MYANMAR AGRO EXCHANGE PUBLIC COMPANY LIMITED.
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AUDITED FINANCIAL STATEMENTS AND MANAGEMENT DISCUSSION & ANALYSIS

Myanmar Agro Exchange Public Company Limited (the "Company") has demonstrated substantial growth and resilience in the fiscal year ending March 31, 2025. Despite challenging market conditions, the Company has managed to significantly increase its revenue, enhance its asset base, and maintain robust financial health.

The Board of Directors of Myanmar Agro Exchange Public Company Limited ("MAEX") wishes to announce the release of the Company's audited financial statements and Management Disclosure and Analysis ("MD&A") for the year ended 31st March 2025 ("FY2024-2025"). All currency amounts in the MD&A are express in Myanmar Kyats (MMK) unless otherwise specified.

The current reported fiscal year 2024-2025 is the twelve months period from 1st April 2024 to 31st March 2025 ("FY2024-2025). The preceding year also covered the twelve months period from 1st April 2023 to 31st March 2024 ("FY2023-2024").

The financial statements are prepared in accordance with Myanmar Financial Reporting Standards (MFRS) and audited by the Independent Auditor, Win Thin and Associates.

Board of Directors approved this document on 24th June 2025. The discussion and analysis are provided below:

KEY HIGHLIGHTS

Summary of the Statements of Comprehensive Income

	FY2024-2025* **(12 months)** **MMK'000**	FY2023-2024** (12 months) MMK'000	% Change
Revenue – net	**26,693,809**	24,395,753	9.4%
Cost of sales	**(13,082,446)**	(12,020,684)	8.8%
Gross profit	**13,611,363**	12,375,069	10.0%
Other income	**275,407**	261,675	5.2%
Expenses			
- General and administrative	**(3,190,640)**	(2,805,958)	13.7%

- Marketing	**(30,131)**	(125,233)	-75.9%
- Finance charges	**(435,763)**	(475,838)	-8.4%
Profit before Share of profit to YCDC	**10,230,236**	9,229,715	10.8%
Share of profit to YCDC	**(2,559,521)**	(2,309,013)	10.8%
Profit before income tax	**7,670,715**	6,920,702	10.8%
Income tax expense***	**(715,891)**	(1,172,207)	-38.9%
Comprehensive income for the year	**6,954,824**	5,748,495	21.0%
Earnings per share (Kyat)	**292**	241	21.0%
Diluted earnings per share	**292**	245	19.2%

* April 2024 to March 2025

** April 2023 to March 2024

	FY2024-2025 MMK'000	FY2023-2024 MMK'000
*** Income Tax provision for the year	1,353,135	1,214,735
Less: Adjustment in respect of prior year	-	(4,312)
Tax relief from reinvestment	(588,130)	-
Deferred income tax	(49,114)	(38,216)
Net Provision for Income Tax	715,891	1,172,207

The total revenue for the reporting year is 26.693 billion kyats. This is a 9.4% increase from the total revenue of 24.396 billion kyats in the previous year ("FY2023-2024"). This growth was primarily driven by the sales of medium wholesale units and Rental Income from Market Building, which accounted for 56.8% of total revenue. Additionally, income from Fuel Station contributed also accounted for 15.3% of the total revenue.

A breakdown income is set forth below:

	FY2024-2025* (12 months) MMK'000	FY2023-2024** (12 months) MMK'000	% Change
Revenues			
Income from Sales of Shop House	**5,120,582**	13,820,477	-62.9%
Income from Sales of Medium Wholesales	**10,042,136**	5,027,767	99.7%
Income from Fuel Station	**4,071,109**	-	N/A
Market Operating Income			
Rental Income from Market Buildings	**5,133,054**	3,534,844	45.2%
Cars, Trucks & Cycles Entrance	**1,286,063**	1,174,969	9.5%

Revenue from Cold Storage	**83,085**	31,924	160.3%
Other Operation Income	**710,891**	570,318	24.6%
Total Market Operating Income	**7,213,093**	5,312,055	35.8%
Revenue from E Commerce	**246,889**	235,454	4.9%
Total Revenues	**26,693,809**	24,395,753	9.4%

The main revenue during this reporting period was from the sale of Medium Wholesales shops. The sale of Medium Wholesales shops generated 10.04 billion kyats, compared to 5.03 billion Kyats in the previous fiscal year, an increase of 99.7%. In addition, the sale of fuel stations area during this reporting period generated 4.07 billion kyats, which was not available in the previous year. The sale of Shop Houses this year saw (3) units and (4) rooms sold, generating 5.12 billion kyats. In the previous fiscal year, (16) units and (1) room sold, generating 13.82 billion kyats, a decrease of 62.9% this year.

Revenues from the market operating income were 7.21 billion kyats but the previous year ("FY2023-2024") were 5.31 billion kyats. It is 35.8% more than last financial year. This growth is a testament to the company's effective property management and the high demand for market rental spaces.

Gross profit was increased to 13.61 billion Kyats from 12.38 billion Kyats in the prior year, reflecting a 10% increase. The gross profit margin improved slightly, rised from 50.7% to 51%, indicating better operational efficiency and cost control.

The net profit for the year was 6.95 billion Kyats, up from 5.75 billion Kyats in the previous year, marking a 21.0% increase. This impressive growth in net profit can be attributed to the increased revenue, controlled administrative expenses, and effective financial management. The net profit margin also showed considerable improvement, rising from 23.6% to 26.1%.

The summary of financial position of the Company for the year ended 31 March 2025 and previous fiscal year ended 31 March 2024 are compare as follows:

Summarized Statement of Financial Position as at 31st March 2025

	31-Mar-25	31-Mar-24	Change
	MMK'000	MMK'000	%
Assets			
Current assets	**32,359,390**	28,638,238	▲ 13.0%

Non-current assets	**40,541,451**	28,787,520	▲ 40.8%
Total assets	**72,900,841**	57,425,758	▲ 27.0%
Less: Liabilities			
Current liabilities	**33,322,498**	21,999,458	▲ 51.5%
Non-current liabilities	**6,596,800**	4,638,592	▲ 42.2%
Total liabilities	**39,919,298**	26,638,050	▲ 49.9%
Net Assets	**32,981,543**	30,787,708	▲ 7.1%
Equity			
Issued Share Capital	**24,999,130**	24,999,130	N/A
Retained Earnings	**7,982,413**	5,788,578	▲ 37.9%
Total Equity	**32,981,543**	30,787,708	▲ 7.1%

The Company's total assets grew to 72.9 billion Kyats from 57.43 billion Kyats, driven by increases in investment property and equipment, as well as work-in-progress. This growth reflects the Company's strategic investments in properties and expansion projects.

Non-current assets increased to 40.54 billion Kyats from 28.79 billion Kyats, primarily due to additions in investment property and equipment, which included significant investments in market buildings and market development projects.

Current assets surged to 32.36 billion Kyats from 28.64 billion Kyats, mainly due to higher work-in-progress and consumable inventory. Work-in-progress is shop houses and project development properties and consumable inventory is street light to be install on the market roads. The increase in current assets indicates improved liquidity and the ability to meet short-term obligations.

Total liabilities increased to 39.92 billion Kyats from 26.64 billion Kyats, primarily due to new borrowings, higher trade payables and advance received for Shop House sales. The increase in liabilities is aligned with the Company's expansion activities and the need for additional funding to support growth.

Non-current liabilities rose to 6.6 billion kyats from 4.64 billion kyats, reflecting the long-term borrowings taken to finance the Company's development projects.

Current liabilities increased to 33.32 billion kyats from 22.00 billion kyats, due to higher trade payables and advance received for Shop House sales. The increase in current liabilities indicates the Company's active engagement in its projects and the corresponding need for working capital.

Equity rose to 32.98 billion kyats from 30.79 billion kyats, reflecting retained net profit for the reporting period. This increase in equity showcases the Company's ability to generate profits and reinvest them into the business, strengthening its capital base.

The summary of the Company's cash flow statement is as follows:

Summary Cash Flow Statement for the year ended 31st March 2025

	FY 2024-2025	FY 2023-2024
	Apr 2024 - Mar 2025	Apr 2023 - Mar 2024
	MMK'000	MMK'000
Cash flows from operating activities		
Profit before tax	**7,670,715**	6,920,702
Adjustments for items not involving the movement of fund	**1,241,220**	879,289
Operating profit before working capital changes	**8,911,935**	7,799,991
Changes in working capital	**10,655,062**	(2,456,142)
Cash generated from operation	**19,566,997**	5,343,849
Interest received	**132,463**	121,647
Income tax paid	**(710,000)**	(1,450,000)
Net cash provided by operating activities	**18,989,460**	4,015,496
Net cash used in investing activities	**(13,127,614)**	(5,766,441)
Net cash used in financing activities	**(2,769,601)**	1,047,481
Net increase in cash and cash equivalents	**3,092,245**	(703,464)
Cash and cash equivalents at beginning of period	**2,552,432**	3,255,896
Cash and cash equivalents at end of period	**5,644,677**	2,552,432

The net cash provided by operating activities was 18.99 billion kyats, indicating strong operational performance and effective working capital management. The positive cash flow from operations reflects the Company's ability to generate sufficient cash from its core activities to fund its operations and growth.

The Company invested 13.13 billion kyats in investment property, plant, and equipment, demonstrating its commitment to long-term growth and expansion. These investments were primarily directed towards the construction and development of market infrastructure, which is expected to generate future revenue streams. Net cash used in financing activities was 2.77 billion kyat.

Key Financial Ratios

Earnings per Share (EPS)

Basic EPS increased to Kyat 292 from Kyat 241, a 21% rise, and diluted EPS rose to Kyat 292 from Kyat 245, reflecting the strong profit growth. This increase in EPS demonstrates the Company's ability to generate higher earnings per share, enhancing shareholder value.

Return on Equity (ROE): ROE improved to 21.1% from 18.7%, reflecting the Company's ability to generate significant returns on shareholders' equity.

Return on Assets (ROA): ROA slightly decreased to 9.5% from 10.0%, indicating continual improvement in expansion projects. It was completed the investment property and developing assets in process.

Gross Profit Margin: The gross profit margin improved to 51% from 50.7%, indicating better cost management and higher profitability on sales and market operation.

Net Profit Margin: The net profit margin increased to 26.1% from 23.6%, showcasing the Company's enhanced profitability.

Current Ratio: The current ratio slightly decreased to 0.97 from 1.30. But the Company can settle its short-term obligations with its current assets.

Debt to Equity Ratio: The debt to equity ratio stands at 0.20, up from 0.15, reflecting the Company's strategic use of debt to finance its growth. Despite the increase, the ratio remains at a manageable level, indicating prudent financial management.

Quick Ratio: The quick ratio slightly decreased to 0.96 from 1.30, but the Company has maintained sufficient liquid assets to cover its current liabilities, excluding inventories. It was the company received the advance for shop house and medium wholesale unit sales.

Interest Coverage Ratio: The interest coverage ratio was increased to 17.74 from13.61, demonstrating the Company's ability to meet its interest obligations comfortably from its operating earnings.

Operating Cash Flow Ratio: The operating cash flow ratio increased to 0.57 from 0.18, reflecting better cash flow generation from operations relative to current liabilities.

Asset Turnover Ratio: The asset turnover ratio remained not much different to 0.37 from 0.42, indicating the efficiency with which the Company uses its assets to generate revenue.

These ratios highlight the Company's strong liquidity position, efficient asset utilization, and effective cash flow management, underscoring its robust financial health.

Risk Management - Financial Risks

The Company has implemented robust policies to manage financial risks, including foreign exchange, credit, market, and liquidity risks. The focus has been on maintaining sufficient cash balances and ensuring access to financial resources to support business operations. The Company actively monitors these risks and takes appropriate measures to mitigate them.

Forward Outlook

The Company remains optimistic about its future growth prospects. The successful completion of the Danyingone Wholesale Market provides a solid foundation for future expansion. The Company plans to continue its focus on enhancing operational efficiency, expanding its market presence, and delivering value to its shareholders.

Strategic Initiatives

Market Expansion: The Company aims to expand its market footprint by developing new wholesale markets at different area in Myanmar and upgrading existing compound. Some of the process steps start in 2025-2026 financial year. This will enhance the Company's sustainable revenue base and market share.

Technology Integration: The Company plans to integrate advanced technology solutions to improve operational efficiency, enhance customer experience, and streamline processes. Investments in online collection for shop rental, entrance fee, utilities, e-commerce platforms and digital marketing are expected to drive growth in online sales.

Sustainability: The Company is committed to sustainable business practices and plans to incorporate environmental, social, and governance (ESG) principles into its operations. This includes adopting green building practices, promoting energy efficiency, and supporting community development initiatives.

YCDC Involvement and Payment

As part of its commitment to fostering strong relationships with local authorities and contributing to the community's economic development, the Company has a significant arrangement with Yangon City Development Committee (YCDC). Under the agreement, YCDC receives 20% of shop house, 25% of the Company's net profit before tax from rents and sales of the remaining 80% of shop houses and medium wholesale units. For the fiscal year ended March 31, 2025, the Company paid Kyat 2,559.5 million to YCDC, reflecting the Company's robust profitability and its dedication to fulfilling its obligations.

This partnership not only supports the Company's operations but also contributes to the development of local infrastructure and community services, thereby benefiting both the Company and the broader community.

Conclusion

The fiscal year 2024-2025, Myanmar Agro Exchange Public Company Limited achieved significant financial growth, strategic investments and financing activities. The management remains committed to sustaining this momentum and achieving long-term success. The Company's robust financial performance, strategic initiatives, and effective risk management practices position it well for future growth and value creation.

This comprehensive management discussion and analysis provide a transparent view of the Company's financial health and strategic direction, ensuring that shareholders are well-informed about the Company's performance and future prospects. The Company remains dedicated to enhancing shareholder value through prudent financial management, strategic growth initiatives, and a strong commitment to corporate governance.

The active collaboration with YCDC not only underscores the Company's strategic alignment with local government initiatives but also reinforces its role in the socio-economic development of the region. This mutually beneficial partnership highlights the Company’s commitment to sustainable development and community support, fostering a positive impact on both the business environment and the wider community. In addition, business progress is being closely monitored. We are working on a variety of approaches, emphasizing business sustainability, greater resilience and the long-term interests of the Company and its shareholders.

This Management Discussion and Analysis provides a detailed insight into the Company's financial performance, strategic initiatives, and future outlook, ensuring transparency and fostering trust among shareholders and stakeholders.