the company had MMK 49.2 billion in Retained Earnings and MMK 12.5 billion in Cash and Bank reserves.

**Myanmar Thilawa SEZ Holdings Public Company Limited and Its Subsidiary (“MTSH GROUP”)****Summarized Consolidated Income Statement for the year ended**

|                                      | Kyat in million |              |         |
|--------------------------------------|-----------------|--------------|---------|
|                                      | 31-Mar-25       | 31-Mar-24    | Changes |
| Revenue                              | 20,096          | 3,626        | ▲       |
| Cost of Sales                        | (13,771)        | (1,324)      | ▲       |
| <b>Gross Profit</b>                  | <b>6,325</b>    | <b>2,302</b> | ▲       |
| Finance Costs                        | (15)            | (24)         | ▼       |
| Selling & administrative expenses    | (3,936)         | (2,244)      | ▲       |
| Share of profit from associate       | 4,393           | 1,275        | ▲       |
| <b>Operating profit</b>              | <b>6,767</b>    | <b>1,310</b> | ▲       |
| Income from non-operating activities | 740             | 132          | ▲       |
| Other gain/(losses)                  | 7,239           | (53)         | ▲       |
| <b>Total profit before tax</b>       | <b>14,746</b>   | <b>1,389</b> | ▲       |
| Income tax expense                   | (1,515)         | (2)          | ▲       |
| <b>Net Profit</b>                    | <b>13,231</b>   | <b>1,387</b> | ▲       |
| Net Profit Margin                    | 66%             | 38%          | ▲       |
| Earning Per Share (Kyat)             | 333             | 34           | ▲       |

Revenue for the FY2024- 25 is MMK 20 billion and increased by MMK 16.5 billion compared to the previous year. This growth was mainly driven by an increase in management fees, sales agent commission income and income generated from trading activities.

Operating profit for this financial year is MMK 6.8 billion and increased by MMK 5.5 billion compared to the previous year, partially due to an increase the gross profit as mentioned above and partially due to an increase in share of profit from associate in the financial year.

The share of the profit earned from investment in associate company (MJTD) is increased from MMK 1.3 billion (in FY2023- 24) to MMK 4.4 billion (in FY2024- 25).

As a result, net profit for this financial year was MMK 13.2 billion and increased by MMK 11.8 billion compared with the previous year, partially due to the increasing operation profit as mentioned above and partially due to the revaluation effects of the foreign currency reserves. The profit attributable to the equity shareholders of the company is MMK 12.9 billion.

Overall, as a result of the factors discussed above, consolidated EPS increased significantly to MMK 333 per share for the year ended 31 March 2025, up from MMK 34 per share in the previous fiscal year, an increase of MMK 299 per share. The board of directors resolved to distribute dividend MMK 190 per share based on this year financial result in 24 June BOD meeting and will announce it on upcoming AGM.

**Summarized Consolidated Statement of Financial Position as at 31 March 2025**

|                            | 31-Mar-25      | 31-Mar-24     | Kyat in million<br>Changes |
|----------------------------|----------------|---------------|----------------------------|
| Assets                     |                |               |                            |
| Current Assets             | 46,685         | 38,390        | ▲                          |
| Non-current assets         | 59,259         | 53,930        | ▲                          |
| <b>Total assets</b>        | <b>105,944</b> | <b>92,320</b> | <b>▲</b>                   |
| Liabilities                |                |               |                            |
| Current Liabilities        | 4,452          | 2,142         | ▲                          |
| Non-current Liabilities    | 63             | 34            | ▲                          |
| Total Liabilities          | 4,515          | 2,176         | ▲                          |
| <b>Net assets</b>          | <b>101,429</b> | <b>90,144</b> | <b>▲</b>                   |
| Equity                     |                |               |                            |
| Issued and paid up capital | 38,929         | 38,929        | —                          |
| Retained earnings          | 54,431         | 43,430        | ▲                          |
| Non-controlling interest   | 8,069          | 7,785         | ▲                          |
| <b>Total equity</b>        | <b>101,429</b> | <b>90,144</b> | <b>▲</b>                   |

The increase in current assets is the impact of increasing cash and cash equivalents due to receiving higher management fees and gains from trading activities during the reporting period. The group has cash and bank reserves equivalent to MMK 17.7 billion out of MMK 46.7 billion in current assets.

The rise in non-current assets is an increase of the investment amount in the associate. The company has MMK 59.3 billion in non-current assets, out of which MMK 50.7 billion was a share of the accumulated Retained Earnings of MJTD.

Total liabilities increased to MMK 4.5 billion as of year-end, up from MMK 2.2 billion in the previous year, due to the increasing accrual of unpaid dividends and the provisioning for a donation to a natural disaster at the year-end.

Group's retained earnings increased by MMK 11 billion (increase from MMK 43.4 billion to MMK 54.4 billion) on 31 March 2025, mainly due to the net impact of profit and dividends paid out to the shareholders during this financial year.

**Forward-Looking Statement**

MTSH Group enters the new fiscal year with a solid financial foundation. Our strong cash reserves—MMK 17.7 billion as of 31 March 2025—combined with a healthy cash flow position, provide us with the liquidity and flexibility to rapidly seize strategic investment opportunities. We are leveraging this strength to scale up our renewable energy footprint and reinforce long-term value creation for shareholders.

Plans are underway to significantly expand our renewable energy initiatives. Building on our existing installed solar capacity of 4.05 MW across MTSH group companies. For the following year, we are targeting an ambitious increase to 18 MW, aligning with national energy goals and our own sustainability commitments.

Despite challenging macroeconomic conditions, investor confidence in Thilawa SEZ remains resilient. We are witnessing the establishment of new factories within the SEZ, a testament to the continued attractiveness of the zone's incentives, reliable infrastructure, and operational support. We anticipate more industrial operators to follow, reinforcing Thilawa SEZ as a cornerstone for Myanmar's industrial growth and our group's recurring revenue generation.

From a strategic standpoint, MTSH is actively exploring profitable trading opportunities, guided by the insights and expertise of professionals in relevant sectors. In parallel, we are continuously evaluating emerging economic zones with long-term growth potential, positioning the Group to participate in ventures that align with our vision for sustainable expansion.

Looking ahead, MTSH Group is committed to prudent capital deployment, sustainability-driven growth, and delivering long-term value to all stakeholders.