

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED

**INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2023**

Currency – Kyat (In Thousands)

*WIN THIN & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS*

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
INTERIM FINANCIAL STATEMENTS

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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 30 September 2023 and the interim statements of comprehensive income, changes in equity and cash flows for the six-month period 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



26 December 2023



ဝင်းသင်နှင့်အဖွဲ့လီမိတက်

WIN THIN & ASSOCIATES LTD

CERTIFIED PUBLIC ACCOUNTANTS

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Ref: 618 / M - 283 / September 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Myanmar Agro Exchange Public Company Limited

Introduction

We have reviewed the accompanying interim financial statements of **Myanmar Agro Exchange Public Company Limited** ("the Company"), which comprise the interim statement of financial position as at 30 September 2023, and the interim statements of comprehensive income, changes in equity and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Myanmar Accounting Standard (MAS) 34 Interim Financial Reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Myanmar Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of the Company as at 30 September 2023, and of its financial performance and cash flows for the period then ended, in accordance with Myanmar Accounting Standard (MAS) 34 Interim Financial Reporting.

Nay Min Thant (PAPP - 466)
Engagement Partner
WIN THIN & ASSOCIATES LTD
CERTIFIED PUBLIC ACCOUNTANTS
Firm Registration No. ACC 008



26 December 2023

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

	Note	30 September 2023 MMK'000	31 March 2023 MMK'000
ASSETS			
Non-current assets			
Investment properties	6	11,684,752	11,819,141
Property, plant and equipment	7	14,258,360	12,171,085
Intangible asset	8	32,076	46,262
		<u>25,975,188</u>	<u>24,036,488</u>
Current assets			
Cash and cash equivalents	9	1,340,473	3,255,896
Trade and other receivables	10	3,977,323	1,823,568
Advances and prepayments	11	2,439,616	1,582,850
Inventories	12	84,632	2,052,349
Work-in-progress	13	12,072,068	3,796,269
Deferred tax assets	14 (b)	49,299	33,400
		<u>19,963,411</u>	<u>12,544,332</u>
		<u>45,938,599</u>	<u>36,580,820</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	15	24,999,130	21,753,001
Advance receive for right issue		—	1,559,002
Retained earnings		4,607,896	2,896,676
		<u>29,607,026</u>	<u>26,208,679</u>
Non-current liabilities			
Borrowing	16	5,000,000	2,500,000
Current liabilities			
Trade and other payables	17	5,382,307	1,821,156
Provisions	18	1,860,606	1,962,325
Accrued cost of shop house	19	4,088,660	4,088,660
		<u>11,331,573</u>	<u>7,872,141</u>
		<u>45,938,599</u>	<u>36,580,820</u>

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

(1)

Win Aung
Chairman
Myanmar Agro Exchange Public Limited

(3)

Director
Myanmar Agro Exchange Public Limited



(2)

Director
Myanmar Agro Exchange Public Limited

(4)

Aung Gyi
Chief Executive Officer
Myanmar Agro Exchange Public Limited

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2023

	Note	1 April 2023 to 30 September 2023 MMK'000	1 April 2022 to 30 September 2022 MMK'000
Revenue - net	20	7,598,080	8,215,722
Cost of sales	22	<u>(3,426,667)</u>	<u>(4,830,994)</u>
Gross profit		4,171,413	3,384,728
Other income	21	138,692	195,615
Expenses			
- General and administrative	22	(1,486,674)	(833,897)
- Marketing	22	(72,604)	(8,929)
- Finance charges	22	<u>(479)</u>	<u>(413)</u>
		2,750,348	2,737,104
Share of profit to YCDC	18	<u>(688,637)</u>	<u>(688,844)</u>
Profit before tax		2,061,711	2,048,260
Income tax expense	14 (a)	<u>(350,491)</u>	<u>(450,617)</u>
Profit after tax		1,711,220	1,597,643
Other comprehensive income for the period		<u>-</u>	<u>-</u>
Total comprehensive income for the period		1,711,220	1,597,643
Earnings per share (Kyat per share)			
Basic earnings per share	25	72	74
Diluted earnings per share	25	<u>74</u>	<u>74</u>

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

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2023

	Share capital	Advance receive for right issue	Retained earnings	Total
	MMK'000	MMK'000	MMK'000	MMK'000
At 1 April 2023	21,753,001	1,559,002	2,896,676	26,208,679
Advance receive for right issue	—	1,687,127	—	1,687,127
Allotment of shares	3,246,129	(3,246,129)	—	—
Profit for the period	—	—	1,711,220	1,711,220
Other comprehensive income for the period	—	—	—	—
Total comprehensive income for the period	24,999,130	—	4,607,896	29,607,026
Contribution from and distributions to owners				
Issue of share capital	—	—	—	—
Dividend (Note 23)	—	—	—	—
At 30 September 2023	24,999,130	—	4,607,896	29,607,026
At 1 April 2022	21,753,001	—	2,805,839	24,558,840
Profit for the period	—	—	1,597,643	1,597,643
Other comprehensive income for the period	—	—	—	—
Total comprehensive income for the period	21,753,001	—	4,403,482	26,156,483
Contribution from and distributions to owners				
Issue of share capital	—	—	—	—
Dividend (Note 23)	—	—	(2,596,903)	(2,596,903)
	—	—	(2,596,903)	(2,596,903)
At 30 September 2022	21,753,001	—	1,806,579	23,559,580

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

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2023

	Note	1 April 2023 to 30 September 2023 MMK'000	1 April 2022 to 30 September 2022 MMK'000
Cash flows from operating activities			
Profit before tax		2,061,711	2,048,260
<i>Adjustments for:</i>			
- Depreciation and amortization		464,505	356,140
- Interest income		(87,267)	(59,871)
- Fixed assets / IP		—	(179,797)
Operating profit before working capital changes		2,438,949	2,164,732
Changes in working capital			
- Trade and other receivables		(2,153,755)	(1,393,473)
- Advances and prepayments		(586,766)	(232,399)
- Inventories		1,967,717	415,417
- Work-in-progress		(8,275,799)	(955,432)
- Trade and other payables		3,609,046	697,538
- Provisions		(468,109)	860,808
Cash generated from operation		(3,468,717)	1,557,191
Interest received		87,267	59,871
Income tax paid		(270,000)	(1,925)
Net cash provided by / (used in) operating activities		(3,651,450)	1,615,137
Cash flows from investing activities			
Additions to investment properties		(3,232)	(56,290)
Additions to property, plant and equipment		(2,399,173)	(461,351)
Additions to intangible assets		(800)	(43,711)
Net cash used in investing activities		(2,403,205)	(561,352)
Cash flows from financing activities			
Proceed form advance receive for right issue		1,687,127	—
Proceed form borrowing		2,500,000	—
Dividend paid to shareholders		(47,895)	(1,992,202)
Net cash provided by / (used in) financing activities		4,139,232	(1,992,202)
Net decrease in cash and cash equivalents		(1,915,423)	(938,417)
Cash and cash equivalents at beginning of period		3,255,896	3,106,736
Cash and cash equivalents at end of period	9	1,340,473	2,168,319

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

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENTS

These notes form an integral part of and should be read in conjunction with the accompanying interim 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 by 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 INTERIM FINANCIAL STATEMENTS

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 MMK, 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 LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS

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
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 labor, 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 LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS

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 currying 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

Revenue is recorded on 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.

P Comparatives

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

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS

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 INTERIM FINANCIAL STATEMENTS

6. Investment properties

	30 September 2023	31 March 2023
	MMK'000	MMK'000
Cost		
Balance at beginning of the period / year	13,002,175	11,885,865
Additions	3,232	936,512
Reclassification	—	179,798
Balance at end of the period / year	13,005,407	13,002,175
Accumulated depreciation and impairment losses		
Balance at beginning of the period / year	1,183,034	924,229
Depreciation for the period / year	137,621	258,805
Balance at end of the period / year	1,320,655	1,183,034
Net book value	11,684,752	11,819,141

Investment properties are rented to non-related parties.

The following amounts are recognized in the income statement:

	30 September 2023	30 September 2022
	MMK'000	MMK'000
Rental income (Note 20)	2,553,932	2,225,583
Direct operating expense assigning from:		
- investment properties that generate rental income (Note 22)	212,584	176,531

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 INTERIM FINANCIAL STATEMENTS

7. Property, plant and equipment

	Furniture and fittings	Office equipment	Motor vehicle	MPT phone line	Office building	Car parking control system	Steel lamp & accessories	Modular house	Site equipment	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
<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
Additions	85,107	453,944	—	360	2,761	2,000	2,331	6,600	273,176	1,572,894	2,399,173
Transfer to investment property	—	—	—	—	—	—	—	—	—	—	—
At 30 September 2023	116,198	542,237	185,311	27,078	562,761	230,818	16,948	30,932	1,185,031	13,382,731	16,280,045
<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	5,437	11,647	15,996	18	6,193	38,295	1,643	4,605	91,286	136,778	311,898
At 30 September 2023	24,879	71,205	81,333	26,736	12,382	60,689	2,186	6,724	732,286	1,003,265	2,021,685
<i>Net book value</i>											
At 30 September 2023	91,319	471,032	103,978	342	550,379	170,129	14,762	24,208	452,745	12,379,466	14,258,360
<i>Cost</i>											
At 1 April 2022	20,302	64,058	185,311	26,718	—	—	—	—	743,999	10,787,728	11,828,116
Additions	10,789	24,235	—	—	560,000	228,818	14,617	24,332	167,856	1,201,907	2,232,554
Reclassification	—	—	—	—	—	—	—	—	—	(179,798)	(179,798)
At 31 March 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
<i>Accumulated depreciation and impairment losses</i>											
At 1 April 2022	14,823	46,867	33,344	24,047	—	—	—	—	484,497	637,168	1,240,746
Depreciation	4,619	12,691	31,993	2,671	6,189	22,394	543	2,119	156,503	229,319	469,041
At 31 March 2023	19,442	59,558	65,337	26,718	6,189	22,394	543	2,119	641,000	866,487	1,709,787
<i>Net book value</i>											
At 31 March 2023	11,649	28,735	119,974	—	553,811	206,424	14,074	22,213	270,855	10,943,350	12,171,085

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

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS

8. Intangible asset

	Market operation system MMK'000	E commerce system MMK'000	Total MMK'000
<i>Cost</i>			
At 1 April 2023	113,718	3,139	116,857
Additions	800	—	800
At 30 September 2023	114,518	3,139	117,657
<i>Accumulated amortization and impairment losses</i>			
At 1 April 2023	67,826	2,769	70,595
Amortization	14,669	317	14,986
At 30 September 2023	82,495	3,086	85,581
<i>Net book value</i>			
At 30 September 2023	32,023	53	32,076
<i>Cost</i>			
At 1 April 2022	113,718	3,139	116,857
Additions	—	—	—
At 31 March 2023	113,718	3,139	116,857
<i>Accumulated amortization and impairment losses</i>			
At 1 April 2022	38,433	1,722	40,155
Amortization	29,393	1,047	30,440
At 31 March 2023	67,826	2,769	70,595
<i>Net book value</i>			
At 31 March 2023	45,892	370	46,262

9. Cash and cash equivalents

	30 September 2023 MMK'000	31 March 2023 MMK'000
Cash in hand	143,477	176,966
Cash at banks*	1,196,996	3,078,930
	1,340,473	3,255,896

* Cash at banks include bank guarantee amounting to MMK 150,000,000 at United Amara Bank (2022: MMK 500,000,000 at Ayeyarwady Bank).

10. Trade and other receivables

	30 September 2023 MMK'000	31 March 2023 MMK'000
Trade receivables		
– Related parties {Note 26 (a)}	62,827	91,337
– Non related parties	3,877,023	1,714,454
Accrued interest income	4,629	6,579
Other receivables		
– Related parties {Note 26 (b)}	24,233	2,908
– Non related parties	8,611	8,290
	3,977,323	1,823,568

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS

11. Advances and prepayments

	30 September 2023 MMK'000	31 March 2023 MMK'000
Advance commercial tax	706,717	473,453
Advance income tax	815,013	525,013
Advance other	60	—
Advance listing cost	—	138,832
Other advances & project cost	880,179	424,849
Prepayments	37,647	20,703
	<u>2,439,616</u>	<u>1,582,850</u>

12. Inventories

	30 September 2023 MMK'000	31 March 2023 MMK'000
Shop house	—	1,957,051
Consumable inventories	84,632	95,298
	<u>84,632</u>	<u>2,052,349</u>

13. Work-in-progress

	30 September 2023 MMK'000	31 March 2023 MMK'000
Infrastructure and others	1,289,655	1,062,485
Construction contract {Note 26 (a & b)}	8,664,702	1,838,284
Advance steel structure {Note 26 (a)}	2,117,711	895,500
	<u>12,072,068</u>	<u>3,796,269</u>

14. Tax

(a) Income tax expenses

	30 September 2023 MMK'000	31 March 2023 MMK'000
Current tax on profit for the period / year	366,390	791,481
Deferred income tax {Note 14(b)}	(15,899)	(33,400)
	<u>350,491</u>	<u>758,081</u>

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS

14. Tax (continued)

(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 2023	33,400	33,400
(Charge)/credit to profit or loss	15,899	15,899
Balance at 30 September 2023	49,299	49,299
Balance at 31 March 2023	33,400	33,400

15. Share capital

	Number of shares	MMK'000
At 1 April 2023	21,640,860	21,753,001
Additions	2,164,086	3,246,129
At 30 September 2023	23,804,946	24,999,130
At 1 April 2022	21,640,860	21,753,001
Additions	—	—
At 31 March 2023	21,640,860	21,753,001

Additional shares were allotted in 5.6.2023. Yangon Stock Exchange permitted the Company to be a listed company in 3.7.2023. Market price of the share as at 29.9.2023 was Kyat 1,800 per share.

16. Borrowing

	30 September 2023 MMK'000	31 March 2023 MMK'000
Beginning of the financial period / year	2,500,000	—
Borrowing during the period / year	2,500,000	2,500,000
End of the financial period / year	5,000,000	2,500,000

In 20 January 2023, the Company acquired additional loan of MMK 5,000,000,000 from UAB Bank which is secured against market buildings and shop house that are included in investment property and inventories respectively (Note 6 and 12).

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS

17. Trade and other payables

	30 September 2023 MMK'000	31 March 2023 MMK'000
Advance from contract with customer	3,597,200	243,000
Dividend payables	137,308	185,203
Trade payables		
- Related parties {Note 26 (a)}	793,636	656,357
Other payables		
- Related parties {Note 26 (c)}	25,200	3,000
- Non-related parties	828,963	733,596
	5,382,307	1,821,156

18. Provisions / Share of profit to YCDC

	30 September 2023 MMK'000	31 March 2023 MMK'000
Provision for commercial tax	14,098	11,043
Provision for income tax	1,157,871	791,481
Provision for YCDC *	688,637	1,159,801
	1,860,606	1,962,325

*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 tax from rents and sales of the remaining 80% of shop houses.

The details are as follows:

	30 September 2023 MMK'000	31 March 2023 MMK'000
Revenue-net		
Sale of shop house	5,012,621	8,956,252
Rental income	2,470,725	4,619,576
Right of self-construction SH	—	4,333,333
Cost of sales	(3,322,334)	(11,634,557)
Gross profit	4,161,012	6,274,604
Other income	138,693	271,590
Expenses		
- General and administrative	(1,472,472)	(1,878,551)
- Marketing	(72,204)	(17,730)
- Finance charges	(479)	(10,709)
Net profit before tax *	2,754,550	4,639,204
Share of YCDC (25%)	688,637	1,159,801

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS

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

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

	30 September 2023 MMK'000	31 March 2023 MMK'000
Revenue-net		
Income from E commerce (Note 20)	114,734	51,263
Cost of sales	(104,334)	(49,760)
Gross profit	10,400	1,503
Expenses		
- General and administrative	(14,202)	(33,869)
- Marketing	(400)	(1,215)
Net loss	(4,202)	(33,581)

19. Accrued cost of shop house

	30 September 2023 MMK'000	31 March 2023 MMK'000
Accrued construction cost	3,523,334	3,523,334
Accrued infrastructure cost	365,326	365,326
Accrued earth and sand filling	200,000	200,000
	4,088,660	4,088,660

20. Revenue - net

	30 September 2023 MMK'000	30 September 2022 MMK'000
Revenue		
Sale of shop house		
- Non related parties	5,163,000	6,222,440
- Related parties	—	—
	5,163,000	6,222,440
(-) Commercial tax (3%)	(150,379)	(181,236)
	5,012,621	6,041,204
Rental income (Note 6)*	2,553,932	2,225,583
(-) Commercial tax (5%)	(83,207)	(77,630)
	2,470,725	2,147,953
E commerce (Note 18)	114,734	26,565
	114,734	26,565
	7,598,080	8,215,722

* There is new rental fees from Modular House in the period.

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS

21. Other income

	30 September 2023 MMK'000	30 September 2022 MMK'000
Interest income	87,267	59,871
Miscellaneous receipt from market	51,425	135,744
	<u>138,692</u>	<u>195,615</u>

22. Expenses by nature

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

	30 September 2023 MMK'000	30 September 2022 MMK'000
Construction cost	2,727,392	4,320,139
Service charges for rental (Note 6)	212,584	176,531
E commerce charges	104,334	25,489
Depreciation and amortization	464,505	356,140
Professional fees	27,359	18,000
Audit fees	5,700	5,485
Miscellaneous	322,111	157,489
Salary & benefit	401,574	327,171
Key management personnel and director remuneration {Note 26 (c)}	86,526	79,200
Securities service fee	95,475	76,012
Utilities	52,492	57,136
Insurance	26,006	26,775
Marketing & promotion	72,604	8,929
Honorarium fees {Note 26 (c)}	30,000	16,000
Director bonus {Note 26 (c)}	40,000	—
Exchange gain/ (loss)	507	(21,561)
Finance expenses	479	413
Listing cost	316,776	35,548
Tax adjustment	—	9,337
	<u>4,986,424</u>	<u>5,674,233</u>

23. Dividend

	30 September 2023 MMK'000	31 March 2023 MMK'000
Number of shares	—	21,640,860
Dividend per share	—	120
Total (in thousands)	<u>—</u>	<u>2,596,903</u>

The (2/2021-2022) Board of Directors meeting approved allocating MMK 120 per 1,000 kyats' worth of shares to the shareholders as a dividend on the net profits earned for the 2020-2021 financial year and the 2021-2022 (6-month) financial year and it was announced this to the shareholders at the 6th Annual General Meeting.

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS

24. 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.

25. Earnings per share

	30 September 2023	30 September 2022
Net profit attributable to equity holders of the Company (Myanmar Kyat in thousands)	1,711,220	1,597,643
Total number of common shares outstanding as on reporting date (in thousands)	23,805	21,640
The sum of the weighted average number of shares outstanding and dilutive shares (in thousands)	23,084	21,640
Basic earnings per share	72	74
Diluted earnings per share	74	74

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS

26. Related party transactions

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

(a) Sales and purchase of goods and services

	Transactions value for the period 1 April 2023 to 30 September 2023 MMK'000	Balance outstanding as at 30 September 2023 MMK'000
Advance construction contract – DIL (Note 13)	6,836,417	8,659,702
Advance steel structure (Note 13)	1,222,211	2,117,711
Payable construction contract - DIL (Note 17)	125,468	793,636
Shop house sales to director and executive officer (Note 10)	28,511	62,827
	<hr/>	<hr/>
	Transactions value for the period 1 April 2022 to 30 September 2022 MMK'000	Balance outstanding as at 30 September 2022 MMK'000
Advance construction contract - DIL	4,440,147	3,108,268
Advance steel structure	740,724	740,724
Payable construction contract - DIL	1,521,404	1,589,510
Shop house sales to director and executive officer	80,900	112,337

(b) Other

	Transactions value for the period 1 April 2022 to 30 September 2023 MMK'000	Balance outstanding as at 30 September 2023 MMK'000
Meter bill paid on behalf of DIL (Note 10)	21,325	24,233
Insurance for shop house (Note 13)	10,000	5,000
	<hr/>	<hr/>
	Transactions value for the period 1 April 2022 to 30 September 2022 MMK'000	Balance outstanding as at 30 September 2022 MMK'000
Meter bill paid on behalf of DIL	12,000	14,547

MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS

26. Related party transactions (continued)

(c) Key management personnel and director remuneration

	Transactions value for the period 1 April 2023 to 30 September 2023 MMK'000	Balance outstanding as at 30 September 2023 MMK'000
Remuneration (Note 22)	86,526	—
Director bonus (Note 17 & 22)	40,000	18,000
Honorarium fees (Note 17 & 22)	30,000	7,200
	Transactions value for the period 1 April 2022 to 30 September 2022 MMK'000	Balance outstanding as at 30 September 2022 MMK'000
Remuneration	79,200	—
Honorarium fees	16,000	4,000

(d) Agreement between related parties (Note 26.2)

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.

27. Authorization of financial statements

The financial statements of the Company for the six-month period ended 30 September 2023 were authorized for issue in accordance with a resolution of the Company's Board of Directors on 26 December 2023.